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 Iowa 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 Iowa.

Trade Creates & Supports Jobs in Iowa

- **International trade, including exports and imports, supports 432,600 Iowa jobs – more than one in five.** These trade-related jobs grew six 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 Iowa’s globally engaged firms. *(See Iowa Jobs Depend On Two-Way Trade)*

- **Iowa exported $16.1 billion in goods and $3.8 billion in services in 2017,** including oilseeds & grains, agricultural & construction machinery, animal foods and insurance services. Of Iowa’s 3,163 exporters, 83 percent are small- and medium-sized companies with less than 500 workers. *(See Iowa Businesses Grow With Exports)*

- **Customers in 186 countries and territories buy Iowa-made goods and services,** including billions of dollars in annual exports to top markets like Canada, China and Mexico. Iowa’s exports have grown 75 percent faster than state GDP since 2007. *(See Iowa Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Iowa to partner countries.** In 2017, $7.9 billion of Iowa’s goods exports, or 49 percent, went to FTA partners. This represents an increase of 30 percent since 2007. *(See Iowa Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 60,300 workers in Iowa.** *(See Foreign Investment In Iowa 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 Iowa

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

**432,600**
Number of Jobs in Iowa Supported by Trade

**Share of Jobs Tied to Trade**
Increased 94 percent from 1992 to 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.7%</td>
</tr>
<tr>
<td>2017</td>
<td>20.9%</td>
</tr>
</tbody>
</table>

**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>92,700</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>46,100</td>
</tr>
<tr>
<td>Agriculture</td>
<td>44,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>35,500</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>26,900</td>
</tr>
</tbody>
</table>

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

Overview

Iowa exported an estimated $16.1 billion in goods and $3.8 billion in services in 2017. Between 2007 and 2017, Iowa goods exports have increased by 44 percent and services exports by 84 percent. Large companies now account for 78 percent of the value of Iowa’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 Iowa Exports

- Iowa ranks among the top 10 state exporters in 10 industries, including second in oilseeds & grains ($4.2 billion), third in agricultural & construction machinery ($2.3 billion), third in animal foods ($186 million), and fourth in grain & oilseed milling products ($783 million).
- Iowa is America’s fourth largest exporter of agricultural products. It is the second largest exporter of oilseeds & grains, the seventh largest exporter of poultry & eggs, the 11th largest exporter of swine, and the 12th largest exporter of cattle.
- One of Iowa’s fastest growing export categories is pesticides & fertilizers, which increased by 190 percent since 2007. In 2017, exports of these products reached $472 million.

By the Numbers

3,163
Number of Iowa Businesses that Exported in 2016

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

83%

Top Iowa Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds &amp; Grains</td>
<td>$4.2 billion</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>Meat Products</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Grain &amp; Oilseed Milling Products</td>
<td>$783 million</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$712 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Services</td>
<td>$817 million</td>
</tr>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$606 million</td>
</tr>
<tr>
<td>Travel</td>
<td>$497 million</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2017, Iowa companies sold their products in 186 countries and territories.

Top export markets include:

<table>
<thead>
<tr>
<th>Country</th>
<th>Goods Exports</th>
<th>Services Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>$4.1 billion</td>
<td>$303 million</td>
</tr>
<tr>
<td>Germany</td>
<td>$531 million</td>
<td>$12 million</td>
</tr>
<tr>
<td>China</td>
<td>$2.1 billion</td>
<td>$288 million</td>
</tr>
<tr>
<td>Mexico</td>
<td>$2.2 billion</td>
<td>$123 million</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$328 million</td>
<td>$350 million</td>
</tr>
<tr>
<td>Japan</td>
<td>$1.3 billion</td>
<td>$259 million</td>
</tr>
</tbody>
</table>

Fast Facts: How Exports Help the Iowa Economy Grow

- Goods and services exports accounted for 10.8 percent of Iowa's state GDP in 2017.
- Iowa's exports have grown 75 percent faster than state GDP since 2007. The average annual export growth during this period was 5.3 percent, while the average annual state GDP growth was 3.0 percent.
- Iowa's top export markets for goods are Canada, Mexico, and China. Its top market for services is the United Kingdom.
- Iowa's goods exports to China have grown by 40 percent per year since 2007, while Iowa's services exports to China have grown by 21 percent per year.

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

- 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 Iowa family of four more than $10,000 per year.
- Imports help keep prices down for Iowa 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 2,776 in Iowa) imported products...

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

Imports Decrease Prices

-87.9%  Decrease in the Price of Televisions Between 2007 and 2017.

-63.3%  Decrease in the Price of Computers Between 2007 and 2017.

-44.7%  Decrease in the Price of Toys Between 2007 and 2017.

Imports Increase Choices

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, $7.9 billion of Iowa's goods exports, or 49 percent, went to FTA partners.
- Since 2007, Iowa's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 30 percent.
- Iowa's goods exports to Canada and Mexico have increased by $5.1 billion (463 percent) since NAFTA went into effect in 1994.
- Iowa's goods exports to Peru have increased by 340 percent since the FTA took effect in 2009.
- Iowa's exports to Australia of meat products have increased from $1.7 million to $61 million since the FTA went into effect in 2005.
- Korea bought 42 percent of Iowa's exports of nonferrous metal products in 2017.
- In 2017, $917 million of Iowa's services exports, or 24 percent, went to FTA partners.
- Iowa's exports to Australia of insurance services have increased from $6.1 million to $66 million, or by 984 percent, since 2006 (earliest year available).

By the Numbers

30%

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

Per Capita Purchases of Iowa Goods, 2017

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.22</td>
<td>$17.03</td>
<td></td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 14.0 times more goods per capita from Iowa 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 Iowa every year. Foreign-owned companies from around the world employed tens of thousands of workers in Iowa, including:

- 8,200 workers employed by companies based in the United Kingdom;
- 6,700 workers employed by companies based in the Netherlands;
- 4,900 workers employed by companies based in Japan;
- 4,600 workers employed by companies based in Canada;
- 4,500 workers employed by companies based in Germany.

### Selected Foreign-Owned Companies Employing Workers in Iowa

<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>Ajinomoto Food Ingredients</td>
<td>Food Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Accounting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Gerdau Ameristeel</td>
<td>Steel Product Manufacturing</td>
<td>Brazil</td>
</tr>
<tr>
<td>Great Western Bank</td>
<td>Banking Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Hubbard Feeds</td>
<td>Animal Feed</td>
<td>Canada</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Nutrien</td>
<td>Agricultural and Chemical Products</td>
<td>Canada</td>
</tr>
<tr>
<td>Schneider Electric</td>
<td>Power Distribution Equipment Manufacturer</td>
<td>France</td>
</tr>
<tr>
<td>Siemens Industry</td>
<td>Engineering Services</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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


IOWA BUSINESSES GROW WITH EXPORTS


IOWA COMPANIES EXPORT THROUGHOUT THE WORLD


IOWA 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/)

IOWA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN IOWA 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