Sister Cities Program Begins to Focus On International Trade Development

A Baltimore company would sell engines in China to be used by a Chinese factory for the manufacture of excavating equipment and forklift machines. The Chinese and a Baltimore trading company would agree to jointly promote the sale and export of the equipment to the United States and other countries.

What gave birth to this joint venture?

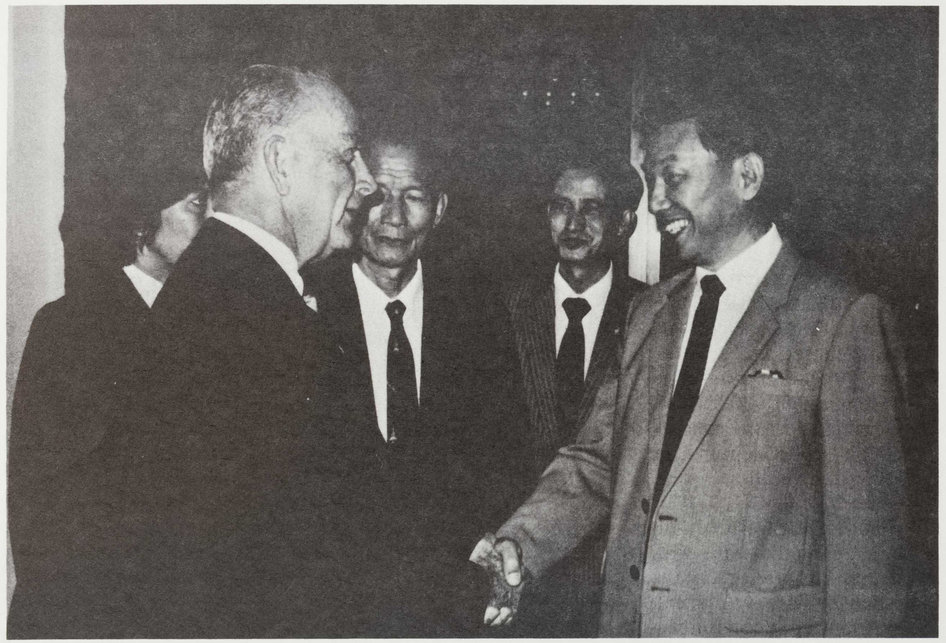
Answer: The Sister Cities program of Baltimore and Xiamen, China, by bringing the Xiamen Construction and Development Corporation into contact with two Baltimore firms—the Curtis Engine and Equipment Co. and the Atlantic Trading Company.

This activity is just one example of a quiet but growing focus on international trade development of the 800 U.S. cities involved in the Sister Cities International program with more than 1,200 cities in 87 countries. Sister Cities International, principal program of the Town Affiliation Association, a non-profit organization, is dedicated to furthering global understanding by encouraging and assisting sister city relationships between U.S. communities and cities throughout the world. The Sister City program as a national concept was launched at the White House in 1956 when President Eisenhower called for massive exchanges between Americans and the peoples of other lands.

In past years, sister city affiliations emphasized cultural matters. Now, increasingly, participants are interested in economic exchanges that will bring practical benefits.

The activity of U.S. cities in world trade is not receiving the attention it deserves, Sister Cities International concludes in a summary of a recent survey of its members (see box on p. 9 for results of survey). The summary says, "The current national debate over U.S. international trade policy continues to focus on statistics published by the U.S. Department of Commerce, however little attention has been paid to the changing economic landscape of U.S. cities. As the federal government continues to debate issues ranging from tariffs and protectionism to free trade agreements, many of America's cities are developing and implementing international trade development programs on their own. How successful cities are in these programs will ultimately impact upon U.S. international trade policy."

Baltimore considers exchanges in the business area to be one of the most promising parts of its ambitious Sister Cities program, which includes relationships with nine cities (besides Xiamen, Rotterdam; Kawasaki, Japan; Genoa, Italy; Luxor, Egypt; Cadiz, Spain; Odessa, Soviet Union; Gbarna, Liberia; and Piraeus, Greece). Baltimore has hosted chamber of commerce delegations from Rotterdam and Kawasaki, and local business officials have traveled to Rotterdam, Kawasaki, Genoa, and Xiamen with sister city delegations.



