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 Washington 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 Washington. 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 Washington recover as well.

Trade Creates & Supports Jobs in Washington

- **International trade, including exports and imports, supported 931,100 Washington 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 Washington’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Washington. *(See Washington Jobs Depend On Two-Way Trade)*

- **Washington exported $52.4 billion in goods and $30.1 billion in services in 2019,** including aerospace products and parts, petroleum and coal products, navigational and measurement instruments and software distribution royalties. Of Washington’s 12,079 exporters, 89 percent are small- and medium-sized companies with less than 500 workers. *(See Washington Businesses Grow With Exports)*

- **Customers in 212 countries and territories buy Washington-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Japan and China. Washington’s exports have grown 0.5 percent per year since 2010. Policies that help Washington businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See Washington Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Washington to partner countries.** In 2019, $18 billion of Washington’s goods exports, or 35 percent, went to FTA partners. This represents an increase of 46 percent since 2010. *(See Washington Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 143,100 workers in Washington.** *(See Foreign Investment In Washington Creates Jobs)*

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
WASHINGTON JOBS DEPEND ON TWO-WAY 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 Washington. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Washington and help it recover faster.

Trade Creates & Supports Jobs in Washington

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

931,100

Number of Jobs in Washington Supported by Trade

Share of Jobs Tied to Trade

Increased 98 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.1%</td>
</tr>
<tr>
<td>2019</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade

Top Sectors, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and professional services</td>
<td>184,900</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>173,600</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>126,600</td>
</tr>
<tr>
<td>Education and health services</td>
<td>126,100</td>
</tr>
<tr>
<td>Construction</td>
<td>58,300</td>
</tr>
</tbody>
</table>

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

Washington exported an estimated $52.4 billion in goods and $30.1 billion in services in 2019. Between 2010 and 2019, Washington goods exports have increased by 13 percent and services exports by 39 percent. Large companies now account for 74 percent of the value of Washington'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 Washington Exports

- Washington ranks among the top 5 state exporters in 18 industries, including first in aerospace products and parts ($25.6 billion), timber and logs ($470 million), prepared seafood products ($167 million), and cement and concrete products ($68 million).
- Washington is America’s sixth largest exporter of agricultural products. It is the second largest exporter of fruits and tree nuts, the fourth largest exporter of vegetables and melons, the fourth largest exporter of greenhouse and nursery products, and the fifth largest exporter of miscellaneous crops.
- Washington is the top state exporter of trade-related services ($710 million) and ranks second in software distribution royalties ($10.4 billion) and R&D and testing services ($4.0 billion).
- One of Washington's fastest growing export categories is commercial and service industry machinery, which increased by 235 percent since 2010. In 2019, exports of these products reached $220 million.

By the Numbers

12,079
Number of Washington Businesses that Exported in 2018

Share of Washington Exporters that Are Small- & Medium-Sized Businesses

89%

Top Washington Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$25.6 billion</td>
</tr>
<tr>
<td>Petroleum &amp; Coal Products</td>
<td>$2.6 billion</td>
</tr>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$2.1 billion</td>
</tr>
<tr>
<td>Fruits &amp; Tree Nuts</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Preserves &amp; Specialty Foods</td>
<td>$1.2 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Distribution Royalties</td>
<td>$10.4 billion</td>
</tr>
<tr>
<td>R&amp;D &amp; Testing Services</td>
<td>$4.0 billion</td>
</tr>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$2.7 billion</td>
</tr>
</tbody>
</table>

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In 2019, Washington companies sold their products in 217 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $8.5 billion, Services Exports: $2.0 billion
- **United Kingdom**: Goods Exports: $1.8 billion, Services Exports: $1.8 billion
- **China**: Goods Exports: $5.1 billion, Services Exports: $1.7 billion
- **Mexico**: Goods Exports: $2.5 billion, Services Exports: $972 million
- **Ireland**: Goods Exports: $158 million, Services Exports: $4.3 billion
- **Japan**: Goods Exports: $5.8 billion, Services Exports: $2.2 billion

