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 North Carolina 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 North Carolina.

Trade Creates & Supports Jobs in North Carolina

- **International trade, including exports and imports, supports 1,177,800 North Carolina jobs – nearly one in five.** These trade-related jobs grew five 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 North Carolina’s globally engaged firms. (See North Carolina Jobs Depend On Two-Way Trade)

- **North Carolina exported $32.6 billion in goods and $20.5 billion in services in 2017**, including fibers, yarns & threads, fabrics, glass & glass products and travel services. Of North Carolina’s 10,717 exporters, 87 percent are small- and medium-sized companies with less than 500 workers. (See North Carolina Businesses Grow With Exports)

- **Customers in 207 countries and territories buy North Carolina-made goods and services**, including billions of dollars in annual exports to top markets like Canada, Mexico and China. North Carolina’s exports have grown nearly 70 percent faster than state GDP since 2007. (See North Carolina Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from North Carolina to partner countries.** In 2017, $14.1 billion of North Carolina’s goods exports, or 43 percent, went to FTA partners. This represents an increase of 30 percent since 2007. (See North Carolina Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 260,400 workers in North Carolina.** (See Foreign Investment In North Carolina 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 North Carolina

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

1,177,800
Number of Jobs in North Carolina Supported by Trade

Share of Jobs Tied to Trade
Increased 137 percent from 1992 to 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>8.4%</td>
</tr>
<tr>
<td>2017</td>
<td>19.9%</td>
</tr>
</tbody>
</table>

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>271,500</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>196,700</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>76,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>60,300</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>53,700</td>
</tr>
</tbody>
</table>

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

North Carolina exported an estimated $32.6 billion in goods and $20.5 billion in services in 2017. Between 2007 and 2017, North Carolina goods exports have increased by 41 percent and services exports by 116 percent. Large companies now account for 75 percent of the value of North Carolina’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 North Carolina Exports

- North Carolina ranks among the top 5 state exporters in 14 industries, including first in fibers, yarns & threads ($1.1 billion), second in fabrics ($759 million), second in glass & glass products ($494 million), and second in knit apparel ($123 million).

- North Carolina is America’s 16th largest exporter of agricultural products. It is the sixth largest exporter of vegetables & melons, the sixth largest exporter of miscellaneous crops, the eighth largest exporter of aquaculture, and the tenth largest exporter of poultry & eggs.

- One of North Carolina's fastest growing export categories is aerospace products & parts, which increased by 237 percent since 2007. In 2017, exports of these products reached $2.9 billion.

By the Numbers

10,717
Number of North Carolina Businesses that Exported in 2016

87%
Share of North Carolina Exporters that are Small- & Medium-Sized Businesses

Top North Carolina Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$4.8 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Fibers, Yarns &amp; Threads</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Misc. General Purpose Machinery</td>
<td>$1.1 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$4.0 billion</td>
</tr>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>R&amp;D &amp; Testing Services</td>
<td>$2.3 billion</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
NORTH CAROLINA COMPANIES EXPORT THROUGHOUT THE WORLD

In 2017, North Carolina companies sold their products in 207 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $6.6 billion, Services Exports: $1.3 billion
- **United Kingdom**: Goods Exports: $1.3 billion, Services Exports: $1.7 billion
- **China**: Goods Exports: $2.5 billion, Services Exports: $1.3 billion
- **Mexico**: Goods Exports: $3.6 billion, Services Exports: $778 million
- **Ireland**: Goods Exports: $1.0 billion, Services Exports: $1.9 billion
- **Japan**: Goods Exports: $1.6 billion, Services Exports: $1.1 billion

Fast Facts: How Exports Help the North Carolina Economy Grow

- North Carolina's exports have grown nearly 70 percent faster than state GDP since 2007. The average annual export growth during this period was 5.2 percent, while the average annual state GDP growth was 3.2 percent.
- North Carolina's top export markets for goods are Canada, Mexico, and China. Its top market for services is Ireland.
- North Carolina's goods exports to Ireland have grown by 27 percent per year since 2007, while North Carolina's services exports to China have grown by 20 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 North Carolina.

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

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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, $14.1 billion of North Carolina's goods exports, or 43 percent, went to FTA partners.

• Since 2007, North Carolina's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 30 percent.

• North Carolina's goods exports to Canada and Mexico have increased by $7.2 billion (245 percent) since NAFTA went into effect in 1994.

• North Carolina's goods exports to Nicaragua have increased by 506 percent since DR-CAFTA went into effect for Nicaragua in 2006.

• North Carolina's exports to Korea of meat products have increased from $62 million to $124 million since the FTA went into effect in 2012.

• Honduras bought 57 percent of North Carolina's exports of fibers, yarns & threads in 2017.

• In 2017, $4.6 billion of North Carolina's services exports, or 23 percent, went to FTA partners.

• North Carolina's exports to Singapore of royalties from industrial processes have increased from $22 million to $128 million, or by 476 percent, since 2006 (earliest year available).

By the Numbers

30%

Increase in North Carolina Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of North Carolina Goods, 2017

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.74</td>
<td></td>
<td>$30.36</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 11.1 times more goods per capita from North Carolina than non-FTA partners.

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Overview

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

- 37,900 workers employed by companies based in the United Kingdom;
- 31,400 workers employed by companies based in Germany;
- 25,800 workers employed by companies based in Japan;
- 20,000 workers employed by companies based in France;
- 18,800 workers employed by companies based in Switzerland.

### Foreign-Owned Companies Employed 260,400 North Carolina Workers Across Many Industries, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>119,500</td>
</tr>
<tr>
<td>Other</td>
<td>54,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>46,700</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>18,500</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>8,300</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>7,900</td>
</tr>
<tr>
<td>Information</td>
<td>4,800</td>
</tr>
</tbody>
</table>

### Selected Foreign-Owned Companies Employing Workers in North Carolina

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Power Distribution Services &amp; Equip.</td>
<td>Switzerland</td>
</tr>
<tr>
<td>BSH Home Appliances Corp.</td>
<td>Electronics Products Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Clariant Corp.</td>
<td>Chemicals Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Hanwha Group</td>
<td>Building Materials Manufacturing</td>
<td>Korea</td>
</tr>
<tr>
<td>Honda Manufacturing</td>
<td>Automotive Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Lee Hecht Harrison</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Novartis Services Incorporated</td>
<td>Healthcare Products Manufacture</td>
<td>Switzerland</td>
</tr>
<tr>
<td>RSM McGladrey</td>
<td>Accounting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electronics and Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Automotive Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Volvo Group North America</td>
<td>Transportation Equipment Manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>Wurth Wood Group</td>
<td>Metal Products Manufacturer</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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NORTH CAROLINA JOBS DEPEND ON TWO-WAY TRADE


NORTH CAROLINA BUSINESSES GROW WITH EXPORTS


NORTH CAROLINA COMPANIES EXPORT THROUGHOUT THE WORLD


NORTH CAROLINA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


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


NORTH CAROLINA NEEDS TRADE AGREEMENTS TO GROW


FOREIGN INVESTMENT IN NORTH CAROLINA 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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