Maryland Governor William Donald Schaefer, formerly mayor of Baltimore, shakes hands with Mayor Zhou Erjun of Xiamen, China, Baltimore's sister city.

Xiamen is taking its relationship with Baltimore so seriously that it has stationed a full-time economic development representative—You Zhengshen—in Baltimore.

Rotterdam is sending a "business matching delegation," headed by the president of the city's chamber of commerce, to Baltimore April 10-14 to promote business relationships, among other things.

Specific relationships between area businesses and those in Baltimore's sister cities are being developed in cooperation with the Baltimore Economic Development Corporation (BEDCO), the Port of Baltimore, the Maryland Office of International Trade, the Greater Baltimore Committee, the Baltimore District Office of the U.S. Department of Commerce (ITA), the Baltimore Field Office of the Small Business Administration, and the Maryland Department of Economics and Employment Development.

A number of other U.S. cities also are using their sister city relationships to build economic and trade ties that are mutually beneficial.

Portland, Ore. Portland linked with Sapporo, Japan in 1959. A trade relationship of several hundreds of millions of dollars annually has developed over the years. The Portland Dock Commission points to the heavy annual export of Oregon wood chips and forage grass seeds to customers in Hokkaido Prefecture in which Sapporo is located and notes: "... it is safe to say that because of the Sister City program other business has been generated with Japan as a whole, and the exposure by Portland's business community to Japan as a potential customer and supplier has been broadened as a direct by-product of the affiliation."

Maureen Yandle Sanchez, city hall coordinator for the Portland Sister City program, reports the interest in Sapporo was so strong that a permanent space was set aside for Portland in Sapporo's exhibition hall, which opened in 1984.

Last June's Sapporo Trade Fair attracted more than 350,000 persons during a 10-day period. Twelve Portland manufacturers participated: SITCO (table tennis

Sister Cities International, a national nonprofit organization, asked the 800 U.S. cities that participate in its program about their activities and attitudes on international trade development.

The survey divided the cities into four population categories: Small—less than 50,000; Medium—50,000 to 100,000; Large—100,000 to 300,000; and Major—more than 300,000.

The answers to key questions by the 200 cities that responded to the survey:

- What percent of your labor force is employed by countries doing business overseas? In each category, the percentage is an average for all respondents. Small, 11 percent; Medium, 16 percent; Large, 13.5 percent; and Major, 21.2 percent.
- What percentage of your labor force is employed in companies that are either wholly owned subsidiaries of foreign firms or joint ventures with American firms? In each category, the percentage is an average for all respondents. Small, 7.3 percent; Medium, 5 percent; Large, 3.6 percent; and Major, 4.7 percent.
- Does your city have an economic development/international trade office? Small, 62 percent; Medium, 72 percent; Large, 89 percent; and Major, 100 percent.
- Do you feel that international trade/investment is important to your community now? Will it be important in the year 2000? YES (with year 2000 answer in parentheses)—Small, 51 percent (86 percent); Medium, 54 percent (92 percent); Large, 56 percent (84 percent); and Major, 90 percent (100 percent).
- Does your city lack the expertise to pursue internationalization? YES—Small, 76 percent; Medium, 60 percent; Large, 64 percent; and Major, 22 percent.
- Is international business development an integral part of your economic development plan? YES—Small, 35 percent; Medium, 71 percent; Large, 59 percent; and Major, 88 percent.
- Do you encourage local businesses to seek foreign markets as a means of bolstering local employment? YES—Small, 52 percent; Medium, 86 percent; Large, 68 percent; and Major, 94 percent.
- Do foreign firms from your sister city have direct investments in your city? YES—Small, 2 percent; Medium, 9 percent; Large, 8 percent; and Major, 35 percent.
- Is your mayor active in developing business/trade relationships with sister cities? YES—Small, 43 percent; Medium, 64 percent; Large, 48 percent; and Major, 65 percent.
- What businesses do you consider essential for the conduct of international trade? Freight forwarders ... free trade zone recognized by U.S. Customs ... financial institutions with international departments ... commercial translating services ... and international legal services. (Even so, the survey indicated that these services did NOT have a significant impact on a city's ability to conduct international trade and investment. Small and Medium cities displaying high levels of international activity often did not have the services available within their city limits, although many were located near major cities where the services were available.)