

TRADING UP 3.0

The New Normal of Economic Dynamism
and Oklahoma's Adaptive Imperative



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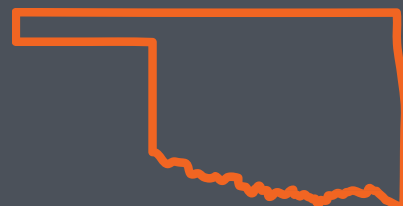


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Introduction

Trading Up 3.0 marks the third installment of the CITD's Trading Up series. Through this series, we aim to provide Oklahoma readers with a contemporary overview of the major trade issues facing policy makers, firms, and consumers. In this installment, we examine the rapidly changing trade policy landscape at the national and international levels. These changes have led to fast-paced, system-wide adaptations that economists refer to as economic dynamism, which is defined by broad market-level changes such as business creation and closures, high labor turnover rates, and technological change.

For most of the postwar period, businesses operating in the United States could make long-term trading decisions against a relatively stable background of trade rules and agreements: tariff schedules changed slowly, major commercial relationships were protected by trade agreements and institutions, U.S. markets remained broadly open to foreign talent and investment, and the United States played an outsized role in setting the rules and standards of international commerce. That environment has not disappeared entirely, but it has changed considerably. Tariffs are now used more broadly and change more frequently; supply chains are being reexamined and reorganized for resilience and security as well as cost; shifting immigration policies and international student flows affect access to talent; artificial intelligence is changing both business operations and energy demand; and governments are intervening more directly in strategic sectors such as critical minerals, semiconductors, energy, and defense.

While there are substantial and unsettled debates on what is driving the new global economy, at its core, we have entered a period of economic dynamism. Historically, major economies like the U.S. relied on their substantial capital access and market-size to absorb technological change, which allowed new firms and regions to rise, attract global talent and risk capital, and operate within predictable rules that constrained arbitrary intervention. Major economies also served as a reliable source of commercial 'insurance' through rules-based trade, deep capital markets, secure property rights, common standards, and predictable policy; these actors would intervene through robust global institutional channels when change became too disruptive. All of this is now challenged by shifting policy priorities, geopolitical tension, and rapidly changing technology.

For Oklahoma, international trade is a smaller share of state output than it is nationally: from 2008 to 2025, exports ranged from 2.5 to 4 percent of state GDP, and imports ranged from roughly 3 to 9 percent. This compares to about 6 to 10 percent for exports and 10 to 15.5 percent for imports as shares of national GDP during the same period. However, this lower aggregate exposure masks concentrated dependencies. Transportation equipment represented roughly one-third of Oklahoma exports in 2024, and aerospace products and parts have driven recent export growth, while mining and chemicals represented 43 percent of imports, largely because of Canadian oil. Canadian oil and

gas alone averaged about 40 percent of Oklahoma’s monthly imports since 2021 (Cowley and Farha, 2025). The result is a state that is not globally exposed everywhere, but is highly exposed in sectors where switching suppliers, customers, or technical standards can be difficult.

The central strategic challenge is therefore not how to insulate Oklahoma from the world economy, but how to make the state more adaptable within a world economy that is becoming more regionally concentrated, politically charged, and technologically intensive. Oklahoma’s advantages — including lower costs, available land, energy resources, central location, aerospace and energy expertise, universities and CareerTech, and recent inflows of investment and residents through what previous CITD research has identified as potential “Brain Drain Reversal” — can attract the types of activity that is currently being redistributed across North America (CITD, 2023). Recent projects demonstrate the scale of that opportunity: Google announced an additional \$9 billion of Oklahoma cloud and AI infrastructure investment, Meta began a more than \$1 billion Tulsa data center, and the state’s aerospace and defense program reported \$454 million in new capital investment from 37 project wins in 2025 (Oklahoma Department of Commerce, 2025a; 2026a; 2026b). At the same time, those projects also raise questions about grid capacity, water, permanent job creation, local supplier development, and whether capital investment translates into sustained productivity growth.

