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 North Carolina 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 North Carolina. 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 North Carolina recover as well.

Trade Creates & Supports Jobs in North Carolina

- **International trade, including exports and imports, supported 1,248,500 North Carolina jobs – one in five in 2019.** These trade-related jobs grew five 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 North Carolina’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in North Carolina. (See North Carolina Jobs Depend On Two-Way Trade)

- **North Carolina exported $34.3 billion in goods and $23.9 billion in services in 2019, including pharmaceuticals and medicines, aerospace products and parts, basic chemicals and royalties from industrial processes.** Of North Carolina’s 11,015 exporters, 87 percent are small- and medium-sized companies with less than 500 workers. (See North Carolina Businesses Grow With Exports)

- **Customers in 206 countries and territories buy North Carolina-made goods and services, including billions of dollars in annual exports to top markets like Canada, China and Mexico.** North Carolina’s exports have grown 1.3 percent per year since 2010. Policies that help North Carolina businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. (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 and Families Benefit from Imports)

- **Free trade agreements (FTAs) have helped fuel rapid export growth from North Carolina to partner countries.** In 2019, $15 billion of North Carolina’s goods exports, or 43 percent, went to FTA partners. This represents an increase of 37 percent since 2010. (See North Carolina Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 292,500 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 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 North Carolina. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in North Carolina and help it recover faster.

Trade Creates & Supports Jobs in NC

- Export growth increases jobs by generating new business for North Carolina’s manufacturers, services 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.
- 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 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

1,248,500
Number of Jobs in North Carolina Supported by Trade

Share of Jobs Tied to Trade
Increased 140 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>8.4%</td>
</tr>
<tr>
<td>2019</td>
<td>20.2%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and professional services</td>
<td>264,500</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>251,200</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>167,200</td>
</tr>
<tr>
<td>Education and health services</td>
<td>160,500</td>
</tr>
<tr>
<td>Construction</td>
<td>78,000</td>
</tr>
</tbody>
</table>

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

North Carolina exported an estimated $34.3 billion in goods and $23.9 billion in services in 2019. Between 2010 and 2019, North Carolina goods exports have increased by 38 percent and services exports by 91 percent. Large companies now account for 80 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 10 industries, including first in fibers, yarns and threads ($1.2 billion) and second in fabrics ($716 million), glass and glass products ($406 million), and finished and coated textile fabrics ($146 million).
- North Carolina is America’s 18th largest exporter of agricultural products. It is the sixth largest exporter of vegetables and melons, the seventh largest exporter of miscellaneous crops, the 10th largest exporter of aquaculture, and the 11th largest exporter of poultry and eggs.
- One of North Carolina's fastest growing export categories is miscellaneous foods, which increased by 472 percent since 2010. In 2019, exports of these products reached $408 million.

By the Numbers

11,015
Number of North Carolina Businesses that Exported in 2018

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

Top North Carolina Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$5.3 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$3.9 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>Engines &amp; Turbines</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Meat Products</td>
<td>$1.2 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$2.8 billion</td>
</tr>
<tr>
<td>R&amp;D &amp; Testing Services</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$2.4 billion</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
In 2019, North Carolina companies sold their products in 206 countries and territories.

Top export markets include:

- **CANADA**
  - Goods Exports: $6.6 billion
  - Services Exports: $1.6 billion

- **UNITED KINGDOM**
  - Goods Exports: $827 million
  - Services Exports: $2.2 billion

- **CHINA**
  - Goods Exports: $3.4 billion
  - Services Exports: $1.4 billion

- **MEXICO**
  - Goods Exports: $3.8 billion
  - Services Exports: $887 million

- **IRELAND**
  - Goods Exports: $481 million
  - Services Exports: $2.2 billion

- **FRANCE**
  - Goods Exports: $2.6 billion
  - Services Exports: $559 million

Fast Facts: How Exports Help the North Carolina Economy Grow

- North Carolina's annual exports grew 1.3 percent per year since 2010.
- North Carolina's top export markets for goods are Canada, Mexico, and China. Its top market for services is the United Kingdom.
- North Carolina's goods exports to Saudi Arabia have grown by 28 percent per year since 2010, while North Carolina's services exports to the United Kingdom have grown by 16 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help North Carolina businesses, workers, and farmers reach the growing number of customers around the world.

