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 Texas 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 Texas. 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 Texas recover as well.

Trade Creates & Supports Jobs in Texas

- **International trade, including exports and imports, supported 3,622,500 Texas jobs – one in five in 2019.** These trade-related jobs grew three 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 Texas’ globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Texas. (See Texas Jobs Depend On Two-Way Trade)

- **Texas exported $325 billion in goods and $66.3 billion in services in 2019,** including oil and gas, petroleum and coal products, basic chemicals and business management and consulting services. Of Texas’ 40,501 exporters, 92 percent are small- and medium-sized companies with less than 500 workers. (See Texas Businesses Grow With Exports)

- **Customers in 220 countries and territories buy Texas-made goods and services,** including billions of dollars in annual exports to top markets like Mexico, Canada and Korea. Texas’ exports have grown 1.2 percent per year since 2010. Policies that help Texas businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. (See Texas Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Texas to partner countries.** In 2019, $187 billion of Texas’ goods exports, or 58 percent, went to FTA partners. This represents an increase of 54 percent since 2010. (See Texas Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 678,100 workers in Texas.** (See Foreign Investment In Texas Creates Jobs)
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 Texas. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Texas and help it recover faster.

Trade Creates & Supports Jobs in Texas
• Export growth increases jobs by generating new business for Texas’ manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Texas businesses compete and saving Texas families real dollars at the cash register.
• One in five Texas jobs depends upon international trade.
• Texas' trade-related employment grew three 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

3,622,500
Number of Jobs in Texas Supported by Trade

Share of Jobs Tied to Trade
Increased 85 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>10.9%</td>
</tr>
<tr>
<td>2019</td>
<td>20.1%</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>774,500</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>717,500</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>476,500</td>
</tr>
<tr>
<td>Education and health services</td>
<td>441,800</td>
</tr>
<tr>
<td>Construction</td>
<td>260,200</td>
</tr>
</tbody>
</table>

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

Texas exported an estimated $325 billion in goods and $66.3 billion in services in 2019. Between 2010 and 2019, Texas goods exports have increased by 60 percent and services exports by 57 percent. Large companies now account for 65 percent of the value of Texas’ 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 Texas Exports

- Texas is the top state exporter for 31 industries, including oil and gas ($74.9 billion), petroleum and coal products ($49.6 billion), basic chemicals ($21.8 billion), computer equipment ($16.3 billion), resins and synthetic fibers ($16.2 billion), semiconductors and components ($16.0 billion), and others.
- Texas is America’s second largest exporter of agricultural products. It is the largest exporter of miscellaneous crops, the third largest exporter of fruits and tree nuts, the fourth largest exporter of poultry and eggs, and the fourth largest exporter of swine.
- Texas is the top state exporter for multiple services sectors, including equipment installation, maintenance, and repair ($3.9 billion), operational leasing ($1.3 billion), mining services ($1.1 billion), and construction ($421 million).
- One of Texas' fastest growing export categories is pharmaceuticals and medicines, which increased by 280 percent since 2010. In 2019, exports of these products reached $2.2 billion.

By the Numbers

40,501
Number of Texas Businesses that Exported in 2018

92%
Share of Texas Exporters that Are Small- & Medium-Sized Businesses

**Top Texas Exports, 2019**

<table>
<thead>
<tr>
<th><strong>Goods</strong></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>$74.9 billion</td>
</tr>
<tr>
<td>Petroleum &amp; Coal Products</td>
<td>$49.6 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$21.8 billion</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>$16.3 billion</td>
</tr>
<tr>
<td>Resins &amp; Synthetic Fibers</td>
<td>$16.2 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Services</strong></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Mgmt. &amp; Consulting Services</td>
<td>$8.4 billion</td>
</tr>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$7.4 billion</td>
</tr>
<tr>
<td>Royalties from Industrial Processes</td>
<td>$7.2 billion</td>
</tr>
</tbody>
</table>

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In 2019, Texas companies sold their products in 220 countries and territories.

