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 South Dakota 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 South Dakota.

Trade Creates & Supports Jobs in South Dakota

- **International trade, including exports and imports, supports 127,900 South Dakota jobs – one in five.** These trade-related jobs grew four 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 South Dakota’s globally engaged firms. *(See South Dakota Jobs Depend On Two-Way Trade)*

- **South Dakota exported $2.9 billion in goods and $1.4 billion in services in 2017**, including sheep, goats & fine animal hair, oilseeds & grains, swine and travel services. Of South Dakota’s 880 exporters, 76 percent are small- and medium-sized companies with less than 500 workers. *(See South Dakota Businesses Grow With Exports)*

- **Customers in 149 countries and territories buy South Dakota-made goods and services**, including billions of dollars in annual exports to top markets like China, Canada and Mexico. South Dakota’s exports have grown nearly 80 percent faster than state GDP since 2007. *(See South Dakota Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from South Dakota to partner countries.** In 2017, $1.3 billion of South Dakota’s goods exports, or 43 percent, went to FTA partners. This represents an increase of 29 percent since 2007. *(See South Dakota Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 12,100 workers in South Dakota.** *(See Foreign Investment In South Dakota 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 South Dakota

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

- More than one in five South Dakota jobs depends upon international trade.

- South Dakota's trade-related employment grew four 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

127,900
Number of Jobs in South Dakota Supported by Trade

Share of Jobs Tied to Trade
Increased 88 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>21.2%</td>
</tr>
</tbody>
</table>

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>29,100</td>
</tr>
<tr>
<td>Agriculture</td>
<td>16,000</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>12,600</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>8,100</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7,200</td>
</tr>
</tbody>
</table>

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Overview

South Dakota exported an estimated $2.9 billion in goods and $1.4 billion in services in 2017. Between 2007 and 2017, South Dakota goods exports have increased by 59 percent and services exports by 73 percent. In 2015, large companies account for 64 percent of the value of South Dakota’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 Dakota Exports

- South Dakota ranks among the top half of state exporters in 11 industries, including fifth in sheep, goats & fine animal hair ($649,000), tenth in oilseeds & grains ($1.6 billion), 13th in swine ($361,000), and 14th in leather & hide tanning ($12 million).
- South Dakota is America’s 13th largest exporter of agricultural products. It is the fifth largest exporter of sheep, goats & fine animal hair, the tenth largest exporter of oilseeds & grains, the 13th largest exporter of swine, and the 27th largest exporter of cattle.
- One of South Dakota’s fastest growing export categories is basic chemicals, which increased by 59 times its 2007 value. In 2017, exports of these products reached $50 million.

By the Numbers

880
Number of South Dakota Businesses that Exported in 2016

76%
Share of South Dakota Exporters that are Small- & Medium-Sized Businesses

Top South Dakota Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds &amp; Grains</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>Meat Products</td>
<td>$277 million</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
<td>$138 million</td>
</tr>
<tr>
<td>Grain &amp; Oilseed Milling Products</td>
<td>$98 million</td>
</tr>
<tr>
<td>Beverages</td>
<td>$91 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
</tr>
<tr>
<td>Credit-Related Services</td>
</tr>
<tr>
<td>Misc. Financial Services</td>
</tr>
</tbody>
</table>

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In 2017, South Dakota companies sold their products in 149 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $524 million, Services Exports: $106 million
- **China**: Goods Exports: $763 million, Services Exports: $89 million
- **Korea**: Goods Exports: $77 million, Services Exports: $34 million
- **Mexico**: Goods Exports: $439 million, Services Exports: $54 million
- **United Kingdom**: Goods Exports: $19 million, Services Exports: $155 million
- **Japan**: Goods Exports: $250 million, Services Exports: $64 million

Fast Facts: How Exports Help the South Dakota Economy Grow

- Goods and services exports accounted for 8.6 percent of South Dakota’s state GDP in 2017.
- South Dakota’s exports have grown nearly 80 percent faster than state GDP since 2007. The average annual export growth during this period was 6.6 percent, while the average annual state GDP growth was 3.7 percent.
- South Dakota’s top export markets for goods are China, Canada, and Mexico. Its top market for services is the United Kingdom.
- South Dakota’s goods exports to China have grown by 90 percent per year since 2007, while South Dakota’s services exports to China have grown by 19 percent per year.

