

Economics Group

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Atlanta Is a Key Gateway for International Business

Atlanta's ties to the global economy continue to pay dividends, as international trade and investment become more prominent. While growth has cooled more recently, Atlanta's global connections continue to strengthen.

International Trade and Investment Drive Atlanta's Growth

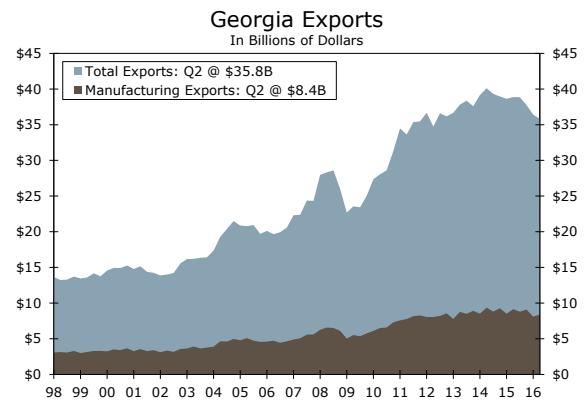
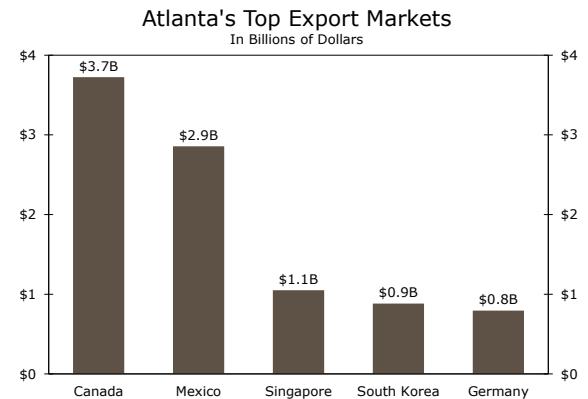
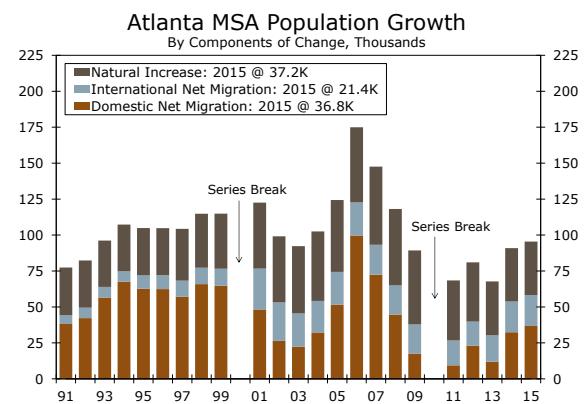
As the heart of the Southeast and the region's largest economy, Atlanta has long maintained strong global ties. The Atlanta-Sandy Springs-Roswell metropolitan area is home to 5.7 million residents, making it the nation's 10th largest metropolitan area. Population growth has been exceptionally strong over the past few decades but was slow to get back on track following the Great Recession. Net in-migration has accounted for more than half of population growth since 2010, with meaningful contributions from within the United States and abroad (top chart). Job growth has surged 2.8 percent over the past year and the unemployment rate has fallen to 4.9 percent, which is pulling more job seekers into the metropolitan area.

Atlanta's Hartsfield-Jackson International (ATL) Airport, which is the world's busiest by passenger traffic, is the region's single-greatest asset for promoting international trade. Atlanta is home to several firms deeply entrenched in global commerce, including Coca-Cola, United Parcel Service and Delta Airlines. The metro area also hosts a number of U.S. and North American headquarters for global enterprises.

Atlanta area firms sent \$19.9 billion in goods abroad in 2014, ranking as the nation's 18th largest metro area exporter. Transportation equipment, which accounted for \$4.9 billion of total exports in 2014, is Atlanta's largest export product. Much of this is aviation equipment, including military aircraft built and refurbished at Lockheed Martin. Other key sectors include auto parts, machinery, computer & electronic products and chemicals. Canada is Atlanta's top export market, accounting for 18.7 percent of exports in 2014 (middle chart). Moreover, 52.2 percent of Atlanta's exports are to U.S. free trade agreement partners.

While the region's export market has picked up steadily over the past five years, slower economic growth and heightened uncertainty around the globe have reduced trade more recently. Exports of Georgia-made goods fell 7.9 percent year over year in Q2 2016 (bottom chart). Although export data are not yet available at the metropolitan level, Atlanta accounts for over half of Georgia's exports and likely experienced a slowdown as well. Additionally, the U.S. dollar has strengthened against the currencies from a majority of Atlanta's top export markets, including Canada and Mexico.

International investment has been critical to Atlanta's success, including game-changing industrial projects such as the Kia Motors assembly plant near LaGrange, and the North American headquarters for both Mercedes Benz, in Sandy Springs, and Porsche, near the Atlanta airport. Foreign investment has helped build on successful existing industry clusters, including payments processing, carpet manufacturing, and healthcare technology. International investment has also helped fuel growth in new areas, including motion pictures, where U.K.-based Pinewood Studios, maker of James Bond and Star Wars films, has been a leading force.



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