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 Maryland 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 Maryland. 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 Maryland recover as well.

Trade Creates & Supports Jobs in Maryland

- **International trade, including exports and imports, supported 824,500 Maryland jobs – more than 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 Maryland's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Maryland. *(See Maryland Jobs Depend On Two-Way Trade)*

- **Maryland exported $12.8 billion in goods and $15.3 billion in services in 2019,** including aerospace products and parts, oil and gas, pharmaceuticals and medicines and personal travel and tourism services. Of Maryland's 6,491 exporters, 87 percent are small- and medium-sized companies with less than 500 workers. *(See Maryland Businesses Grow With Exports)*

- **Customers in 200 countries and territories buy Maryland-made goods and services,** including billions of dollars in annual exports to top markets like Canada, France and Japan. Maryland's exports have grown 1.2 percent per year since 2010. Policies that help Maryland businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Maryland Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Maryland to partner countries.** In 2019, $3.7 billion of Maryland's goods exports, or 29 percent, went to FTA partners. This represents an increase of 13 percent since 2010. *(See Maryland Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 116,700 workers in Maryland.** *(See Foreign Investment In Maryland Creates Jobs)*
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 Maryland. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Maryland and help it recover faster.

Trade Creates & Supports Jobs in Maryland

- Export growth increases jobs by generating new business for Maryland’s manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Maryland businesses compete and saving Maryland families real dollars at the cash register.

- More than one in five Maryland jobs depends upon international trade.

- Maryland’s trade-related employment grew four 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

824,500
Number of Jobs in Maryland Supported by Trade

Share of Jobs Tied to Trade
Increased 95 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Jobs Tied to Trade (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>11.1%</td>
</tr>
<tr>
<td>2019</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and professional services</td>
<td>186,400</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>150,700</td>
</tr>
<tr>
<td>Education and health services</td>
<td>123,200</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>88,900</td>
</tr>
<tr>
<td>Construction</td>
<td>51,100</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Maryland exported an estimated $12.8 billion in goods and $15.3 billion in services in 2019. Between 2010 and 2019, Maryland goods exports have increased by 28 percent and services exports by 54 percent. Large companies now account for 67 percent of the value of Maryland’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 Maryland Exports

- Maryland ranks among the top 10 state exporters in 8 industries, including third in forestry products ($33 million), fifth in oil and gas ($1.5 billion), and seventh in coal and petroleum gases ($211 million) and apparel accessories ($12 million).
- Maryland ranks among the top 10 state exporters in multiple services sectors, including sixth in computer software ($1.0 billion), seventh in telecommunications services ($266 million), and ninth in business management and consulting services ($2.3 billion).
- One of Maryland’s fastest growing export categories is motor vehicle parts, which increased by 356 percent since 2010. In 2019, exports of these products reached $272 million.

By the Numbers

Number of Maryland Businesses that Exported in 2018

87%

Share of Maryland Exporters that Are Small- & Medium-Sized Businesses

Top Maryland Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$2.2 billion</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Misc. Fabricated Metal Products</td>
<td>$647 million</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$620 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>Business Mgmt. &amp; Consulting Services</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>R&amp;D &amp; Testing Services</td>
<td>$1.5 billion</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
MARYLAND COMPANIES EXPORT THROUGHOUT THE WORLD

In 2019, Maryland companies sold their products in 200 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $1.6 billion, Services Exports: $1.0 billion
- **United Kingdom**: Goods Exports: $530 million, Services Exports: $1.2 billion
- **China**: Goods Exports: $572 million, Services Exports: $910 million
- **Ireland**: Goods Exports: $40 million, Services Exports: $1.2 billion
- **France**: Goods Exports: $1.9 billion, Services Exports: $380 million
- **Japan**: Goods Exports: $1.0 billion, Services Exports: $909 million

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

- Goods and services exports accounted for 6.6 percent of Maryland's state GDP in 2019.
- Maryland's annual exports grew 1.2 percent per year since 2010.
- Maryland's top export markets for goods are France, Canada, and Japan. Its top market for services is the United Kingdom.
- Maryland's goods exports to France have grown by 42 percent per year since 2010, while Maryland's services exports to Denmark have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Maryland 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 Maryland companies and families. Imported consumer goods help keep prices down for Maryland families while increasing choices for foods and other products that are not available locally. Imported inputs help Maryland 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.

