

**Economic Impacts of the Travel  
Restriction Reform and Export  
Enhancement Act of 2010 on Illinois**  
**CNAS Issue Brief 2010-15**  
March 24, 2010



**Introduction**

This Issue Brief estimates the economic impacts on Illinois of implementing H.R. 4645, the Travel Restriction Reform and Export Enhancement Act of 2010. This analysis is based on a previous report, *Estimated Economic Impacts of the Travel Restriction Reform and Export Enhancement Act of 2010* prepared by the Center for North American Studies. Major findings of that report indicate that in 2009, U.S. exports to Cuba were valued at \$528 million, supported \$1.6 billion in total business activity, and provided 8,600 jobs throughout the U.S. economy. Removal of U.S. travel and financial restrictions to Cuba would add \$365 million/year to U.S. exports, requiring \$1.1 billion in additional business activity and 6,000 new jobs. This Issue Brief examines similar impacts on Illinois.

**Economic Impacts on Illinois**

Implementing H.R. 4645 would increase Illinois agricultural exports to Cuba by \$6.6 million annually (see table). This represents a 15 percent increase in the value of Illinois's 2009 agricultural exports to Cuba of \$42.5 million. In addition, these new exports to Cuba would require \$4.3 million in additional business activity and 47 new jobs. About half of the new jobs (24) are required in sectors that produce goods for export to Cuba. There are 23 jobs attributed to the sectors that provide inputs and services to support exports to Cuba.

Major gains in business activity would occur for grains, the soy complex, other crops, pork, wood products and dairy. Increases in total business activity attributed to additional exports to Cuba would be \$3.3 million for corn and wheat, \$1.3 million for the soy complex, \$761,000 for planting seeds and other crops, \$720,000 for pork and beef, \$295,000 for wood products and \$280,000 for dairy. All other exported products would add about \$315,000 in total business activity.

Important supporting sectors that do not have any exports to Cuba, but that would experience increased business activity include: real estate, \$620,000; financial services, \$410,000; other agriculture, \$407,000; business services, \$390,000; oil, gas and petroleum products, \$357,000 and wholesale trade, \$321,000. All other supporting sectors are estimated to contribute \$1.4 million in total additional business activity to the Illinois economy.

**Summary and Conclusions**

The Illinois economy would receive \$10.9 million in total additional business activity and 47 new jobs by increasing agricultural exports to Cuba. About 65 percent of the gains in business activity are for sectors that produce and export products to Cuba. About 40 percent of these gains in business activity would occur in corn and the soy complex. Gains in employment are evenly split between those sectors that export to Cuba and the non-export sectors that provide inputs or services that support exports to Cuba.

**Estimated Economic Impacts for Illinois of Elimination of U.S. Restrictions  
on Financing Exports and Restrictions on Travel to Cuba  
-Additional Exports and Economic Activity-**

	Exports	Indirect and Induced Activity	Total Business Activity
<b>Exports</b>	<i>-Thousand Dollars-</i>		
Grains ( <i>Corn, Wheat</i> )	\$3,222.5	\$107.0	\$3,329.5
Soy Complex	\$1,169.3	\$140.8	\$1,310.1
Other Crops ( <i>Seeds, Misc</i> )	\$747.7	\$13.2	\$760.9
Pork, Beef and Products	\$629.4	\$90.1	\$719.5
Wood Products ( <i>Lumber</i> )	\$291.8	\$3.6	\$295.4
Dry Milk and Other Dairy	\$256.3	\$23.6	\$279.9
All Other Exports	\$237.8	\$77.5	\$315.3
<b>Supporting Sectors</b>			
Real Estate	N/A	\$619.7	\$619.7
Financial Services	N/A	\$410.4	\$410.4
Other Ag Related	N/A	\$407.4	\$407.4
Business Services	N/A	\$389.5	\$389.5
Oil, Gas and Petroleum Products	N/A	\$357.4	\$357.4
Wholesale Trade	N/A	\$320.7	\$320.7
All Other Sectors	N/A	\$1,353.2	\$1,353.2
<b>Total Estimated Impacts</b>			
Business Activity	\$6,554.8	\$4,314.3	\$10,869.1
Employment (# of Jobs)	24	23	47

Assumptions for increased Illinois exports are based on Illinois shares of U.S. production for respective products and applied to increased exports in Table 2 of *Estimated Economic Impacts of the Travel Restriction Reform and Export Enhancement Act of 2010*, Center for North American Studies, March 11, 2010.

Notes: For supporting sectors, there are no exports resulting in N/A for those exports columns. Indirect activity results from firms purchasing inputs to produce exports and induced activity is created by expenditures of income made by employees of firms in all affected sectors. Total Business Activity is the total of exports, indirect, and induced activities.

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