

BUSINESS OREGON 2025-27 Agency Budget

Transportation and Economic Development Subcommittee of Ways and Means
Phase II Budget Presentation

April 22, 2025



GLOBAL TRADE AND INVESTMENTS

COLIN SEARS, GLOBAL TRADE AND INVESTMENT MANAGER

Business Oregon: Global Trade & Investment Overview

Business Oregon has 5 full-time staff dedicated to global trade and inbound investment (in addition to 1 manager and 1 administrative staff)

3 Global Trade Specialists work with Oregon's traded sector companies to support sales of goods and services internationally

2 Business Recruitment Officers work directly with companies and site selectors to bring job creation projects to Oregon (50% domestic and 50% international focus)



Business Oregon also organizes outbound international trade missions

Export Assistance Programs

Business Oregon manages two export assistance programs – both provide matching grants to companies with their international marketing efforts

State Trade Expansion Program (STEP) – 75% federally funded with 25% state match. Competitive application process.

2025-27 funding TBD, September 2024 award was \$425K

Oregon Trade Promotion Program (OTPP) – fully funded within agency budget under the Industry Competitiveness Fund.

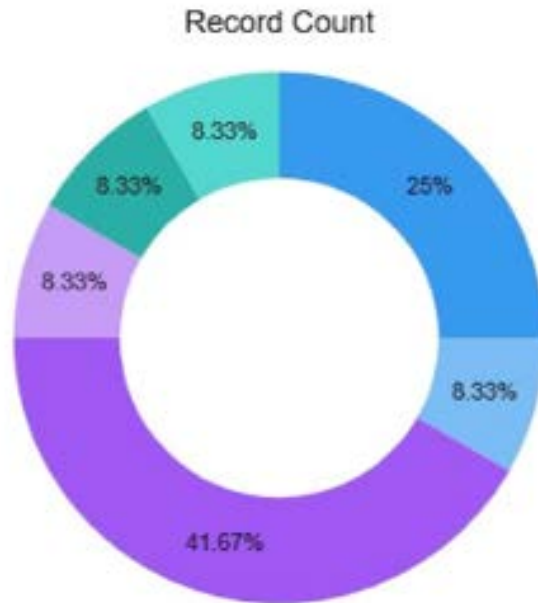
2025-27 funding TBD, \$300K was dedicated for 2023-25

Export Promotion Highlights: July '23-Dec '24

	State Trade Expansion Program (STEP) - federally funded	Oregon Trade Promotion Program (OTPP)
Companies assisted with grants	61	36
Export Sales (actual)	\$4,630,315.00	\$122,490.00
Export sales (estimated)	\$28,212,215.00	\$575,990.00
Average ROI/Company	2,148%	167%

Our Programs Assist Exporters Wherever Opportunities Exist

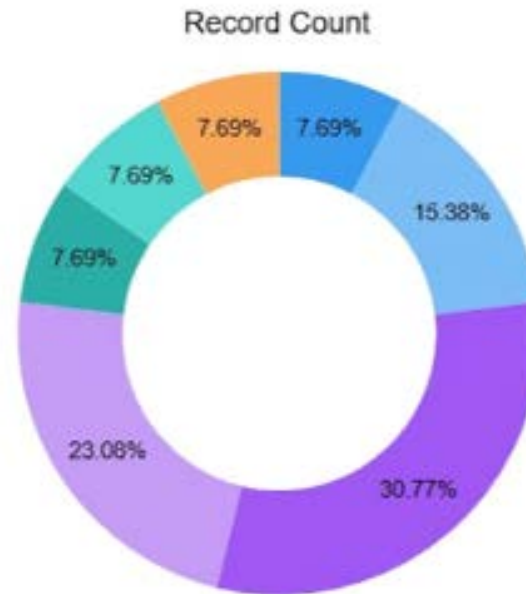
Export Grants by Country (STEP)



Event Country

Australia ●
France ●
Germany ●
India ●
Indonesia ●
Poland ●

Export Grants by Country (OTPP)



