

HOW NEVADA'S ECONOMY BENEFITS FROM TRADE & INVESTMENT



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 Nevada 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 Nevada. 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 Nevada recover.

Trade Creates & Supports Jobs in Nevada

- **International trade, including exports and imports, supported 376,700 Nevada jobs – one in five in 2018.** These trade-related jobs grew two 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 Nevada's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Nevada. *(See Nevada Jobs Depend On Two-Way Trade)*
- **Nevada exported \$11.0 billion in goods and \$9.7 billion in services in 2018,** including nonferrous metal products, semiconductors and components, miscellaneous manufactured commodities and travel services. Of Nevada's 3,420 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See Nevada Businesses Grow With Exports)*
- **Customers in 191 countries and territories buy Nevada-made goods and services,** including billions of dollars in annual exports to top markets like Switzerland, Canada and India. Nevada's goods exports have grown nearly 80 percent faster than state GDP since 2009. Policies that help Nevada businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(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 and Families Benefit from Imports)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Nevada to partner countries.** In 2018, \$2.5 billion of Nevada's goods exports, or 23 percent, went to FTA partners. This represents an increase of 82 percent since 2009. *(See Nevada Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 49,800 workers in Nevada.** *(See Foreign Investment In Nevada Creates Jobs)*



NEVADA JOBS DEPEND ON TWO-WAY 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 Nevada. Policies that expand trade can create new job opportunities in Nevada and help it recover faster.

Trade Creates & Supports Jobs in Nevada

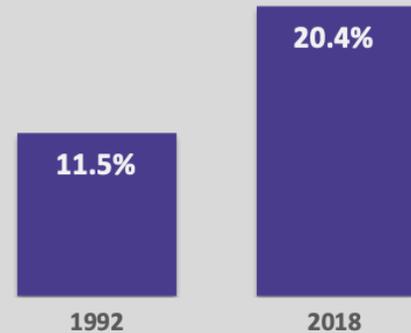
- Export growth increases jobs by generating new business for Nevada's manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Nevada businesses compete and saving Nevada families real dollars at the cash register.
- One in five Nevada jobs depends upon international trade.
- Nevada's trade-related employment grew two 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

376,700

Number of Jobs in Nevada
Supported by Trade

**Share of Jobs Tied to Trade
Increased 77 percent from 1992 to 2018**



Jobs Tied to Trade Top Sectors, 2018

Trade & Distribution	124,300
Prof., Scient. & Tech. Services	65,700
Personal & Rec. Services	29,600
Construction	18,300
Transportation & Warehousing	17,800



NEVADA BUSINESSES GROW WITH EXPORTS



Overview

Nevada exported an estimated \$11.0 billion in goods and \$9.7 billion in services in 2018. Between 2009 and 2018, Nevada goods exports have increased by 95 percent and services exports by 56 percent. Large companies now account for 83 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

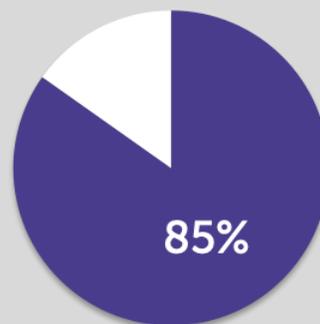
- Nevada ranks among the top 15 state exporters in six industries, including third in nonferrous metal products (\$5.0 billion), fifth in metal ores (\$520 million), sixth in miscellaneous manufactured commodities (\$1.2 billion), and 10th in semiconductors and components (\$1.3 billion).
- Nevada is America's 44th largest exporter of agricultural products. It is the 13th largest exporter of greenhouse and nursery products, the 20th largest exporter of vegetables and melons, the 28th largest exporter of miscellaneous crops, and the 31st largest exporter of aquaculture.
- One of Nevada's fastest growing export categories is communications equipment, which increased by 46 percent since 2009. In 2018, exports of these products reached \$304 million.

