Overview

With more than 95 percent of the world’s population and 80 percent of the world’s purchasing power outside the United States, future economic growth and jobs for Alabama and America increasingly depend on expanding U.S. trade and investment opportunities in the global marketplace.

The following pages feature key facts and figures drawn from new Business Roundtable research, U.S. government data, and other data sources that demonstrate the benefits of international trade and investment to economic growth and jobs in Alabama.

Trade Creates & Supports Jobs in Alabama

- **International trade, including exports and imports, supports 532,200 Alabama jobs – more than one in five.** These trade-related jobs grew seven times faster than total employment from 1992 to 2017 and are at large and small companies, on farms, in factories, and at the headquarters of Alabama’s globally engaged firms. *(See Alabama Jobs Depend On Two-Way Trade)*

- **Alabama exported $21.6 billion in goods and $4.4 billion in services in 2017,** including iron, steel & ferroalloys, coal & petroleum gases, motor vehicles and travel services. Of Alabama’s 4,095 exporters, 80 percent are small- and medium-sized companies with less than 500 workers. *(See Alabama Businesses Grow With Exports)*

- **Customers in 191 countries and territories buy Alabama-made goods and services,** including billions of dollars in annual exports to top markets like Canada, China and Mexico. Alabama’s exports have grown more than two times faster than state GDP since 2007. *(See Alabama Companies Export Throughout The World)*

- **Imports lower prices and increase choices for Alabama companies and families.** Lower raw material and input costs help Alabama companies stay competitive in global markets, while families can stretch paychecks further as trade agreements reduce the cost of products by eliminating costly barriers to trade. *(See Alabama Companies Use Imports to Make Competitive Products)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Alabama to partner countries.** In 2017, $8.9 billion of Alabama’s goods exports, or 41 percent, went to FTA partners. This represents an increase of 71 percent since 2007. *(See Alabama Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 109,100 workers in Alabama.** *(See Foreign Investment In Alabama Creates Jobs)*

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
ALABAMA JOBS DEPEND ON TWO-WAY TRADE

Overview

Creating and preserving quality U.S. jobs is a goal shared by all Americans. With more than 95 percent of the world’s population and 80 percent of the world’s purchasing power outside of the United States, future American economic growth and job creation depend on open markets abroad.

Trade Supports Jobs in Alabama

• Export growth increases jobs by generating new business for Alabama's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Alabama businesses compete and saving Alabama families real dollars at the cash register.

• More than one in five Alabama jobs depends upon international trade.

• Alabama's trade-related employment grew seven times faster than total employment from 1992 to 2017.

• Jobs in export-dependent industries pay about 16 percent more than jobs in less export-intensive industries.

• U.S. exporting plants increase employment 2 to 4 percent faster annually than plants that do not export. Exporting plants also are less likely to go out of business.

• Trade-supported jobs are not just at companies that export and import. Trade supports higher wages for workers and lower costs for companies and consumers, providing them with more money to spend on other things. This spending supports additional jobs throughout the U.S. economy in sectors like entertainment, education and construction.

By the Numbers

532,200
Number of Jobs in Alabama Supported by Trade

Share of Jobs Tied to Trade
Increased 117 percent from 1992 to 2017

Jobs Tied to Trade
Top Sectors, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>121,900</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>79,600</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>40,600</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>33,000</td>
</tr>
<tr>
<td>Agriculture</td>
<td>27,200</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Alabama exported an estimated $21.6 billion in goods and $4.4 billion in services in 2017. Between 2007 and 2017, Alabama goods exports have increased by 52 percent and services exports by 54 percent. Large companies now account for 84 percent of the value of Alabama's goods exports, with the rest provided by small- and medium-sized enterprises (SMEs).

Small & Large Employers Partner to Export

In addition to exporting directly themselves, thousands of American SMEs export indirectly when they sell goods and services to large U.S. exporters. Based on their direct and indirect export activity combined, SMEs represent more than 40 percent of the value of U.S. exports.

Top Alabama Exports

- Alabama ranks among the top 10 state exporters in 11 industries, including second in iron, steel & ferroalloys ($1.6 billion), third in coal & petroleum gases ($1.4 billion), third in motor vehicles ($7.8 billion), and third in poultry & eggs ($57 million).
- Alabama is America's 35th largest exporter of agricultural products. It is the third largest exporter of poultry & eggs, the 18th largest exporter of miscellaneous crops, the 26th largest exporter of sheep, goats & fine animal hair, and the 27th largest exporter of fruits & tree nuts.
- One of Alabama's fastest growing export categories is motor vehicle bodies & trailers, which increased by 518 percent since 2007. In 2017, exports of these products reached $172 million.

By the Numbers

<table>
<thead>
<tr>
<th>Number of Alabama Businesses that Exported in 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,095</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share of Alabama Exporters that are Small- &amp; Medium-Sized Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
</tr>
</tbody>
</table>

Top Alabama Exports, 2017

**Goods**
- Motor Vehicles: $7.8 billion
- Aerospace Products & Parts: $1.9 billion
- Iron, Steel & Ferroalloys: $1.6 billion
- Coal & Petroleum Gases: $1.4 billion
- Basic Chemicals: $1.3 billion

**Services**
- Travel: $1.3 billion
- Equip. Install., Maint., & Repair: $587 million
- Royalties from Industrial Processes: $385 million

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2017, Alabama companies sold their products in 191 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $4.2 billion
  - Services Exports: $346 million

