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 Arizona 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 Arizona.

Trade Creates & Supports Jobs in Arizona

- **International trade, including exports and imports, supports 736,700 Arizona jobs – nearly one in five.** These trade-related jobs grew nearly three 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 Arizona’s globally engaged firms. (See Arizona Jobs Depend On Two-Way Trade)

- **Arizona exported $20.5 billion in goods and $12.8 billion in services in 2017,** including metal ores, vegetables & melons, semiconductors & components and travel services. Of Arizona’s 7,405 exporters, 87 percent are small- and medium-sized companies with less than 500 workers. (See Arizona Businesses Grow With Exports)

- **Customers in 203 countries and territories buy Arizona-made goods and services,** including billions of dollars in annual exports to top markets like Mexico, Canada and China. Arizona’s exports have grown about ten percent faster than state GDP since 2007. (See Arizona Companies Export Throughout The World)

- **Imports lower prices and increase choices for Arizona companies and families.** Lower raw material and input costs help Arizona 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 Arizona Companies Use Imports to Make Competitive Products)

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Arizona to partner countries.** In 2017, $11.2 billion of Arizona’s goods exports, or 55 percent, went to FTA partners. This represents an increase of 16 percent since 2007. (See Arizona Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 108,900 workers in Arizona.** (See Foreign Investment In Arizona Creates Jobs)

Contact: Paul DeLaney, 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 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 Arizona

- Export growth increases jobs by generating new business for Arizona’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Arizona businesses compete and saving Arizona families real dollars at the cash register.
- Nearly one in five Arizona jobs depends upon international trade.
- Arizona’s trade-related employment grew nearly three 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

736,700
Number of Jobs in Arizona Supported by Trade

Share of Jobs Tied to Trade
Increased 80 percent from 1992 to 2017

11.0% 19.8%
1992 2017

Jobs Tied to Trade
Top Sectors, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>173,700</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>140,300</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>50,100</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>49,600</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>24,800</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
ARIZONA BUSINESSES GROW WITH EXPORTS

Overview

Arizona exported an estimated $20.5 billion in goods and $12.8 billion in services in 2017. Between 2007 and 2017, Arizona goods exports have increased by 8 percent and services exports by 52 percent. Large companies now account for 75 percent of the value of Arizona’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 Arizona Exports

- Arizona ranks among the top 10 state exporters in 12 industries, including second in metal ores ($1.2 billion), second in vegetables & melons ($351 million), fourth in semiconductors & components ($3.4 billion), and fifth in audio & video equipment ($352 million).

- Arizona is America’s 22nd largest exporter of agricultural products. It is the second largest exporter of vegetables & melons, the seventh largest exporter of fruits & tree nuts, the tenth largest exporter of miscellaneous crops, and the 12th largest exporter of greenhouse & nursery products.

- One of Arizona's fastest growing export categories is miscellaneous fabricated metal products, which increased by 139 percent since 2007. In 2017, exports of these products reached $1.1 billion.

By the Numbers

7,405
Number of Arizona Businesses that Exported in 2016

87%
Share of Arizona Exporters that are Small- & Medium-Sized Businesses

Top Arizona Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductors &amp; Components</td>
<td>$3.4 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>Metal Ores</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Misc. Fabricated Metal Products</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Electrical Equipment &amp; Components</td>
<td>$1.0 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$3.9 billion</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Mgmt. &amp; Consulting Services</td>
<td>$1.1 billion</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2017, Arizona companies sold their products in 203 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $2.1 billion, Services Exports: $980 million
- **Germany**: Goods Exports: $663 million, Services Exports: $536 million
- **China**: Goods Exports: $1.2 billion, Services Exports: $963 million
- **Mexico**: Goods Exports: $7.5 billion, Services Exports: $675 million
- **United Kingdom**: Goods Exports: $903 million, Services Exports: $1.1 billion
- **Japan**: Goods Exports: $601 million, Services Exports: $815 million

