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 Michigan 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 Michigan.

Trade Creates & Supports Jobs in Michigan

- **International trade, including exports and imports, supports 1,114,900 Michigan jobs – nearly one in five.** These trade-related jobs grew seven 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 Michigan's globally engaged firms. *(See Michigan Jobs Depend On Two-Way Trade)*

- **Michigan exported $60.3 billion in goods and $13.0 billion in services in 2017,** including bolts, nuts & miscellaneous turned prods, glass & glass products, motor vehicle bodies & trailers and travel services. Of Michigan's 14,446 exporters, 89 percent are small- and medium-sized companies with less than 500 workers. *(See Michigan Businesses Grow With Exports)*

- **Customers in 202 countries and territories buy Michigan-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Michigan's exports have grown nearly 80 percent faster than state GDP since 2007. *(See Michigan Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Michigan to partner countries.** In 2017, $40.8 billion of Michigan's goods exports, or 68 percent, went to FTA partners. This represents an increase of 25 percent since 2007. *(See Michigan Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 250,300 workers in Michigan.** *(See Foreign Investment In Michigan 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 Michigan

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

- Nearly one in five Michigan jobs depends upon international trade.

- Michigan’s trade-related employment grew seven 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

1,114,900
Number of Jobs in Michigan Supported by Trade

Share of Jobs Tied to Trade
Increased 92 percent from 1992 to 2017

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>251,700</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>194,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>91,700</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>73,100</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>50,700</td>
</tr>
</tbody>
</table>

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Overview

Michigan exported an estimated $60.3 billion in goods and $13.0 billion in services in 2017. Between 2007 and 2017, Michigan goods exports have increased by 35 percent and services exports by 56 percent. Large companies now account for 76 percent of the value of Michigan'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 Michigan Exports

- Michigan ranks among the top 5 state exporters in 22 industries, including first in bolts, nuts & miscellaneous turned products ($805 million), first in glass & glass products ($1.2 billion), first in motor vehicle bodies & trailers ($2.7 billion), and first in motor vehicle parts ($13.0 billion).

- Michigan is America’s 19th largest exporter of agricultural products. It is the seventh largest exporter of vegetables & melons, the ninth largest exporter of greenhouse & nursery products, the 13th largest exporter of oilseeds & grains, and the 14th largest exporter of swine.

- One of Michigan's fastest growing export categories is electrical equipment & components, which increased by 300 percent since 2007. In 2017, exports of these products reached $1.4 billion.

By the Numbers

14,446
Number of Michigan Businesses that Exported in 2016

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

89%

Top Michigan Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Parts</td>
<td>$13.0 billion</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$12.1 billion</td>
</tr>
<tr>
<td>Motor Vehicle Bodies &amp; Trailers</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>Misc. General Purpose Machinery</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Resins &amp; Synthetic Fibers</td>
<td>$1.6 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$1.2 billion</td>
</tr>
</tbody>
</table>

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In 2017, Michigan companies sold their products in 202 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $24.8 billion, Services Exports: $1.1 billion
- **Germany**: Goods Exports: $2.0 billion, Services Exports: $530 million
- **China**: Goods Exports: $4.0 billion, Services Exports: $1.0 billion
- **Mexico**: Goods Exports: $12.5 billion, Services Exports: $620 million
- **Brazil**: Goods Exports: $2.3 billion, Services Exports: $432 million
- **Japan**: Goods Exports: $1.6 billion, Services Exports: $846 million
- **Germany**: Goods Exports: $2.0 billion, Services Exports: $530 million
- **China**: Goods Exports: $4.0 billion, Services Exports: $1.0 billion
- **Mexico**: Goods Exports: $12.5 billion, Services Exports: $620 million
- **Brazil**: Goods Exports: $2.3 billion, Services Exports: $432 million
- **Japan**: Goods Exports: $1.6 billion, Services Exports: $846 million

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

- Michigan's exports have grown nearly 80 percent faster than state GDP since 2007. The average annual export growth during this period was 4.3 percent, while the average annual state GDP growth was 2.4 percent.
- Michigan's top export markets for goods are Canada, Mexico, and China. Its top market for services is Canada.
- Michigan's goods exports to Italy have grown by 25 percent per year since 2007, while Michigan's services exports to China have grown by 16 percent per year.

