

HOW FLORIDA'S ECONOMY BENEFITS FROM TRADE & INVESTMENT



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 Florida 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 Florida. In 2020, the COVID-19 global pandemic has brought dual public health and economic crises. Meeting both challenges requires restoring trade and supporting trade-dependent jobs to help Florida recover.

Trade Creates & Supports Jobs in Florida

- **International trade, including exports and imports, supported 2,563,400 Florida jobs – more than one in five in 2018.** These trade-related jobs grew three times faster than total employment from 1992 to 2018 and are at large and small companies, on farms, in factories, and at the headquarters of Florida's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Florida. *(See Florida Jobs Depend On Two-Way Trade)*
- **Florida exported \$54.9 billion in goods and \$42.9 billion in services in 2018,** including aerospace products and parts, communications equipment, computer equipment and travel services. Of Florida's 58,760 exporters, 95 percent are small- and medium-sized companies with less than 500 workers. *(See Florida Businesses Grow With Exports)*
- **Customers in 225 countries and territories buy Florida-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Brazil and Mexico. Policies that help Florida businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Florida Companies Export Throughout The World)*
- **Imports lower prices and increase choices for Florida companies and families.** Lower raw material and input costs help Florida 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 Florida Companies and Families Benefit from Imports)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Florida to partner countries.** In 2018, \$21.2 billion of Florida's goods exports, or 39 percent, went to FTA partners. This represents an increase of 36 percent since 2009. *(See Florida Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 368,100 workers in Florida.** *(See Foreign Investment In Florida Creates Jobs)*



FLORIDA JOBS DEPEND ON TWO-WAY 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, stopped economic growth and ended millions of jobs across America, including in Florida. Policies that expand trade can create new job opportunities in Florida and help it recover faster.

Trade Creates & Supports Jobs in Florida

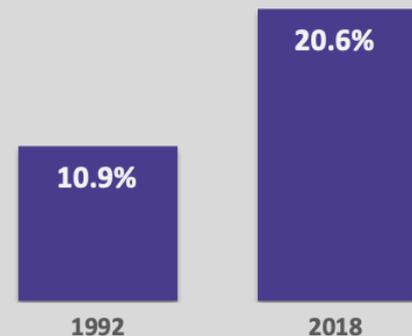
- Export growth increases jobs by generating new business for Florida's manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Florida businesses compete and saving Florida families real dollars at the cash register.
- More than one in five Florida jobs depends upon international trade.
- Florida's trade-related employment grew three times faster than total employment from 1992 to 2018.
- 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

2,563,400

Number of Jobs in Florida
Supported by Trade

**Share of Jobs Tied to Trade
Increased 89 percent from 1992 to 2018**



**Jobs Tied to Trade
Top Sectors, 2018**

Trade & Distribution	642,100
Prof., Scient. & Tech. Services	494,800
Personal & Rec. Services	215,900
Construction	128,900
Transportation & Warehousing	91,900



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FLORIDA BUSINESSES GROW WITH EXPORTS



Overview

Florida exported an estimated \$54.9 billion in goods and \$42.9 billion in services in 2018. Between 2009 and 2018, Florida goods exports have increased by 20 percent and services exports by 63 percent. Large companies now account for 44 percent of the value of Florida'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 Florida Exports

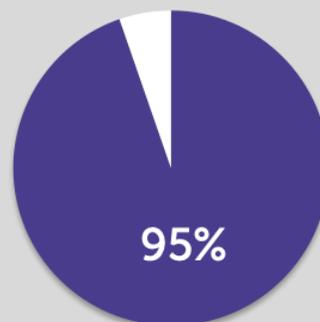
- Florida ranks among the top five state exporters in 39 industries, including first in pesticides and fertilizers (\$1.8 billion), in ships and boats (\$755 million), in greenhouse and nursery products (\$111 million), and second in HVAC and refrigeration equipment (\$584 million).
- Florida is America's 22nd largest exporter of agricultural products. It is the largest exporter of greenhouse and nursery products, the third largest exporter of aquaculture, the third largest exporter of vegetables and melons, and the fourth largest exporter of poultry and eggs.
- One of Florida's fastest growing export categories is aerospace products and parts, which increased by 7 percent since 2009. In 2018, exports of these products reached \$7.4 billion.