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

- Goods and services exports accounted for 13.5 percent of Washington's state GDP in 2019.
- Washington's annual exports grew 0.5 percent per year since 2010.
- Washington's top export markets for goods are Canada, Japan, and China. Its top market for services is Ireland.
- Washington's goods exports to Israel have grown by 45 percent per year since 2010, while Washington's services exports to China have grown by 10 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Washington 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 Washington companies and families. Imported consumer goods help keep prices down for Washington families while increasing choices for foods and other products that are not available locally. Imported inputs help Washington 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.

Washington Families Benefit from Imports

- In 2019, 36 percent of Washington's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Washington 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 Washington family of four more than $10,000 per year through lower prices and increased specialization.

2010-2019 Price Decrease

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Televisions</td>
<td>-85%</td>
</tr>
<tr>
<td>Computers</td>
<td>-52%</td>
</tr>
<tr>
<td>Toys</td>
<td>-51%</td>
</tr>
</tbody>
</table>

Most Importers are Small Businesses

- In 2019, 11,504 Washington companies imported goods from 189 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.

Washington Exports and Imports are Linked Through Global Value Chains

- In 2019, 64 percent of Washington goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Washington's top imports are critical components for Washington exports. Conversely, Washington exports of raw materials and parts may return to the United States in imported finished goods.

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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. Washington 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 Washington and United States.

- In 2019, $18 billion of Washington's goods exports, or 35 percent, went to FTA partners.
- Since 2010, Washington's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 46 percent.
- Washington’s exports to Canada and Mexico have increased by $8.9 billion (421 percent) since NAFTA went into effect in 1994.
- Washington's exports Morocco have increased by 592 percent – from $86 million to $594 million – since the FTA with Morocco took effect in 2006.
- Washington’s exports to Korea of preserves and specialty foods have increased from $50 million to $109 million since the FTA with Korea went into effect in 2012.
- In 2019, $6.6 billion of Washington's services exports, or 22 percent, went to FTA partners.
- Washington's exports to Singapore of R&D and testing services have increased from $10 million to $570 million, or by about 55 times, since 2006 (earliest year available).

By the Numbers

46%
Increase in Washington Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Washington Goods, 2019

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.97</td>
<td>$39.12</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 7.9 times more goods per capita from Washington 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.

Washington is no exception. Foreign-owned companies make significant investments in Washington 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 140,000 workers in Washington in 2019, including:

- 27,500 workers employed by companies based in Canada;
- 22,300 workers employed by companies based in the United Kingdom;
- 20,500 workers employed by companies based in Germany;
- 14,400 workers employed by companies based in Japan;
- 11,000 workers employed by companies based in France.

Foreign-Owned Companies Employed 143,100 Washington Workers Across Many Industries, 2019

Selected Foreign-Owned Companies Employing Workers in Washington

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steelscape Inc.</td>
<td>Steel product manufacturing</td>
<td>Australia</td>
</tr>
<tr>
<td>BP Cherry Point Refinery</td>
<td>Oil and gas refining</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Columbia Grain Inc.</td>
<td>Grain processing</td>
<td>Japan</td>
</tr>
<tr>
<td>Galaxy Semiconductors Inc.</td>
<td>Semiconductor manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Interfor</td>
<td>Wood products manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Oldcastle Infrastructure</td>
<td>Building materials manufacturing</td>
<td>Ireland</td>
</tr>
<tr>
<td>Shell Puget Sound Refinery</td>
<td>Oil refining</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Siemens Industry, Inc.</td>
<td>Software development services</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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WASHINGTON JOBS DEPEND ON TWO-WAY TRADE

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


WASHINGTON 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)


WASHINGTON COMPANIES EXPORT THROUGHOUT THE WORLD


WASHINGTON 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/)

WASHINGTON NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN WASHINGTON 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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