Contact: Paul DeLANey, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

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

North Carolina Families Benefit from Imports

- In 2019, 41 percent of North Carolina's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving North Carolina 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 North Carolina family of four more than $10,000 per year through lower prices and increased specialization.

Most Importers are Small Businesses

- In 2019, 9,811 North Carolina companies imported goods from 190 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.

North Carolina Exports and Imports are Linked Through Global Value Chains

- In 2019, 59 percent of North Carolina goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of North Carolina's top imports are critical components for North Carolina exports. Conversely, North Carolina exports of raw materials and parts may return to the United States in imported finished goods.

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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. North Carolina 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 North Carolina and United States.

• In 2019, $15 billion of North Carolina’s goods exports, or 43 percent, went to FTA partners.

• Since 2010, North Carolina’s goods exports to countries with FTAs in effect with the United States in 2019 have increased by 37 percent.

• North Carolina’s exports to Canada and Mexico have increased by $7.5 billion (252 percent) since NAFTA went into effect in 1994.

• North Carolina’s exports to Chile have increased by 301 percent – from $49 million to $196 million – since the FTA with Chile took effect in 2004.

• North Carolina’s exports to Nicaragua of fabrics have increased from $5.5 million to $57 million since the FTA with Nicaragua went into effect in 2006.

• Honduras bought 60 percent – $695 million out of $1.2 billion – of North Carolina’s exports of fibers, yarns and threads in 2019.

• In 2019, $5.3 billion of North Carolina’s services exports, or 22 percent, went to FTA partners.

• North Carolina’s exports to Singapore of R&D and testing services have increased from $8.7 million to $382 million, or by about 43 times, since 2006 (earliest year available).

By the Numbers

37%
Increase in North Carolina Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of North Carolina Goods, 2019

$30.96
$2.88

Non-FTA Countries
FTA Partner Countries

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

In 2019, FTA partners purchased 10.8 times more goods per capita from North Carolina than non-FTA partners.

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Foreign Investment in North Carolina Creates Jobs

Overview

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.

North Carolina is no exception. Foreign-owned companies make significant investments in North Carolina to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed hundreds of thousands of workers in North Carolina in 2019, including:

- 44,400 workers employed by companies based in the Netherlands;
- 40,800 workers employed by companies based in Germany;
- 38,800 workers employed by companies based in the United Kingdom;
- 28,500 workers employed by companies based in Japan;
- 22,000 workers employed by companies based in Canada.

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. (HQ)</td>
<td>Electronic products parts manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Bridgestone Americas</td>
<td>Tire manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>CEMEX USA</td>
<td>Cement manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>Daimler Trucks North America LLC (HQ)</td>
<td>Truck manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>DAK Americas</td>
<td>Chemical products manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>Gildan Yarns, LLC</td>
<td>Yarn manufacturing</td>
<td>Canada/Japan</td>
</tr>
<tr>
<td>Krispy Kreme Doughnuts, Inc. (HQ)</td>
<td>Food products manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Siemens Industry, Inc.</td>
<td>Machinery and equipment manufacturing and design</td>
<td>Germany</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 292,500 North Carolina Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>130,300</td>
</tr>
<tr>
<td>Other</td>
<td>59,800</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>55,300</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>22,000</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>10,700</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>7,300</td>
</tr>
<tr>
<td>Information</td>
<td>7,100</td>
</tr>
</tbody>
</table>

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NORTH CAROLINA JOBS DEPEND ON TWO-WAY TRADE

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


NORTH CAROLINA 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)


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


Price Changes: Derived from BLS Consumer Price Index database (http://www.bls.gov/cpi/)

NORTH CAROLINA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN NORTH CAROLINA CREATES JOBS


Foreign Investors: Uniworld BP database of “Foreign Firms Operating in the United States” (http://www.uniworldbp.com)

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