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 Iowa 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 Iowa. 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 Iowa recover as well.

Trade Creates & Supports Jobs in Iowa

- **International trade, including exports and imports, supported 379,400 Iowa jobs — nearly one in five in 2019.** These trade-related jobs grew four 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 Iowa’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Iowa. (See *Iowa Jobs Depend On Two-Way Trade*)

- **Iowa exported $15.5 billion in goods and $4.4 billion in services in 2019,** including oilseeds and grains, agricultural and construction machinery, meat products and insurance services. Of Iowa’s 3,308 exporters, 82 percent are small- and medium-sized companies with less than 500 workers. (See *Iowa Businesses Grow With Exports*)

- **Customers in 187 countries and territories buy Iowa-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Iowa’s exports have grown 0.5 percent per year since 2010. Policies that help Iowa businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. (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 and Families Benefit from Imports*)

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Iowa to partner countries.** In 2019, $7.6 billion of Iowa’s goods exports, or 49 percent, went to FTA partners. This represents an increase of 12 percent since 2010. (See *Iowa Needs Trade Agreements To Grow*)

- **Foreign-owned companies invest and build facilities and employ 61,400 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 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 Iowa. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Iowa and help it recover faster.

Trade Creates & Supports Jobs in Iowa

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

379,400
Number of Jobs in Iowa Supported by Trade

Share of Jobs Tied to Trade
Increased 69 percent from 1992 to 2019

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.7%</td>
<td></td>
<td>18.1%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>72,500</td>
</tr>
<tr>
<td>Business and professional services</td>
<td>59,400</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>59,000</td>
</tr>
<tr>
<td>Education and health services</td>
<td>57,400</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>29,600</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 $15.5 billion in goods and $4.4 billion in services in 2019. Between 2010 and 2019, Iowa goods exports have increased by 7 percent and services exports by 57 percent. Large companies now account for 82 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 12 industries, including third in agricultural and construction machinery ($2.4 billion) and animal foods ($224 million), fourth in meat products ($1.7 billion), and fifth in grain and oilseed milling products ($905 million).
- Iowa is America’s fourth largest exporter of agricultural products. It is the second largest exporter of oilseeds and grains, the ninth largest exporter of poultry and eggs, the 15th largest exporter of cattle, and the 19th largest exporter of swine.
- One of Iowa’s fastest growing export categories is metal ores, which increased by 134 percent since 2010. In 2019, exports of these products reached $258 million.

By the Numbers

3,308
Number of Iowa Businesses that Exported in 2018

82%
Share of Iowa Exporters that are Small- & Medium-Sized Businesses

Top Iowa Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds &amp; Grains</td>
<td>$3.4 billion</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Meat Products</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Grain &amp; Oilseed Milling Products</td>
<td>$905 million</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$692 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Services</td>
<td>$727 million</td>
</tr>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$621 million</td>
</tr>
<tr>
<td>Equip. Installation &amp; Maintenance</td>
<td>$458 million</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2019, Iowa companies sold their products in 187 countries and territories.

Top export markets include:

- **CANADA**: Goods Exports: $3.8 billion, Services Exports: $327 million
- **UNITED KINGDOM**: Goods Exports: $326 million, Services Exports: $434 million
- **CHINA**: Goods Exports: $1.7 billion, Services Exports: $334 million
- **MEXICO**: Goods Exports: $2.0 billion, Services Exports: $163 million
- **GERMANY**: Goods Exports: $533 million, Services Exports: $144 million
- **JAPAN**: Goods Exports: $1.3 billion, Services Exports: $330 million

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

- Goods and services exports accounted for 10.2 percent of Iowa's state GDP in 2019.
- Iowa's annual exports grew 0.5 percent per year since 2010.
- 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 the Netherlands have grown by 15 percent per year since 2010, while Iowa's services exports to Switzerland have grown by 10 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Iowa 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 Iowa companies and families. Imported consumer goods help keep prices down for Iowa families while increasing choices for foods and other products that are not available locally. Imported inputs help Iowa 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.

Iowa Families Benefit from Imports

- In 2019, 26 percent of Iowa's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Iowa 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 Iowa 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, 2,829 Iowa companies imported goods from 136 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.

Iowa Exports and Imports are Linked Through Global Value Chains

- In 2019, 74 percent of Iowa goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Iowa's top imports are critical components for Iowa exports. Conversely, Iowa exports of raw materials and parts may return to the United States in imported finished goods.

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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. Iowa 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 Iowa and United States.

- In 2019, $7.6 billion of Iowa's goods exports, or 49 percent, went to FTA partners.
- Since 2010, Iowa's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 12 percent.
- Iowa's exports to Canada and Mexico have increased by $4.8 billion (431 percent) since NAFTA went into effect in 1994.
- Iowa’s exports to Chile have increased by 479 percent – from $19 million to $108 million – since the FTA with Chile took effect in 2004.
- Iowa's exports to Australia of meat products have increased from $1.7 million to $79 million since the FTA with Australia went into effect in 2005.
- In 2019, $1.0 billion of Iowa's services exports, or 23 percent, went to FTA partners.
- Iowa’s exports to Singapore of R&D and testing services have increased from $1.3 million to $34 million, or by about 25 times, since 2006 (earliest year available).

By the Numbers

12%
Increase in Iowa Goods Exports to FTA Partners Between 2010 and 2019

**Per Capita Purchases of Iowa Goods, 2019**

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.16</td>
<td>$16.07</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 13.9 times more goods per capita from Iowa than non-FTA partners.

Contact: Paul De Laney, Business Roundtable: pdelaney@brt.org
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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.

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

- 7,100 workers employed by companies based in the United Kingdom;
- 6,800 workers employed by companies based in Germany;
- 5,100 workers employed by companies based in the Netherlands;
- 4,900 workers employed by companies based in Japan;
- 4,300 workers employed by companies based in France.

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>Amcor Flexibles Centerville</td>
<td>Food packaging manufacturing</td>
<td>Australia</td>
</tr>
<tr>
<td>Barilla America, Inc.</td>
<td>Food products manufacturing</td>
<td>Italy</td>
</tr>
<tr>
<td>Bridgestone Americas</td>
<td>Tire manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Magna Cosma/Montezuma Manufacturing Inc.</td>
<td>Motor vehicle parts manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>National Beef Packing Company</td>
<td>Food products manufacturing</td>
<td>Brazil</td>
</tr>
<tr>
<td>Rousselot Inc.</td>
<td>Food products manufacturing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Wacker Chemical Corporation</td>
<td>Chemical products manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Xerxes Corporation</td>
<td>Machinery parts manufacturing</td>
<td>Canada</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 61,400 Iowa Workers Across Many Industries, 2019

- **Manufacturing**: 33,800
- **Other**: 11,400
- **Finance & Insurance**: 8,000
- **Retail Trade**: 2,600
- **Wholesale Trade**: 2,300
- **Information**: 2,000
- **Prof., Sci. & Tech. Services**: 1,300

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IOWA JOBS DEPEND ON TWO-WAY TRADE

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


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/](http://www.bls.gov/cpi/))

IOWA NEEDS TRADE AGREEMENTS TO GROW

**Exports and Trends:** The Trade Partnership ([http://tradepartnership.com/data/cdxports-and-cdxjobs](http://tradepartnership.com/data/cdxports-and-cdxjobs))

**Per Capita Purchases of Iowa 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 IOWA 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](http://www.brt.org/trade)