The remainder of this report examines what this changing global environment means for Oklahoma and how its leaders can position the state to adapt. In Part I, we provide a deeper look at the new state of global trade. In part II, we discuss Oklahoma’s position in this current landscape. In Part III, we forecast where we expect future sources of change to come from. In Part IV, we identify five practices that could help Oklahoma firms, policymakers, and supporting institutions mitigate risk in the current dynamism of the global economy. We conclude by drawing these findings together and considering what greater economic adaptability could mean for Oklahoma in the years ahead.

Part I – The New Geography of Global Commerce

1.1 From Rules-Based Globalization to Managed Economic Fragmentation

The postwar trading system was never frictionless or politically neutral, but for decades it reduced uncertainty through principles such as reciprocity and long-term trade agreements. Average tariffs decreased through sequential negotiations, trade agreements established procedures for disputes, and firms built long global supply chains around the expectation that the costs of maintaining most commercial relationships would change gradually and predictably. That expectation weakened after 2018 and deteriorated further after 2025. Trade policy increasingly moved from targeted measures on selected products toward broader country and sector actions, often accompanied by retaliation.

We describe this shift as managed economic fragmentation: rather than retreating from trade, governments increasingly use tariffs, export controls, investment screening, and industrial subsidies to steer where, and with whom, commerce takes place. The result is greater volatility in the rules firms plan around. For businesses, the economic cost is not limited to direct costs such as tariffs. Survey evidence from small and medium-sized firms shows that trade-policy uncertainty is closely connected to expectations about margins, head count, and investment, precisely because smaller

firms have fewer alternatives when a policy changes abruptly (Atkin, Cullen, and Iyoha, 2025; Andrade et al., 2025). In this sense, uncertainty itself carries an economic cost: it can lead firms to delay investments beyond economically optimal timeframes, hold more inventory, cultivate redundant suppliers, and unduly weight proximity when developing a supply chain, all of which can make production costlier and less efficient (Posen, 2026). CITD's earlier Supply Chain Chaos report documented a similar dynamic following COVID-19: just-in-time supply chains are built on predictability and deliberately carry little buffer, so when predictability erodes, firms must pay for buffers they had previously avoided.

The challenge now for Oklahoma businesses is how to plan under policy volatility. A machinery producer considering a new supplier, an aerospace company qualifying a specialized component, or an agricultural exporter developing a foreign customer may be making a multi-year commitment under rules that can change within months. That uncertainty can raise the effective hurdle rate for investment even when a project remains technically profitable. The public policy implication is not that tariffs should never be used. It is that predictability, clear objectives, transition periods, and durable commercial relationships have interdependent economic value.

A case in point: de minimis. The U.S. federal de minimis exemption once allowed qualifying shipments valued at \$800 or less to enter the U.S. market duty-free. After a sequence of changes in 2025, duty-free de minimis treatment was suspended effective August 29, 2025, and the suspension was continued in February 2026. The policy illustrates a larger issue: a customs rule that began as an administrative-efficiency measure became entangled with enforcement, e-commerce competition loop-holes, tariff collection, logistics capacity, and consumer costs. For Oklahoma SMEs, the lesson is less about one customs provision than about the need for dedicated resources to monitor regulatory change, adapt compliance practices, and remain flexible when federal trade administration rules change quickly (White House, 2025; 2026).

1.2 Reconfiguration Rather Than Deglobalization

The emerging trade map is better described as reconfiguration than deglobalization. Direct U.S. imports from China have fallen as firms source more from Mexico, Vietnam, Taiwan, India, and other locations. Yet recent research from the Peterson Institute for International Economics (PIIE) shows

that Chinese value added embedded in U.S. imports has fallen much less than China's direct bilateral share. Between 2017 and 2024, China's share of direct U.S. imports fell by seven percentage points, while its value-added share in U.S. imports fell by only two points. What this means is that while Taiwan, Vietnam, and Mexico were among the largest gainers in U.S. import share, many of those production networks still use Chinese inputs (Lovely and Wan, 2026).

