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 Dakota 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 Dakota. 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 North Dakota recover.

Trade Creates & Supports Jobs in North Dakota

- **International trade, including exports and imports, supported 120,300 North Dakota jobs – more than one in five in 2018.** These trade-related jobs grew three 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 North Dakota's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in North Dakota. *(See North Dakota Jobs Depend On Two-Way Trade)*

- **North Dakota exported $9.6 billion in goods and $1.1 billion in services in 2018,** including oil and gas, petroleum and coal products, oilseeds and grains and miscellaneous freight and port services. Of North Dakota's 1,736 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See North Dakota Businesses Grow With Exports)*

- **Customers in 152 countries and territories buy North Dakota-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and Japan. North Dakota’s goods exports have grown nearly 70 percent faster than state GDP since 2009. Policies that help North Dakota 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 Dakota Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from North Dakota to partner countries.** In 2018, $7.8 billion of North Dakota's goods exports, or 81 percent, went to FTA partners. This represents an increase of 312 percent since 2009. *(See North Dakota Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 12,800 workers in North Dakota.** *(See Foreign Investment In North Dakota 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, stopped economic growth and ended millions of jobs across America, including in North Dakota. Policies that expand trade can create new job opportunities in North Dakota and help it recover faster.

Trade Creates & Supports Jobs in North Dakota

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

120,300
Number of Jobs in North Dakota Supported by Trade

Share of Jobs Tied to Trade
Increased 78 percent from 1992 to 2018

1992 2018
11.6% 20.7%

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>27,800</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>12,700</td>
</tr>
<tr>
<td>Construction</td>
<td>6,100</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5,800</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>5,300</td>
</tr>
</tbody>
</table>

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Overview

North Dakota exported an estimated $9.6 billion in goods and $1.1 billion in services in 2018. Between 2009 and 2018, North Dakota goods exports have increased by 170 percent and services exports by 21 percent. Large companies now account for 52 percent of the value of North Dakota'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 Dakota Exports

- North Dakota ranks among the top 15 state exporters in five industries, including third in oil and gas ($3.0 billion), sixth in oilseeds and grains ($2.3 billion), seventh in petroleum and coal products ($2.4 billion), and 10th in agriculture and construction machinery ($806 million).

- North Dakota is America’s ninth largest exporter of agricultural products. It is the sixth largest exporter of oilseeds and grains, the 12th largest exporter of cattle, the 32nd largest exporter of vegetables and melons, and the 35th largest exporter of swine.

- One of North Dakota’s fastest growing export categories is electrical equipment, which increased by 30 percent since 2009. In 2018, exports of these products reached $65 million.

By the Numbers

1,736
Number of North Dakota Businesses that Exported in 2018

85%
Share of North Dakota Exporters that are Small- & Medium-Sized Businesses

Top North Dakota Exports, 2018

**Goods**
- Oil & Gas: $3.0 billion
- Petroleum & Coal Products: $2.4 billion
- Oilseeds & Grains: $2.3 billion
- Ag. & Construction Machinery: $806 million
- Basic Chemicals: $291 million

**Services**
- Misc. Freight & Port Services: $283 million
- Equip. Install., Maint., & Repair: $144 million
- Travel: $142 million

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www.brt.org/trade
In 2018, North Dakota companies sold their products in 152 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $6.9 billion, Services Exports: $291 million
- **China**: Goods Exports: $203 million, Services Exports: $70 million
- **Japan**: Goods Exports: $279 million, Services Exports: $50 million
- **Mexico**: Goods Exports: $310 million, Services Exports: $33 million
- **Korea**: Goods Exports: $131 million, Services Exports: $35 million
- **Australia**: Goods Exports: $144 million, Services Exports: $22 million