By the Numbers

58,760

Number of Florida Businesses that Exported in 2018

Share of Florida Exporters that are Small- & Medium-Sized Businesses



Top Florida Exports, 2018

Goods

Aerospace Products & Parts	\$7.4 billion
Communications Equipment	\$4.6 billion
Computer Equipment	\$3.3 billion
Navigational & Meas. Instruments	\$2.3 billion
Nonferrous Metal Products	\$2.2 billion

Services

Travel	\$15.1 billion
Mgmt. & Consulting Services	\$4.1 billion
Passenger Fares	\$4.0 billion

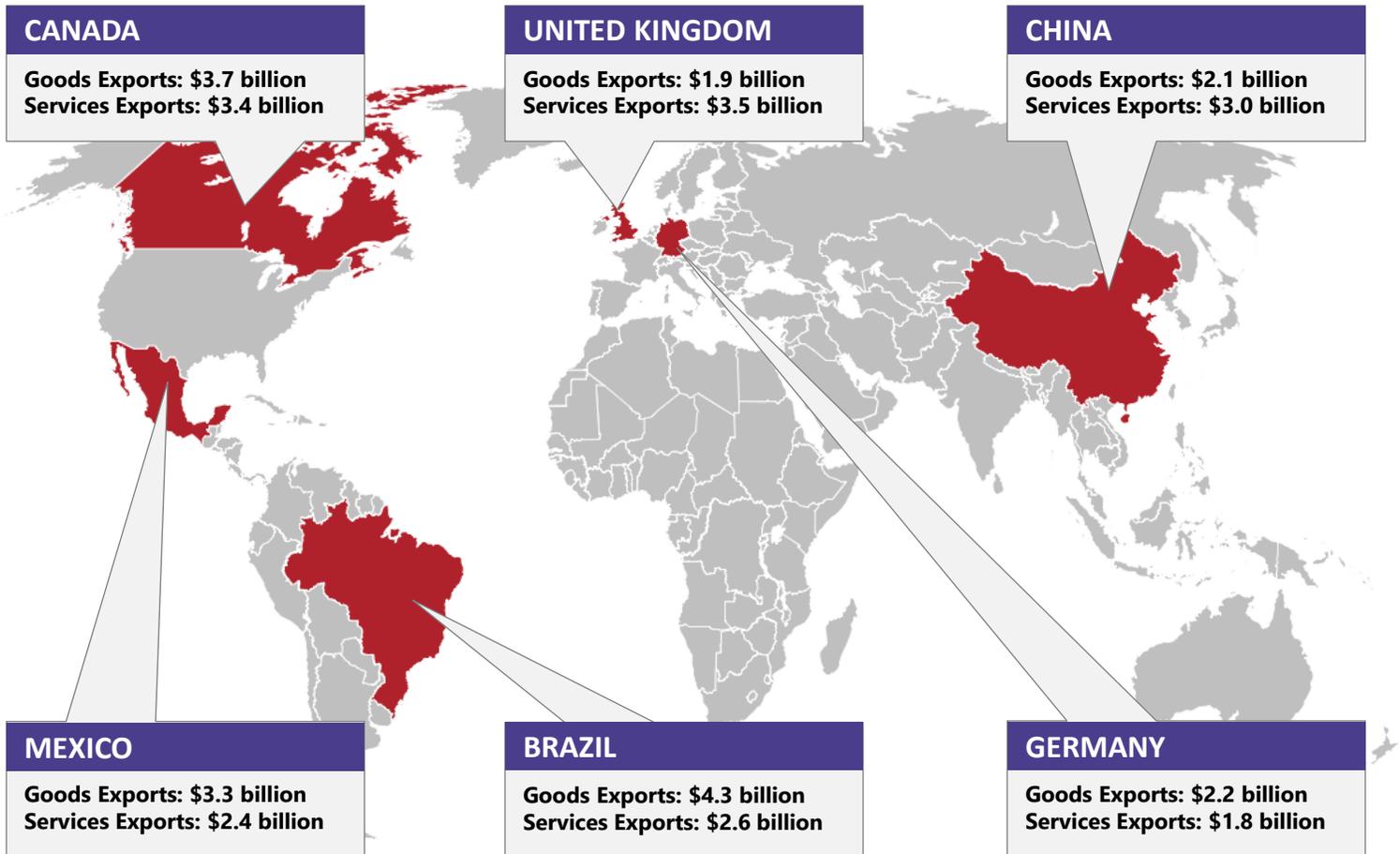


FLORIDA COMPANIES EXPORT THROUGHOUT THE WORLD



In 2018, Florida companies sold their products in 225 countries and territories.

Top export markets include:



Fast Facts: How Exports Help the Florida Economy Grow

- Goods and services exports accounted for 9.4 percent of Florida's state GDP in 2018.
- Florida's exports have grown at an average annual rate of 3.7 percent since 2009.
- Florida's top export markets for goods are Brazil, Canada, and Mexico. Its top market for services is the United Kingdom.
- Florida's goods exports to Korea have grown by 11 percent per year since 2009, while Florida's services exports to Argentina have grown by 10 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Florida businesses, workers, and farmers reach the growing number of customers around the world.



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FLORIDA COMPANIES AND FAMILIES BENEFIT FROM IMPORTS



Overview

Imports provide a variety of benefits for Florida companies and families. Imported consumer goods help keep prices down for Florida families while increasing choices for foods and other products that are not available locally. Imported inputs help Florida 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.

Florida Families Benefit from Imports

- In 2018, 44 percent of Florida's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Florida 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 Florida family of four more than \$10,000 per year through lower prices and increased specialization.

2008-2018 Price Decrease



