HOW MISSISSIPPI'S ECONOMY
BENEFITS FROM TRADE & INVESTMENT

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 Mississippi 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 Mississippi. In 2020, the COVID-19 global pandemic has brought dual public health and economic crises. Meeting both challenges requires restoring trade and supporting trade-dependent jobs to help Mississippi recover.

Trade Creates & Supports Jobs in Mississippi

- **International trade, including exports and imports, supported 326,200 Mississippi jobs – one in five in 2018.** These trade-related jobs grew seven times faster than total employment from 1992 to 2018 and are at large and small companies, on farms, in factories, and at the headquarters of Mississippi’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Mississippi. *(See Mississippi Jobs Depend On Two-Way Trade)*

- **Mississippi exported $12.1 billion in goods and $2.3 billion in services in 2018,** including petroleum and coal products, medical equipment and supplies, basic chemicals and travel services. Of Mississippi’s 2,028 exporters, 76 percent are small- and medium-sized companies with less than 500 workers. *(See Mississippi Businesses Grow With Exports)*

- **Customers in 181 countries and territories buy Mississippi-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and Panama. Mississippi’s goods exports have grown nearly three times faster than state GDP since 2009. Policies that help Mississippi businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Mississippi Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Mississippi to partner countries.** In 2018, $6.6 billion of Mississippi’s goods exports, or 55 percent, went to FTA partners. This represents an increase of 106 percent since 2009. *(See Mississippi Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 39,900 workers in Mississippi.** *(See Foreign Investment In Mississippi 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 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, stopped economic growth and ended millions of jobs across America, including in Mississippi. Policies that expand trade can create new job opportunities in Mississippi and help it recover faster.

Trade Creates & Supports Jobs in Mississippi

- Export growth increases jobs by generating new business for Mississippi’s manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Mississippi businesses compete and saving Mississippi families real dollars at the cash register.
- One in five Mississippi jobs depends upon international trade.
- Mississippi’s trade-related employment grew seven times faster than total employment from 1992 to 2018.
- 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

326,200
Number of Jobs in Mississippi Supported by Trade

Share of Jobs Tied to Trade
Increased 137 percent from 1992 to 2018

Jobs Tied to Trade
Top Sectors, 2018

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>79,800</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>40,100</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>17,100</td>
</tr>
<tr>
<td>Construction</td>
<td>14,400</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>10,800</td>
</tr>
</tbody>
</table>

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Overview

Mississippi exported an estimated $12.1 billion in goods and $2.3 billion in services in 2018. Between 2009 and 2018, Mississippi goods exports have increased by 78 percent and services exports by 42 percent. Large companies now account for 84 percent of the value of Mississippi’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 Mississippi Exports

- Mississippi ranks among the top 10 state exporters in six industries, including fifth in petroleum and coal products ($3.0 billion), seventh in miscellaneous crops ($635 million), eighth in ships and boats ($81 million), and 10th in medical equipment and supplies ($1.0 billion).
- Mississippi is America’s 18th largest exporter of agricultural products. It is the seventh largest exporter of miscellaneous crops, the 19th largest exporter of oilseeds and grains, the 24th largest exporter of poultry and eggs, and the 24th largest exporter of vegetables and melons.
- One of Mississippi’s fastest growing export categories is medical equipment and supplies, which increased by 131 percent since 2009. In 2018, exports of these products reached $1.0 billion.

By the Numbers

2,028

Number of Mississippi Businesses that Exported in 2018

76%

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

Top Mississippi Exports, 2018

Goods
- Petroleum & Coal Products: $3.0 billion
- Medical Equipment & Supplies: $1.0 billion
- Basic Chemicals: $997 million
- Misc. Crops: $635 million
- Pulp & Paperboard Mill Products: $635 million

Services
- Travel: $1.2 billion
- Equip. Install., Maint., & Repair: $303 million
- Trademarks: $100 million

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In 2018, Mississippi companies sold their products in 181 countries and territories.

