HOW NEBRASKA'S ECONOMY BENEFITS FROM TRADE & INVESTMENT

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 Nebraska 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 Nebraska.

Trade Creates & Supports Jobs in Nebraska

- **International trade, including exports and imports, supports 277,100 Nebraska jobs – more than 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 Nebraska’s globally engaged firms. ([See Nebraska Jobs Depend On Two-Way Trade](#))

- **Nebraska exported $9.4 billion in goods and $2.1 billion in services in 2017,** including meat products, leather & hide tanning, oilseeds & grains and travel services. Of Nebraska’s 1,822 exporters, 81 percent are small- and medium-sized companies with less than 500 workers. ([See Nebraska Businesses Grow With Exports](#))

- **Customers in 176 countries and territories buy Nebraska-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Nebraska’s exports have grown nearly two times faster than state GDP since 2007. ([See Nebraska Companies Export Throughout The World](#))

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Nebraska to partner countries.** In 2017, $4.6 billion of Nebraska’s goods exports, or 49 percent, went to FTA partners. This represents an increase of 67 percent since 2007. ([See Nebraska Needs Trade Agreements To Grow](#))

- **Foreign-owned companies invest and build facilities and employ 32,100 workers in Nebraska.** ([See Foreign Investment In Nebraska 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 Nebraska

- Export growth increases jobs by generating new business for Nebraska’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Nebraska businesses compete and saving Nebraska families real dollars at the cash register.

- More than one in five Nebraska jobs depends upon international trade.

- Nebraska’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

277,100
Number of Jobs in Nebraska Supported by Trade

Share of Jobs Tied to Trade
Increased 87 percent from 1992 to 2017

Jobs Tied to Trade
Top Sectors, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>56,800</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>35,200</td>
</tr>
<tr>
<td>Agriculture</td>
<td>28,100</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17,200</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>16,900</td>
</tr>
</tbody>
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Overview

Nebraska exported an estimated $9.4 billion in goods and $2.1 billion in services in 2017. Between 2007 and 2017, Nebraska goods exports have increased by 85 percent and services exports by 75 percent. Large companies now account for 77 percent of the value of Nebraska'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 Nebraska Exports

- Nebraska ranks among the top 15 state exporters in 11 industries, including second in meat products ($2.2 billion), third in leather & hide tanning ($97 million), fourth in oilseeds & grains ($3.1 billion), and sixth in nonmetallic minerals ($70 million).
- Nebraska is America’s seventh largest exporter of agricultural products. It is the fourth largest exporter of oilseeds & grains, the ninth largest exporter of swine, the 19th largest exporter of vegetables & melons, and the 26th largest exporter of fruits & tree nuts.
- One of Nebraska’s fastest growing export categories is nonmetallic minerals, which increased by 432 times its 2007 value. In 2017, exports of these products reached $70 million.

By the Numbers

1,822
Number of Nebraska Businesses that Exported in 2016

80%
Share of Nebraska Exporters that are Small- & Medium-Sized Businesses

Top Nebraska Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds &amp; Grains</td>
<td>$3.1 billion</td>
</tr>
<tr>
<td>Meat Products</td>
<td>$2.2 billion</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
<td>$731 million</td>
</tr>
<tr>
<td>Grain &amp; Oilseed Milling Products</td>
<td>$404 million</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$306 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$417 million</td>
</tr>
<tr>
<td>Insurance Services</td>
<td>$343 million</td>
</tr>
<tr>
<td>Equip. Install., Maint., &amp; Repair</td>
<td>$188 million</td>
</tr>
</tbody>
</table>

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In 2017, Nebraska companies sold their products in 176 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $1.6 billion, Services Exports: $213 million
- **China**: Goods Exports: $1.4 billion, Services Exports: $153 million
- **Japan**: Goods Exports: $1.1 billion, Services Exports: $142 million
- **Mexico**: Goods Exports: $1.7 billion, Services Exports: $86 million
- **Korea**: Goods Exports: $545 million, Services Exports: $66 million
- **Australia**: Goods Exports: $254 million, Services Exports: $80 million

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

- Goods and services exports accounted for 9.7 percent of Nebraska’s state GDP in 2017.
- Nebraska’s exports have grown nearly two times faster than state GDP since 2007. The average annual export growth during this period was 7.1 percent, while the average annual state GDP growth was 3.7 percent.
- Nebraska’s top export markets for goods are Mexico, Canada, and China. Its top market for services is Canada.
- Nebraska’s goods exports to China have grown by 35 percent per year since 2007, while Nebraska’s services exports to China have grown by 19 percent per year.

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NEBRASKA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

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 Nebraska.

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

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Imports Decrease Prices

- **-87.9%**

- **-63.3%**

- **-44.7%**
  Decrease in the Price of Toys Between 2007 and 2017.

Imports Increase Choices

In 2016, about 211,000 U.S. companies (including 1,821 in Nebraska) imported products...

And roughly three-quarters of U.S. importers were very small businesses with less than 20 employees.
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, $4.6 billion of Nebraska's goods exports, or 49 percent, went to FTA partners.
- Since 2007, Nebraska's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 67 percent.
- Nebraska's goods exports to Canada and Mexico have increased by $2.8 billion (661 percent) since NAFTA went into effect in 1994.
- Nebraska's goods exports to Chile have increased by 1,400 percent since the FTA took effect in 2004.
- Nebraska's exports to Australia of meat products have increased from $198,000 to $56 million since the FTA went into effect in 2005.
- Korea bought 25 percent of Nebraska's exports of communications & services industry machinery in 2017.
- In 2017, $564 million of Nebraska's services exports, or 26 percent, went to FTA partners.
- Nebraska's exports to Australia of insurance services have increased from $2.4 million to $28 million, or by 1,055 percent, since 2006 (earliest year available).

By the Numbers

67%
Increase in Nebraska Goods Exports to FTA Partners Between 2007 and 2017

**Per Capita Purchases of Nebraska Goods, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.72</td>
<td>9.85</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 13.8 times more goods per capita from Nebraska than non-FTA partners.

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Overview

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

- 4,800 workers employed by companies based in Japan;
- 4,500 workers employed by companies based in the United Kingdom;
- 3,300 workers employed by companies based in France;
- 2,100 workers employed by companies based in Switzerland;
- 1,900 workers employed by companies based in Canada.

Selected Foreign-Owned Companies Employing Workers in Nebraska

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abengoa Bioenergy Corp.</td>
<td>Engineering Services</td>
<td>Spain</td>
</tr>
<tr>
<td>Agrium Advanced Tech.</td>
<td>Fertilizer Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Americold Logistics</td>
<td>Warehousing Services</td>
<td>Canada</td>
</tr>
<tr>
<td>BAE Systems Inc.</td>
<td>Defense/Security/Aerospace Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Coreslab Structures</td>
<td>Building Materials Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Accounting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Evonik Corp.</td>
<td>Chemical Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Firestone Complete Auto Care</td>
<td></td>
<td>Japan</td>
</tr>
<tr>
<td>Great Western Bank</td>
<td>Retailing</td>
<td>Australia</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Banking Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Midwest Lysine</td>
<td>Hotel Services</td>
<td>Germany</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Chemical Manufacturing</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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NEBRASKA JOBS DEPEND ON TWO-WAY TRADE


NEBRASKA BUSINESSES GROW WITH EXPORTS


NEBRASKA COMPANIES EXPORT THROUGHOUT THE WORLD


NEBRASKA 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/)

NEBRASKA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN NEBRASKA 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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