Event Country

Canada ●
France ●
Germany ●
Japan ●
Mexico ●
Spain ●
United Kingdom ●

International Trade & Export

A recently completed evaluation of Oregon's Top 40 markets for both trade and foreign direct investment recommends:

- Limited resources should focus on priority markets
- Dedicated trade and FDI markets will help to achieve KPM goals (Export Sales and Job Creation)
- Increasing importance of Europe as FDI source market for both the U.S. and Oregon
- Oregon trade missions should focus on markets with both strong export and FDI opportunities

POP 107: \$400K
Ongoing Lottery Funds

Funding allows expanded foreign contractors to support both trade and foreign direct investment (FDI) in target markets

Top Export Targets:

1. Canada
2. Mexico
3. Japan
4. Australia
5. South Korea
6. Germany
7. Taiwan
8. United Kingdom
9. France
10. Singapore

Top FDI Targets:

1. Germany
2. United Kingdom
3. Japan
4. Canada
5. Australia
6. South Korea

Foreign Representatives

- Business Oregon has foreign representatives under contracts in two markets and plans to bring a European contractor on board in Q3 2025.
- Japan: We entered into a contract this month with Intralink for foreign direct investment lead generation and export promotion services.
- Canada: We are currently under contract with CIDEP for export promotion services with contract expiring in June.

POP 107

- Would provide an additional \$400K to agency budget for foreign contractors.
- This would bring total budget for this line item back to 2021-23 levels (\$800K per biennium).
- Would allow for agency to have continued representation in both Japan and Europe.
- Would allow for widespread export promotion support services by global regions.

Tariffs

- Oregon imported \$28.2 billion in goods from foreign nations in 2024.
- The U.S. set a flat 10% tariff applied to imports from all countries with the exception of China (145%), Mexico (25%), and Canada (25%).
- Applying the current (not “paused”) import taxes retroactively to 2024 Oregon imports would result in new federal taxes for Oregon importers on goods coming into Oregon of \$7.1 billion annually.
- The administration paused additional tariffs until July 8, 2025. These additional tariffs would result in a total tax of \$10.1 billion
- Japanese goods accounted for the highest value imports coming into Oregon in 2024 at roughly \$4.75 billion in goods, followed by Taiwan (\$4.5 billion), Canada (\$3.8 billion), China (\$2.7 billion), and South Korea (\$1.6 billion).
- Although China is only ranked 4th for imports into Oregon, it will account for the largest share of new import taxes due to a 145% tariff on Chinese imports.

Tariffs

By Country/Country Group

	2024 Import Value into Oregon	New Import Tax	New Import Tax at 2024 Trade Levels
Oregon Total Subject to Current Import Taxes	\$28,231,764,118	25%	\$7,134,988,401
Oregon Total Subject to New Import Taxes (Effective July 8, 2025)	\$28,231,764,118	36%	\$10,085,032,555
China*	\$2,680,376,446	145%	\$3,350,470,558
Taiwan	\$4,504,056,094	32%	\$1,441,297,950
Japan	\$4,749,822,257	24%	\$1,139,957,342
Canada*	\$3,826,893,091	25%	\$948,000,000
S. Korea	\$1,624,287,898	25%	\$406,071,975
Vietnam	\$575,067,688	46%	\$264,531,136
Malaysia	\$904,970,221	24%	\$217,192,853
Israel	\$1,261,113,641	17%	\$214,389,319
Mexico*	\$840,069,040	25%	\$212,000,000
Germany	\$1,006,051,506	20%	\$201,210,301
Thailand	\$557,738,033	36%	\$200,785,692
Ireland	\$765,021,900	20%	\$153,004,380

Additional Tariffs

	Scope	Duty Rate	Effective Date	Authority	Notes
Steel and Aluminum	All steel and aluminum products that are not “melted and poured” in the U.S.; including derivatives and downstream goods	25%	3/12/2025	Section 232	No exemptions/exclusions. The 200% rate for Russian aluminum remains in place.
Autos	Imported passenger vehicles, light trucks, and some auto parts.	25%	4/2/2025	TBD	For imported cars protected by the United States-Mexico-Canada Agreement, only the foreign parts that make up the vehicle will be subject to the tariff.