By the Numbers

3,420

Number of Nevada Businesses
that Exported in 2018

Share of Nevada Exporters that are Small- & Medium-Sized Businesses



Top Nevada Exports, 2018

Goods

Nonferrous Metal Products	\$5.0 billion
Semiconductors & Components	\$1.3 billion
Misc. Manufactured Commodities	\$1.2 billion
Metal Ores	\$520 million
Navigational & Meas. Instruments	\$321 million

Services

Travel	\$6.6 billion
Passenger Fares	\$1.0 billion
Credit-Related Services	\$480 million

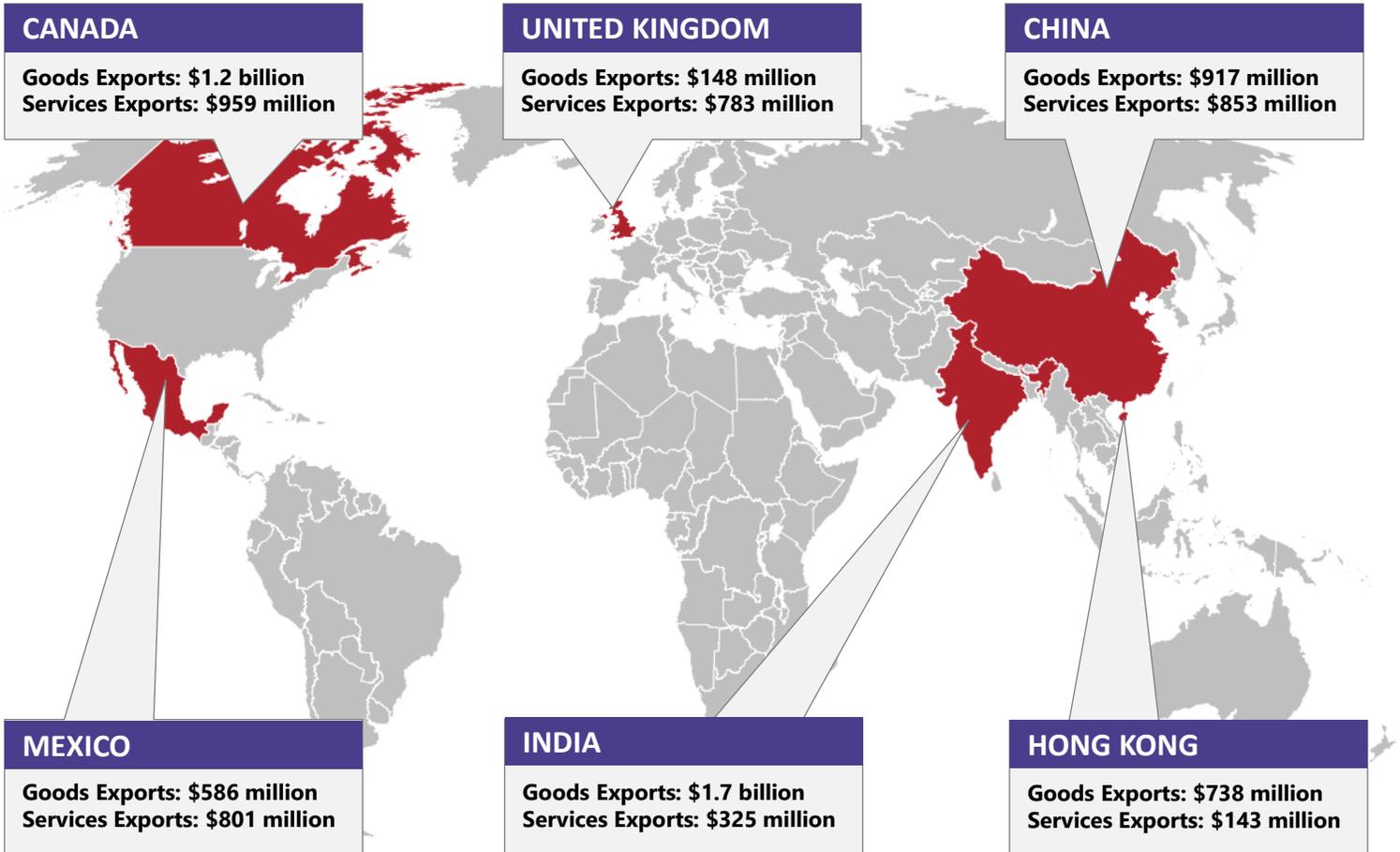


NEVADA COMPANIES EXPORT THROUGHOUT THE WORLD



In 2018, Nevada companies sold their products in 191 countries and territories.