- **Germany**
  - Goods Exports: $2.9 billion
  - Services Exports: $181 million

- **China**
  - Goods Exports: $3.4 billion
  - Services Exports: $351 million

- **Mexico**
  - Goods Exports: $2.9 billion
  - Services Exports: $206 million

- **Korea**
  - Goods Exports: $474 million
  - Services Exports: $160 million

- **Japan**
  - Goods Exports: $691 million
  - Services Exports: $256 million

**Fast Facts: How Exports Help the Alabama Economy Grow**

- Goods and services exports accounted for 12.3 percent of Alabama's state GDP in 2017.
- Alabama's exports have grown more than two times faster than state GDP since 2007. The average annual export growth during this period was 4.8 percent, while the average annual state GDP growth was 2.2 percent.
- Alabama's top export markets for goods are Canada, China, and Germany. Its top market for services is the United Kingdom.
- Alabama's goods exports to India have grown by 22 percent per year since 2007, while Alabama's services exports to China have grown by 14 percent per year.

**Contact:** Paul DeLaney, Business Roundtable: pdelaney@brt.org

www.brt.org/trade
Overview

In 2017, 58 percent ($1.3 trillion) of the products imported into the United States were inputs and components used by American producers. Lower cost inputs keep U.S. manufacturing competitive in international markets. Imports frequently contain components (like cotton or semiconductors) and services inputs (like design) provided by U.S. companies and farmers, including companies and farmers in Alabama.

- Services, especially transportation from Alabama's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2016, about 75 percent of identified U.S. importers were very small businesses with less than 20 employees.
- Trade and investment liberalization policies save the average Alabama family of four more than $10,000 per year.
- Imports help keep prices down for Alabama families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Trade with our free trade agreement (FTA) partner countries supports millions of American jobs. Trade agreements level the playing field by lowering other nations’ trade barriers, opening up foreign markets to U.S. exports and setting strong, enforceable rules for trade between the United States and those other countries.

- In 2017, $8.9 billion of Alabama's goods exports, or 41 percent, went to FTA partners.

- Since 2007, Alabama's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 71 percent.

- Alabama's goods exports to Canada and Mexico have increased by $6.2 billion (654 percent) since NAFTA went into effect in 1994.

- Alabama's goods exports to the Dominican Republic have increased by 139 percent since DR-CAFTA went into effect for the Dominican Republic in 2007.

- Alabama's exports to Korea of motor vehicles have increased from $3.9 million to $161 million since the FTA went into effect in 2012.


- In 2017, $1.1 billion of Alabama's services exports, or 25 percent, went to FTA partners.

- Alabama's exports to Australia of equipment installation, maintenance & repair services have increased from $4.8 million to $23 million, or by 371 percent, since 2006 (earliest year available).

By the Numbers

71%

Increase in Alabama Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Alabama Goods, 2017

$19.01

Non-FTA Countries

FTA Partner Countries*

$1.90

* U.S. FTAs in effect with countries in 2017.

In 2017, FTA partners purchased 10.0 times more goods per capita from Alabama than non-FTA partners.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Alabama every year. Foreign-owned companies from around the world employed more than 100,000 workers in Alabama, including:

- 20,000 workers employed by companies based in Japan;
- 16,100 workers employed by companies based in the United Kingdom;
- 13,200 workers employed by companies based in Germany;
- 10,700 workers employed by companies based in Canada;
- 10,000 workers employed by companies based in France.

Foreign-Owned Companies Employed 109,100 Alabama Workers Across Many Industries, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>66,700</td>
</tr>
<tr>
<td>Other</td>
<td>19,000</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>9,500</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>6,400</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3,100</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>2,800</td>
</tr>
<tr>
<td>Information</td>
<td>1,600</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in Alabama

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus SE</td>
<td>Aerospace Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>BAE Systems</td>
<td>Defense Products Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>CGI Group</td>
<td>Business Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Evonik Corp.</td>
<td>Chemical Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Hanwha Group</td>
<td>Building Materials Manufacturing</td>
<td>Korea</td>
</tr>
<tr>
<td>Honda Manufacturing</td>
<td>Automotive Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Hyundai Motor America</td>
<td>Motor Vehicle Manufacturing</td>
<td>South Korea</td>
</tr>
<tr>
<td>Mercedes-Benz US International</td>
<td>Automotive Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Metalsa Structural Products</td>
<td>Automotive Parts Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>SGS North America</td>
<td>Product Testing Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Sims Metal Management</td>
<td>Metal Recycling Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Automotive Manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
DATA SOURCES

ALABAMA JOBS DEPEND ON TWO-WAY TRADE


ALABAMA BUSINESSES GROW WITH EXPORTS


ALABAMA COMPANIES EXPORT THROUGHOUT THE WORLD


ALABAMA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


**Imports as Components**: Derived from Census end-use import data


ALABAMA NEEDS TRADE AGREEMENTS TO GROW


**Per Capita Purchases of Alabama Goods**: Derived from The Trade Partnership ([http://tradepartnership.com/data/cdxports-and-cdxjobs](http://tradepartnership.com/data/cdxports-and-cdxjobs)) and World Bank population estimates

FOREIGN INVESTMENT IN ALABAMA CREATES JOBS

**Employment Data**: BEA “Direct Investment & Multinational Companies” database ([http://bea.gov/ITable/index_MNC.cfm](http://bea.gov/ITable/index_MNC.cfm))

**Foreign Investors**: Uniworld BP database of “Foreign Firms Operating in the United States” ([http://www.uniworldbp.com](http://www.uniworldbp.com))

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade