

Texas Ahead



Susan Combs Texas Comptroller of Public Accounts

2010 | Issue 1

“For outside investment, Texas would be a great choice.”



Michael Chang
President
Directron.com

State Provides Hub for Multinational Trade and Investment

“To Texas, China represents a huge market and huge opportunities.”

That’s the word from Michael Chang, President of Directron.com, a Texas-based seller of computers and accessories with an office in Shenzhen, China.

Chang, a Chinese native who earned a PhD at Iowa State University before coming to Texas, has found business connections between the state and China to be both strong and lucrative.

Texas has a significant presence in Chinese business, says Chang, and not just in information technology. Texas’ oilfield services industry has a strong foothold there, and healthcare is emerging as another strong tie, Chang said, noting joint research projects with China. “All those industries have a strong relationship with China,” Chang says.

[Continued on back](#)

Texas: A Major Asian Trading Partner

Texas is a hub for world trade, linking North and South, East and West. It’s an ideal location for international commerce and a major center for foreign investment.

- Texas has led the U.S. in exports for eight consecutive years. According to the U.S. International Trade Administration, Texas exported \$163 billion worth of goods in 2009. California was a distant second among states, with \$120.1 billion in exports. In that year, Texas exported products to 225 nations and territories.
- According to the Texas Governor’s Office, Texas exported more than \$32.7 billion in products to Asia in 2009. Leading products included chemicals (27.6 percent of the total), computers and electronic products (24.1 percent) and machinery (18.1 percent).
- Between 2005 and 2009, Texas exports to China rose by 80.1 percent, from \$4.9 billion to \$8.9 billion. Other nations among Texas’ 10 largest export markets include South Korea and Singapore.
- Texas imported \$236.4 billion in products from other nations in 2009, including \$154 billion from Asia and Pacific Rim countries. China was the state’s second-largest import partner, accounting for \$16.3 billion in imported goods.
- In 2007 (most recent data available), foreign direct investments in Texas totaled nearly \$119.3 billion. Japan accounted for 9 percent or \$10.5 billion of that amount, including \$1.3 billion in commercial properties.
- The Texas Governor’s Office estimates that foreign investment from Asian and Pacific nations created an average of 2,406 Texas jobs each year from 2003 to 2009.
- According to the Business Roundtable, an association of chief executives of leading U.S. companies, about 2.2 million Texas jobs — one in six — are linked to international trade. Only California is more dependent on global commerce.



Established in 1994, Directron.com employs about 80 people in Houston, Texas and Shenzhen, China.

Continued from front

And while the Chinese business community may not know Texas as well as California or New York, the Lone Star State is emerging as a land of great opportunity. “Those other places are nice to visit,” Chang said. “But Texas is quite unique. The cost of living is so low.

“Texas offers a comfortable living style and a steady work force. For outside investment, Texas would be a great choice,” Chang said.



Find more economic development resources for your Texas enterprise at www.TexasAhead.org or www.TexasEdge.org for detailed economic data.

Texas Exports

Mexico is our largest export destination, but Asian economies are playing an increasingly important role.

2009 Texas Exports by Country

Country	Export Totals (in \$ millions)
Mexico	\$56,062.9
Canada	13,751.8
China	8,907.7
Netherlands	6,099.2
South Korea	5,300.1
Singapore	5,179.1
Brazil	5,061.0
United Kingdom	3,222.1
Belgium	2,995.3
Columbia	2,794.0
Other	53,673.1
Total Texas Exports	\$163,046.2

Note: totals may not add due to rounding.

Source: World Institute for Strategic Economic Research.

Top Importing Partners

Texas imported \$236.4 billion in products in 2009. China was Texas' second-largest importing nation.

2009 Texas Imports by Country: Top 10

Country	Import Totals
Mexico	\$115,040.5
China	16,323.0
Venezuela	11,751.8
Nigeria	8,804.6
Saudi Arabia	6,703.2
Russia	6,256.5
Algeria	5,790.7
United Kingdom	4,847.1
Germany	4,819.8
Brazil	4,378.4
Rest of World	51,695.9
Total Texas Imports	\$236,411.6
Top 10 Total	\$184,715.7

Note: totals may not add due to rounding.

Source: Texas Office of the Governor, Economic Development and Tourism.