-88% for Televisions



-63% for Computers



-45% for Toys

Most Importers are Small Businesses

- In 2018, 29,277 Florida companies imported goods from 218 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.

Florida Exports and Imports are Linked Through Global Value Chains

- In 2018, 56 percent of Florida goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Florida's top imports are critical components for Florida exports. Conversely, Florida exports of raw materials and parts may return to the United States in imported finished goods.



Imports:
Jet engines and parts
(\$1.1B in 2018)



Exports:
Aerospace products
(\$6.6B in 2018)



FLORIDA NEEDS TRADE AGREEMENTS TO GROW



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. Florida 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 Florida and the United States.

- In 2018, \$21.2 billion of Florida's goods exports, or 39 percent, went to FTA partners.
- Since 2009, Florida's goods exports to countries with FTAs in effect with the United States in 2018 have increased by 36 percent.
- Florida's exports to Canada and Mexico have increased by \$4.7 billion (215 percent) since NAFTA went into effect in 1994.
- Florida's exports to Singapore have increased from \$332 million to \$619 million since the FTA with Singapore took effect in 2003.
- Florida's exports to Peru of aerospace products and parts have increased from \$24 million to \$148 million since the FTA with Peru went into effect in 2008.
- Canada bought 77 percent of Florida's exports of vegetables and melons in 2018.
- In 2018, \$12.0 billion of Florida's services exports, or 28 percent, went to FTA partners.
- Florida's exports to Chile of air freight and port services have increased from \$74 million to \$234 million, or by 215 percent, since 2004.

By the Numbers

36%

Increase in Florida Goods Exports to FTA Partners Between 2009 and 2018

Per Capita Purchases of Florida Goods, 2018



* U.S. FTAs in effect with countries in 2018.

In 2018, FTA partners purchased 9.2 times more goods per capita from Florida than non-FTA partners.