Agency Tariff Response

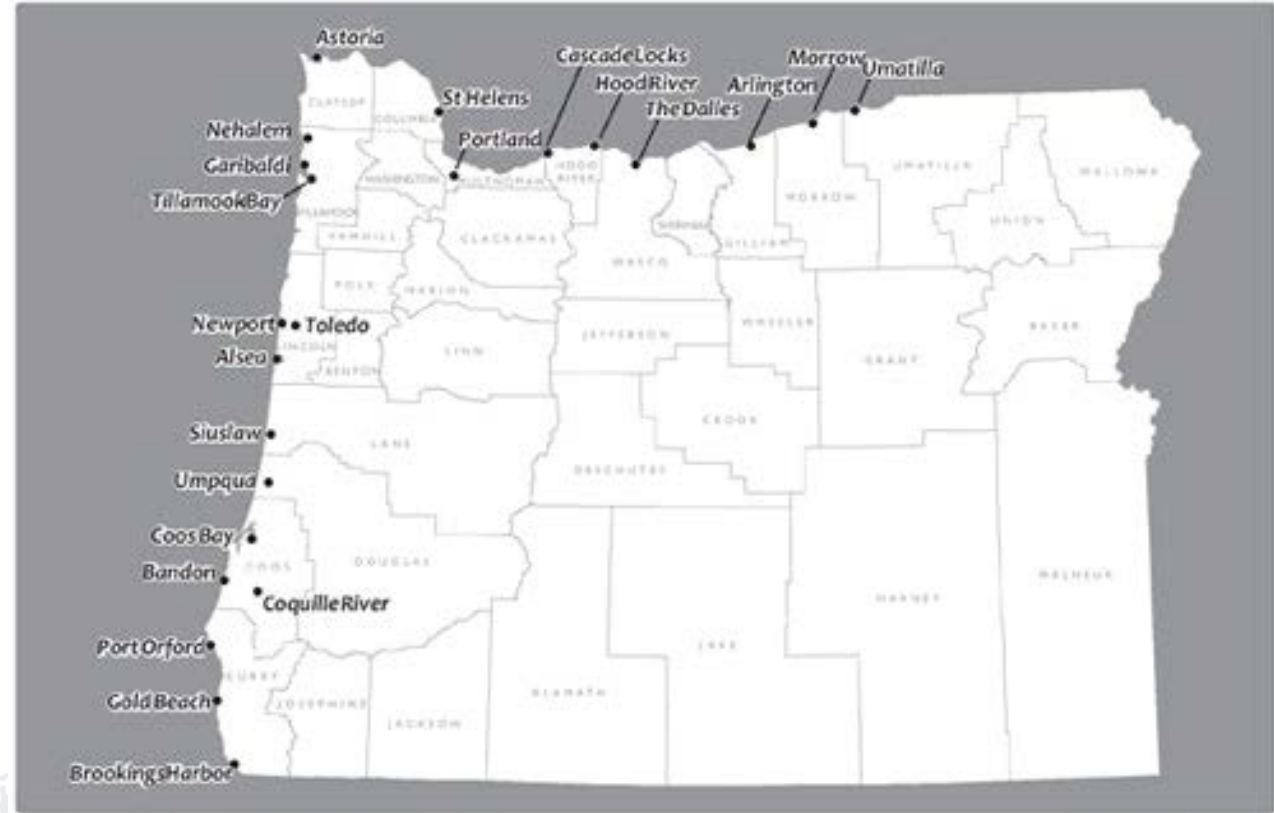
- Export assistance – increased matching grant amounts and percentages for export promotion program
- Survey for businesses to share insights on tariff impacts launched April 16th
- New grant program launched April 17th – the Oregon Tariff Response Assistance grant
 - This grant provides financial assistance for businesses to contract with technical assistance providers for services to help navigate tariff impacts

PORTS OVERVIEW AND STATE DREDGING

CHRIS CUMMINGS, DEPUTY DIRECTOR

Oregon's 23 Public Ports

- 23 Oregon ports formed by local action, beginning with the Port of Portland in 1891
- By statute, considered Economic Development Entities
- Special Districts: Elected Port Commission
- Dual Mission: Publicly managed/private business model
- Economic Drivers: Gateway to Freight Network, Fish Landings, Industrial Lands, Working Waterfronts, Recreation