Top export markets include:

- **CANADA**
  - Goods Exports: $28.4 billion
  - Services Exports: $4.6 billion

- **BRAZIL**
  - Goods Exports: $13.0 billion
  - Services Exports: $1.9 billion

- **CHINA**
  - Goods Exports: $10.8 billion
  - Services Exports: $4.0 billion

- **MEXICO**
  - Goods Exports: $108.3 billion
  - Services Exports: $2.7 billion

- **KOREA**
  - Goods Exports: $16.6 billion
  - Services Exports: $2.2 billion

- **JAPAN**
  - Goods Exports: $11.2 billion
  - Services Exports: $3.8 billion

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

- Goods and services exports accounted for 21.2 percent of Texas' state GDP in 2019.
- Texas' annual exports grew 1.2 percent per year since 2010.
- Texas' top export markets for goods are Mexico, Canada, and Korea. Its top market for services is the United Kingdom.
- Texas' goods exports to Vietnam have grown by 20 percent per year since 2010, while Texas' services exports to the United Kingdom have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Texas businesses, workers, and farmers reach the growing number of customers around the world.

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www.brt.org/trade
Overview

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

Texas Families Benefit from Imports

- In 2019, 25 percent of Texas’ imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Texas 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 Texas family of four more than $10,000 per year through lower prices and increased specialization.

Most Importers are Small Businesses

- In 2019, 29,518 Texas companies imported goods from 216 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.

Texas Exports and Imports are Linked Through Global Value Chains

- In 2019, 75 percent of Texas goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Texas’ top imports are critical components for Texas exports. Conversely, Texas exports of raw materials and parts may return to the United States in imported finished goods.

2010-2019 Price Decrease

-85% for Televisions
-52% for Computers
-51% for Toys

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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. Texas 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 Texas and United States.

- In 2019, $187 billion of Texas' goods exports, or 58 percent, went to FTA partners.
- Since 2010, Texas' goods exports to countries with FTAs in effect with the United States in 2019 have increased by 54 percent.
- Texas' exports to Canada and Mexico have increased by $114 billion (493 percent) since NAFTA went into effect in 1994.
- Texas' exports to Chile have increased by nearly 1,400 percent – from $333 million to $4.9 billion – since the FTA with Chile took effect in 2004.
- Texas' exports to Korea of oil and gas have increased from $23 million to $8.7 billion since the FTA with Korea went into effect in 2012.
- Mexico bought 77 percent – $12 billion out of $16 billion – of Texas' exports of computer equipment in 2019.
- In 2019, $16.0 billion of Texas' services exports, or 24 percent, went to FTA partners.
- Texas' exports to Singapore of management and consulting services have increased from $18 million to $348 million, or by nearly 20 times, since 2006 (earliest year available).

By the Numbers

54%
Increase in Texas Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Texas Goods, 2019

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.17</td>
<td>$397.02</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 19.7 times more goods per capita from Texas than non-FTA partners.

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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.

Texas is no exception. Foreign-owned companies make significant investments in Texas 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 Texas in 2019, including:

- 118,300 workers employed by companies based in the United Kingdom;
- 75,100 workers employed by companies based in Japan;
- 63,900 workers employed by companies based in France;
- 61,600 workers employed by companies based in Canada;
- 60,200 workers employed by companies based in Germany.

Foreign-Owned Companies Employed 678,100 Texas Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>225,500</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>204,000</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>68,300</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>67,200</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>60,400</td>
</tr>
<tr>
<td>Information</td>
<td>30,300</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>22,400</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in Texas

<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>BAE Systems, Inc.</td>
<td>Defense product manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>BASF Corporation</td>
<td>Chemicals manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Benteler Steel &amp; Tube Corp.</td>
<td>Steel product manufacturing</td>
<td>Austria</td>
</tr>
<tr>
<td>Maverick Tube Corporation</td>
<td>Steel product manufacturing</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Solvay USA Inc.</td>
<td>Chemicals manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Total Petrochemicals Refinery</td>
<td>Petrochemical manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Wood Group</td>
<td>Oilfield services</td>
<td>United Kingdom</td>
</tr>
</tbody>
</table>

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TEXAS JOBS DEPEND ON TWO-WAY TRADE

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


TEXAS 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)


TEXAS COMPANIES EXPORT THROUGHOUT THE WORLD


TEXAS 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/)

TEXAS NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN TEXAS 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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