

**Economic Impacts of the Travel Restriction  
Reform and Export Enhancement  
Act of 2010 on North Carolina**  
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**Introduction**

This Issue Brief estimates the economic impacts on North Carolina 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 North Carolina.

**Economic Impacts on North Carolina**

Implementing H.R. 4645 would increase North Carolina agricultural exports to Cuba by \$8.5 million annually (see table). This represents an increase of 43 percent over North Carolina's 2009 agricultural exports to Cuba of \$19.6 million. In addition, these new exports to Cuba would require \$7.3 million in additional business activity and 94 new jobs. Most of the new jobs (48) are required in sectors that supply inputs or provide some service to produce goods for export to Cuba. There are 46 jobs attributed to the sectors that actually produce the goods that are exported to Cuba.

Major gains in business activity would occur for poultry meat, wood products, pork, cotton and grains. Increases in total business activity attributed to additional exports to Cuba would be \$3.9 million for poultry meat, \$1.2 million for wood products, \$1.2 million for pork and beef, \$900,000 for wheat and corn, \$881,000 for cotton, \$445,000 for planting seeds and fruit, and \$298,000 for fish. All other exported products would add about \$589,000 in total business activity.

Important supporting sectors that do not have any exports to Cuba, but that would experience increased business activity include: other agriculture, \$1.9 million; real estate, \$602,000; business services, \$675,000; financial services, \$468,000; wholesale trade, \$465,000; and health care, \$318,000. All other supporting sectors are estimated to contribute \$2.0 million in total additional business activity to the North Carolina economy.

**Summary and Conclusions**

The North Carolina economy would receive \$15.8 million in total additional business activity and 94 new jobs by increasing agricultural exports to Cuba. The majority of gains in business activity would be for sectors that produce and export products to Cuba, such as poultry meats, wood products, pork and beef, and cotton. Employment gains are about evenly split between supporting sectors that provide inputs and services and those sectors that actually experience increased exports to Cuba.

**Estimated Economic Impacts for North Carolina 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>		
Poultry Meats	\$3,499.5	\$365.1	\$3,864.6
Wood Products ( <i>Lumber</i> )	\$1,149.9	\$65.5	\$1,215.4
Pork and Products	\$1,084.9	\$142.4	\$1,227.3
Cotton	\$872.7	\$8.4	\$881.1
Grains ( <i>Wheat, Corn</i> )	\$871.8	\$28.0	\$899.8
Other Crops ( <i>Seeds, Fruit</i> )	\$428.8	\$16.3	\$444.5
Fish Products	\$296.7	\$0.9	\$297.6
All Other Exports	\$296.1	\$293.2	\$589.3
<b>Supporting Sectors</b>			
Other Ag Related	N/A	\$1,873.7	\$1,873.7
Real Estate	N/A	\$601.7	\$601.7
Business Services	N/A	\$674.8	\$674.8
Financial Services	N/A	\$468.4	\$468.4
Wholesale Trade	N/A	\$464.9	\$464.9
Health Care	N/A	\$317.7	\$317.7
All Other Sectors	N/A	\$2,014.5	\$2,014.5
<b>Total Estimated Impacts</b>			
Business Activity	\$8,500.4	\$7,334.8	\$15,835.2
Employment (# of Jobs)	46	48	94

Assumptions for increased North Carolina exports are based on North Carolina 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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