This matters because policy can change trade routes faster than it changes underlying production capabilities. A firm that shifts final assembly from China to Southeast Asia may reduce direct tariff exposure while remaining dependent on Chinese components, machinery, chemicals, or intermediate materials. The same dynamic appears in critical minerals and battery supply chains, where mining, refining, precursor production, and finished manufacturing often occur in different countries. True diversification therefore requires visibility into upstream suppliers, not simply a new country of final shipment.



For business strategy, the relevant tools are multi-sourcing, regional production, selective local-for-local sourcing, inventory buffers for high-risk inputs, and digital monitoring. Each of these measures carries costs. For example, qualifying a second aerospace supplier can take years; maintaining duplicate tooling or inventories can reduce short-run efficiency and erode margins; and smaller firms may simply lack the purchasing volume needed to secure multiple suppliers. The goal is not maximum redundancy, it is to identify where a single point of failure could halt production and then work to improve resilience by spending resources where the consequences of interruption are greatest.

1.3 North America and the Emerging Regional Trade Map

North America is the most important bridge between global restructuring and Oklahoma's economic position. Mexico has become the largest U.S. trading partner in part because companies have shifted production closer to the U.S. market, while Canada remains deeply integrated with U.S. energy, manufacturing, agriculture, and transportation systems. The 2026 USMCA review demonstrates both the strength and fragility of that integration. Negotiators are debating rules of origin and other provisions while tariffs and political disputes have introduced new uncertainty into relationships that firms previously treated as relatively stable (Contreras et al., 2026).

Oklahoma has a particular stake in the durability of North American integration. The state's imports are unusually concentrated in Canada, and its industrial geography ties it to Texas and the broader

north-south production system connecting the United States and Mexico. For Oklahoma firms and policymakers, USMCA is therefore better understood not as a distant federal trade issue but as policy infrastructure for Oklahoma commerce. More restrictive rules of origin may create opportunities for North American suppliers, but abrupt changes can also increase costs for firms that rely on established component networks. One practice that could mitigate this risk is helping local firms identify where they can become qualified regional suppliers while preserving access to inputs that cannot be replaced economically in the short run.

Part II – Oklahoma’s Position in the New Global Economy

2.1 Oklahoma’s Trade Exposure: Concentrated Rather Than Extensive

Oklahoma’s trade profile complicates simple claims that the state is either highly globalized or insulated from trade shocks. The Federal Reserve Bank of Kansas City finds that exports have generally represented about 2.5 to 4 percent of Oklahoma GDP, roughly half the national share, while imports represented 5.8 percent of state GDP in the second quarter of 2025 compared with 10.9 percent nationally. However, for both the partners Oklahoma trades with and the sectors that trade represents, concentration is high.

In 2024, Europe, Canada, and Asian economies (excluding China) each accounted for about a quarter of Oklahoma exports, while a smaller percentage concentrated in Mexico (7.5%) and China (less than 5%). On the import side, Canada alone represented about half of the state’s imported goods, with China second at roughly 15 percent (Cowley and Farha, 2025).

Product concentration is equally important. Transportation equipment accounted for about a third of Oklahoma exports in 2024, while metals and machinery accounted for nearly another third. Aerospace products and parts have been especially important to recent growth. On the import side, mining and chemicals accounted for 43 percent of imported goods, almost entirely because of Canadian crude. This structure means that a statewide average can understate the exposure of particular communities and employers. The relevant question is not simply what share of Oklahoma GDP is traded internationally, but whether the sectors that generate high wages, exports, and investment depend on inputs or markets that are difficult to substitute.

2.2 Agriculture and Retaliatory Risk

Agriculture remains one of the clearest channels through which federal trade disputes reach Oklahoma. During the 2018-19 U.S.-China trade conflict, retaliatory tariffs were estimated to reduce U.S. agricultural exports by more than \$27 billion. More recently, U.S. agricultural exports fell to \$171

billion in 2025, with exports to China dropping sharply as reciprocal tariffs, lower demand, commodity prices, and currency conditions altered trade flows (Xu, 2025; USDA ERS, 2026a). The impact of any one trade dispute varies by commodity, but the central lesson is durable: once foreign buyers build relationships with alternative suppliers, restoring lost market share can take longer than removing a tariff.

