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. 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 Dakota recover as well.

Trade Creates & Supports Jobs in North Dakota

- **International trade, including exports and imports, supported 107,200 North Dakota jobs – nearly one in five in 2019.** These trade-related jobs grew three 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 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 $8.8 billion in goods and $1.2 billion in services in 2019,** including oil and gas, oilseeds and grains, petroleum and coal products and miscellaneous freight and port services. Of North Dakota’s 1,742 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See North Dakota Businesses Grow With Exports)*

- **Customers in 157 countries and territories buy North Dakota-made goods and services,** including billions of dollars in annual exports to top markets like Canada, China and Mexico. North Dakota’s exports have grown 1.5 percent per year since 2010. 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 2019, $6.8 billion of North Dakota’s goods exports, or 78 percent, went to FTA partners. This represents an increase of 204 percent since 2010. *(See North Dakota Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 15,000 workers in North Dakota.** *(See Foreign Investment In North Dakota Creates Jobs)*
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 Dakota. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in North Dakota and help it recover faster.

Trade Creates & Supports Jobs in ND

- 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.
- Nearly 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 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

107,200
Number of Jobs in North Dakota Supported by Trade

Share of Jobs Tied to Trade
Increased 57 percent from 1992 to 2019

1992 2019
11.6% 18.3%

Jobs Tied to Trade Top Sectors, 2019

- Personal and recreational services: 19,500
- Wholesale and retail trade: 17,000
- Education and health services: 16,700
- Business and professional services: 15,900
- Construction: 7,800

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

North Dakota exported an estimated $8.8 billion in goods and $1.2 billion in services in 2019. Between 2010 and 2019, North Dakota goods exports have increased by 107 percent and services exports by 15 percent. Large companies now account for 48 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 20 state exporters in eight industries, including third in oil and gas ($2.7 billion), seventh in petroleum and coal products ($2.0 billion), and 12th in agricultural and construction machinery ($616 million).
- North Dakota is America’s ninth largest exporter of agricultural products. It is the second largest exporter of sheep, goats and fine animal hair, the fifth largest exporter of oilseeds and grains, the 14th largest exporter of cattle, and the 16th largest exporter of swine.
- One of North Dakota’s fastest growing export categories is engines and turbines, which increased by 465 percent since 2010. In 2019, exports of these products reached $53 million.

By the Numbers

<table>
<thead>
<tr>
<th>Number of North Dakota Businesses that Exported in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,742</td>
</tr>
</tbody>
</table>

Share of North Dakota Exporters that Are Small- & Medium-Sized Businesses

<table>
<thead>
<tr>
<th>Top North Dakota Exports, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goods</strong></td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
</tr>
<tr>
<td>$2.7 billion</td>
</tr>
<tr>
<td>Oilseeds &amp; Grains</td>
</tr>
<tr>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Petroleum &amp; Coal Products</td>
</tr>
<tr>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
</tr>
<tr>
<td>$616 million</td>
</tr>
<tr>
<td>Basic Chemicals</td>
</tr>
<tr>
<td>$250 million</td>
</tr>
<tr>
<td><strong>Services</strong></td>
</tr>
<tr>
<td>Misc. Freight &amp; Port Services</td>
</tr>
<tr>
<td>$272 million</td>
</tr>
<tr>
<td>Equip. Installation &amp; Maintenance</td>
</tr>
<tr>
<td>$130 million</td>
</tr>
<tr>
<td>Waste, Ag. &amp; Mining Services</td>
</tr>
<tr>
<td>$100 million</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
In 2019, North Dakota companies sold their products in 1579 countries and territories.

Top export markets include:

**CANADA**
- Goods Exports: $6.1 billion
- Services Exports: $298 million

**CHINA**
- Goods Exports: $453 million
- Services Exports: $71 million

**JAPAN**
- Goods Exports: $240 million
- Services Exports: $56 million

**MEXICO**
- Goods Exports: $314 million
- Services Exports: $41 million

**KOREA**
- Goods Exports: $87 million
- Services Exports: $34 million

**PHILIPPINES**
- Goods Exports: $127 million
- Services Exports: $2.8 million

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

- Goods and services exports accounted for 17.5 percent of North Dakota's state GDP in 2019.
- North Dakota's annual exports grew 1.5 percent per year since 2010.
- North Dakota's top export markets for goods are Canada, China, and Mexico. Its top market for services is Canada.
- North Dakota's goods exports to France have grown by 8 percent per year since 2010, while North Dakota's services exports to Luxembourg have grown by 12 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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www.brt.org/trade
Overview

Imports provide a variety of benefit 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 2019, 13 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.

2010-2019 Price Decrease

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

Most Importers are Small Businesses

- In 2019, 1,114 North Dakota companies imported goods from 109 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 2019, 87 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.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
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Imports: Construction equipment parts ($78M in 2019)
Exports: Shovel-loaders ($195M in 2019)
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 United States.

• In 2019, $6.8 billion of North Dakota’s goods exports, or 78 percent, went to FTA partners.
• Since 2010, North Dakota’s goods exports to countries with FTAs in effect with the United States in 2019 have increased by 204 percent.
• North Dakota’s exports to Canada and Mexico have increased by $6.1 billion (2,132 percent) since NAFTA went into effect in 1994.
• North Dakota’s exports to Honduras have increased by 192 percent – from $5.5 million to $16 million – since the FTA with Honduras took effect in 2006.
• 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 99.6 percent of North Dakota’s $2.7 billion in exports of oil and gas in 2019.
• In 2019, $461 million of North Dakota’s services exports, or 39 percent, went to FTA partners.
• North Dakota’s exports to Australia of equipment installation, maintenance, and repair services have increased from $452,000 to $3.1 million, or by 577 percent, since 2006 (earliest year available).

By the Numbers

204%

Increase in North Dakota Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of North Dakota Goods, 2019

$14.53

$0.29

Non-FTA Countries

FTA Partner Countries

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

In 2019, FTA partners purchased 50.5 times more goods per capita from North Dakota than non-FTA partners.

Contact: Paul DeLane, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
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 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 about 15,000 workers in North Dakota in 2019, including:

- 2,500 workers employed by companies based in Canada;
- 1,900 workers employed by companies based in the United Kingdom;
- 900 workers employed by companies based in France;
- 900 workers employed by companies based in the Netherlands;
- 900 workers employed by companies based in Japan.

### Foreign-Owned Companies Employed 15,000 North Dakota Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>5,700</td>
</tr>
<tr>
<td>Other</td>
<td>5,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,600</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1,500</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>500</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>500</td>
</tr>
<tr>
<td>Information</td>
<td>200</td>
</tr>
</tbody>
</table>

### 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>BioLife Plasma Services</td>
<td>Health care services</td>
<td>Japan</td>
</tr>
<tr>
<td>Bobcat Company (HQ)</td>
<td>Machinery and equipment manufacturing</td>
<td>Korea</td>
</tr>
<tr>
<td>Case IH</td>
<td>Tractor manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Körber Medipak Systems North America, Inc.</td>
<td>Pharmaceutical production machinery manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Red River Commodities Inc.</td>
<td>Food ingredient manufacturing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Solvay USA, Inc.</td>
<td>Chemical product manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Wood Group</td>
<td>Oilfield services</td>
<td>United Kingdom</td>
</tr>
</tbody>
</table>

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[www.brt.org/trade](http://www.brt.org/trade)
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

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 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/cdxports-and-cdxjobs) and World Bank population estimates

FOREIGN INVESTMENT IN NORTH DAKOTA 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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