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 Ohio 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 Ohio. 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 Ohio recover as well.

Trade Creates & Supports Jobs in Ohio

- **International trade, including exports and imports, supported 1,401,200 Ohio jobs – one in five in 2019.** These trade-related jobs grew six 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 Ohio’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Ohio. *(See Ohio Jobs Depend On Two-Way Trade)*

- **Ohio exported $51.8 billion in goods and $18.6 billion in services in 2019,** including aerospace products and parts, motor vehicles, motor vehicle parts and personal travel and tourism services. Of Ohio’s 16,343 exporters, 88 percent are small- and medium-sized companies with less than 500 workers. *(See Ohio Businesses Grow With Exports)*

- **Customers in 209 countries and territories buy Ohio-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Ohio’s exports have grown 0.8 percent per year since 2010. Policies that help Ohio businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Ohio Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Ohio to partner countries.** In 2019, $31 billion of Ohio’s goods exports, or 60 percent, went to FTA partners. This represents an increase of 31 percent since 2010. *(See Ohio Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 310,700 workers in Ohio.** *(See Foreign Investment In Ohio 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, disrupted communities and economies, and ended millions of jobs across America, including in Ohio. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Ohio and help it recover faster.

Trade Creates & Supports Jobs in Ohio

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

1,401,200

Number of Jobs in Ohio Supported by Trade

Share of Jobs Tied to Trade
Increased 87 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.5%</td>
</tr>
<tr>
<td>2019</td>
<td>19.6%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and professional services</td>
<td>280,900</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>274,100</td>
</tr>
<tr>
<td>Education and health services</td>
<td>230,500</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>190,800</td>
</tr>
<tr>
<td>Transportation and utilities</td>
<td>80,200</td>
</tr>
</tbody>
</table>

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

Ohio exported an estimated $51.8 billion in goods and $18.6 billion in services in 2019. Between 2010 and 2019, Ohio goods exports have increased by 22 percent and services exports by 52 percent. Large companies now account for 78 percent of the value of Ohio’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 Ohio Exports

- Ohio ranks among the top 5 state exporters in 33 industries, including first in tobacco products ($558 million) and crowns, closures and seals ($204 million) and second in soaps, cleaning agents and toiletries ($2.1 billion), metalworking machinery ($722 million), and apparel ($412 million).

- Ohio is America’s 11th largest exporter of agricultural products. It is the second largest exporter of cattle, the seventh largest exporter of poultry and eggs, the seventh largest exporter of greenhouse and nursery products, and the eighth largest exporter of swine.

- One of Ohio's fastest growing export categories is communications equipment, which increased by 225 percent since 2010. In 2019, exports of these products reached $363 million.

By the Numbers

16,343
Number of Ohio Businesses that Exported in 2018

Share of Ohio Exporters that Are Small- & Medium-Sized Businesses

88%

Top Ohio Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$6.3 billion</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$4.9 billion</td>
</tr>
<tr>
<td>Motor Vehicle Parts</td>
<td>$4.2 billion</td>
</tr>
<tr>
<td>Soaps, Cleaning Agents &amp; Toiletries</td>
<td>$2.1 billion</td>
</tr>
<tr>
<td>Misc. General Purpose Machinery</td>
<td>$2.1 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$2.1 billion</td>
</tr>
<tr>
<td>Air Freight &amp; Port Services</td>
<td>$1.8 billion</td>
</tr>
<tr>
<td>Credit-Related Services</td>
<td>$1.6 billion</td>
</tr>
</tbody>
</table>

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In 2019, Ohio companies sold their products in 209 countries and territories. Top export markets include:

**Canada**
- Goods Exports: $20.6 billion
- Services Exports: $1.8 billion

**United Kingdom**
- Goods Exports: $1.9 billion
- Services Exports: $1.9 billion

**China**
- Goods Exports: $3.1 billion
- Services Exports: $1.4 billion

**Mexico**
- Goods Exports: $6.7 billion
- Services Exports: $747 million

**Brazil**
- Goods Exports: $1.9 billion
- Services Exports: $478 million

**Japan**
- Goods Exports: $1.6 billion
- Services Exports: $1.0 billion

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

- Goods and services exports accounted for 10.1 percent of Ohio's state GDP in 2019.
- Ohio's annual exports grew 0.8 percent per year since 2010.
- Ohio's top export markets for goods are Canada, Mexico, and China. Its top market for services is the United Kingdom.
- Ohio's goods exports to Bangladesh have grown by over 60 percent per year since 2010, while Ohio's services exports to Switzerland have grown by 10 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Ohio businesses, workers, and farmers reach the growing number of customers around the world.

**Contact:** Paul DeLaney, Business Roundtable; pdelaney@brt.org

www.brt.org/trade
OHIO COMPANIES AND FAMILIES BENEFIT FROM IMPORTS

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

Ohio Families Benefit from Imports
- In 2019, 37 percent of Ohio's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Ohio 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 Ohio family of four more than $10,000 per year through lower prices and increased specialization.

Most Importers are Small Businesses
- In 2019, 11,587 Ohio companies imported goods from 183 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.

Ohio Exports and Imports are Linked Through Global Value Chains
- In 2019, 63 percent of Ohio goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Ohio's top imports are critical components for Ohio exports. Conversely, Ohio exports of raw materials and parts may return to the United States in imported finished goods.

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Imports: Jet engines and parts ($1.4B in 2019)

Exports: Aerospace products ($6.0B in 2019)

2010-2019 Price Decrease
- 85% for Televisions
- 52% for Computers
- 51% for Toys
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. Ohio 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 Ohio and United States.

- In 2019, $31 billion of Ohio's goods exports, or 60 percent, went to FTA partners.
- Since 2010, Ohio's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 31 percent.
- Ohio's exports to Canada and Mexico have increased by $19 billion (214 percent) since NAFTA went into effect in 1994.
- Ohio's exports to Morocco have increased by 156 percent – from $17 million to $44 million – since the FTA with Morocco took effect in 2006.
- Ohio's exports to Korea of motor vehicles have increased from $26 million to $355 million since the FTA with Korea went into effect in 2012.
- Canada bought 70 percent – $1.5 billion out of $2.1 billion – of Ohio's exports of computer equipment in 2019.
- In 2019, $4.8 billion of Ohio's services exports, or 26 percent, went to FTA partners.
- Ohio's exports to Singapore of equipment installation, maintenance, and repair services have increased from $9.5 million to $48 million, or by 408 percent, since 2006 (earliest year available).

By the Numbers

31%
Increase in Ohio Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Ohio Goods, 2019

$65.81

$3.03

Non-FTA Countries
FTA Partner Countries

In 2019, FTA partners purchased 21.7 times more goods per capita from Ohio than non-FTA partners.

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

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
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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.

Ohio is no exception. Foreign-owned companies make significant investments in Ohio to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed hundreds of thousands of workers in Ohio in 2019, including:

- 71,300 workers employed by companies based in Japan;
- 45,200 workers employed by companies based in the United Kingdom;
- 35,800 workers employed by companies based in Germany;
- 28,600 workers employed by companies based in Canada;
- 21,700 workers employed by companies based in France.

Selected Foreign-Owned Companies Employing Workers in Ohio

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Software development and business services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Accenture Inc.</td>
<td>Business services</td>
<td>Ireland</td>
</tr>
<tr>
<td>AstraZeneca</td>
<td>Pharmaceutical manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>BASF Corporation</td>
<td>Chemicals manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Faurecia Emissions Control Techs</td>
<td>Motor vehicle parts manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Honda of America Mfg., Inc.</td>
<td>Motor vehicle manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Magna</td>
<td>Motor vehicle parts manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Siemens Industry, Inc.</td>
<td>Motor equipment manufacturing</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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OHIO JOBS DEPEND ON TWO-WAY TRADE

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


OHIO 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)


OHIO COMPANIES EXPORT THROUGHOUT THE WORLD


OHIO 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/)

OHIO NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN OHIO 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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