Oklahoma agricultural producers have material exposure because cattle and calves, hogs, wheat, and other tradable agricultural products are important to farm income. USDA's state estimates placed Oklahoma among the leading states for beef, pork, and wheat exports in 2023, with total agricultural exports estimated at about \$1.77 billion (USDA ERS, 2026b). For producers and the institutions that support them, resilience therefore depends on more than emergency support after retaliation occurs. Market diversification, value-added processing, stronger export intelligence, and commercial relationships that can survive policy cycles can all reduce this exposure. Treating Mexico, Canada, Japan, South Korea, the European Union, and other markets as a portfolio, rather than only as destinations for current exports, can further reduce dependence on any single buyer.



2.3 Energy and the Canadian Relationship

Oklahoma's energy economy creates both strength and concentrated exposure. Canadian oil and gas have averaged about 40 percent of the state's monthly imports since 2021. This is not simply a matter of choosing between domestic and foreign oil. Midwest refining infrastructure, which includes Oklahoma's refineries within the U.S. Energy Information Administration's Midwest (PADD 2) region, has been built to process heavy Canadian crude, and switching to other crude grades can require costly operational changes. The Kansas City Fed estimates that Canadian crude represented 73 percent of Midwest refinery inputs in 2024, meaning trade disruptions can translate into higher gasoline and refined-product prices even in an energy-producing region (Brown and Beckemeyer, 2025).

The strategic implication is that energy security for Oklahoma is regional. The state benefits from domestic oil and gas production, pipelines, refining expertise, natural-gas infrastructure, and

growing electricity generation, but those assets operate inside integrated North American markets. Practices that could mitigate this exposure include preserving dependable Canadian flows while expanding the infrastructure and market flexibility that allow Oklahoma producers and consumers to respond to price or policy shocks. The same principle applies to electricity: abundant generation is valuable only when transmission, interconnection, and local grid capacity can deliver power to new industrial loads reliably and at competitive cost.

2.4 Aerospace, Advanced Manufacturing, and SMEs

Aerospace illustrates why sector-level exposure matters more than statewide averages. Growing aerospace has been a deliberate part of Oklahoma's economic diversification efforts for roughly two decades, and that effort has succeeded; but aerospace's success as a pillar of the state economy means that it, too, now carries concentration risk. Aerospace products and parts accounted for more than a quarter of Oklahoma exports from 2024 into 2025, and the Oklahoma Department of Commerce reported 37 aerospace and defense project wins in 2025 representing approximately \$454 million in expected capital investment and 1,325 new jobs (Cowley and Farha, 2025; Oklahoma Department of Commerce, 2026b). The sector is attractive precisely because it combines high-value production, engineering, defense demand, and export potential. The same features that make it valuable also make it vulnerable to disruption, because parts are specialized, certification and qualification requirements are demanding, and supplier transitions can be complex and slow.



Practices that could mitigate this concentration risk center on supplier development and procurement visibility: clearer pathways for local firms into major aerospace and defense supply chains, help meeting quality and cybersecurity standards, and access to trade-compliance expertise when components cross borders. The same logic applies to advanced manufacturing more broadly. Recent state efforts to connect local firms with Boeing and other prime

contractors are examples of the kind of institutional coordination that can turn major employers into broader local supplier ecosystems (Oklahoma Department of Commerce, 2025c).

SMEs require special attention because they experience the same global shocks with fewer internal resources. A large multinational can maintain customs specialists, regional sourcing teams, legal counsel, and digital supplier platforms. A 40-person Oklahoma manufacturer often cannot. Shared resources can close part of this gap: supplier-mapping tools, tariff and customs guidance, market intelligence, export readiness, alternative-supplier identification, and training in digital trade and AI applications. Universities, state agencies, industry associations, and organizations such as the CITD

already provide a number of these services, and expanding that shared model is one of the more direct ways to lower their fixed cost for smaller firms.