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SOUTH DAKOTA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

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 South Dakota.

- 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 South Dakota family of four more than $10,000 per year.
- Imports help keep prices down for South Dakota 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 846 in South Dakota) imported products...

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

Imports Decrease Prices

-87.9% Decrease in the Price of Televisions Between 2007 and 2017.
-63.3% Decrease in the Price of Computers Between 2007 and 2017.
-44.7% Decrease in the Price of Toys Between 2007 and 2017.

Imports Increase Choices

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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.

- In 2017, $1.3 billion of South Dakota’s goods exports, or 43 percent, went to FTA partners.
- Since 2007, South Dakota’s goods exports to countries with FTAs in effect with the United States in 2017 have increased by 29 percent.
- South Dakota’s goods exports to Canada and Mexico have increased by $840 million (686 percent) since NAFTA went into effect in 1994.
- South Dakota’s goods exports to Australia have increased by 685 percent since the FTA took effect in 2005.
- South Dakota’s exports to Peru of oilseeds & grains have increased from $1.7 million to $30 million since the FTA went into effect in 2009.
- Israel bought 30 percent of South Dakota’s exports of semiconductors & components in 2017.
- In 2017, $307 million of South Dakota’s services exports, or 22 percent, went to FTA partners.
- South Dakota’s exports to Australia of credit-related services have increased from $2.0 million to $12 million, or by 470 percent, since 2006 (earliest year available).

By the Numbers

Increase in South Dakota Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of South Dakota Goods, 2017

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.25</td>
<td>$2.72</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 11.1 times more goods per capita from South Dakota than non-FTA partners.

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Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in South Dakota every year. Foreign-owned companies from around the world employed about 12,000 workers in South Dakota, including:

- 2,300 workers employed by companies based in Canada;
- 1,500 workers employed by companies based in the United Kingdom;
- 1,400 workers employed by companies based in France;
- 600 workers employed by companies based in Germany;
- 600 workers employed by companies based in Switzerland.

Selected Foreign-Owned Companies Employing Workers in South Dakota

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAE Systems Inc.</td>
<td>Defense/Security/Aerospace Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Dakota, Minn. &amp; Eastern Railroad</td>
<td>Transportation Services</td>
<td>Canada</td>
</tr>
<tr>
<td>GCC Dacotah Inc.</td>
<td>Cement Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>Great Western Bank</td>
<td>Financial Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Hubbard Feeds Inc.</td>
<td>Animal Feed and Supplies</td>
<td>Canada</td>
</tr>
<tr>
<td>Landmark Aviation</td>
<td>Transportation Services</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>Rosenbauer America</td>
<td>Fire Engine Manufacturing</td>
<td>Austria</td>
</tr>
<tr>
<td>Sapa Yankton</td>
<td>Aluminum Manufacturing</td>
<td>Norway</td>
</tr>
<tr>
<td>Saputo Cheese</td>
<td>Food Products Manufacturer</td>
<td>Canada</td>
</tr>
<tr>
<td>SGS North America</td>
<td>Product Testing Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Financial Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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SOUTH DAKOTA JOBS DEPEND ON TWO-WAY TRADE


SOUTH DAKOTA 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 DAKOTA COMPANIES EXPORT THROUGHOUT THE WORLD


SOUTH DAKOTA 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 DAKOTA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN SOUTH DAKOTA CREATES JOBS

Employment Data: BEA “Direct Investment & Multinational Companies” database [http://bea.gov/iTable/index_MNC.cfm]


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DATA SOURCES