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MICHIGAN 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 Michigan.

- Services, especially transportation from Michigan's ports, 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 Michigan family of four more than $10,000 per year.
- Imports help keep prices down for Michigan 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 9,334 in Michigan) imported products...

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

Imports Decrease Prices

- **-87.9%**  

- **-63.3%**  

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

Imports Increase Choices

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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, $40.8 billion of Michigan's goods exports, or 68 percent, went to FTA partners.

- Since 2007, Michigan's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 25 percent.

- Michigan's goods exports to Canada and Mexico have increased by $19.3 billion (107 percent) since NAFTA went into effect in 1994.

- Michigan's goods exports to Chile have increased by 380 percent since the FTA took effect in 2004.

- Michigan's exports to Korea of motor vehicles have increased from $153 million to $341 million since the FTA went into effect in 2012.

- Israel bought 46 percent of Michigan's exports of miscellaneous transportation equipment in 2017.

- In 2017, $3.4 billion of Michigan's services exports, or 26 percent, went to FTA partners.

- Michigan's exports to Singapore of royalties from industrial processes have increased from $18 million to $58 million, or by 217 percent, since 2006 (earliest year available).

By the Numbers

25%

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

Per Capita Purchases of Michigan Goods, 2017

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.88</td>
<td>$87.66</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 30.4 times more goods per capita from Michigan than non-FTA partners.

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Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Michigan every year. Foreign-owned companies from around the world employed hundreds of thousands of workers in Michigan, including:

- 37,600 workers employed by companies based in Germany;
- 34,000 workers employed by companies based in Japan;
- 31,800 workers employed by companies based in the United Kingdom;
- 26,700 workers employed by companies based in Canada;
- 20,900 workers employed by companies based in France.

Selected Foreign-Owned Companies Employing Workers in Michigan

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASF Corp.</td>
<td>Chemicals Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Benteler Automotive</td>
<td>Automotive Parts Manufacturing</td>
<td>Austria</td>
</tr>
<tr>
<td>Charter One Bank</td>
<td>Financial Services</td>
<td>Scotland</td>
</tr>
<tr>
<td>Chemetall US, Inc.</td>
<td>Chemicals Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Comau Inc.</td>
<td>Machinery Manufacturing</td>
<td>Italy</td>
</tr>
<tr>
<td>Faurecia Interior Systems</td>
<td>Automotive Parts Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Grupo Antolin-Michigan Inc.</td>
<td>Automotive Parts Manufacturing</td>
<td>Spain</td>
</tr>
<tr>
<td>Holcim US Inc.</td>
<td>Cement Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Siemens PLM Software</td>
<td>Software Development</td>
<td>Germany</td>
</tr>
<tr>
<td>Takata Automotive Systems</td>
<td>Automotive Parts Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>TI Automotive</td>
<td>Automotive Parts Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Yazaki North America Inc.</td>
<td>Automotive Parts Manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 250,300 Michigan Workers Across Many Industries, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>160,500</td>
</tr>
<tr>
<td>Other</td>
<td>42,800</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>17,000</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>9,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>8,700</td>
</tr>
<tr>
<td>Information</td>
<td>6,000</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>5,600</td>
</tr>
</tbody>
</table>

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MICHIGAN JOBS DEPEND ON TWO-WAY TRADE


MICHIGAN 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)


MICHIGAN COMPANIES EXPORT THROUGHOUT THE WORLD


MICHIGAN 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/)

MICHIGAN NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN MICHIGAN 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)

DATA SOURCES

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