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 Idaho 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 Idaho. 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 Idaho recover.

Trade Creates & Supports Jobs in Idaho

- **International trade, including exports and imports, supported 208,900 Idaho jobs – 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 Idaho's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Idaho. *(See Idaho Jobs Depend On Two-Way Trade)*

- **Idaho exported $4.1 billion in goods and $1.7 billion in services in 2018,** including semiconductors and components, computer equipment, oilseeds and grains and travel services. Of Idaho's 1,657 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See Idaho Businesses Grow With Exports)*

- **Customers in 162 countries and territories buy Idaho-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Taiwan and China. Policies that help Idaho businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Idaho Companies Export Throughout The World)*

- **Imports lower prices and increase choices for Idaho companies and families.** Lower raw material and input costs help Idaho 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 Idaho Companies and Families Benefit from Imports)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Idaho to partner countries.** In 2018, $1.8 billion of Idaho's goods exports, or 43 percent, went to FTA partners. This represents an increase of 1.2 percent since 2009. *(See Idaho Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 16,800 workers in Idaho.** *(See Foreign Investment In Idaho 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, stopped economic growth and ended millions of jobs across America, including in Idaho. Policies that expand trade can create new job opportunities in Idaho and help it recover faster.

Trade Creates & Supports Jobs in Idaho

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

208,900
Number of Jobs in Idaho Supported by Trade

Share of Jobs Tied to Trade
Increased 82 percent from 1992 to 2018

Jobs Tied to Trade
Top Sectors, 2018

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>50,100</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>32,100</td>
</tr>
<tr>
<td>Construction</td>
<td>12,300</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>12,200</td>
</tr>
<tr>
<td>Agriculture</td>
<td>9,800</td>
</tr>
</tbody>
</table>

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

Overview

Idaho exported an estimated $4.1 billion in goods and $1.7 billion in services in 2018. Between 2009 and 2018, Idaho goods exports have increased by 1 percent and services exports by 65 percent. Large companies now account for 77 percent of the value of Idaho’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 Idaho Exports

- Idaho ranks among the top 10 state exporters in seven industries, including fourth in cattle ($33 million), sixth in dairy products ($273 million), eighth in vegetables and melons ($108 million), and eighth in railroad rolling stock ($76 million).
- Idaho is America’s 29th largest exporter of agricultural products. It is the fourth largest exporter of cattle, the eighth largest exporter of vegetables and melons, the ninth largest exporter of greenhouse and nursery products, and the 10th largest exporter of aquaculture.
- One of Idaho’s fastest growing export categories is magnetic and optical media, which increased by 272 percent since 2009. In 2018, exports of these products reached $111 million.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org www.brt.org/trade
In 2018, Idaho companies sold their products in 162 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $919 million, Services Exports: $154 million
- **United Kingdom**: Goods Exports: $190 million, Services Exports: $118 million
- **China**: Goods Exports: $401 million, Services Exports: $134 million
- **Mexico**: Goods Exports: $242 million, Services Exports: $82 million
- **Singapore**: Goods Exports: $313 million, Services Exports: $63 million
- **Taiwan**: Goods Exports: $619 million, Services Exports: $17 million

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

- Goods and services exports accounted for 7.5 percent of Idaho's state GDP in 2018.
- Idaho's exports have grown at an average annual rate of 2.3 percent since 2009.
- Idaho's top export markets for goods are Canada, Taiwan, and China. Its top market for services is Canada.
- Idaho's goods exports to the Netherlands have grown by 9 percent per year since 2009, while Idaho's services exports to China have grown by 16 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Idaho 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 benefits for Idaho companies and families. Imported consumer goods help keep prices down for Idaho families while increasing choices for foods and other products that are not available locally. Imported inputs help Idaho 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.

Idaho Families Benefit from Imports

- In 2018, 27 percent of Idaho's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Idaho 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 Idaho 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, 1,725 Idaho companies imported goods from 115 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.

Idaho Exports and Imports are Linked Through Global Value Chains

- In 2018, 73 percent of Idaho goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Idaho’s top imports are critical components for Idaho exports. Conversely, Idaho exports of raw materials and parts may return to the United States in imported finished goods.
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. Idaho 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 Idaho and the United States.

- In 2018, $1.8 billion of Idaho’s goods exports, or 43 percent, went to FTA partners.
- Since 2009, Idaho’s goods exports to countries with FTAs in effect with the United States in 2018 have increased by 1.2 percent.
- Idaho’s exports to Canada and Mexico have increased by $961 million (481 percent) since NAFTA went into effect in 1994.
- Idaho’s exports to Australia have increased by 206 percent – from $24 million to $71 million – since the FTA with Australia took effect in 2004.
- Idaho’s exports to Korea of dairy products have increased from $14 million to $47 million since the FTA with Korea went into effect in 2012.
- Singapore bought 35 percent of Idaho’s exports of magnetic and optical media products in 2018.
- In 2018, $461 million of Idaho’s services exports, or 27 percent, went to FTA partners.
- Idaho’s exports to Singapore of R&D and testing services have increased from $1 million to $31 million, or by over 2,800 percent, since 2006 (earliest year available).

By the Numbers

1.2%

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

Per Capita Purchases of Idaho Goods, 2018

$3.81

$0.34

Non-FTA Countries  FTA Partner Countries

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

In 2018, FTA partners purchased 11.2 times more goods per capita from Idaho than non-FTA partners.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
FOREIGN INVESTMENT IN IDAHO
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.

Idaho is no exception. Foreign-owned companies make significant investments in Idaho to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed nearly 17,000 workers in Idaho in 2017, including:

- 3,000 workers employed by companies based in Canada;
- 2,700 workers employed by companies based in France;
- 2,200 workers employed by companies based in the United Kingdom;
- 1,900 workers employed by companies based in Germany;
- 1,800 workers employed by companies based in Switzerland.

Foreign-Owned Companies Employed 16,800 Idaho Workers Across Many Industries, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>6,500</td>
</tr>
<tr>
<td>Other</td>
<td>5,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1,500</td>
</tr>
<tr>
<td>Information</td>
<td>1,200</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,000</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>200</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in Idaho

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASML Boise</td>
<td>Semiconductor Processing Equipment</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Glanbia Foods Inc.</td>
<td>Dairy/Cheese Products</td>
<td>Ireland</td>
</tr>
<tr>
<td>Great Western Malting Co.</td>
<td>Wheat/Barley Supplier</td>
<td>Australia</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>McCain Foods USA</td>
<td>Potato Product Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Schneider Electric</td>
<td>Power Distribution Equipment Mfg.</td>
<td>France</td>
</tr>
<tr>
<td>Stantec, Inc.</td>
<td>Architecture, Engineering &amp; Design Services</td>
<td>Canada</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Banking Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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IDAHO JOBS DEPEND ON TWO-WAY TRADE

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


IDAHO 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)


IDAHO COMPANIES EXPORT THROUGHOUT THE WORLD


IDAHO 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/)

IDAHO NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN IDAHO CREATES JOBS


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

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