Primary Business Lines of Ports in Oregon

- Commercial and recreational fisheries
 - Marinas, boatyards, fish processing
- Shipping and logistics
- Property management and industrial lands
- Airports
- Industrial parks
- Railroad ownership and operation
- Interstate toll bridges
- Recreational development
 - Marinas, RV parks, boat launches, parks
- Power Generation
- Distribution and intermodal facilities

Industries:

- Containers
- Ro/Ro
- Tech Industry
- Apparel
- Agricultural Products
- Forest Product Industry
- Aggregates and Minerals
- Food Products

Infrastructure Investment Needs

Table 3: Top Ten Port Needs Ranked by Percentage of Ports Indicating Significant or Highest Need

Rank	Need	No Need	Lowest/ Moderate Need	Significant/ Highest Need	n
1	Planned Capital Improvements	10%	10%	80%	20
2	New Buildings/Facilities	6%	17%	78%	18
3	Wastewater	0%	25%	75%	16
4	Dredging	11%	17%	72%	18
5	Workforce Housing	11%	17%	72%	18
6	Deferred Maintenance	5%	26%	68%	19
7	Permitting	6%	28%	67%	18
8	Marinas	0%	33%	67%	15
9	State Advocacy	0%	33%	67%	18
10	Project Management	6%	28%	67%	18

Note: Needs ranked by percentage of ports indicating significant/highest need. Dredging and Permitting had multiple options on the survey and are combined.

n = number of respondents

Business Oregon assist with financing needs through several programs, including infrastructure and business finance programs

Keeping existing infrastructure functional is a significant challenge, let alone new development

Ports and Marine Programs

- **Oregon Port Revolving Loan Fund:** Provides loan funding to assist ports in the planning and construction of facilities and infrastructure.

POP 119 - \$10,000,000 Lottery Bonds proceeds plus cost of issuance and debt service

- **Port Planning and Marketing Fund:** Provides grants for strategic business planning as well as other planning and marketing projects that improve the port's ability to carry out its authorized functions.



- **Marine Navigation Fund:** Provides grants and loans that fund either a federally authorized project that needs matching funds; or a non-federally authorized project that directly supports or accesses an authorized navigation improvement project.

POP 120 - \$1,000,000 Lottery Funds

Other Port Program Activity

- Staff Connect Oregon Marine Project Review Committee
- Federal advocacy
 - Our DC representatives
 - Pacific Northwest Waterways Association (PNWA)
- Oregon Freight Advisory Committee (OFAC)
 - Need for a Marine Transportation Modal Plan



Lower Columbia Dredging

- Funding to support costs associated with the Lower Columbia River Channel Management Plan (LCR CMP).
 - A plan to provide maintenance of federal navigation channel for 20 years
 - Federal government covers 75% of capital expenses to maintain channel
 - The remaining 25% of costs are shared between five sponsor ports: four in Washington, and the Port of Portland as Oregon's only sponsor port
 - Funding is needed in 2026 toward Oregon's share

POP 101:

\$15.16M

One-time Lottery Bonds
and Other Funds



Port Capital Improvement

- HB 3050 directs Business Oregon to develop a program to provide financial assistance in the form of grants, loans, and forgivable loans to Oregon port districts that handle cargo containers used to transport goods.
- In the near term, HB 3050 will allow the Department to address known capital needs at the Port of Portland's Terminal 6 (T6) prioritized in the Governor's budget.
- Over the longer term, the bill will allow the Department to support other ports providing active container service, including the planned Pacific Coast Intermodal Port Project at the Port of Coos Bay and smaller ports providing container service along the Columbia River.