2.5 Oklahoma's Competitive Assets

The new geography of investment creates an opening for states that can combine low operating costs with reliable infrastructure and specialized skills. Oklahoma has several relevant assets: comparatively affordable housing and land, a central U.S. location, established energy and aerospace clusters, universities and CareerTech, inland waterway access, and an expanding portfolio of industrial sites. The state has also demonstrated an ability to attract large capital projects. Oklahoma Commerce reported record capital investment in 2025, while aerospace, data centers, lithium processing, defense manufacturing, and logistics projects illustrate the range of activities with which the state is now concerned (Oklahoma Department of Commerce, 2025c).

The important question, however, is not only whether Oklahoma can attract project announcements, but whether those projects generate spillovers such as local supplier capacity, follow-on investment, and durable productivity gains. A project creates greater long-term value when it develops local suppliers, increases technical skills, supports research partnerships, expands export capacity, and produces career pathways that retain workers. That distinction is a useful lens for incentive design and project evaluation. Capital intensity alone is not a sufficient measure of success, nor is raw job count. A stronger metric is the extent to which an investment increases the state's ability to compete for the next investment without needing to start from zero. There are encouraging examples on this front: efforts to connect local suppliers with Boeing and other aerospace prime contractors, and the workforce programs at Oklahoma State University and the University of Oklahoma that accompanied Google's data-center investment, build capabilities that extend beyond a single project (Oklahoma Department of Commerce, 2025a; 2025c).

Part III – The Sources of Future Economic Dynamism

3.1 Talent, Migration, and the Workforce Pipeline

Talent is becoming a binding constraint on economic dynamism. U.S. net international migration fell from 2.7 million in the year ending July 2024 to 1.3 million one year later, and Census projections suggested a further decline to roughly 321,000 by July 2026 if recent trends continued (U.S. Census Bureau, 2026). At the same time, an aging population and lower natural increase reduce the number of new workers entering the labor force. In Oklahoma, hiring slowed sharply in 2025, with the state's hires rate falling to 3.1 percent by the second half of the year as reduced labor-market churn and business uncertainty weighed on hiring decisions (Cowley and Farha, 2026). That

softening has continued into 2026 as Oklahoma's unemployment rate reached 4.3 percent in August, up from 3.4 percent a year earlier, even as non-farm payroll employment continued to edge upward (U.S. Bureau of Labor Statistics, 2026).

For Oklahoma, it is useful to distinguish four workforce tasks: to attract people, to educate and train them, to connect them to strategic industries, and to retain them. Domestic migration can help the first task because affordability remains a relative advantage, but population growth by itself does not guarantee a stronger tradable economy. The industries described in this report depend on engineers, technicians, electricians, machinists, cybersecurity professionals, data specialists, construction trades, and managers who can support energy, aerospace, manufacturing, logistics, and digital infrastructure.

International students and graduates are especially important to this pipeline. PIIIE estimates that foreign-born, U.S.-trained workers represent 19 percent of the high-skill U.S. STEM workforce and 35 percent at the doctorate level. A sustained one-third reduction in the inflow of international STEM graduates could shrink the high-skill STEM workforce by 6.2 percent overall and 11.5 percent at the doctorate level (Clemens, Neufeld, and Nice, 2026). Oklahoma cannot set federal visa policy, but its universities and employers can improve the transition from education to employment, connect international graduates to local firms, and advocate for predictable work-authorization pathways. Treating systemic talent retention as an economic development function, alongside recruitment, is one practice that could reduce this risk.

3.2 Artificial Intelligence, Productivity, and Business Adaptation

AI should be understood as a competitiveness enhancing technology rather than an abstract industry trend. Its near-term value to most Oklahoma firms will come from automating routine business functions, improving forecasting, searching and summarizing technical information, accelerating customs and trade documentation, supporting customer service, analyzing maintenance data, and improving visibility across supply chains. The key uncertainty is not whether AI will affect business, but how quickly firms of different sizes can adopt it effectively to produce economic value.

