Overview

With more than 96 percent of the world’s population and 75 percent of its purchasing power outside the United States, economic recovery, jobs, and future growth for Alabama and America will depend on trade and investment. That includes reaching those customers with American goods and services through exports and expanding buying power and options for American companies and families with imports.

New Business Roundtable research, U.S. government data, and other data sources demonstrate the benefits of international trade and investment to jobs and the economy in Alabama. As the United States and the world continue efforts to defeat the COVID-19 pandemic and create jobs and economic opportunity – restoring trade and supporting trade-dependent jobs can help Alabama recover as well.

Trade Creates & Supports Jobs in Alabama

• **International trade, including exports and imports, supported 530,100 Alabama jobs – nearly one in five in 2019.** These trade-related jobs grew six times faster than total employment from 1992 to 2019 and are at large and small companies, on farms, in factories, and at the headquarters of Alabama's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Alabama. *(See Alabama Jobs Depend On Two-Way Trade)*

• **Alabama exported $20.7 billion in goods and $4.9 billion in services in 2019,** including motor vehicles, aerospace products and parts, coal and petroleum gases and personal travel and tourism services. Of Alabama’s 4,205 exporters, 80 percent are small- and medium-sized companies with less than 500 workers. *(See Alabama Businesses Grow With Exports)*

• **Customers in 195 countries and territories buy Alabama-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Germany and China. Alabama's exports have grown 1.3 percent per year since 2010. Policies that help Alabama businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(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 and Families Benefit from Imports)*

• **Free trade agreements (FTAs) have helped fuel rapid export growth from Alabama to partner countries.** In 2019, $8.1 billion of Alabama's goods exports, or 39 percent, went to FTA partners. This represents an increase of 35 percent since 2010. *(See Alabama Needs Trade Agreements To Grow)*

• **Foreign-owned companies invest and build facilities and employ 120,100 workers in Alabama.** *(See Foreign Investment In Alabama Creates Jobs)*

Contact: Paul De Laney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview
Creating and preserving quality U.S. jobs is a goal shared by all Americans. With more than 96 percent of the world’s population and 75 percent of the world’s purchasing power outside of the United States, future American economic growth and job creation depend on open markets abroad. At the beginning of 2020, the COVID-19 global pandemic dramatically decreased trade, disrupted communities and economies, and ended millions of jobs across America, including in Alabama. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Alabama and help it recover faster.

Trade Creates & Supports Jobs in Alabama
- Export growth increases jobs by generating new business for Alabama’s manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Alabama businesses compete and saving Alabama families real dollars at the cash register.
- Nearly one in five Alabama jobs depends upon international trade.
- Alabama’s trade-related employment grew six times faster than total employment from 1992 to 2019.
- 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 supports more than 28 million U.S. jobs that provide middle class incomes.

About Trade & Jobs
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 not typically associated with “exports and imports.”

By the Numbers

530,100
Number of Jobs in Alabama Supported by Trade

Share of Jobs Tied to Trade
Increased 109 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Jobs Tied to Trade Top Sectors, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
</tr>
<tr>
<td>Business and professional services</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
</tr>
<tr>
<td>Education and health services</td>
</tr>
<tr>
<td>Construction</td>
</tr>
</tbody>
</table>

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

Alabama exported an estimated $20.7 billion in goods and $4.9 billion in services in 2019. Between 2010 and 2019, Alabama goods exports have increased by 38 percent and services exports by 50 percent. Large companies now account for 87 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 eight industries, including second in pulp and paperboard mill products ($975 million) and fourth in motor vehicles ($6.7 billion), coal and petroleum gases ($1.4 billion), and fibers, yarns and threads ($119 million).

- Alabama is America’s 35th largest exporter of agricultural products. It is the third largest exporter of poultry and eggs, the 17th largest exporter of miscellaneous crops, and the 33rd largest exporter of oilseeds and grains.

- One of Alabama’s fastest growing export categories is aerospace products and parts, which increased by 485 percent since 2010. In 2019, exports of these products reached $2.5 billion.

By the Numbers

4,205
Number of Alabama Businesses that Exported in 2018

Share of Alabama Exporters that Are Small- & Medium-Sized Businesses

Top Alabama Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicles</td>
<td>$6.7 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>Coal &amp; Petroleum Gases</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Pulp &amp; Paperboard Mill Products</td>
<td>$975 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$739 million</td>
</tr>
<tr>
<td>Equip. Installation &amp; Maintenance</td>
<td>$616 million</td>
</tr>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$367 million</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2019, Alabama companies sold their products in 195 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $3.9 billion
  - Services Exports: $350 million

- **United Kingdom**
  - Goods Exports: $377 million
  - Services Exports: $449 million

- **China**
  - Goods Exports: $2.3 billion
  - Services Exports: $386 million

- **Mexico**
  - Goods Exports: $2.2 billion
  - Services Exports: $226 million

- **Germany**
  - Goods Exports: $3.1 billion
  - Services Exports: $234 million

- **Japan**
  - Goods Exports: $784 million
  - Services Exports: $256 million

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

- Goods and services exports accounted for 11.2 percent of Alabama's state GDP in 2019.
- Alabama's annual exports grew by 1.3 percent per year since 2010.
- Alabama's top export markets for goods are Canada, Germany, and China. Its top market for services is the United Kingdom.
- Alabama's goods exports to Vietnam have grown by 36 percent per year since 2010, while Alabama’s services exports to India have grown by 11 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Alabama businesses, workers, and farmers reach the growing number of customers around the world.

