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. 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 Mississippi recover as well.

Trade Creates & Supports Jobs in Mississippi

- **International trade, including exports and imports, supported 310,200 Mississippi jobs – nearly one in five in 2019.** These trade-related jobs grew six 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 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 $12.3 billion in goods and $2.3 billion in services in 2019,** including petroleum and coal products, motor vehicles, medical equipment and supplies and personal travel and tourism services. Of Mississippi's 2,051 exporters, 75 percent are small- and medium-sized companies with less than 500 workers. *(See Mississippi Businesses Grow With Exports)*

- **Customers in 180 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 exports have grown 1.8 percent per year since 2010. 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 2019, $7.3 billion of Mississippi's goods exports, or 59 percent, went to FTA partners. This represents an increase of 56 percent since 2010. *(See Mississippi Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 45,500 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, disrupted communities and economies, and ended millions of jobs across America, including in Mississippi. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs 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.

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

- Mississippi’s trade-related employment grew six 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

<table>
<thead>
<tr>
<th>Number of Jobs in Mississippi Supported by Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>310,200</td>
</tr>
</tbody>
</table>

Share of Jobs Tied to Trade
Increased 124 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Jobs Tied to Trade</th>
<th>1992</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>67,100</td>
<td></td>
</tr>
<tr>
<td>Business and professional services</td>
<td>51,200</td>
<td></td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>42,500</td>
<td></td>
</tr>
<tr>
<td>Education and health services</td>
<td>41,100</td>
<td></td>
</tr>
<tr>
<td>Transportation and utilities</td>
<td>19,900</td>
<td></td>
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Overview

Mississippi exported an estimated $12.3 billion in goods and $2.3 billion in services in 2019. Between 2010 and 2019, Mississippi goods exports have increased by 42 percent and services exports by 21 percent. Large companies now account for 85 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 15 state exporters in 9 industries, including fourth in petroleum and coal products ($3.2 billion), 10th in pulp and paperboard mill products ($580 million) and household and institutional furniture ($90 million), and 11th in motor vehicles ($1.1 billion).
- Mississippi is America’s 14th largest exporter of agricultural products. It is the fourth largest exporter of miscellaneous crops, the 17th largest exporter of poultry and eggs, the 19th largest exporter of oilseeds and grains, and the 23rd largest exporter of vegetables and melons.
- One of Mississippi’s fastest growing export categories is navigational and measurement instruments, which increased by 561 percent since 2010. In 2019, exports of these products reached $300 million.

By the Numbers

2,051
Number of Mississippi Businesses that Exported in 2018

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

Top Mississippi Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum &amp; Coal Products</td>
<td>$3.2 billion</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Medical Equipment &amp; Supplies</td>
<td>$998 million</td>
</tr>
<tr>
<td>Misc. Crops</td>
<td>$766 million</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$669 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>$836 million</td>
</tr>
<tr>
<td>Business Travel</td>
<td>$278 million</td>
</tr>
<tr>
<td>Equip. Installation &amp; Maintenance</td>
<td>$272 million</td>
</tr>
</tbody>
</table>

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In 2019, Mississippi companies sold their products in 180 countries and territories.

Top export markets include:

**CANADA**
- Goods Exports: $2.7 billion
- Services Exports: $196 million

**NETHERLANDS**
- Goods Exports: $553 million
- Services Exports: $46 million

**CHINA**
- Goods Exports: $675 million
- Services Exports: $186 million

**MEXICO**
- Goods Exports: $1.5 billion
- Services Exports: $148 million

**PANAMA**
- Goods Exports: $1.0 billion
- Services Exports: $15 million

**JAPAN**
- Goods Exports: $403 million
- Services Exports: $127 million

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

- Goods and services exports accounted for 12.6 percent of Mississippi’s state GDP in 2019.
- Mississippi’s annual exports grew 1.8 percent per year since 2010.
- Mississippi’s top export markets for goods are Canada, Mexico, and Panama. Its top market for services is the United Kingdom.
- Mississippi’s goods exports to Vietnam have grown by 28 percent per year since 2010, while Mississippi’s services exports to India have grown by 7 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 benefit 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 2019, 31 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 2019, 2,027 Mississippi companies imported goods from 139 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 2019, 69 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.

<table>
<thead>
<tr>
<th>Imports: Auto parts ($706M in 2019)</th>
<th>Exports: Cars and truck ($1.1B in 2019)</th>
</tr>
</thead>
</table>

2010-2019 Price Decrease

-85% for Televisions
-52% for Computers
-51% for Toys

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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 United States.

- In 2019, $7.3 billion of Mississippi’s goods exports, or 59 percent, went to FTA partners.
- Since 2010, Mississippi’s goods exports to countries with FTAs in effect with the United States in 2019 have increased by 56 percent.
- Mississippi’s exports to Canada and Mexico have increased by $3.8 billion (904 percent) since NAFTA went into effect in 1994.
- Mississippi’s exports to Nicaragua have increased by over 2,900 percent – from $4.6 million to $138 million – since the FTA with Nicaragua took effect in 2006.
- Mississippi’s exports to Australia of engines and turbines have increased from $756,000 to $34 million since the FTA with Australia went into effect in 2005.
- Panama bought 32 percent – $1.0 billion out of $3.2 billion – of Mississippi’s exports of petroleum and coal products in 2019.
- In 2019, $690 million of Mississippi’s services exports, or 30 percent, went to FTA partners.
- Mississippi’s exports to Honduras of ocean freight and port services have increased from $8.8 million to $16 million, or by 83 percent, since 2006 (earliest year available).

By the Numbers

| 56% |
| Increase in Mississippi Goods Exports to FTA Partners Between 2010 and 2019 |

Per Capita Purchases of Mississippi Goods, 2019

| $15.39 |
| Non-FTA Countries |
| $0.74 |
| FTA Partner Countries |

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

In 2019, FTA partners purchased 20.8 times more goods per capita from Mississippi than non-FTA partners.

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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.

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 2019, including:

- 9,900 workers employed by companies based in Japan;
- 6,400 workers employed by companies based in Canada;
- 5,300 workers employed by companies based in the United Kingdom;
- 4,800 workers employed by companies based in France;
- 4,300 workers employed by companies based in Germany.

### 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>Nissan Canton Vehicle Assembly Plant</td>
<td>Motor vehicle manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Airbus Helicopters Inc.</td>
<td>Aircraft manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>American Esoteric Laboratories (AEL)</td>
<td>Medical testing services</td>
<td>Australia</td>
</tr>
<tr>
<td>Canfor Corp. Lumber</td>
<td>Wood products manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Faurecia Automotive Seating</td>
<td>Motor vehicle parts manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Kemira Chemicals Inc.</td>
<td>Chemical manufacturing</td>
<td>Finland</td>
</tr>
<tr>
<td>Swift Prepared Foods</td>
<td>Food products manufacturing</td>
<td>Denmark</td>
</tr>
<tr>
<td>Toyota Boshoku Mississippi, LLC</td>
<td>Motor vehicle parts manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
</table>

**Foreign-Owned Companies Employed 45,500 Mississippi Workers Across Many Industries, 2019**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>16,700</td>
</tr>
<tr>
<td>Other</td>
<td>12,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>10,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>4,700</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>600</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>500</td>
</tr>
<tr>
<td>Information</td>
<td>200</td>
</tr>
</tbody>
</table>
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/cdxports-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)

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