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 Utah 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 Utah. 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 Utah recover as well.

Trade Creates & Supports Jobs in Utah

- **International trade, including exports and imports, supported 432,800 Utah 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 Utah's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Utah. (*See Utah Jobs Depend On Two-Way Trade*)

- **Utah exporters $17.3 billion in goods and $7.9 billion in services in 2019,** including nonferrous metal products, navigational and measurement instruments, medical equipment and supplies and credit-related services. Of Utah's 3,668 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. (*See Utah Businesses Grow With Exports*)

- **Customers in 199 countries and territories buy Utah-made goods and services,** including billions of dollars in annual exports to top markets like United Kingdom, Canada and Japan. Utah's exports have grown 0.8 percent per year since 2010. Policies that help Utah businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. (*See Utah Companies Export Throughout The World*)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Utah to partner countries.** In 2019, $3.3 billion of Utah’s goods exports, or 19 percent, went to FTA partners. This represents an increase of 12 percent since 2010. (*See Utah Needs Trade Agreements To Grow*)

- **Foreign-owned companies invest and build facilities and employ 54,400 workers in Utah.** (*See Foreign Investment In Utah Creates Jobs*)

Contact: Paul DeLane, 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 Utah. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Utah and help it recover faster.

Trade Creates & Supports Jobs in Utah

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

432,800
Number of Jobs in Utah Supported by Trade

Share of Jobs Tied to Trade
Increased 93 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.5%</td>
</tr>
<tr>
<td>2019</td>
<td>20.3%</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>97,300</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>76,900</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>56,700</td>
</tr>
<tr>
<td>Education and health services</td>
<td>54,300</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>29,500</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
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Overview
Utah exported an estimated $17.3 billion in goods and $7.9 billion in services in 2019. Between 2010 and 2019, Utah goods exports have increased by 25 percent and services exports by 80 percent. Large companies now account for 33 percent of the value of Utah'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 Utah Exports
- Utah ranks among the top 15 state exporters in 11 industries, including first in nonferrous metal products ($9.0 billion), fourth in miscellaneous foods ($519 million), fifth in lime and gypsum products ($17 million), and sixth in miscellaneous chemical preparations ($417 million).
- Utah is America’s 38th largest exporter of agricultural products. It is the 11th largest exporter of miscellaneous crops, the 16th largest exporter of miscellaneous animal products, the 18th largest exporter of cattle, and the 27th largest exporter of fruits and tree nuts.
- One of Utah’s fastest growing export categories is medical equipment and supplies, which increased by 149 percent since 2010. In 2019, exports of these products reached $618 million.

By the Numbers

3,668
Number of Utah Businesses that Exported in 2018

Share of Utah Exporters that Are Small- & Medium-Sized Businesses
84%

Top Utah Exports, 2019
Goods
- Nonferrous Metal Products: $9.0 billion
- Navigational & Meas. Instruments: $686 million
- Medical Equipment & Supplies: $618 million
- Semiconductors & Components: $567 million
- Aerospace Products & Parts: $535 million

Services
- Credit-Related Services: $1.0 billion
- Personal Travel & Tourism: $900 million
- Software Distribution Royalties: $862 million

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www.brt.org/trade
In 2019, Utah companies sold their products in 199 countries and territories.

Top export markets include:

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

- Goods and services exports accounted for 13.1 percent of Utah's state GDP in 2019.
- Utah's annual exports grew 0.8 percent per year since 2010.
- Utah's top export markets for goods are the United Kingdom, Canada, and Japan. Its top market for services is the United Kingdom.
- Utah's goods exports to Ecuador have grown by 21 percent per year since 2010, while Utah's services exports to China have grown by 14 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Utah 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 Utah companies and families. Imported consumer goods help keep prices down for Utah families while increasing choices for foods and other products that are not available locally. Imported inputs help Utah 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.

Utah Families Benefit from Imports

- In 2019, 27 percent of Utah's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Utah 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 Utah 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, 4,774 Utah companies imported goods from 140 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.

Utah Exports and Imports are Linked Through Global Value Chains

- In 2019, 73 percent of Utah goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Utah’s top imports are critical components for Utah exports. Conversely, Utah exports of raw materials and parts may return to the United States in imported finished goods.

Imports: Semiconductor mfg. machinery ($37M in 2019)

Exports: Integrated circuits ($515M 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. Utah 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 Utah and United States.

- In 2019, $3.3 billion of Utah's goods exports, or 19 percent, went to FTA partners.
- Since 2010, Utah's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 12 percent.
- Utah's exports to Canada and Mexico have increased by $1.7 billion (445 percent) since NAFTA went into effect in 1994.
- Utah's exports to Singapore have increased by 427 percent – from $38 million to $201 million – since the FTA with Singapore took effect in 2004.
- Utah's exports to Korea of miscellaneous foods have increased from $25 million to $118 million since the FTA with Korea went into effect in 2012.
- In 2019, $2.0 billion of Utah's services exports, or 25 percent, went to FTA partners.
- Utah's exports to Singapore of R&D and testing services have increased from $879,000 to $81 million, or by over 90 times, since 2006 (earliest year available).

By the Numbers

12%
Increase in Utah Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Utah Goods, 2019

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita</td>
<td>$2.05</td>
<td>$6.93</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 3.4 times more goods per capita from Utah 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.

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

- 10,400 workers employed by companies based in the United Kingdom;
- 6,800 workers employed by companies based in France;
- 6,100 workers employed by companies based in Germany;
- 3,900 workers employed by companies based in Switzerland;
- 3,400 workers employed by companies based in Canada.

### Foreign-Owned Companies Employed 54,400 Utah Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>18,600</td>
</tr>
<tr>
<td>Other</td>
<td>15,400</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>6,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>4,400</td>
</tr>
<tr>
<td>Information</td>
<td>3,900</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>3,100</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>2,300</td>
</tr>
</tbody>
</table>

### Selected Foreign-Owned Companies Employing Workers in Utah

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday Inn Express Hotel &amp; Suites</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>7-Eleven Inc. (HQ)</td>
<td>Retail services</td>
<td>Japan</td>
</tr>
<tr>
<td>Autoliv Inc.</td>
<td>Motor vehicle parts manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>Bridgestone Americas</td>
<td>Tire manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Business services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Oldcastle Infrastructure</td>
<td>Building materials manufacturing</td>
<td>Ireland</td>
</tr>
<tr>
<td>Otto Bock Fabrication Center</td>
<td>Medical equipment manufacturer</td>
<td>Germany</td>
</tr>
<tr>
<td>The Dannon Company, Inc.</td>
<td>Food products manufacturing</td>
<td>France</td>
</tr>
</tbody>
</table>
DATA SOURCES

UTAH JOBS DEPEND ON TWO-WAY TRADE

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


UTAH 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)


UTAH COMPANIES EXPORT THROUGHOUT THE WORLD


UTAH 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/)

UTAH NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN UTAH 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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