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

Imports provide a variety of benefit for Alabama companies and families. Imported consumer goods help keep prices down for Alabama families while increasing choices for foods and other products that are not available locally. Imported inputs help Alabama manufacturers compete in both the United States and international markets, while exported goods (e.g., components) and services (e.g., design) often return to the United States as imports. To best meet the COVID-19 challenges, trade policies should ensure that American families and businesses retain access to both domestic and international inputs, supplies and services they need at prices they can afford.

Alabama Families Benefit from Imports

- In 2019, 18 percent of Alabama’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Alabama families more money to spend on locally provided goods and services, such as housing, education, and health care.
- Trade and investment liberalization policies save the average Alabama family of four more than $10,000 per year through lower prices and increased specialization.

2010-2019 Price Decrease

- -85% for Televisions
- -52% for Computers
- -51% for Toys

Most Importers are Small Businesses

- In 2019, 3,914 Alabama companies imported goods from 151 countries around the world.
- Nationally, 77 percent of importers were very small businesses with less than 20 employees, while less than 3 percent had over 500 employees.

Alabama Exports and Imports are Linked Through Global Value Chains

- In 2019, 82 percent of Alabama goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Alabama’s top imports are critical components for Alabama exports. Conversely, Alabama exports of raw materials and parts may return to the United States in imported finished goods.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
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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. Alabama businesses, workers and farmers benefit from market-opening agreements, and would be harmed from new barriers to trade that limit exports, competitiveness, and jobs in Alabama and United States.

- In 2019, $8.1 billion of Alabama’s goods exports, or 39 percent, went to FTA partners.
- Since 2010, Alabama’s goods exports to countries with FTAs in effect with the United States in 2019 have increased by 35 percent.
- Alabama’s exports to Canada and Mexico have increased by $5.2 billion (546 percent) since NAFTA went into effect in 1994.
- Alabama’s exports to the Dominican Republic have increased by 305 percent – from $66 million to $268 million – since the FTA with the Dominican Republic took effect in 2007.
- Alabama’s exports to Australia of motor vehicles have increased from $41 million to $186 million since the FTA with Australia went into effect in 2005.
- In 2019, $1.2 billion of Alabama’s services exports, or 24 percent, went to FTA partners.
- Alabama’s exports to Singapore of R&D and testing services have increased from $580,000 to $22 million, or by over 36 times, since 2006 (earliest year available).

By the Numbers

35%  
Increase in Alabama Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Alabama Goods, 2019

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.84</td>
<td></td>
<td>$17.13</td>
</tr>
</tbody>
</table>

* U.S. FTAs in effect with countries in 2019.

In 2019, FTA partners purchased 9.3 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 help grow the U.S. economy and jobs. In 2019, foreign-owned companies added over $1 trillion to U.S. GDP, including goods exports of $380 billion and R&D spending of over $60 billion. They employed 7.4 million workers in the United States, including 2 million workers – or 1 out of every 6 – in the manufacturing sector.

Alabama is no exception. Foreign-owned companies make significant investments in Alabama to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed about 120,000 workers in Alabama in 2019, including:

- 20,900 workers employed by companies based in Japan;
- 15,600 workers employed by companies based in Germany;
- 15,200 workers employed by companies based in Canada;
- 14,300 workers employed by companies based in the United Kingdom;
- 8,300 workers employed by companies based in France.

Foreign-Owned Companies Employed 120,100 Alabama Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>65,900</td>
</tr>
<tr>
<td>Other</td>
<td>21,200</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>12,000</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>9,400</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>6,200</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>3,300</td>
</tr>
<tr>
<td>Information</td>
<td>2,100</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>Evonik Corp.</td>
<td>Chemical manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Honda Manufacturing</td>
<td>Motor vehicle manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Hyundai Motor Manufacturing</td>
<td>Motor vehicle manufacturing</td>
<td>Korea</td>
</tr>
<tr>
<td>Mercedes Benz US International</td>
<td>Motor vehicle manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Tate &amp; Lyle</td>
<td>Food and beverage ingredients manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Motor vehicle manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
</table>

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**ALABAMA JOBS DEPEND ON TWO-WAY TRADE**

**Population and Purchasing Power:** Derived from World Bank population and GDP estimates


**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


**Price Changes:** Derived from BLS Consumer Price Index database [http://www.bls.gov/cpi/](http://www.bls.gov/cpi/)

**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)

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