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 Minnesota 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 Minnesota.

Trade Creates & Supports Jobs in Minnesota

- **International trade, including exports and imports, supports 752,100 Minnesota jobs – one in five.** These trade-related jobs grew four 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 Minnesota’s globally engaged firms. (See Minnesota Jobs Depend On Two-Way Trade)

- **Minnesota exported $22.9 billion in goods and $11.2 billion in services in 2017**, including miscellaneous nonmetallic minerals, communications & services industry machinery, swine and travel services. Of Minnesota’s 8,116 exporters, 87 percent are small- and medium-sized companies with less than 500 workers. (See Minnesota Businesses Grow With Exports)

- **Customers in 204 countries and territories buy Minnesota-made goods and services**, including billions of dollars in annual exports to top markets like Canada, China and Mexico. Minnesota’s exports have grown about nine percent faster than state GDP since 2007. (See Minnesota Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Minnesota to partner countries.** In 2017, $9.7 billion of Minnesota’s goods exports, or 42 percent, went to FTA partners. This represents an increase of 26 percent since 2007. (See Minnesota Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 119,700 workers in Minnesota.** (See Foreign Investment In Minnesota Creates Jobs)

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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 Minnesota

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

- One in five Minnesota jobs depends upon international trade.

- Minnesota’s trade-related employment grew four 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

752,100
Number of Jobs in Minnesota
Supported by Trade

Share of Jobs Tied to Trade
Increased 86 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>160,000</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>112,900</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>47,300</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>44,000</td>
</tr>
<tr>
<td>Agriculture</td>
<td>39,300</td>
</tr>
</tbody>
</table>

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Overview

Minnesota exported an estimated $22.9 billion in goods and $11.2 billion in services in 2017. Between 2007 and 2017, Minnesota goods exports have increased by 23 percent and services exports by 61 percent. Large companies now account for 70 percent of the value of Minnesota’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 Minnesota Exports

- Minnesota ranks among the top 10 state exporters in 22 industries, including second in miscellaneous nonmetallic minerals ($291 million), third in communications & services industry machinery ($721 million), fourth in swine ($2.9 million), and fifth in animal foods ($175 million).
- Minnesota is America’s eighth largest exporter of agricultural products. It is the fourth largest exporter of swine, the fifth largest exporter of oilseeds & grains, the 15th largest exporter of cattle, and the 16th largest exporter of greenhouse & nursery products.
- One of Minnesota's fastest growing export categories is meat products, which increased by 157 percent since 2007. In 2017, exports of these products reached $595 million.
In 2017, Minnesota companies sold their products in 204 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $4.2 billion, Services Exports: $910 million
- **Germany**: Goods Exports: $925 million, Services Exports: $480 million
- **China**: Goods Exports: $3.0 billion, Services Exports: $699 million
- **Mexico**: Goods Exports: $2.6 billion, Services Exports: $458 million
- **United Kingdom**: Goods Exports: $581 million, Services Exports: $1.0 billion
- **Japan**: Goods Exports: $1.7 billion, Services Exports: $719 million

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

- Goods and services exports accounted for 9.7 percent of Minnesota’s state GDP in 2017.
- Minnesota’s exports have grown about nine percent faster than state GDP since 2007. The average annual export growth during this period was 3.4 percent, while the average annual state GDP growth was 3.1 percent.
- Minnesota’s top export markets for goods are Canada, China, and Mexico. Its top market for services is the United Kingdom.
- Minnesota’s goods exports to Mexico have grown by 15 percent per year since 2007, while Minnesota’s services exports to China have grown by 16 percent per year.

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MINNESOTA 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 Minnesota.

- Services, especially transportation from Minnesota’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 Minnesota family of four more than $10,000 per year.
- Imports help keep prices down for Minnesota 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 6,495 in Minnesota) 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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MINNESOTA NEEDS TRADE AGREEMENTS TO GROW

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, $9.7 billion of Minnesota’s goods exports, or 42 percent, went to FTA partners.

• Since 2007, Minnesota’s goods exports to countries with FTAs in effect with the United States in 2017 have increased by 26 percent.

• Minnesota’s goods exports to Canada and Mexico have increased by $4.8 billion (231 percent) since NAFTA went into effect in 1994.

• Minnesota’s goods exports to Colombia have increased by 106 percent since the FTA took effect in 2012.

• Minnesota’s exports to Costa Rica of medical equipment & supplies have increased from $2.0 million to $80 million since DR-CAFTA went into effect for Costa Rica in 2009.

• Singapore bought 36 percent of Minnesota’s exports of nonferrous metal products in 2017.

• In 2017, $2.7 billion of Minnesota’s services exports, or 24 percent, went to FTA partners.

• Minnesota’s exports to Singapore of royalties from industrial processes have increased from $8.4 million to $52 million, or by 527 percent, since 2006 (earliest year available).

By the Numbers

26%

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

Per Capita Purchases of Minnesota Goods, 2017

$20.82

$1.95

Non-FTA Countries

FTA Partner Countries*

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

In 2017, FTA partners purchased 10.6 times more goods per capita from Minnesota than non-FTA partners.

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

www.brt.org/trade
Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Minnesota every year. Foreign-owned companies from around the world employed nearly 120,000 workers in Minnesota, including:

- 23,900 workers employed by companies based in Canada;
- 19,300 workers employed by companies based in the United Kingdom;
- 15,700 workers employed by companies based in Germany;
- 8,000 workers employed by companies based in Japan;
- 7,300 workers employed by companies based in France.

Selected Foreign-Owned Companies Employing Workers in Minnesota

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance Pipeline</td>
<td>Energy Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Crowne Plaza</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Gerdau Ameristeel</td>
<td>Steel Manufacturing</td>
<td>Brazil</td>
</tr>
<tr>
<td>Golder Associates</td>
<td>Engineering/Environmental Consulting</td>
<td>Canada</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Norandex Building Materials</td>
<td>Construction Materials Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Siemens Energy</td>
<td>Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Sunopta Food Group LLC</td>
<td>Organic Corn and Soy Products</td>
<td>Canada</td>
</tr>
<tr>
<td>Tire Plus Store</td>
<td>Retailing</td>
<td>Japan</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Financial Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Veolia Environmental Services</td>
<td>Water Management Services</td>
<td>France</td>
</tr>
<tr>
<td>Wagner Spray Tech Corp</td>
<td>Painting Supplies Manufacturing</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
DATA SOURCES

MINNESOTA JOBS DEPEND ON TWO-WAY TRADE


MINNESOTA BUSINESSES GROW WITH EXPORTS


MINNESOTA COMPANIES EXPORT THROUGHOUT THE WORLD


MINNESOTA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


**Imports as Components**: Derived from Census end-use import data


MINNESOTA NEEDS TRADE AGREEMENTS TO GROW


**Per Capita Purchases of Minnesota 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 MINNESOTA 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)

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