**Fast Facts: How Exports Help the North Dakota Economy Grow**

- Goods and services exports accounted for 19.1 percent of North Dakota's state GDP in 2018.
- North Dakota's exports have grown nearly 70 percent faster than state GDP since 2009. The average annual export growth during this period was 11.5 percent, while the average annual state GDP growth was 6.9 percent.
- North Dakota's top export markets for goods are Canada, Mexico, and Japan. Its top market for services is Canada.
- North Dakota's goods exports to Canada have grown by 24 percent per year since 2009, while North Dakota's services exports to Korea have grown by 7 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help North Dakota 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 North Dakota companies and families. Imported consumer goods help keep prices down for North Dakota families while increasing choices for foods and other products that are not available locally. Imported inputs help North Dakota 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 Dakota Families Benefit from Imports

- In 2018, 15 percent of North Dakota's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving North Dakota 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 Dakota family of four more than $10,000 per year through lower prices and increased specialization.

Most Importers are Small Businesses

- In 2018, 1,061 North Dakota companies imported goods from 99 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 Dakota Exports and Imports are Linked Through Global Value Chains

- In 2018, 85 percent of North Dakota goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.

- Many of North Dakota's top imports are critical components for North Dakota exports. Conversely, North Dakota exports of raw materials and parts may return to the United States in imported finished goods.

Imports: Internal combustion engines ($144M in 2018)
Exports: Shovel-loaders and similar equipment ($318M in 2018)

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NORTH DAKOTA NEEDS TRADE AGREEMENTS TO GROW

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 Dakota 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 Dakota and the United States.

By the Numbers

- In 2018, $7.8 billion of North Dakota’s goods exports, or 81 percent, went to FTA partners.
- Since 2009, North Dakota’s goods exports to countries with FTAs in effect with the United States in 2018 have increased by 312 percent.
- North Dakota’s exports to Canada and Mexico have increased by $6.9 billion (2,411 percent) since NAFTA went into effect in 1994.
- North Dakota’s exports to Australia have nearly doubled – from $77 million to $144 million – since the FTA with Australia took effect in 2005.
- North Dakota’s exports to Guatemala of oilseeds and grains have increased from $9.7 million to $30 million since the FTA with Guatemala went into effect in 2006.
- Canada bought nearly all of North Dakota’s exports of oil and gas and petroleum and coal products in 2018. For these sectors, exports to Canada were $5.4 billion versus $2.6 million for all other countries combined.
- In 2018, $427 million of North Dakota’s services exports, or 40 percent, went to FTA partners.
- North Dakota’s exports to Korea of miscellaneous freight and port services have increased from $1.2 million to $11 million, or nearly ten-fold, since 2011.

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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.

North Dakota is no exception. Foreign-owned companies make significant investments in North Dakota to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed nearly 13,000 workers in North Dakota in 2017, including:

- 1,800 workers employed by companies based in Canada;
- 1,400 workers employed by companies based in the United Kingdom;
- 800 workers employed by companies based in Japan;
- 600 workers employed by companies based in France;
- 600 workers employed by companies based in Germany.

Selected Foreign-Owned Companies Employing Workers in North Dakota

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bobcat Company</td>
<td>Construction Equip. Manufacturing</td>
<td>South Korea</td>
</tr>
<tr>
<td>CNH Global</td>
<td>Agricultural/Construction Equip. Mfg.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Gerdau Ameristeel</td>
<td>Steel Product Manufacturing</td>
<td>Brazil</td>
</tr>
<tr>
<td>Saint-Gobain</td>
<td>Building Materials Product Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Tech Mahindra</td>
<td>IT Services</td>
<td>India</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Financial Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Viterra</td>
<td>Agricultural Products</td>
<td>Canada</td>
</tr>
<tr>
<td>Welltec Inc.</td>
<td>Oilfield Services</td>
<td>Denmark</td>
</tr>
</tbody>
</table>
NORTH DAKOTA JOBS DEPEND ON TWO-WAY TRADE

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


NORTH DAKOTA BUSINESSES GROW WITH EXPORTS


NORTH DAKOTA COMPANIES EXPORT THROUGHOUT THE WORLD


NORTH DAKOTA 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 DAKOTA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN NORTH DAKOTA CREATES JOBS


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

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