Early evidence suggests an adoption gap. PIIIE's analysis of Census business surveys finds that larger and higher-paying firms have adopted AI more quickly than smaller firms, with service industries such as information, finance, and professional services leading early use. Among firms with 250 or more employees, adoption rose from about 4 percent in 2023 to about 12 percent in 2025, while firms with 100 or fewer employees increased from about 3 percent to 8 percent (Hufbauer and Zhang, 2026). If productivity gains accrue first to large firms, the gap may compound and become self-reinforcing as early adopters gain market share and resources for further investment.

This suggests that the larger opportunity lies in diffusion rather than hype: helping SMEs and public institutions identify specific high-return uses, build robust data and cybersecurity practices, and train workers to use AI as a complement to specialized knowledge. Paycom’s use of AI to answer routine human-capital-management questions is a useful example because it illustrates task redesign rather than wholesale replacement of roles. Similar applications can reduce administrative friction in trade, manufacturing, energy, and logistics while preserving human judgment for higher-value decisions. (FinancialContent, 2026)

3.3 Energy, Data Centers, and the New Industrial Geography

AI is also changing the geography of investment because computation requires physical infrastructure. The International Energy Agency (IEA) projects global data center electricity consumption to more than double by 2030, with the United States accounting for the largest share of the increase. In the IEA base case, data centers account for nearly half of U.S. electricity-demand growth through 2030. Data centers create unusual loads because they are large, concentrated, and can be built faster than generation and transmission infrastructure, creating local bottlenecks even when aggregate national electricity supply appears adequate (IEA, 2025).



Oklahoma is already participating in this buildout. Google announced investments of \$9 billion over two years for a new Stillwater campus and expansion in Pryor, alongside complementary workforce programs at Oklahoma State University and the University of Oklahoma. Meta broke ground in 2026 on a Tulsa data center representing more than \$1 billion

in investment; the project is expected to support more than 1,000 construction jobs at peak and roughly 100 operational jobs after completion (Oklahoma Department of Commerce, 2025a; 2026a). These figures illustrate both the opportunity and the tradeoff. Data centers can anchor infrastructure spending and demand for electricity and construction, but the long-run employment return may be modest relative to capital invested.

Evaluating data centers and other large-load projects through a broader economic development lens could mitigate these risks. Relevant factors include grid upgrades required, cost allocation, water use, permanent jobs, supplier opportunities, research partnerships, the possibility that a project or its sponsor underperforms or fails and leaves infrastructure costs behind, and whether new infrastructure also benefits other manufacturers and communities. Energy abundance is an advantage only if the system can deliver power when and where it is needed. A diversified portfolio of natural gas, renewables, storage, and potentially nuclear generation may all contribute, but

transmission and interconnection speed will be just as important as generation technology. In this sense, the grid is becoming a trade and industrial-development asset.

Part IV – Practices That Could Mitigate Risk

The opportunities and challenges described in this report do not point to a single policy agenda, and many of the relevant decisions rest with firms, federal policymakers, or institutions already working on these issues. Instead, they represent an array of options. This section identifies five practices that, based on the evidence reviewed above, could help Oklahoma firms, economic development organizations, educational institutions, and state and local policymakers mitigate risk and position the state to benefit from economic dynamism.

4.1 Export Market Diversification

Treating exports as a portfolio can reduce the risk that a single trade dispute or buyer relationship disrupts an entire sector. Agriculture shows the clearest need, as Section 2.2 describes, while aerospace, machinery, energy services, and advanced manufacturing also benefit from a wider base of customers. Trade missions and export assistance tend to be most effective when they are targeted by sector and emphasize relationship-building over one-time lead generation. Market intelligence that identifies not only where demand exists, but where tariff exposure, standards, logistics, and political risk make a market durable enough to justify investment, can help firms judge where diversification is worth its cost.

