HOW SOUTH CAROLINA'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 South Carolina 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 South Carolina. 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 South Carolina recover as well.

Trade Creates & Supports Jobs in South Carolina

- **International trade, including exports and imports, supported 580,100 South Carolina jobs – one in five in 2019.** These trade-related jobs grew four 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 South Carolina’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in South Carolina. *(See South Carolina Jobs Depend On Two-Way Trade)*

- **South Carolina exported $41.5 billion in goods and $7.3 billion in services in 2019,** including aerospace products and parts, motor vehicles, rubber products and personal travel and tourism services. Of South Carolina’s 6,526 exporters, 84 percent are small- and medium-sized companies with less than 500 workers. *(See South Carolina Businesses Grow With Exports)*

- **Customers in 203 countries and territories buy South Carolina-made goods and services,** including billions of dollars in annual exports to top markets like China, Germany and Canada. South Carolina’s exports have grown 1.7 percent per year since 2010. Policies that help South Carolina businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See South Carolina Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from South Carolina to partner countries.** In 2019, $11 billion of South Carolina's goods exports, or 27 percent, went to FTA partners. This represents an increase of 62 percent since 2010. *(See South Carolina Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 162,900 workers in South Carolina.** *(See Foreign Investment In South Carolina 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 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 South Carolina. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in South Carolina and help it recover faster.

Trade Creates & Supports Jobs in SC

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

| Number of Jobs in South Carolina Supported by Trade | 580,100 |
| Share of Jobs Tied to Trade | Increased 117 percent from 1992 to 2019 |

<table>
<thead>
<tr>
<th>Jobs Tied to Trade Top Sectors, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
</tr>
<tr>
<td>Business and professional services</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
</tr>
<tr>
<td>Education and health services</td>
</tr>
<tr>
<td>Construction</td>
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Overview

South Carolina exported an estimated $41.5 billion in goods and $7.3 billion in services in 2019. Between 2010 and 2019, South Carolina goods exports have increased by 103 percent and services exports by 61 percent. Large companies now account for 92 percent of the value of South Carolina'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 South Carolina Exports

- South Carolina ranks among the top 10 state exporters in 18 industries, including first in rubber products ($2.0 billion), second in motor vehicles ($10.4 billion), and third in aerospace products and parts ($12.4 billion) and boilers, tanks and containers ($290 million).
- South Carolina is America’s 34th largest exporter of agricultural products. It is the 12th largest exporter of miscellaneous crops, the 13th largest exporter of fruits and tree nuts, the 16th largest exporter of aquaculture, and the 19th largest exporter of poultry and eggs.
- One of South Carolina's fastest growing export categories is household appliances, which increased by 548 percent since 2010. In 2019, exports of these products reached $781 million.

By the Numbers

6,526
Number of South Carolina Businesses that Exported in 2018

Share of South Carolina Exporters that Are Small- & Medium-Sized Businesses

Top South Carolina Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$12.4 billion</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$10.4 billion</td>
</tr>
<tr>
<td>Rubber Products</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Motor Vehicle Parts</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>Resins &amp; Synthetic Fibers</td>
<td>$1.1 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>$1.7 billion</td>
</tr>
<tr>
<td>Ocean Freight &amp; Port Services</td>
<td>$940 million</td>
</tr>
<tr>
<td>Business Mgmt. &amp; Consulting Services</td>
<td>$666 million</td>
</tr>
</tbody>
</table>

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In 2019, South Carolina companies sold their products in 203 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $4.0 billion
  - Services Exports: $499 million

- **United Kingdom**
  - Goods Exports: $2.1 billion
  - Services Exports: $544 million

- **China**
  - Goods Exports: $6.5 billion
  - Services Exports: $500 million

- **Mexico**
  - Goods Exports: $2.2 billion
  - Services Exports: $330 million

- **Germany**
  - Goods Exports: $4.5 billion
  - Services Exports: $451 million

- **Japan**
  - Goods Exports: $2.3 billion
  - Services Exports: $451 million

**Fast Facts: How Exports Help the South Carolina Economy Grow**

- Goods and services exports accounted for 19.7 percent of South Carolina’s state GDP in 2019.
- South Carolina’s annual exports grew 1.7 percent per year since 2010.
- South Carolina’s top export markets for goods are China, Germany, and Canada. Its top market for services is the United Kingdom.
- South Carolina’s goods exports to Vietnam have grown by 82 percent per year since 2010, while South Carolina’s services exports to Ireland have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help South Carolina businesses, workers, and farmers reach the growing number of customers around the world.