POP 102:

\$20.2M

One-time Lottery Bonds
and Other Funds



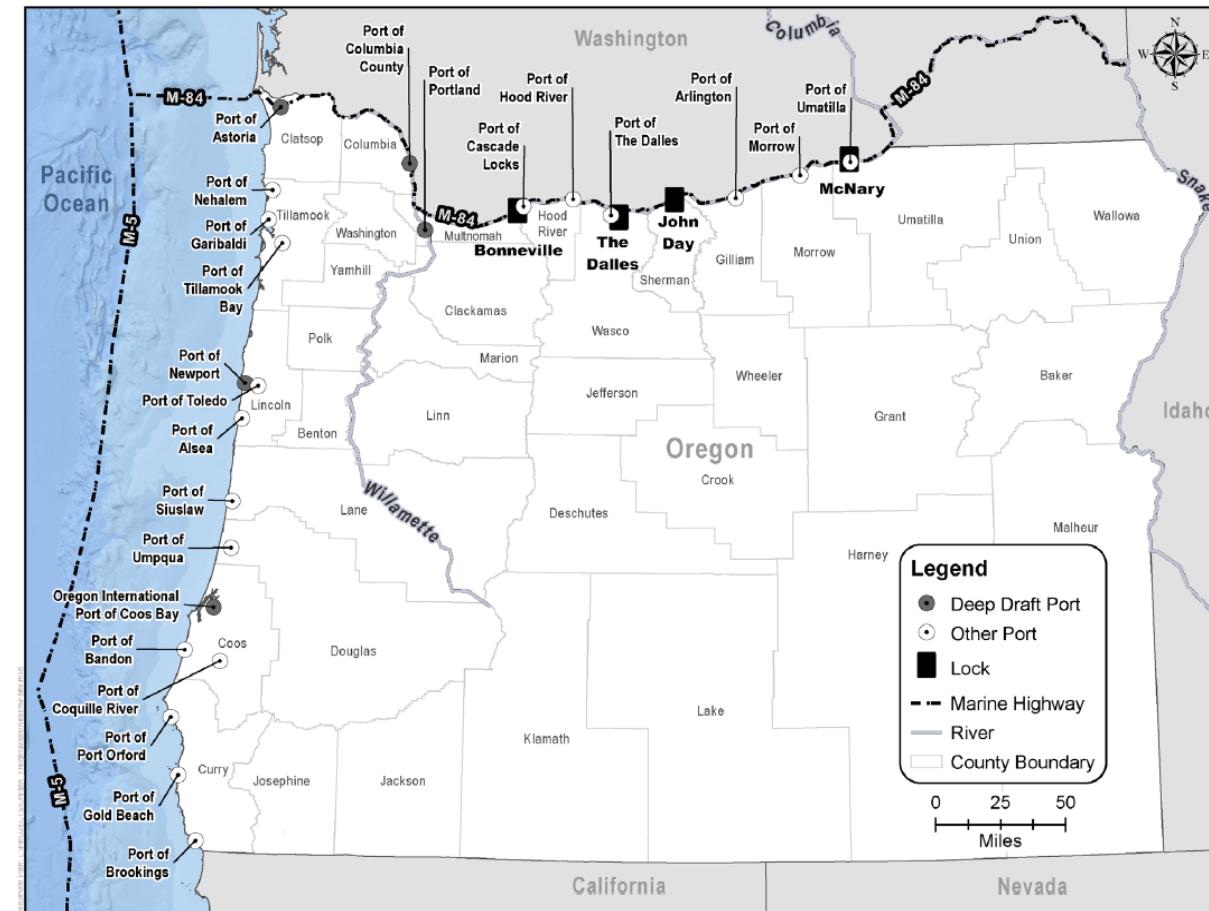
Marine Highways

The U.S. Department of Transportation's Marine Administration has designated two major Oregon marine corridors.

The Columbia and Willamette River corridor was named M-84 and the Pacific Coast route was named M-5.

Marine highways are eligible for federal funding for improvements and are selected because they have potential to relieve congested truck and rail corridors.

