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MORE EXPORTS, MORE JOBS

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On this Labor Day, as most of us enjoy an additional day off, many Marylanders - those who are unemployed - would like nothing better than to no longer have to rest from their labors. What can we do to put them back to work?

This summer, Gov. Martin O'Malley convened 16 business and educational leaders for the first meeting of the Governor's International Advisory Council. Our mission was to suggest ways to increase exports from our state and figure out how to attract foreign companies to establish beachheads in Maryland, generating local jobs.

Last year, Maryland companies exported more than \$11.4 billion of our [products](#); clearly Maryland is on a roll with exporting. This improves our balance of trade and strengthens the dollar. Most importantly, this increases our ability to provide jobs. Jobs that export pay more because they usually involve higher-value [products](#). In addition, companies that export are more likely to be thriving. We certainly need better pay for our workers, and we need new markets for our companies in this rocky economy.

One out of five manufacturing jobs in the U.S. owes its existence to foreign exports. Maryland's exports of manufactured goods are growing 14 times faster than of domestic sales. This advantage is not just for big companies. Surprisingly, 95 percent of the manufactured exports from the U.S. are from factories of small and mid-sized manufacturers like my company.

And yet, the U.S. does not take advantage of manufacturing exporting as other countries do. Germany and France export three times more than we do as a fraction of their total output. This is proof that

we have a lot of room to grow our exports. We should reduce that gap, and Maryland should lead the charge.

On the national level, the Obama administration and the Senate should wrap up three important pending trade treaties, with South Korea, Panama and Peru. These treaties will reduce the barriers set up in those countries - barriers that reduce how much we can sell them. Eight hundred thousand manufacturing jobs were created in the five years after NAFTA reduced similar trade barriers in Canada and Mexico. If we can get just a modest fraction of that success in the next five years with these three signed but not ratified treaties, that will give manufacturers more business, and they will have to hire more workers. Those workers' salaries will pay for more cars and homes and help turn around the economy.

As for our state, Maryland has so many advantages that we should capitalize on to improve our export machine. We have a world-class port, a newly expanded airport and tremendous intellectual capital. In addition, we have premier defense contractors and cutting-edge biomedical institutions. Topping it off, 40 percent of America's consumers are an eight-hour drive away.

But we have to create a climate to attract foreigners to invest here. Maryland should lead the country in being more competitive. We should reduce our regulatory burdens and our litigation costs. We have to reduce our soaring energy costs and taxes so we can compete better with our neighboring states and with foreign competition. We have to be free of shackles to prevail in this challenging environment. For example, my company spends more on accounting fees for our tax return and 401(k) filing than it would cost for four brand new welders.

Manufacturing industrial [wire baskets](#) in Baltimore, my company exports all over the world; 20 percent of my wonderful crew owe their jobs to foreigners.

With equal emphasis, we should be fostering a climate to encourage foreigners to pick Maryland as their beachhead to tackle the American market. For example, the confluence of the National Institutes of Health, Johns Hopkins University and the Food and Drug Administration enabled the state to lure Lupin, a dynamic, growing Indian pharmaceutical company, to Baltimore. We need to replicate this model and attract more expanding companies to make the Free State their home. They will hire locals, eat at our restaurants, gas up at our service stations and buy our newspapers. We need to become a magnet for these exciting prospects.

Growing exports and landing dynamic companies will help Maryland dodge the worst of the economic storm. We will be the first to thrive when the economy turns around, thanks to increasing our foreign trade. We can do it.

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