How Nevada'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 Nevada 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 Nevada.

Trade Creates & Supports Jobs in Nevada

- **International trade, including exports and imports, supports 343,900 Nevada jobs – nearly one in five.** These trade-related jobs grew two 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 Nevada’s globally engaged firms. (See Nevada Jobs Depend On Two-Way Trade)

- **Nevada exported $12.1 billion in goods and $9.8 billion in services in 2017,** including nonferrous metal products, metal ores, miscellaneous manufactured commodities and travel services. Of Nevada’s 3,222 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. (See Nevada Businesses Grow With Exports)

- **Customers in 187 countries and territories buy Nevada-made goods and services,** including billions of dollars in annual exports to top markets like Switzerland, India and Canada. Nevada’s exports have grown more than three times faster than state GDP since 2007. (See Nevada Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Nevada to partner countries.** In 2017, $2.4 billion of Nevada’s goods exports, or 20 percent, went to FTA partners. This represents an increase of 82 percent since 2007. (See Nevada Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 48,100 workers in Nevada.** (See Foreign Investment In Nevada Creates Jobs)

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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 Nevada

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

- Nearly one in five Nevada jobs depends upon international trade.

- Nevada’s trade-related employment grew two 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

343,900

Number of Jobs in Nevada
Supported by Trade

Share of Jobs Tied to Trade
Increased 68 percent from 1992 to 2017

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>115,700</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>63,500</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>28,400</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>18,400</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>17,100</td>
</tr>
</tbody>
</table>

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Overview

Nevada exported an estimated $12.1 billion in goods and $9.8 billion in services in 2017. Between 2007 and 2017, Nevada goods exports have increased by 115 percent and services exports by 42 percent. Large companies now account for 81 percent of the value of Nevada’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 Nevada Exports

- Nevada ranks among the top half of state exporters in 20 industries, including first in nonferrous metal products ($6.4 billion), fourth in metal ores ($378 million), sixth in miscellaneous manufactured commodities ($1.5 billion), and ninth in semiconductors & components ($1.3 billion).

- Nevada is America’s 44th largest exporter of agricultural products. It is the tenth largest exporter of greenhouse & nursery products, the 18th largest exporter of vegetables & melons, the 27th largest exporter of miscellaneous crops, and the 28th largest exporter of swine.

- One of Nevada’s fastest growing export categories is communications equipment, which increased by 999 percent since 2007. In 2017, exports of these products reached $198 million.

By the Numbers

3,222
Number of Nevada Businesses that Exported in 2016

Top Nevada Exports, 2017
Goods
- Nonferrous Metal Products $6.4 billion
- Misc. Manufactured Commodities $1.5 billion
- Semiconductors & Components $1.3 billion
- Metal Ores $378 million
- Navigational & Meas. Instruments $290 million

Services
- Travel $6.5 billion
- Passenger Fares $995 million
- Air Freight & Port Services $489 million

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In 2017, Nevada companies sold their products in 187 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $1.1 billion, Services Exports: $907 million
- **United Kingdom**: Goods Exports: $148 million, Services Exports: $809 million
- **China**: Goods Exports: $805 million, Services Exports: $928 million
- **Mexico**: Goods Exports: $603 million, Services Exports: $804 million
- **Switzerland**: Goods Exports: $4.7 billion, Services Exports: $149 million
- **India**: Goods Exports: $1.8 billion, Services Exports: $300 million

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

- Goods and services exports accounted for 13.9 percent of Nevada's state GDP in 2017.
- Nevada's exports have grown more than three times faster than state GDP since 2007. The average annual export growth during this period was 6.2 percent, while the average annual state GDP growth was 1.9 percent.
- Nevada's top export markets for goods are Switzerland, India, and Canada. Its top market for services is China.
- Nevada's goods exports to Hong Kong have grown by 22 percent per year since 2007, while Nevada's services exports to China have grown by 18 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 Nevada.

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

In 2016, about 211,000 U.S. companies (including 4,056 in Nevada) imported products...

And roughly three-quarters of U.S. importers were very small businesses with less than 20 employees.

Imports Decrease Prices

- **-87.9%**

- **-63.3%**

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

Imports Increase Choices
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, $2.4 billion of Nevada’s goods exports, or 20 percent, went to FTA partners.

• Since 2007, Nevada’s goods exports to countries with FTAs in effect with the United States in 2017 have increased by 82 percent.

• Nevada’s goods exports to Canada and Mexico have increased by $1.5 billion (986 percent) since NAFTA went into effect in 1994.

• Nevada’s goods exports to Singapore have increased by 391 percent since the FTA took effect in 2004.

• Nevada’s exports to Korea of miscellaneous foods have increased from $208,000 to $37 million since the FTA went into effect in 2012.

• Australia bought 31 percent of Nevada’s exports of electrical equipment & components in 2017.

• In 2017, $3.1 billion of Nevada’s services exports, or 31 percent, went to FTA partners.

• Nevada’s exports to Korea of travel services have increased from $158 million to $298 million, or by 88 percent, since the FTA went into effect in 2012.

By the Numbers

82%

Increase in Nevada Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Nevada Goods, 2017

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.45</td>
<td>$5.17</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 3.6 times more goods per capita from Nevada than non-FTA partners.

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

- 9,400 workers employed by companies based in Canada;
- 6,900 workers employed by companies based in the United Kingdom;
- 6,000 workers employed by companies based in France;
- 3,400 workers employed by companies based in Germany;
- 3,200 workers employed by companies based in Japan.

Selected Foreign-Owned Companies Employing Workers in Nevada

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMEC Earth and Environmental Engineering &amp; Consulting Services</td>
<td>Engineering &amp; Consulting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Atkins North America, Inc.</td>
<td>Engineering Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Avison Young Inc.</td>
<td>Commercial Real Estate Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Dassault Falcon Jet Corp.</td>
<td>Aerospace Products Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Accounting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Fresh &amp; Easy Market</td>
<td>Food Retailing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Lee Hecht Harrison</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Nevada Copper Inc.</td>
<td>Copper Mining</td>
<td>Canada</td>
</tr>
<tr>
<td>OceanaGold</td>
<td>Gold Mining</td>
<td>Canada</td>
</tr>
<tr>
<td>Sims Metal Management</td>
<td>Metal Recycling Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Tropicana Hotel and Casino</td>
<td>Gaming</td>
<td>Canada</td>
</tr>
</tbody>
</table>

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DATA SOURCES

NEVADA JOBS DEPEND ON TWO-WAY TRADE


NEVADA 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)


NEVADA COMPANIES EXPORT THROUGHOUT THE WORLD


NEVADA 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/)

NEVADA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN NEVADA 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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