

HB 13-1193



Colorado Advanced Industries Export Accelerator Act

Representatives Kraft-Tharp and McLachlan & Senators Jahn and Roberts

What is the Advanced Industries Export Accelerator Program?

Within the next five years, 95% of the world's consumers and 87% of the world's economic growth will take place outside of the United States.¹ This poses an incredible opportunity for Colorado businesses to start exporting their goods and services or to expand their exporting into new international markets. When Colorado expands its exports, businesses increase their productivity and generate more high-paying jobs.

Colorado's small and medium-sized businesses often face hurdles including lack of readily available information about exporting and international market research, challenges obtaining export financing, strong competition from international companies and obstacles placed by international governments. The Office of Economic Development and International Trade (OEDIT) is creating the Colorado Advanced Industries Export Accelerator Act to help businesses in the advanced industries clear these hurdles by providing a robust and comprehensive international export development program to Colorado businesses that are new to exporting or expanding into new international markets.

What Will the Advanced Industries Export Accelerator Program Do?

The Export Accelerator Program is a tool for small and medium-size businesses in the advanced industries that do not have the resources needed to engage in international export development. This program will offer financial resources, training and consulting services to these businesses for a comprehensive international export development program.

The program will have three components:

1. International Export Expense Reimbursement – provide expense reimbursements to businesses that are new to exporting or expanding into new export markets, helping them to grow and accelerate their businesses.
2. Export Training - provide export training sessions for businesses to learn the fundamentals of exporting and entering international markets.
3. Global Network Consultation – provide a network of consultants located in key international markets to provide valuable in-country market research specific to industry needs and individual business needs.

How Will Export Promotion Help Colorado's Economy?

Exports are critical to Colorado's prosperity, fueling economic growth, supporting good jobs at home, bringing new money and capital into the local economy, and driving competitiveness, productivity and innovation. According to the U.S. Department of Commerce, one job is created for every \$165,000 in exports; that equates to approximately **50,900 jobs created in Colorado**.² If you add service export projections to that number, another estimated **56,000 jobs** are tied to exporting. In addition, Colorado exported over \$7.9 billion to 234 countries in 2012 and Colorado's manufactured exports and commodities are projected to be \$8.4 billion in sales in 2013, an 8% increase.³

¹ International Monetary Fund, 2012

² US Dept of Commerce and WiserTrade

³ Colorado Business Economic Outlook 2013, CU Leeds School of Business-Business Research Division

OEDIT International Export Development Programs

Current international export development programs at OEDIT produce positive return on investments. For every dollar the state spends on export promotion efforts, Colorado exporters generate approximately \$89 in reported export sales. Specifically, OEDIT's Export Development Grant program produces \$66 in sales for every \$1 spent, and the Colorado Export of Innovative and Sustainable Technologies Program (CO-EXist) maintains a higher return on investment at \$250 for every \$1 spent.⁴

Advanced Industries Export Accelerator Act Details

International Export Expense Reimbursement

- OEDIT will provide reimbursements to businesses that are new to exporting or expanding into new international markets up to \$15,000 with a 1:1 match for specific international export development needs.
- Events and activities that are eligible and may qualify include obtaining international certifications, attending international trade shows, designing and producing international market marketing materials, and following export compliance audits.
- Designed to provide flexibility and encourage innovative use of funds to meet the specific international export development needs of Colorado businesses in the advanced industries.

Export Training

- OEDIT will provide export training and acceleration sessions for businesses to learn the fundamentals of exporting and international marketing in the advanced industries.
- OEDIT will partner with other experts in organizations, such as the Export-Import Bank and Small Business Administration, to develop the infrastructure and curriculum to help those businesses in the advanced industries that want to enter international markets.

Global Network Consultation

- OEDIT will build a network of consultants located in key international markets to provide valuable in-country market research specific to industry needs and individual business needs.
- The consultants will gain and share local knowledge of international markets, match potential distributors with customers, realize competitive advantages, understand country regulations and processes, and offer translation services.

Why Focus on Advanced Industries?

Advanced industries are a prime driver of the U.S. and Colorado economy, comprised of technology and R&D-intensive companies that deliver products and services in industries ranging from aerospace and medical devices to industrial and energy equipment. Advanced industries transform lives—from launching unmanned space flights and finding new ways to generate electricity to developing life-saving new medical treatment and equipment. They are groundbreaking, technology-based industries that share common workforce skills in science, technology, engineering and mathematics (STEM), as well as manufacturing.

The economic impact of these industries is significant, accounting for 30% of the state's economy, 520,300⁵ high-paying jobs, and hundreds of thousands of secondary jobs. Colorado is home to seven advanced industries: Aerospace, Advanced Manufacturing, Bioscience, Electronics, Energy & Natural Resources, Technology & Information and Infrastructure Engineering.

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⁴ Based on international sales for businesses per state dollar received

⁵ Economic Modeling Specialist International, 2012