4.2 Supply-Chain Visibility and Resilience

Firms that identify their dependencies before a disruption occurs are better positioned to respond when one does. Supplier mapping, sourcing-risk assessments, customs and tariff monitoring, alternative-supplier searches, and training in digital monitoring can all reduce this exposure. Large companies typically maintain these capabilities internally; for SMEs, shared resources offered through industry associations, universities, manufacturing-extension programs, and economic development organizations can serve a similar function. These practices matter most in sectors with high switching costs and strategic importance, including aerospace, energy, defense, advanced manufacturing, and critical-material processing.

4.3 Selective Pursuit of Nearshoring and Allied Investment

Not every project offers the same long-term value. Investments that deepen existing strengths or create capabilities that improve the state's position in future supply chains tend to generate larger spillovers. Aerospace and defense, energy equipment and services, advanced manufacturing,

agricultural technology, logistics, battery materials and recycling, data infrastructure, and industrial services are all plausible fits because they connect to existing assets. Oklahoma's economic development community, including the Department of Commerce and local economic developers, already emphasizes this kind of targeted recruitment. Incentive structures that reward supplier development, workforce partnerships, export potential, and infrastructure that can serve more than one company can reinforce that approach.

4.4 Workforce Development and Retention

Linking economic development recruitment directly to workforce capacity can reduce the risk that new investment outpaces the available labor pool. Many partnerships among universities, CareerTech, community colleges, employers, and local governments already exist; deepening common pipelines for skilled trades, engineers, technicians, data and cybersecurity workers, and mid-career retraining is a direct way to ease talent constraints. International graduates are also part of the state's talent base, and engaging employers earlier in students' academic careers, along with clearer information about lawful work pathways, can help retain them. Retention also depends on housing, quality of life, community integration, and visible career progression; wages alone do not determine whether mobile workers remain in a state.



4.5 Energy and Grid Capacity as Economic Development Infrastructure

Energy and grid capacity are already central to how Oklahoma's economic development community presents the state to investors, and that advantage is most durable when it is managed as infrastructure rather than assumed as an unlimited natural endowment. Evaluating large industrial and data center loads jointly with generation, transmission, water, reliability, and community impacts can reduce the risk of bottlenecks and unexpected costs. For projects that require major grid upgrades, clarity about who bears the cost, including if a project is delayed, scaled back, or fails, and about whether the resulting infrastructure produces broader economic value can protect existing customers while preserving Oklahoma's ability to compete for energy-intensive investment.

Conclusion: Dynamism Rather Than Insulation

Any approach to Oklahoma's trade future begins with a realistic premise: the global economy is unlikely to return quickly to the degree of predictability that characterized much of the postwar period. Trade policy has become more interventionist, supply chains are becoming more regional and security-conscious, immigration and talent flows are less certain, AI is reshaping both work and infrastructure, and energy capacity is increasingly determining where new investment can locate. The choice is not between globalization and self-sufficiency; neither is an accurate description of the economy Oklahoma actually faces.

A more useful objective is to embrace economic dynamism and the opportunities that unfold during disruption. An adaptable Oklahoma economy would be able to: withstand a tariff shock without freezing investment; lose one foreign buyer without losing an industry; attract a major project without creating an infrastructure bottleneck; automate routine work without abandoning workforce development and expansion; and benefit from migration and international education by retaining more of the people it attracts. Commercial diversification, institutional coordination, infrastructure, human capital, and the capacity to learn quickly all contribute to that outcome.

Oklahoma has a credible base from which to pursue that objective. Its exposure to global trade is concentrated rather than universal, which limits some statewide risks while making targeted resilience possible. Its aerospace and energy industries give it specialized capabilities that are difficult to replicate quickly. Recent data center, defense, logistics, and critical-material investments show that firms are willing to place large bets on the state. Affordability, land, universities, CareerTech, and a central location strengthen that positioning. But those advantages will not convert automatically into productivity growth.

The central test is therefore not whether Oklahoma can protect itself from uncertainty. It is whether the state can become better at adapting than the places with which it competes. In a less predictable world economy, that capacity will be Oklahoma's most durable competitive advantage.

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