

**Economic Impacts of the Travel
Restriction Reform and Export
Enhancement Act of 2010 on Virginia**
CNAS Issue Brief 2010-17
March 24, 2010



Introduction

This Issue Brief estimates the economic impacts on Virginia 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 Virginia.

Economic Impacts on Virginia

Implementing H.R. 4645 would increase Virginia agricultural exports to Cuba by \$3.2 million annually (see table). This represents a 50 percent increase in the value of Virginia's 2009 agricultural exports to Cuba of \$6.3 million. In addition, these new exports to Cuba would require \$2.1 million in additional business activity and 51 new jobs. About three-fourths of the new jobs (37) are required in sectors that produce goods for export to Cuba. There are 14 jobs attributed to the sectors that provide inputs and services to support exports to Cuba.

Major gains in business activity would occur for poultry, wood products, grains and fish. Increases in total business activity attributed to additional exports to Cuba would be \$954,000 for poultry meat, \$851,000 for lumber, \$512,000 for wheat and corn, \$498,000 for fish, \$165,000 for seeds and fruit, and \$132,000 for cotton. All other exported products would add about \$276,000 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, \$436,000; real estate, \$224,000; business services, \$222,000; wholesale trade, \$145,000; financial services, \$127,000; and health care, \$92,000. All other supporting sectors are estimated to contribute \$662,000 in total additional business activity to the Virginia economy.

Summary and Conclusions

The Virginia economy would receive \$5.3 million in total additional business activity and 51 new jobs by increasing agricultural exports to Cuba. Slightly more than half of the gains in business activity are associated with exports to Cuba of poultry meat, wood, wheat, corn and fish. Non-export sectors also experience important gains in business activity related to other agriculture production, real estate, services and wholesale trade activities. Most of the gains in employment occur in the sectors that produce and export products to Cuba.

**Estimated Economic Impacts for Virginia 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>		
Poultry Meats	\$910.0	\$44.1	\$954.1
Wood Products (<i>Lumber</i>)	\$806.9	\$43.8	\$850.7
Grains (<i>Wheat, Corn</i>)	\$504.5	\$7.7	\$512.2
Fish Products	\$498.2	\$0.2	\$498.4
Other Crops (<i>Seeds, Fruit, Misc</i>)	\$152.2	\$12.3	\$164.5
Cotton	\$131.2	\$2.0	\$132.2
All Other Exports	\$216.8	\$59.0	\$275.8
Supporting Sectors			
Other Ag Related	N/A	\$436.3	\$436.3
Real Estate	N/A	\$224.2	\$224.2
Business Services	N/A	\$222.3	\$222.3
Wholesale Trade	N/A	\$144.5	\$144.5
Financial Services	N/A	\$127.3	\$127.3
Health Care	N/A	\$92.0	\$92.0
All Other Sectors	N/A	\$661.7	\$661.7
Total Estimated Impacts			
Business Activity	\$3,219.8	\$2,075.3	\$5,295.1
Employment (# of Jobs)	37	14	51

Assumptions for increased Virginia exports are based on Virginia 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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