HOW OKLAHOMA'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 Oklahoma 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 Oklahoma.

Trade Creates & Supports Jobs in Oklahoma

- **International trade, including exports and imports, supports 403,500 Oklahoma jobs – more than one in six.** These trade-related jobs grew three 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 Oklahoma’s globally engaged firms.  
  (See Oklahoma Jobs Depend On Two-Way Trade)

- **Oklahoma exported $5.6 billion in goods and $3.6 billion in services in 2017**, including boilers, tanks & containers, magnetic & optical media, miscellaneous crops and travel services. Of Oklahoma’s 2,993 exporters, 84 percent are small- and medium-sized companies with less than 500 workers.  
  (See Oklahoma Businesses Grow With Exports)

- **Customers in 183 countries and territories buy Oklahoma-made goods and services**, including billions of dollars in annual exports to top markets like Canada, Mexico and China. Oklahoma’s exports have grown at an average annual rate of 2.8 percent since 2007.  
  (See Oklahoma Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Oklahoma to partner countries.** In 2017, $2.7 billion of Oklahoma’s goods exports, or 47 percent, went to FTA partners. This represents an increase of 8.0 percent since 2007.  
  (See Oklahoma Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 51,800 workers in Oklahoma.**  
  (See Foreign Investment In Oklahoma 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 Oklahoma

- Export growth increases jobs by generating new business for Oklahoma’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Oklahoma businesses compete and saving Oklahoma families real dollars at the cash register.
- More than one in six Oklahoma jobs depends upon international trade.
- Oklahoma's trade-related employment grew three 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

- **403,500**
  Number of Jobs in Oklahoma Supported by Trade

Share of Jobs Tied to Trade

Increased 55 percent from 1992 to 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>11.3%</td>
</tr>
<tr>
<td>2017</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade

Top Sectors, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>98,300</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>61,800</td>
</tr>
<tr>
<td>Agriculture</td>
<td>36,800</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>24,900</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>22,200</td>
</tr>
</tbody>
</table>

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Oklahoma exported an estimated $5.6 billion in goods and $3.6 billion in services in 2017. Between 2007 and 2017, Oklahoma goods exports have increased by 25 percent and services exports by 33 percent. Large companies now account for 74 percent of the value of Oklahoma’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 Oklahoma Exports

- Oklahoma ranks among the top half of state exporters in 20 industries, including ninth in boilers, tanks & containers ($146 million), tenth in magnetic & optical media ($95 million), 11th in miscellaneous crops ($117 million), and 12th in crowns, closures & seals ($18 million).

- Oklahoma is America’s 28th largest exporter of agricultural products. It is the 11th largest exporter of miscellaneous crops, the 12th largest exporter of poultry & eggs, the 12th largest exporter of miscellaneous animal products, and the 23rd largest exporter of oilseeds & grains.

- One of Oklahoma’s fastest growing export categories is soaps, cleaning agents & toiletries, which increased by 673 percent since 2007. In 2017, exports of these products reached $77 million.

By the Numbers

2,993

Number of Oklahoma Businesses that Exported in 2016

84%

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

Top Oklahoma Exports, 2017

**Goods**

- Aerospace Products & Parts $647 million
- Misc. General Purpose Machinery $530 million
- Oilseeds & Grains $434 million
- Misc. Fabricated Metal Products $387 million
- Computer Equipment $291 million

**Services**

- Travel $1.3 billion
- Passenger Fares $440 million
- Equip. Install., Maint., & Repair $346 million

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In 2017, Oklahoma companies sold their products in 183 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $1.4 billion
  - Services Exports: $308 million

- **Germany**
  - Goods Exports: $407 million
  - Services Exports: $147 million

- **China**
  - Goods Exports: $317 million
  - Services Exports: $310 million

- **Mexico**
  - Goods Exports: $534 million
  - Services Exports: $219 million

- **United Kingdom**
  - Goods Exports: $208 million
  - Services Exports: $305 million

- **Japan**
  - Goods Exports: $304 million
  - Services Exports: $219 million

- **Netherlands**
  - Goods Exports: $407 million
  - Services Exports: $147 million

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

- Goods and services exports accounted for 4.9 percent of Oklahoma's state GDP in 2017.
- Oklahoma's exports have grown at an average annual rate of 2.8 percent since 2007.
- Oklahoma's top export markets for goods are Canada, Mexico, and Germany. Its top market for services is China.
- Oklahoma's goods exports to the Netherlands have grown by 19 percent per year since 2007, while Oklahoma's services exports to China have grown by 14 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 Oklahoma.

- 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 Oklahoma family of four more than $10,000 per year.
- Imports help keep prices down for Oklahoma 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 2,409 in Oklahoma) 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

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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, $2.7 billion of Oklahoma's goods exports, or 47 percent, went to FTA partners.
- Since 2007, Oklahoma's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 8.0 percent.
- Oklahoma's goods exports to Canada and Mexico have increased by $1.1 billion (138 percent) since NAFTA went into effect in 1994.
- Oklahoma's goods exports to Singapore have increased by 221 percent since the FTA took effect in 2004.
- Oklahoma's exports to Australia of computer equipment have increased from $708,000 to $22 million since the FTA went into effect in 2005.
- In 2017, $987 million of Oklahoma's services exports, or 27 percent, went to FTA partners.
- Oklahoma's exports to Australia of equipment installation, maintenance & repair services have increased from $2.7 million to $13 million, or by 396 percent, since 2006 (earliest year available).

By the Numbers

8.0%
Increase in Oklahoma Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Oklahoma Goods, 2017

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.44</td>
<td>$5.72</td>
<td></td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 13.0 times more goods per capita from Oklahoma than non-FTA partners.

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

- 10,000 workers employed by companies based in the United Kingdom;
- 8,800 workers employed by companies based in France;
- 3,900 workers employed by companies based in Germany;
- 3,600 workers employed by companies based in Switzerland;
- 3,200 workers employed by companies based in Canada.

Foreign-Owned Companies Employed 51,800 Oklahoma Workers Across Many Industries, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>21,500</td>
</tr>
<tr>
<td>Other</td>
<td>20,400</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3,800</td>
</tr>
<tr>
<td>Information</td>
<td>2,500</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1,700</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>1,000</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>900</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in Oklahoma

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Adecco Staffing</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>CGI Group</td>
<td>Business Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Core Laboratories Inc.</td>
<td>Energy Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Hunting Energy Services</td>
<td>Energy Production</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Inspectorate America Corp.</td>
<td>Testing Services</td>
<td>France</td>
</tr>
<tr>
<td>Interceramic Tile &amp; Stone Gallery</td>
<td>Tile Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electronics and Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>TGS-NOPEC Geophysical Co.</td>
<td>Energy Services</td>
<td>Norway</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Banking Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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OKLAHOMA JOBS DEPEND ON TWO-WAY TRADE


OKLAHOMA 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)


OKLAHOMA COMPANIES EXPORT THROUGHOUT THE WORLD


OKLAHOMA 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/)

OKLAHOMA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN OKLAHOMA 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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