Top export markets include:

- **CANADA**
  - Goods Exports: $2.2 billion
  - Services Exports: $191 million

- **NETHERLANDS**
  - Goods Exports: $527 million
  - Services Exports: $41 million

- **CHINA**
  - Goods Exports: $697 million
  - Services Exports: $203 million

- **MEXICO**
  - Goods Exports: $1.2 billion
  - Services Exports: $153 million

- **PANAMA**
  - Goods Exports: $1.0 billion
  - Services Exports: $12 million

- **JAPAN**
  - Goods Exports: $568 million
  - Services Exports: $126 million

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

- Goods and services exports accounted for 12.5 percent of Mississippi’s state GDP in 2018.
- Mississippi’s exports have grown nearly three times faster than state GDP since 2009. The average annual export growth during this period was 6.7 percent, while the average annual state GDP growth was 2.4 percent.
- Mississippi’s top export markets for goods are Canada, Mexico, and Panama. Its top market for services is China.
- Mississippi’s goods exports to Indonesia have grown by 26 percent per year since 2009, while Mississippi’s services exports to India have grown by 9 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Mississippi businesses, workers, and farmers reach the growing number of customers around the world.

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Overview

Imports provide a variety of benefits for Mississippi companies and families. Imported consumer goods help keep prices down for Mississippi families while increasing choices for foods and other products that are not available locally. Imported inputs help Mississippi 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.

Mississippi Families Benefit from Imports

• In 2018, 28 percent of Mississippi’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Mississippi 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 Mississippi family of four more than $10,000 per year through lower prices and increased specialization.

Most Importers are Small Businesses

• In 2018, 1,980 Mississippi companies imported goods from 136 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.

Mississippi Exports and Imports are Linked Through Global Value Chains

• In 2018, 72 percent of Mississippi goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.

• Many of Mississippi’s top imports are critical components for Mississippi exports. Conversely, Mississippi exports of raw materials and parts may return to the United States in imported finished goods.

2008-2018 Price Decrease

-88% for Televisions
-63% for Computers
-45% for Toys

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Imports: Auto parts ($996M in 2018)
Exports: Cars and truck ($630M in 2018)
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. Mississippi 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 Mississippi and the United States.

• In 2018, $6.6 billion of Mississippi’s goods exports, or 55 percent, went to FTA partners.
• Since 2009, Mississippi’s goods exports to countries with FTAs in effect with the United States in 2018 have more than doubled.
• Mississippi’s exports to Canada and Mexico have increased by $3.0 billion (722 percent) since NAFTA went into effect in 1994.
• Mississippi’s exports to Australia have increased more than seven-fold – from $18 million to $136 million – since the FTA with Australia took effect in 2005.
• Mississippi’s exports to Honduras of fabrics have increased from $12 million to $53 million since the FTA with Honduras went into effect in 2006.
• Bahrain bought nearly all – $75 million out of $81 million – of Mississippi’s exports of ships and boats in 2018.
• In 2018, $673 million of Mississippi’s services exports, or 29 percent, went to FTA partners.
• Mississippi’s exports to Australia of travel services have increased from $23 million to $55 million, or by 138 percent, since 2006 (earliest year available).

By the Numbers

106%
Increase in Mississippi Goods Exports to FTA Partners Between 2009 and 2018

Per Capita Purchases of Mississippi Goods, 2018

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.80</td>
<td>$14.24</td>
</tr>
</tbody>
</table>

In 2018, FTA partners purchased 17.8 times more goods per capita from Mississippi than non-FTA partners.

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Overview

Foreign-owned companies help grow the U.S. economy and jobs. In 2017, 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.

Mississippi is no exception. Foreign-owned companies make significant investments in Mississippi 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 Mississippi in 2017, including:

- 10,600 workers employed by companies based in Japan;
- 4,400 workers employed by companies based in France;
- 4,400 workers employed by companies based in the United Kingdom;
- 4,300 workers employed by companies based in Germany;
- 3,800 workers employed by companies based in Canada.

Selected Foreign-Owned Companies Employing Workers in Mississippi

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Akzo Nobel Coatings Inc.</td>
<td>Chemicals Manufacturing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Novus Glass</td>
<td>Automotive Parts Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Rexel Inc.</td>
<td>Electronic Components Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electrical Equipment Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Motor Vehicle Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Banking Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 39,900 Mississippi Workers Across Many Industries, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>15,100</td>
</tr>
<tr>
<td>Other</td>
<td>11,500</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>9,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>2,100</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>500</td>
</tr>
<tr>
<td>Information</td>
<td>200</td>
</tr>
</tbody>
</table>

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MISSISSIPPI JOBS DEPEND ON TWO-WAY TRADE

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


MISSISSIPPI 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)


MISSISSIPPI COMPANIES EXPORT THROUGHOUT THE WORLD


MISSISSIPPI 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/)

MISSISSIPPI NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN MISSISSIPPI 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)