HOW MISSOURI'S ECONOMY BENEFITS FROM TRADE & INVESTMENT

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 Missouri 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 Missouri.

Trade Creates & Supports Jobs in Missouri

- **International trade, including exports and imports, supports 767,400 Missouri jobs – more than one in five.** These trade-related jobs grew six 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 Missouri’s globally engaged firms. *(See Missouri Jobs Depend On Two-Way Trade)*

- **Missouri exported $15.7 billion in goods and $9.4 billion in services in 2017,** including leather & hide tanning, miscellaneous transportation equipment, swine and travel services. Of Missouri’s 6,011 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See Missouri Businesses Grow With Exports)*

- **Customers in 200 countries and territories buy Missouri-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Missouri’s exports have grown more than 30 percent faster than state GDP since 2007. *(See Missouri Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Missouri to partner countries.** In 2017, $9.1 billion of Missouri’s goods exports, or 58 percent, went to FTA partners. This represents an increase of 9.0 percent since 2007. *(See Missouri Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 119,200 workers in Missouri.** *(See Foreign Investment In Missouri Creates Jobs)*

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

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MISSOURI JOBS DEPEND ON TWO-WAY 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 Missouri

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

767,400
Number of Jobs in Missouri Supported by Trade

Share of Jobs Tied to Trade
Increased 105 percent from 1992 to 2017

Jobs Tied to Trade
Top Sectors, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>171,300</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>115,600</td>
</tr>
<tr>
<td>Agriculture</td>
<td>46,500</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>44,700</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>43,700</td>
</tr>
</tbody>
</table>

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Overview

Missouri exported an estimated $15.7 billion in goods and $9.4 billion in services in 2017. Between 2007 and 2017, Missouri goods exports have increased by 16 percent and services exports by 66 percent. Large companies now account for 77 percent of the value of Missouri’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 Missouri Exports

- Missouri ranks among the top 10 state exporters in 11 industries, including second in leather & hide tanning ($189 million), fourth in miscellaneous transportation equipment ($390 million), sixth in swine ($1.4 million), and seventh in metal ores ($163 million).
- Missouri is America’s tenth largest exporter of agricultural products. It is the sixth largest exporter of swine, the seventh largest exporter of oilseeds & grains, the 21st largest exporter of cattle, and the 25th largest exporter of greenhouse & nursery products.
- One of Missouri’s fastest growing export categories is miscellaneous transportation equipment, which increased by 310 percent since 2007. In 2017, exports of these products reached $390 million.

By the Numbers

6,011
Number of Missouri Businesses that Exported in 2016

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

85%

Top Missouri Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds &amp; Grains</td>
<td>$2.1 billion</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$655 million</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>Royalties from Industrial Processes</td>
<td>$645 million</td>
</tr>
<tr>
<td>Misc. Financial Services</td>
<td>$616 million</td>
</tr>
</tbody>
</table>

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MISSOURI COMPANIES EXPORT THROUGHOUT THE WORLD

In 2017, Missouri companies sold their products in 200 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $5.2 billion, Services Exports: $837 million
- **Germany**: Goods Exports: $487 million, Services Exports: $352 million
- **China**: Goods Exports: $1.7 billion, Services Exports: $707 million
- **Mexico**: Goods Exports: $2.7 billion, Services Exports: $457 million
- **United Kingdom**: Goods Exports: $327 million, Services Exports: $846 million
- **Japan**: Goods Exports: $697 million, Services Exports: $532 million

Fast Facts: How Exports Help the Missouri Economy Grow

- Goods and services exports accounted for 8.3 percent of Missouri's state GDP in 2017.
- Missouri's exports have grown more than 30 percent faster than state GDP since 2007. The average annual export growth during this period was 3.2 percent, while the average annual state GDP growth was 2.4 percent.
- Missouri's top export markets for goods are Canada, Mexico, and China. Its top market for services is the United Kingdom.
- Missouri's goods exports to France have grown by 10 percent per year since 2007, while Missouri's services exports to China have grown by 17 percent per year.

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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 Missouri.

- Services, especially transportation from Missouri’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 Missouri family of four more than $10,000 per year.
- Imports help keep prices down for Missouri families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

Imports Decrease Prices

- **-87.9%**

- **-63.3%**

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

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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, $9.1 billion of Missouri’s goods exports, or 58 percent, went to FTA partners.
- Since 2007, Missouri’s goods exports to countries with FTAs in effect with the United States in 2017 have increased by 9.0 percent.
- Missouri’s goods exports to Canada and Mexico have increased by $5.9 billion (310 percent) since NAFTA went into effect in 1994.
- Missouri’s goods exports to Chile have increased by 175 percent since the FTA took effect in 2004.
- Missouri’s exports to Australia of miscellaneous transportation equipment have increased from $895,000 to $47 million since the FTA went into effect in 2005.
- Singapore bought 37 percent of Missouri’s exports of semiconductors & components in 2017.
- In 2017, $2.5 billion of Missouri’s services exports, or 26 percent, went to FTA partners.
- Missouri’s exports to Mexico of computer & data services have increased from $3.2 million to $21 million, or by 564 percent, since 2006 (earliest year available).

By the Numbers

9.0%
Increase in Missouri Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Missouri Goods, 2017

$19.48
$0.98
Non-FTA Countries
FTA Partner Countries*

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

In 2017, FTA partners purchased 19.9 times more goods per capita from Missouri than non-FTA partners.

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

- 25,500 workers employed by companies based in the United Kingdom;
- 13,100 workers employed by companies based in Canada;
- 11,800 workers employed by companies based in Germany;
- 11,500 workers employed by companies based in France;
- 10,400 workers employed by companies based in Japan.

### Selected Foreign-Owned Companies Employing Workers in Missouri

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Power Distribution Equipment Mfg.</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Americold Logistics</td>
<td>Warehousing Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Bodine Aluminum</td>
<td>Automotive Parts Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Bull Moose Tube Co.</td>
<td>Steel Product Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Cemex</td>
<td>Cement Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>Dassault Falcon Jet Corp.</td>
<td>Aerospace Products Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Henkel Corporation</td>
<td>Chemical Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Holcim US</td>
<td>Cement Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Kawasaki Motors Manufacturing</td>
<td>Engine Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Northstar Battery Company</td>
<td>Battery Manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>Robert Bosch</td>
<td>Automotive Parts Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Automotive Manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
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MISSOURI 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)


MISSOURI COMPANIES EXPORT THROUGHOUT THE WORLD


MISSOURI 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/)

MISSOURI NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN MISSOURI 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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