FOREIGN INVESTMENT IN FLORIDA CREATES JOBS



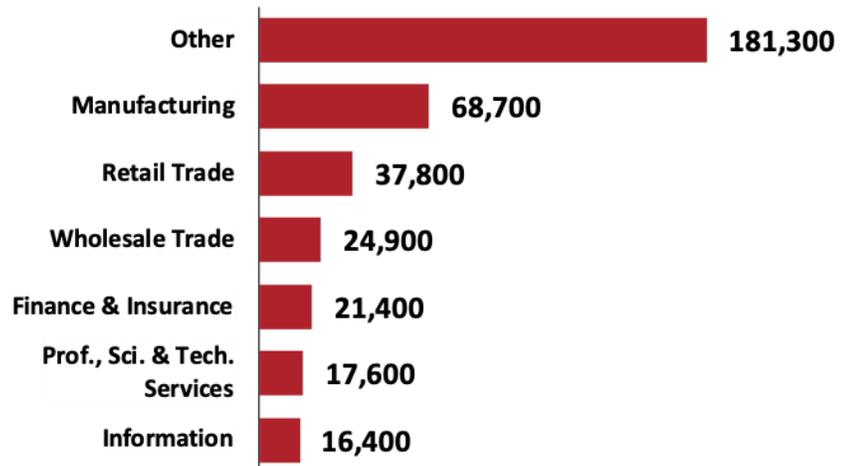
Overview

Foreign-owned companies help grow the U.S. economy and jobs. In 2017, 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.

Florida is no exception. Foreign-owned companies make significant investments in Florida to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed hundreds of thousands of workers in Florida in 2017, including:

- 64,500 workers employed by companies based in the United Kingdom;
- 44,700 workers employed by companies based in Canada;
- 37,000 workers employed by companies based in Germany;
- 31,000 workers employed by companies based in France;
- 29,000 workers employed by companies based in Switzerland.

Foreign-Owned Companies Employed 368,100 Florida Workers Across Many Industries, 2017



Selected Foreign-Owned Companies Employing Workers in Florida

Company	Industry	Country
Bombardier Aerospace	Aerospace Manufacturing	Canada
Cemex	Construction Materials Manufacturing	Mexico
Imerys USA	Mineral Mining	France
KPMG LLP	Consulting Services	Netherlands
Saint-Gobain	Plastics Manufacturing	France
Siemens	Electrical Equipment Manufacturing	Germany
Skanska USA	Architecture & Design Services	Sweden
Wipro Gallagher Solutions	IT Services	India



DATA SOURCES



FLORIDA JOBS DEPEND ON TWO-WAY TRADE

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

Jobs-Tied-to-Trade: Baughman and Francois, "Trade and American Jobs: The Impact of Trade on U.S. and State-Level Employment" (2020) (https://s3.amazonaws.com/brt.org/Trade_and_American_Jobs_2020.pdf)

Exporting Firm Wages: Riker, "Export-Intensive Industries Pay More on Average: An Update" (2015) (<https://www.usitc.gov/publications/332/ec201704a.pdf>)

Exporting Firm Growth: Bernard and Jensen, "Exporting and Productivity in the USA" (2004) (<http://faculty.tuck.dartmouth.edu/images/uploads/faculty/andrew-bernard/exprod.pdf>)

FLORIDA 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>)

Exports, Rankings, and Trends: The Trade Partnership, derived from U.S. Census Bureau ("Census") data (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Exporting Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2017 – 2018" (<https://www.census.gov/foreign-trade/Press-Release/edb/2018/>)

FLORIDA COMPANIES EXPORT THROUGHOUT THE WORLD

Exports, Rankings, and Trends: The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Export vs. GDP Growth: Derived from Census export data and U.S. Bureau of Economic Analysis (BEA) "GDP by State" database (<http://bea.gov/regional/index.htm>)

FLORIDA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

Importing Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2017 – 2018" (<https://www.census.gov/foreign-trade/Press-Release/edb/2018/>)

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

Savings from Liberalization: Bradford, Grieco, and Hufbauer, "The Payoff to America from Global Integration" (2005) (<http://www.piie.com/publications/papers/2iie3802.pdf>)

Price Changes: Derived from BLS Consumer Price Index database (<http://www.bls.gov/cpi/>)

FLORIDA NEEDS TRADE AGREEMENTS TO GROW

Exports and Trends: The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

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

FOREIGN INVESTMENT IN FLORIDA 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>)

