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 Maine 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 Maine. 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 Maine recover as well.

Trade Creates & Supports Jobs in Maine

- **International trade, including exports and imports, supported 170,300 Maine jobs – one in five in 2019.** These trade-related jobs grew nine 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 Maine’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Maine. *(See Maine Jobs Depend On Two-Way Trade)*

- **Maine exported $2.5 billion in goods and $1.7 billion in services in 2019,** including marine products, pulp and paperboard mill products, aerospace products and parts and personal travel and tourism services. Of Maine’s 1,836 exporters, 84 percent are small- and medium-sized companies with less than 500 workers. *(See Maine Businesses Grow With Exports)*

- **Customers in 175 countries and territories buy Maine-made goods and services,** including billions of dollars in annual exports to top markets like Canada, China and Malaysia. Policies that help Maine businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Maine Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Maine to partner countries.** In 2019, $1.5 billion of Maine’s goods exports, or 59 percent, went to FTA partners. This represents an increase of 13 percent since 2010. *(See Maine Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 35,600 workers in Maine.** *(See Foreign Investment In Maine 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 Maine. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Maine and help it recover faster.

Trade Creates & Supports Jobs in Maine

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

170,300
Number of Jobs in Maine Supported by Trade

Share of Jobs Tied to Trade
Increased 164 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>7.5%</td>
</tr>
<tr>
<td>2019</td>
<td>19.9%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>34,200</td>
</tr>
<tr>
<td>Business and professional services</td>
<td>31,100</td>
</tr>
<tr>
<td>Education and health services</td>
<td>30,800</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>24,700</td>
</tr>
<tr>
<td>Construction</td>
<td>11,900</td>
</tr>
</tbody>
</table>

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

Maine exported an estimated $2.5 billion in goods and $1.7 billion in services in 2019. Between 2010 and 2019, Maine goods exports have decreased by 22 percent, while services exports increased by 47 percent. Large companies now account for 48 percent of the value of Maine’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 Maine Exports

- Maine ranks among the top half of state exporters in 14 industries, including third in marine products ($439 million), and timber and logs ($122 million), 12th in pulp and paperboard mill products ($302 million), and 17th in preserves and specialty foods ($51 million).
- Maine is America’s 39th largest exporter of agricultural products. It is the largest exporter of aquaculture, the ninth largest exporter of miscellaneous animal products, the 17th largest exporter of fruits and tree nuts, and the 17th largest exporter of swine.
- One of Maine’s fastest growing export categories is miscellaneous wood products, which increased by 257 percent since 2010. In 2019, exports of these products reached $17 million.

By the Numbers

1,836
Number of Maine Businesses that Exported in 2018

84%
Share of Maine Exporters that Are Small- & Medium-Sized Businesses

Top Maine Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine Products</td>
<td>$439 million</td>
</tr>
<tr>
<td>Pulp &amp; Paperboard Mill Products</td>
<td>$302 million</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$299 million</td>
</tr>
<tr>
<td>Semiconductors &amp; Components</td>
<td>$230 million</td>
</tr>
<tr>
<td>Timber &amp; Logs</td>
<td>$122 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>$491 million</td>
</tr>
<tr>
<td>Business Travel</td>
<td>$163 million</td>
</tr>
<tr>
<td>Equip. Installation &amp; Maintenance</td>
<td>$152 million</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
In 2019, Maine companies sold their products in 175 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $1.2 billion, Services Exports: $211 million
- **United Kingdom**: Goods Exports: $56 million, Services Exports: $154 million
- **China**: Goods Exports: $131 million, Services Exports: $113 million
- **Mexico**: Goods Exports: $50 million, Services Exports: $89 million
- **Malaysia**: Goods Exports: $112 million, Services Exports: $5.8 million
- **Japan**: Goods Exports: $67 million, Services Exports: $91 million

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

- Goods and services exports accounted for 6.2 percent of Maine's state GDP in 2019.
- Maine's top export markets for goods are Canada, China, and Malaysia. Its top market for services is Canada.
- Maine's goods exports to Thailand have grown by 27 percent per year since 2010, while Maine's services exports to China have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Maine 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 Maine companies and families. Imported consumer goods help keep prices down for Maine families while increasing choices for foods and other products that are not available locally. Imported inputs help Maine 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.

Maine Families Benefit from Imports
- In 2019, 28 percent of Maine’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Maine 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 Maine 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, 1,556 Maine companies imported goods from 122 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.

Maine Exports and Imports are Linked Through Global Value Chains
- In 2019, 72 percent of Maine goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Maine’s top imports are critical components for Maine exports. Conversely, Maine exports of raw materials and parts may return to the United States in imported finished goods.

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www.brt.org/trade

Imports: Jet engines and parts ($115M in 2019)
Exports: Aerospace products ($293M in 2019)
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. Maine 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 Maine and United States.

- In 2019, $1.5 billion of Maine’s goods exports, or 59 percent, went to FTA partners.
- Since 2010, Maine’s goods exports to countries with FTAs in effect with the United States in 2019 have increased by 13 percent.
- Maine’s exports to Canada and Mexico have increased by $902 million (235 percent) since NAFTA went into effect in 1994.
- Maine’s exports to Costa Rica have increased by 151 percent – from $1.3 million to $3.4 million – since the FTA with Costa Rica took effect in 2009.
- Maine’s exports to the Dominican Republic of miscellaneous wood products have increased from $19,000 to $10 million since the FTA with the Dominican Republic went into effect in 2007. In 2019, the Dominican Republic accounted for 62 percent of Maine’s exports of miscellaneous wood products to the world.
- In 2019, $544 million of Maine’s services exports, or 32 percent, went to FTA partners.
- Maine’s exports to Australia of personal travel have increased from $6.3 million to $28 million, or by 336 percent, since 2006 (earliest year available).

By the Numbers

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

Per Capita Purchases of Maine Goods, 2019

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

In 2019, FTA partners purchased 21.2 times more goods per capita from Maine than non-FTA partners.

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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.

Maine is no exception. Foreign-owned companies make significant investments in Maine 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 Maine in 2019, including:

- 8,700 workers employed by companies based in Canada;
- 2,500 workers employed by companies based in Switzerland;
- 2,100 workers employed by companies based in the United Kingdom;
- 1,700 workers employed by companies based in Germany;
- 1,500 workers employed by companies based in France.

Selected Foreign-Owned Companies Employing Workers in Maine

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangor Hydro Electric Company</td>
<td>Electricity distribution</td>
<td>Canada</td>
</tr>
<tr>
<td>Clariant Corporation</td>
<td>Plastic product manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Evonik Cyro LLC</td>
<td>Specialty chemical manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Irving Oil Commercial</td>
<td>Oil and gas distribution</td>
<td>Canada</td>
</tr>
<tr>
<td>Sappi Fine Paper North America</td>
<td>Paper products manufacturing</td>
<td>South Africa</td>
</tr>
<tr>
<td>Tate &amp; Lyle</td>
<td>Food products manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>TD Bank (HQ)</td>
<td>Financial services</td>
<td>Canada</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 35,600 Maine Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>18,300</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9,800</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>4,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,400</td>
</tr>
<tr>
<td>Information</td>
<td>1,100</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>900</td>
</tr>
</tbody>
</table>

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

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


MAINE 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)


MAINE COMPANIES EXPORT THROUGHOUT THE WORLD


MAINE 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/)

MAINE NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN MAINE 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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DATA SOURCES