

Economic Impacts of the Travel Restriction Reform and Export Enhancement Act of 2010 on Oklahoma

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Introduction

This Issue Brief estimates the economic impacts on Oklahoma 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 Oklahoma.

Economic Impacts on Oklahoma

Implementing H.R. 4645 would increase Oklahoma's agricultural exports to Cuba by \$4.1 million annually (see table). This represents a 45 percent increase over Oklahoma's 2009 agricultural exports to Cuba of \$9.2 million. In addition, these new exports to Cuba would require \$1.9 million in additional business activity and 68 new jobs. Most of the new jobs (52) are required in sectors that export goods to Cuba. There are 16 jobs attributed to the sectors that provide inputs and services to support additional exports to Cuba.

Major gains in business activity would occur for grains, poultry, beef and cotton. Increases in total business activity attributed to additional exports to Cuba would be \$2.2 million for wheat, \$690,000 for poultry meats, \$544,000 for beef and pork, \$311,000 for cotton, \$192,000 for other crops such as planting seeds, and \$90,000 for wood products. All other exported products would add about \$488,000 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, \$190,000; oil, gas and petroleum products, \$185,000; financial services, \$157,000; other agriculture, \$151,000; business services, \$142,000; and wholesale trade, \$125,000. All other supporting sectors are estimated to contribute \$566,000 in total additional business activity to the Oklahoma economy.

Summary and Conclusions

The Oklahoma economy would receive \$6.0 million in total additional business activity and 68 new jobs by increasing agricultural exports to Cuba. The majority of gains in business activity and employment would be for sectors that produce and export products to Cuba, such as wheat, poultry, beef and cotton. The gains in employment that would occur in sectors that provide inputs and services to support exports to Cuba are smaller.

**Estimated Economic Impacts for Oklahoma 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
Exports	<i>-Thousand Dollars-</i>		
Grains (<i>Wheat</i>)	\$2,148.2	\$11.7	\$2,159.9
Poultry Meats	\$658.2	\$41.3	\$689.5
Beef, Pork and Products	\$522.1	\$21.7	\$543.8
Cotton	\$302.9	\$8.3	\$311.2
Other Crops (<i>Seeds, Misc.</i>)	\$185.4	\$6.6	\$192.0
Wood Products (<i>Lumber</i>)	\$87.1	\$2.6	\$89.7
All Other Exports	\$231.6	\$256.8	\$488.4
Supporting Sectors			
Real Estate	N/A	\$190.3	\$190.3
Oil, Gas and Petroleum Products	N/A	\$185.4	\$185.4
Financial Services	N/A	\$156.6	\$156.6
Other Ag Related	N/A	\$151.2	\$151.2
Business Services	N/A	\$141.8	\$141.8
Wholesale Trade	N/A	\$125.0	\$125.0
All Other Sectors	N/A	\$565.7	\$565.7
Total Estimated Impacts			
Business Activity	\$4,135.5	\$1,855.1	\$5,990.6
Employment (# of Jobs)	52	16	68

Assumptions for increased Oklahoma exports are based on Oklahoma 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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