Figure 4.2 Oregon Ports, Locks, and Marine Highways

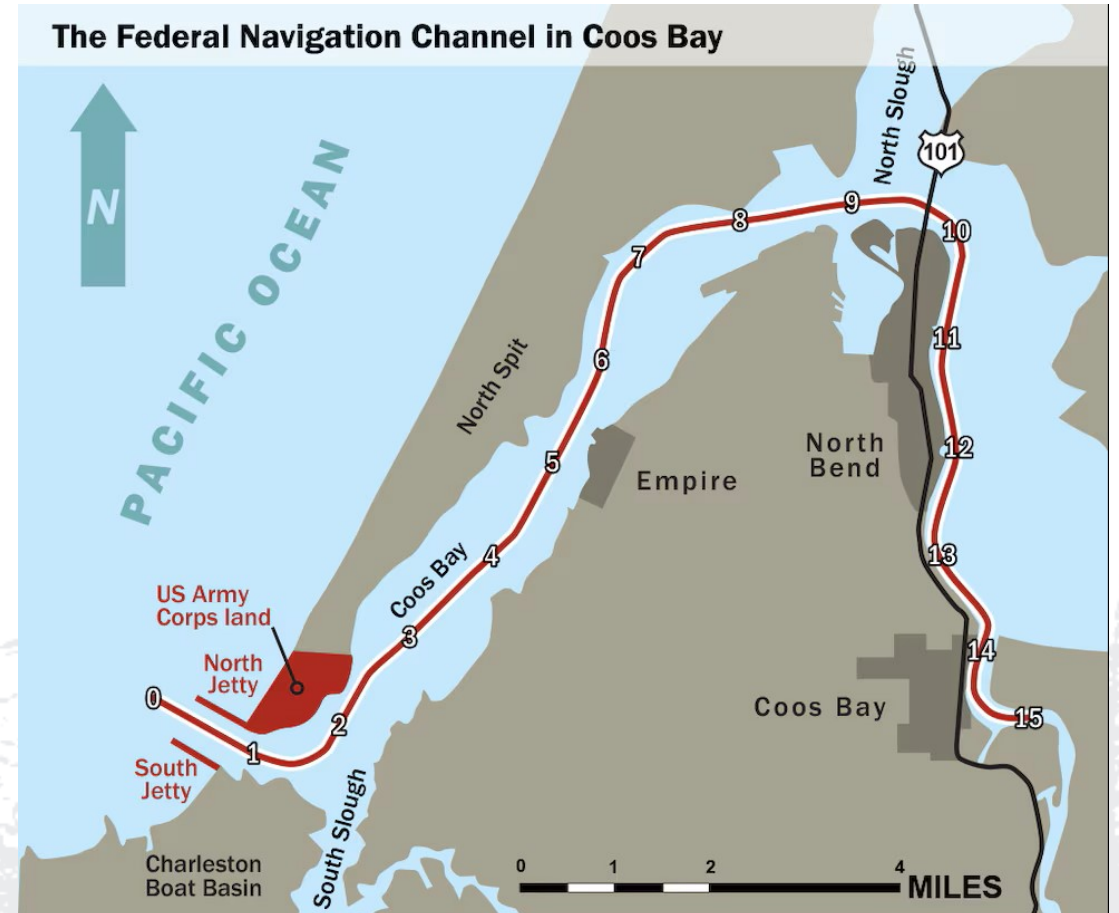


Source: WSP Analysis of Oregon Geospatial Enterprise Office Data. 2020.

Federal Channels

U.S. Army Corps of Engineers

- Conduct maintenance dredging operations throughout Oregon within the Federally Authorized Navigation Channels.



Local Dredging

Areas outside of the Federally
Authorized Channel

“Last Mile” connection

Conducted by either a private
contractor, port owned dredge,
or the state-owned dredge



State-owned Dredge the “LAURA”

The State acquired the “LAURA” in response to Oregon’s coastal ports in an effort to reduce the cost of dredging outside of the Federal Navigation Channel.

Acquired in 2015 with the support of the State Legislature and the Governor’s office.

- Operation and Maintenance of the dredge is managed by the Port of Coos Bay.
- Dredging projects to date have included the ports of Brookings-Harbor, Alsea, Siuslaw, Garibaldi, and Charleston



State Owned Dredge Costs

- Marine Fuel Tax Transfer - \$.02
 - Maintenance and Repairs
- Time and Materials
 - Staff, fuel, mobilization, etc.
- 33% comparison vs. private
 - Based on recent bids



