



Mayor Greg Stanton
“Second Annual Global Business Conference” Remarks
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Thank you. A special thank you to the Phoenix Minority Business Development Agency and the Thunderbird School of Global Management who made this year’s Global Business Conference possible.

I’m especially glad to be here because this is such an important event. Having this many top thinkers and leaders in the same room is critical to all of us getting on the same page and moving forward – together.

We’re here to share information and learn from one another. To present best practices for doing business with local and global companies. To chart a course for our city and region to compete internationally.

The people in this room know better than anyone the two basic facts that govern today’s global economy.

First, it’s rooted in innovation and trade – and will be even more so in the future.

Second, regions – not cities alone – are the unit the global economy measures.

We know the metropolitan regions that innovate and act strategically to build on their strengths are the ones forging ahead. The ones that aren’t are falling further behind. Our region is right in the middle. At a fork in the road. And it’s up to us to put Phoenix on the path toward economic success.

Greater Phoenix is home to 4.3 million people – more than two-thirds of the state’s population and job base. We are responsible for \$176 billion in annual economic output. And we’re growing – well-positioned to do more.

That’s what I want to talk about today:

How, in Phoenix, we can chart a new course to compete globally. And how we can transition our economy from one that relies on real estate and construction to one based in innovation and exports.

We have to start by understanding a simple truth: that the economic model our region used in recent decades is no longer sustainable. It was boom-then-bust with a steady, long-term decline.

For nearly two decades, we relied on population growth to drive economic growth – competing primarily on the low cost of labor, land and taxes. We grew in size and numbers, but our most valuable tradable sectors shrunk. Median wages fell.

These are patterns I refuse to accept for our future.

Instead, we can choose a different destiny – a new path that will unite our cities and make our region stronger.

The differences among Phoenix and Chandler and Scottsdale and Glendale aren't relevant to anyone who doesn't live locally. What matters is whether the Greater Phoenix region is competitive...whether the Sun Corridor is competitive.

Nearly every community has been guilty of an “us” versus “them” attitude at one point or another. That's true with Phoenix too. But it's got to go – we can't afford to think like that anymore. The truth is we're all in this together.

And together, we can build an innovation-based, export economy that works for everyone: large companies, small businesses, entrepreneurs, the middle class, and those working their way into the middle class.

Innovative companies spur higher wages throughout our region and they lift every part of the economy. International trade brings in new dollars as we sell our goods, our services and our ideas around the globe. This is where we need to focus. This is where we need to lead.

We can start by taking our rightful position as a leader in the global marketplace.

Before we can get there – we need to step up.

That's because from 2007 to 2012, Arizona was the only state to see its exports fall. Among big metros, Greater Phoenix trails behind, and we've seen only marginal growth in our export value over the last decade. We can do better. We have to expand our potential and distinguish ourselves as a competitor before we can become a leader.

I've spent my time as mayor trying to tap that potential.

I've led nine trade missions to Mexico – and I'll return again because I know how important those face-to-face meetings with business leaders and government officials are to

putting our relationships and trade efforts back on track.

During my most recent mission to Mexico City, we took a critical step toward rebuilding our relationship with Mexico and growing the Phoenix economy by officially opening the doors to the Arizona State Trade and Investment Office.

It took two years of hard work, but we did it the right way: by bringing in regional and statewide partners to make our effort as successful as possible. Along with the City of Phoenix, the Arizona Commerce Authority, Maricopa Association of Governments, the City of Tucson and Visit Phoenix are all stakeholders in this office.

Nearly 70 Arizona business and civic leaders formed our delegation and joined me for the ribbon cutting on our new office – and each understands that strengthening trade ties with Mexico is critical to our regional economy.

That level of teamwork in our state is unprecedented – and it just goes to show how much we can accomplish when we work together.

A permanent presence in Mexico will help us build a stronger trade-focused economy, and will be a valuable resource for local small- and mid-sized businesses looking to sell their products internationally. The trade office also sends a clear message: That Arizona is welcoming and ready to do business with Mexico.

That message – and our work – is paying off. Last year, our exports to Mexico grew by 12 percent, and I'm confident we're ready to do more.

Just imagine a Greater Phoenix that serves as a connector of the Americas – bridging trade with our border countries Canada and Mexico, and further to Central and South America. It's going to take a full-court press to meet our goals, but I'm confident we can do it.

We're not limiting our efforts to Mexico – we're pursuing opportunities in every market that makes sense.

Last year, Barry Broome and I went to the World Economic Forum meeting in China to make the case for bringing new business to Phoenix. I went to Calgary earlier this year to do the same, recognizing that Canada is our second-leading trading partner.

During these international trade visits, the conversation often moves to foreign direct investment – and what Phoenix should be doing to increase it.

When a foreign company significantly invests in a Phoenix business or opens a business in our region, we see the effects in a big way: jobs, new ideas and technology, capital investment, research and development, and of course more exports.

Right now, Phoenix's share of total private employment in foreign-owned companies is 3.7 percent – that's just under 56,000 jobs. The national average is 5 percent and the average of our peer cities is 4.5 percent, so we're falling short.

Here's an important fact about FDI: If we were to increase our foreign direct investment to match that of our peer cities, we would create an additional 12,700 quality jobs. If we increased to match the national average, we'd create nearly 20,000 jobs.

These are the kinds of companies and jobs that facilitate the spread of innovation throughout our region. They attract top talent, make us more competitive and get us closer to reaching our goals.

And I know our goals are ambitious. To double exports to Mexico in five years, and double all exports in ten, the City must adapt and play a new role to provide cutting-edge services that it never has before.

One of those services will be to help our local businesses prepare to compete on a global-scale. Many companies find the idea of trading abroad to be daunting – they have limited knowledge of intellectual property rights, foreign import control laws and regulatory compliance – and understandably so.

What's worse is that too many of those companies don't know how, or even where to begin to look for help.

That's where we come in. We are going to enhance and elevate the export readiness of every Phoenix company that wants to do business abroad. We're preparing to launch an Export Readiness Initiative to help transition our local companies from being "export curious" to "export *serious*."

This effort is going to inform, educate and assist businesses so that we can help more of them participate in the global marketplace. Right now, only 4 percent of Greater Phoenix's small and mid-sized firms are exporting goods or services. We can get more businesses ready to trade abroad – we can increase Greater Phoenix's share in the export economy.

Our business owners should know: you have a partner at City Hall. I plan to work with you in every way I can to help you expand, grow, increase your revenue so you can create good jobs.

Every single one of us has a stake in your success – because when we lift our local businesses, we're lifting our whole economy.

That's what this job is all about.

It's about creating an economy that's built to last, rooted in innovation and driven by exports.

I know I have great regional partners who are ready and eager to work hard to get us there. The economy is changing fast, but so are the attitudes of people like you and me. We will rise to the occasion and shape an economy that works for everyone – and we're going to do it together.