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

South Carolina Families Benefit from Imports
• In 2019, 21 percent of South Carolina's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving South Carolina 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 South Carolina family of four more than $10,000 per year through lower prices and increased specialization.

2010-2019 Price Decrease
-85% for Televisions
-52% for Computers
-51% for Toys

Most Importers are Small Businesses
• In 2019, 6,702 South Carolina companies imported goods from 172 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.

South Carolina Exports and Imports are Linked Through Global Value Chains
• In 2019, 79 percent of South Carolina goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
• Many of South Carolina's top imports are critical components for South Carolina exports. Conversely, South Carolina exports of raw materials and parts may return to the United States in imported finished goods.

Imports: Auto parts
($4.0B in 2019)

Exports: Passenger vehicles
($10.3B in 2019)

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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. South Carolina 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 South Carolina and United States.

- In 2019, $11 billion of South Carolina's goods exports, or 27 percent, went to FTA partners.
- Since 2010, South Carolina's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 62 percent.
- South Carolina's exports to Canada and Mexico have increased by $5.0 billion (430 percent) since NAFTA went into effect in 1994.
- South Carolina's exports to Singapore have increased by 798 percent – from $152 million to $1.4 billion – since the FTA with Singapore took effect in 2004.
- South Carolina's exports to Korea of motor vehicles have increased from $97 million to $369 million since the FTA with Korea went into effect in 2012.
- In 2019, $1.7 billion of South Carolina's services exports, or 23 percent, went to FTA partners.
- South Carolina's exports to Singapore of equipment installation, maintenance, and repair services have increased from $4.1 million to $21 million, or by 397 percent, since 2006 (earliest year available).

By the Numbers

62%
Increase in South Carolina Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of South Carolina Goods, 2019

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.43</td>
<td>$23.63</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 5.3 times more goods per capita from South Carolina than non-FTA partners.

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FOREIGN INVESTMENT IN SOUTH CAROLINA CREATES JOBS

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.

South Carolina is no exception. Foreign-owned companies make significant investments in South Carolina to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed more than 160,000 workers in South Carolina in 2019, including:

- 36,000 workers employed by companies based in Germany;
- 23,300 workers employed by companies based in France;
- 20,300 workers employed by companies based in Canada;
- 16,000 workers employed by companies based in Japan;
- 12,400 workers employed by companies based in the United Kingdom.

Foreign-Owned Companies Employed 162,900 South Carolina Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>88,100</td>
</tr>
<tr>
<td>Other</td>
<td>29,200</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>17,600</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>17,500</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>4,800</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>3,800</td>
</tr>
<tr>
<td>Information</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in South Carolina

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASF Corporation</td>
<td>Chemicals manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>BMW Manufacturing Co. LLC</td>
<td>Motor vehicle manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Canfor Corp. Lumber</td>
<td>Wood products manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Honda of South Carolina Mfg., Inc.</td>
<td>Transportation equipment manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Magna</td>
<td>Motor vehicle parts manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Michelin North America Inc. (HQ)</td>
<td>Tire manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Nan Ya Plastics Corporation</td>
<td>Plastics products manufacturing</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Siemens Industry, Inc.</td>
<td>Electrical products manufacturing</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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SOUTH CAROLINA JOBS DEPEND ON TWO-WAY TRADE

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


SOUTH CAROLINA 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)


SOUTH CAROLINA COMPANIES EXPORT THROUGHOUT THE WORLD


SOUTH CAROLINA 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/)

SOUTH CAROLINA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN SOUTH CAROLINA 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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