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 Virginia 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 Virginia.

Trade Creates & Supports Jobs in Virginia

- **International trade, including exports and imports, supports 1,054,000 Virginia jobs – more than 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 Virginia's globally engaged firms. *(See Virginia Jobs Depend On Two-Way Trade)*

- **Virginia exported $15.9 billion in goods and $17.4 billion in services in 2017,** including furniture related products, crowns, closures & seals, clay & refractory products and travel services. Of Virginia's 7,250 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See Virginia Businesses Grow With Exports)*

- **Customers in 214 countries and territories buy Virginia-made goods and services,** including billions of dollars in annual exports to top markets like Canada, the United Kingdom and China. Virginia's exports have grown at an average annual rate of 2.0 percent since 2007. *(See Virginia Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Virginia to partner countries.** In 2017, $5.9 billion of Virginia's goods exports, or 37 percent, went to FTA partners. This represents an increase of 13 percent since 2007. *(See Virginia Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 187,200 workers in Virginia.** *(See Foreign Investment In Virginia Creates Jobs)*

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
VIRGINIA JOBS DEPEND ON TWO-WAY 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 Virginia

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

1,054,000
Number of Jobs in Virginia
Supported by Trade

Share of Jobs Tied to Trade
Increased 94 percent from 1992 to 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.4%</td>
</tr>
<tr>
<td>2017</td>
<td>20.3%</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>214,900</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>207,400</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>67,500</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>45,400</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>42,000</td>
</tr>
</tbody>
</table>

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Overview

Virginia exported an estimated $15.9 billion in goods and $17.4 billion in services in 2017. Between 2007 and 2017, Virginia goods exports have decreased by 3 percent, but services exports increased by 48 percent. Large companies now account for 70 percent of the value of Virginia’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 Virginia Exports

- Virginia ranks among the top 10 state exporters in 14 industries, including first in furniture related products ($55 million), third in crowns, closures & seals ($68 million), fourth in clay & refractory products ($156 million), and fourth in coal & petroleum gases ($905 million).
- Virginia is America’s 26th largest exporter of agricultural products. It is the sixth largest exporter of aquaculture, the ninth largest exporter of miscellaneous crops, the 14th largest exporter of cattle, and the 18th largest exporter of fruits & tree nuts.
- One of Virginia's fastest growing export categories is converted paper products, which increased by 86 percent since 2007. In 2017, exports of these products reached $253 million.

By the Numbers

7,250
Number of Virginia Businesses that Exported in 2016

84%
Share of Virginia Exporters that are Small- & Medium-Sized Businesses

<table>
<thead>
<tr>
<th>Top Virginia Exports, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goods</strong></td>
</tr>
<tr>
<td>Resins &amp; Synthetic Fibers</td>
</tr>
<tr>
<td>Coal &amp; Petroleum Gases</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
</tr>
<tr>
<td>Pulp &amp; Paperboard Mill Products</td>
</tr>
<tr>
<td>Semiconductors &amp; Components</td>
</tr>
<tr>
<td><strong>Services</strong></td>
</tr>
<tr>
<td>Travel</td>
</tr>
<tr>
<td>Mgmt. &amp; Consulting Services</td>
</tr>
<tr>
<td>Computer &amp; Data Services</td>
</tr>
</tbody>
</table>

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In 2017, Virginia companies sold their products in 214 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $3.0 billion, Services Exports: $1.4 billion
- **Germany**: Goods Exports: $801 million, Services Exports: $851 million
- **China**: Goods Exports: $1.4 billion, Services Exports: $1.0 billion
- **Mexico**: Goods Exports: $1.1 billion, Services Exports: $750 million
- **United Kingdom**: Goods Exports: $882 million, Services Exports: $1.7 billion
- **Japan**: Goods Exports: $448 million, Services Exports: $1.1 billion

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

- Goods and services exports accounted for 6.5 percent of Virginia's state GDP in 2017.
- Virginia's exports have grown at an average annual rate of 2.0 percent since 2007.
- Virginia's top export markets for goods are Canada, China, and Mexico. Its top market for services is the United Kingdom.
- Virginia's goods exports to Belgium have grown by 7 percent per year since 2007, while Virginia's services exports to China have grown by 12 percent per year.

**Contact**: Paul DeLaney, Business Roundtable: pdelaney@brt.org
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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 Virginia.

- Services, especially transportation from Virginia’s ports, 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 Virginia family of four more than $10,000 per year.
- Imports help keep prices down for Virginia 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 6,786 in Virginia) 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

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
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, $5.9 billion of Virginia's goods exports, or 37 percent, went to FTA partners.

- Since 2007, Virginia's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 13 percent.

- Virginia's goods exports to Canada and Mexico have increased by $2.8 billion (227 percent) since NAFTA went into effect in 1994.

- Virginia's goods exports to the Dominican Republic have increased by 136 percent since DR-CAFTA went into effect for the Dominican Republic in 2007.

- Virginia's exports to Singapore of aerospace products & parts have increased from $1.7 million to $75 million since the FTA went into effect in 2004.

- Colombia bought 30 percent of Virginia's exports of crowns, closures & seals in 2017.

- In 2017, $4.3 billion of Virginia's services exports, or 24 percent, went to FTA partners.

- Virginia's exports to Australia of computer & data services have increased from $25 million to $110 million, or by 337 percent, since 2006 (earliest year available).

By the Numbers

<table>
<thead>
<tr>
<th>Increase in Virginia Goods Exports to FTA Partners Between 2007 and 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
</tr>
</tbody>
</table>

Per Capita Purchases of Virginia Goods, 2017

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.48</td>
<td>$12.77</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 8.6 times more goods per capita from Virginia than non-FTA partners.

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Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Virginia every year. Foreign-owned companies from around the world employed more than 180,000 workers in Virginia, including:

- 38,700 workers employed by companies based in the United Kingdom;
- 15,800 workers employed by companies based in Germany;
- 14,900 workers employed by companies based in France;
- 14,800 workers employed by companies based in Japan;
- 14,000 workers employed by companies based in the Netherlands.

Selected Foreign-Owned Companies Employing Workers in Virginia

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus SE</td>
<td>Defense/Security/Aerospace Services</td>
<td>France</td>
</tr>
<tr>
<td>BAE Systems Inc.</td>
<td>Defense/Security/Aerospace Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Canon Virginia, Inc.</td>
<td>Cartridge/Accessory Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Gerdau Ameristeel</td>
<td>Steel Manufacturing</td>
<td>Brazil</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>NeST Technologies</td>
<td>Software</td>
<td>India</td>
</tr>
<tr>
<td>Rolls-Royce Crosspointe</td>
<td>Aerospace Engine Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Selex Galileo Inc.</td>
<td>Transportation Services</td>
<td>Italy</td>
</tr>
<tr>
<td>Serco Group Inc.</td>
<td>Facilities Management Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electronics and Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Turner Construction Co.</td>
<td>Construction Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Vapiano</td>
<td>Food Retailing</td>
<td>Germany</td>
</tr>
</tbody>
</table>


- Manufacturing: 50,000 jobs
- Prof., Sci. & Tech. Services: 18,600 jobs
- Wholesale Trade: 16,100 jobs
- Retail Trade: 39,800 jobs
- Retail Trade: 39,800 jobs
- Information: 10,200 jobs
- Other: 49,900 jobs
- Finance & Insurance: 2,800 jobs
VIRGINIA JOBS DEPEND ON TWO-WAY TRADE


VIRGINIA 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)


VIRGINIA COMPANIES EXPORT THROUGHOUT THE WORLD


VIRGINIA 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/)

VIRGINIA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN VIRGINIA 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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