Maryland Families Benefit from Imports

- In 2019, 23 percent of Maryland's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Maryland 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 Maryland 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, 6,455 Maryland companies imported goods from 186 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.

Maryland Exports and Imports are Linked Through Global Value Chains

- In 2019, 77 percent of Maryland goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Maryland's top imports are critical components for Maryland exports. Conversely, Maryland exports of raw materials and parts may return to the United States in imported finished goods.

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. Maryland 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 Maryland and United States.

- In 2019, $3.7 billion of Maryland's goods exports, or 29 percent, went to FTA partners.
- Since 2010, Maryland's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 13 percent.
- Maryland's exports to Canada and Mexico have increased by $894 million (78 percent) since NAFTA went into effect in 1994.
- Maryland's exports to Morocco have increased by over 7,000 percent – from $7.1 million to $508 million – since the FTA with Morocco took effect in 2006.
- Maryland's exports to Singapore of navigational and measurement instruments have increased from $4.1 million to $42 million since the FTA with Singapore went into effect in 2004.
- In 2019, $3.4 billion of Maryland’s services exports, or 22 percent, went to FTA partners.
- Maryland's exports to Singapore of R&D and testing services have increased from $6.2 million to $218 million, or by about 35 times, since 2006 (earliest year available).

By the Numbers

| 13% |
| Increase in Maryland Goods Exports to FTA Partners Between 2010 and 2019 |

Per Capita Purchases of Maryland Goods, 2019

| $7.89 | $1.33 |
| Non-FTA Countries | FTA Partner Countries |

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

In 2019, FTA partners purchased 5.9 times more goods per capita from Maryland than non-FTA partners.

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

Maryland is no exception. Foreign-owned companies make significant investments in Maryland to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed more than 110,000 workers in Maryland in 2019, including:

- 25,600 workers employed by companies based in the United Kingdom;
- 24,800 workers employed by companies based in the Netherlands;
- 14,100 workers employed by companies based in Canada;
- 10,200 workers employed by companies based in France;
- 9,700 workers employed by companies based in Germany.

Selected Foreign-Owned Companies Employing Workers in Maryland

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amcor Flexibles Hagerstown</td>
<td>Plastic products manufacturing</td>
<td>Australia</td>
</tr>
<tr>
<td>AstraZeneca</td>
<td>Pharmaceutical manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Giant Food of Maryland, LLC</td>
<td>Food retailing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Oldcastle Infrastructure</td>
<td>Building materials manufacturing</td>
<td>Ireland</td>
</tr>
<tr>
<td>Solvay USA Inc.</td>
<td>Chemical products manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial services</td>
<td>Canada</td>
</tr>
<tr>
<td>Trader Joe's</td>
<td>Food retailing</td>
<td>Germany</td>
</tr>
<tr>
<td>Volvo Powertrain North America</td>
<td>Truck manufacturing</td>
<td>Sweden</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 116,700 Maryland Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>37,200</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>31,200</td>
</tr>
<tr>
<td>Manufacuring</td>
<td>25,800</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>7,100</td>
</tr>
<tr>
<td>Information</td>
<td>6,800</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Serv</td>
<td>4,600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>4,100</td>
</tr>
</tbody>
</table>
MARYLAND JOBS DEPEND ON TWO-WAY TRADE

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


MARYLAND 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)


MARYLAND COMPANIES EXPORT THROUGHOUT THE WORLD


MARYLAND 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/)

MARYLAND NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN MARYLAND 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)

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