Top export markets include:



Fast Facts: How Exports Help the Nevada Economy Grow

- Goods and services exports accounted for 12.2 percent of Nevada's state GDP in 2018.
- Nevada's exports have grown nearly 80 percent faster than state GDP since 2009. The average annual export growth during this period was 6.8 percent, while the average annual state GDP growth was 3.8 percent.
- Nevada's top export markets for goods are Switzerland, India, and Canada. Its top market for services is Canada.
- Nevada's goods exports to Germany have grown by 24 percent per year since 2009, while Nevada's services exports to China have grown by 17 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Nevada businesses, workers, and farmers reach the growing number of customers around the world.



NEVADA COMPANIES AND FAMILIES BENEFIT FROM IMPORTS



Overview

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

Nevada Families Benefit from Imports

- In 2018, 35 percent of Nevada's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Nevada 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 Nevada family of four more than \$10,000 per year through lower prices and increased specialization.

2008-2018 Price Decrease



-88% for Televisions



-63% for Computers



-45% for Toys

Most Importers are Small Businesses

- In 2018, 4,453 Nevada companies imported goods from 147 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.

Nevada Exports and Imports are Linked Through Global Value Chains

- In 2018, 65 percent of Nevada goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Nevada's top imports are critical components for Nevada exports. Conversely, Nevada exports of raw materials and parts may return to the United States in imported finished goods.



Imports:
Gaming machines
(\$641M in 2018)



Exports:
Travel services
(\$6.6B in 2018)



NEVADA 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. Nevada 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 Nevada and the United States.

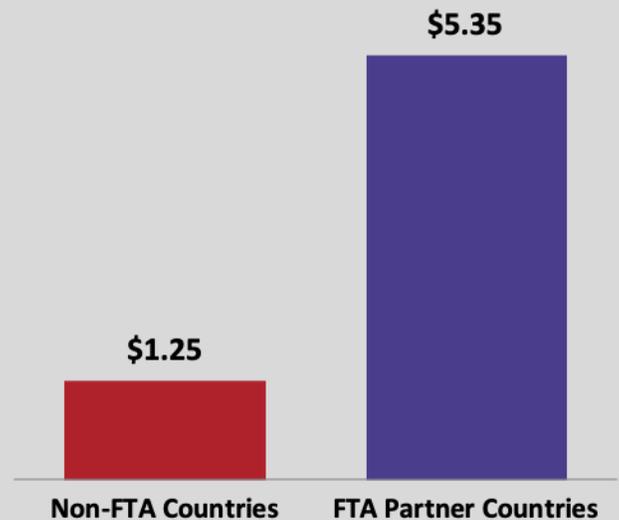
- In 2018, \$2.5 billion of Nevada's goods exports, or 23 percent, went to FTA partners.
- Since 2009, Nevada's goods exports to countries with FTAs in effect with the United States in 2018 have increased by 82 percent.
- Nevada's exports to Canada and Mexico have increased by \$1.6 billion (1,029 percent) since NAFTA went into effect in 1994.
- Nevada's exports to Peru have increased by 385 percent – from \$15 million to \$74 million – since the FTA with Peru took effect in 2009.
- Nevada's exports to Korea of miscellaneous foods have increased from \$208,000 to \$41 million since the FTA with Korea went into effect in 2012.
- Australia bought 26 percent – \$67 million out of \$256 million – of Nevada's exports of electrical equipment and components in 2018.
- In 2018, one third of Nevada's \$3.1 billion in services exports went to FTA partners.
- Nevada's exports to Chile of travel services have increased from \$14 million to \$50 million, or by 269 percent, since 2006 (earliest year available).

By the Numbers

82%

Increase in Nevada Goods Exports to FTA Partners Between 2009 and 2018

Per Capita Purchases of Nevada Goods, 2018



* U.S. FTAs in effect with countries in 2018.

In 2018, FTA partners purchased 4.3 times more goods per capita from Nevada than non-FTA partners.