Fast Facts: How Exports Help the Arizona Economy Grow

- Goods and services exports accounted for 10.2 percent of Arizona’s state GDP in 2017.
- Arizona’s exports have grown about ten percent faster than state GDP since 2007. The average annual export growth during this period was 2.5 percent, while the average annual state GDP growth was 2.3 percent.
- Arizona’s top export markets for goods are Mexico, Canada, and China. Its top market for services is United Kingdom.
- Arizona’s goods exports to the United Arab Emirates have grown by 38 percent per year since 2007, while Arizona’s services exports to China have grown by 16 percent per year.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
ARIZONA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

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 Arizona.

- Services such as transportation, 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 Arizona family of four more than $10,000 per year.
- Imports help keep prices down for Arizona families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2016, about 211,000 U.S. companies (including 5,484 in Arizona) imported products...

And roughly three-quarters of U.S. importers were very small businesses with less than 20 employees.

Imports Decrease Prices

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Televisions</td>
<td>-87.9%</td>
</tr>
<tr>
<td>Computers</td>
<td>-63.3%</td>
</tr>
<tr>
<td>Toys</td>
<td>-44.7%</td>
</tr>
</tbody>
</table>

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, $11.2 billion of Arizona's goods exports, or 55 percent, went to FTA partners.
- Since 2007, Arizona's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 16 percent.
- Arizona's goods exports to Canada and Mexico have increased by $7.2 billion (299 percent) since NAFTA went into effect in 1994.
- Arizona's goods exports to Chile have increased by 552 percent since the FTA took effect in 2004.
- Arizona's exports to Singapore of medical equipment & supplies have increased from $302,000 to $50 million since the FTA went into effect in 2004.
- Mexico bought 90 percent of Arizona's exports of metal ores in 2017.
- In 2017, $3.3 billion of Arizona's services exports, or 26 percent, went to FTA partners.
- Arizona's exports to Korea of travel services have increased from $87 million to $180 million, or by 107 percent, since the FTA went into effect in 2012.

By the Numbers

16%
Increase in Arizona Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Arizona Goods, 2017

- $24.15
- $1.38

Non-FTA Countries
FTA Partner Countries*

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

In 2017, FTA partners purchased 17.5 times more goods per capita from Arizona 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 Arizona every year. Foreign-owned companies from around the world employed more than 100,000 workers in Arizona, including:

- 17,600 workers employed by companies based in the United Kingdom;
- 17,300 workers employed by companies based in Canada;
- 11,000 workers employed by companies based in France;
- 9,300 workers employed by companies based in Japan;
- 8,800 workers employed by companies based in Switzerland.

Selected Foreign-Owned Companies Employing Workers in Arizona

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Adecco Staffing</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Bull Moose Tube Company</td>
<td>Metal Products</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Cemex</td>
<td>Construction Materials Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>CGI Group</td>
<td>Business Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Finetech Inc.</td>
<td>Industrial Equipment Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Fujifilm Electronic Materials</td>
<td>Electronic Components Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Great Western Bank</td>
<td>Banking Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Harrington Industrial Plastics</td>
<td>Plastic Products Manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Soitec Phoenix Labs</td>
<td>Semiconductor Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Solvay Chemicals</td>
<td>Chemicals Manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td>Research Services</td>
<td>Japan</td>
</tr>
</tbody>
</table>

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

ARIZONA JOBS DEPEND ON TWO-WAY TRADE


ARIZONA BUSINESSES GROW WITH EXPORTS

Small and Large Firms Partnering to Export (for 2006, the most recent year for which data were available): U.S. International Trade Commission, Small and Medium-Sized Enterprises: Characteristics and Performance, November 2010, (http://www.usitc.gov/publications/332/pub4189.pdf)


ARIZONA COMPANIES EXPORT THROUGHOUT THE WORLD


ARIZONA 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/)

ARIZONA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN ARIZONA CREATES JOBS

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

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

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