FOREIGN INVESTMENT IN NEVADA CREATES JOBS



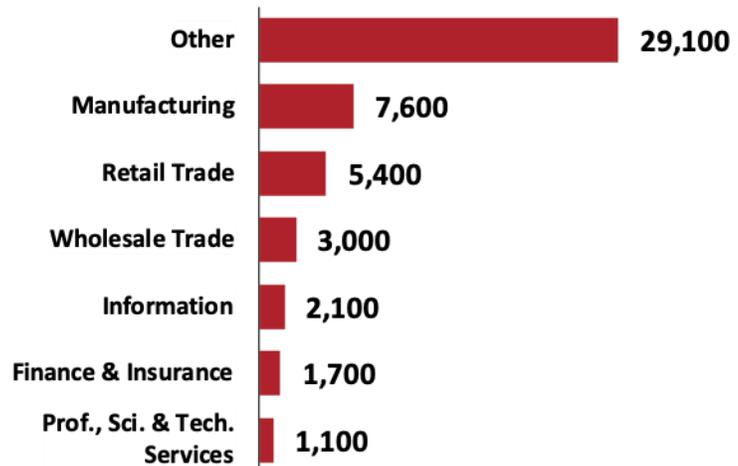
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Foreign-owned companies help grow the U.S. economy and jobs. In 2017, foreign-owned companies added over \$1 trillion to U.S. GDP, including goods exports of \$380 billion and R&D spending of over \$60 billion. They employed 7.4 million workers in the United States, including 2 million workers – or 1 out of every 6 – in the manufacturing sector.

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

- 10,100 workers employed by companies based in Canada;
- 6,800 workers employed by companies based in the United Kingdom;
- 5,800 workers employed by companies based in France;
- 3,700 workers employed by companies based in Germany;
- 3,600 workers employed by companies based in Japan.

Foreign-Owned Companies Employed 49,800 Nevada Workers Across Many Industries, 2017



Selected Foreign-Owned Companies Employing Workers in Nevada

Company	Industry	Country
KPMG LLP	Accounting Services	Netherlands
Dassault Falcon Jet Corp.	Aerospace Products Manufacturing	France
Ernst & Young	Accounting Services	United Kingdom
Siemens	Electrical Equipment Manufacturing	Germany
Holiday Inn	Hotel Services	United Kingdom
Nevada Copper Inc.	Copper Mining	Canada
OceanaGold	Gold Mining	Australia
Sims Metal Management	Metal Recycling Services	Australia



DATA SOURCES



NEVADA JOBS DEPEND ON TWO-WAY TRADE

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

Jobs-Tied-to-Trade: Baughman and Francois, "Trade and American Jobs: The Impact of Trade on U.S. and State-Level Employment" (2020) (https://s3.amazonaws.com/brt.org/Trade_and_American_Jobs_2020.pdf)

Exporting Firm Wages: Riker, "Export-Intensive Industries Pay More on Average: An Update" (2015) (<https://www.usitc.gov/publications/332/ec201704a.pdf>)

Exporting Firm Growth: Bernard and Jensen, "Exporting and Productivity in the USA" (2004) (<http://faculty.tuck.dartmouth.edu/images/uploads/faculty/andrew-bernard/exprod.pdf>)

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>)

Exports, Rankings, and Trends: The Trade Partnership, derived from U.S. Census Bureau ("Census") data (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Exporting Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2017 – 2018" (<https://www.census.gov/foreign-trade/Press-Release/edb/2018/>)

NEVADA COMPANIES EXPORT THROUGHOUT THE WORLD

Exports, Rankings, and Trends: The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Export vs. GDP Growth: Derived from Census export data and U.S. Bureau of Economic Analysis (BEA) "GDP by State" database (<http://bea.gov/regional/index.htm>)

NEVADA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

Importing Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2017 – 2018" (<https://www.census.gov/foreign-trade/Press-Release/edb/2018/>)

Imports as Components: Derived from Census end-use import data

Savings from Liberalization: Bradford, Grieco, and Hufbauer, "The Payoff to America from Global Integration" (2005) (<http://www.piie.com/publications/papers/2iie3802.pdf>)

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

NEVADA NEEDS TRADE AGREEMENTS TO GROW

Exports and Trends: The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

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>)

