HOW WISCONSIN'S ECONOMY BENEFITS FROM TRADE & INVESTMENT

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 Wisconsin 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 Wisconsin.

Trade Creates & Supports Jobs in Wisconsin

- **International trade, including exports and imports, supports 748,500 Wisconsin jobs – more than one in five.** These trade-related jobs grew nearly six 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 Wisconsin's globally engaged firms.  
  (See Wisconsin Jobs Depend On Two-Way Trade)

- **Wisconsin exported $22.7 billion in goods and $6.3 billion in services in 2017, including cattle, miscellaneous transportation equipment, swine and travel services.** Of Wisconsin's 8,485 exporters, 87 percent are small- and medium-sized companies with less than 500 workers.  
  (See Wisconsin Businesses Grow With Exports)

- **Customers in 202 countries and territories buy Wisconsin-made goods and services, including billions of dollars in annual exports to top markets like Canada, Mexico and China.** Wisconsin's exports have grown about four percent faster than state GDP since 2007.  
  (See Wisconsin Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Wisconsin to partner countries.** In 2017, $12.3 billion of Wisconsin's goods exports, or 54 percent, went to FTA partners. This represents an increase of 33 percent since 2007.  
  (See Wisconsin Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 98,600 workers in Wisconsin.**  
  (See Foreign Investment In Wisconsin 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 Wisconsin

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

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

- Wisconsin's trade-related employment grew nearly six 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

- **748,500**
  - Number of Jobs in Wisconsin Supported by Trade

- **$748,500**
  - Increase in jobs from 1992 to 2017

- **10.1%**
  - Share of Jobs Tied to Trade in 1992

- **20.3%**
  - Share of Jobs Tied to Trade in 2017

Jobs Tied to Trade

<table>
<thead>
<tr>
<th>Top Sectors, 2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>166,700</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>97,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>74,300</td>
</tr>
<tr>
<td>Agriculture</td>
<td>43,300</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>41,500</td>
</tr>
</tbody>
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Wisconsin exported an estimated $22.7 billion in goods and $6.3 billion in services in 2017. Between 2007 and 2017, Wisconsin goods exports have increased by 20 percent and services exports by 68 percent. Large companies now account for 73 percent of the value of Wisconsin'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 Wisconsin Exports

- Wisconsin ranks among the top five state exporters in 11 industries, including first in cattle ($103 million), first in miscellaneous transportation equipment ($681 million), first in swine ($4.3 million), and second in dairy products ($463 million).
- Wisconsin is America’s 18th largest exporter of agricultural products. It is the largest exporter of cattle, the largest exporter of swine, the third largest exporter of miscellaneous animal products, and the 14th largest exporter of oilseeds & grains.
- One of Wisconsin's fastest growing export categories is miscellaneous transportation equipment, which increased by 397 percent since 2007. In 2017, exports of these products reached $681 million.

By the Numbers

8,485
Number of Wisconsin Businesses that Exported in 2016

Share of Wisconsin Exporters that are Small- & Medium-Sized Businesses

Top Wisconsin Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Misc. General Purpose Machinery</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Oilseeds &amp; Grains</td>
<td>$943 million</td>
</tr>
<tr>
<td>Engines &amp; Turbines</td>
<td>$853 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>Computer Software</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Insurance Services</td>
<td>$728 million</td>
</tr>
</tbody>
</table>

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In 2017, Wisconsin companies sold their products in 202 countries and territories.

Top export markets include:

**Canada**
- Goods Exports: $6.9 billion
- Services Exports: $509 million

**Germany**
- Goods Exports: $700 million
- Services Exports: $256 million

**China**
- Goods Exports: $2.0 billion
- Services Exports: $423 million

**Mexico**
- Goods Exports: $3.2 billion
- Services Exports: $252 million

**United Kingdom**
- Goods Exports: $704 million
- Services Exports: $487 million

**Japan**
- Goods Exports: $868 million
- Services Exports: $408 million

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

- Goods and services exports accounted for 9.0 percent of Wisconsin's state GDP in 2017.
- Wisconsin's exports have grown about four percent faster than state GDP since 2007. The average annual export growth during this period was 2.9 percent, while the average annual state GDP growth was 2.8 percent.
- Wisconsin's top export markets for goods are Canada, Mexico, and China. Its top market for services is Ireland.
- Wisconsin's goods exports to Saudi Arabia have grown by 12 percent per year since 2007, while Wisconsin's services exports to Hong Kong have grown by 21 percent per year.

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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 Wisconsin.

- Services, especially transportation from Wisconsin'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 Wisconsin family of four more than $10,000 per year.
- Imports help keep prices down for Wisconsin 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 5,937 in Wisconsin) 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.
- **-44.7%** Decrease in the Price of Toys Between 2007 and 2017.

Imports Increase Choices

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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, $12.3 billion of Wisconsin's goods exports, or 54 percent, went to FTA partners.
- Since 2007, Wisconsin's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 33 percent.
- Wisconsin's goods exports to Canada and Mexico have increased by $7.5 billion (288 percent) since NAFTA went into effect in 1994.
- Wisconsin's goods exports to Chile have increased by 156 percent since the FTA took effect in 2004.
- Wisconsin's exports to Korea of basic chemicals have increased from $7.2 million to $31 million since the FTA went into effect in 2012.
- Mexico bought 70 percent of Wisconsin's exports of hardware in 2017.
- In 2017, $1.6 billion of Wisconsin's services exports, or 25 percent, went to FTA partners.
- Wisconsin's exports to Singapore of royalties from industrial processes have increased from $9.3 million to $25 million, or by 172 percent, since 2006 (earliest year available).

By the Numbers

In 2017, FTA partners purchased 17.0 times more goods per capita from Wisconsin than non-FTA partners.

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Foreign-owned companies invest significant amounts of capital to open or expand facilities in Wisconsin every year. Foreign-owned companies from around the world employed nearly 100,000 workers in Wisconsin, including:

- 15,400 workers employed by companies based in the United Kingdom;
- 15,100 workers employed by companies based in Canada;
- 9,800 workers employed by companies based in Germany;
- 8,800 workers employed by companies based in France;
- 8,800 workers employed by companies based in Switzerland.

Selected Foreign-Owned Companies Employing Workers in Wisconsin

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Adecco Staffing</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Alta Genetics Inc.</td>
<td>Animal Products</td>
<td>Canada</td>
</tr>
<tr>
<td>Arla Foods Hollandtown Dairy</td>
<td>Dairy Products</td>
<td>Denmark</td>
</tr>
<tr>
<td>CNH North America</td>
<td>Agricultural/Construction Equip. Mfg.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Domtar Industries</td>
<td>Paper Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Emmi-Roth USA</td>
<td>Cheese Manufacturer</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Harris Rebar</td>
<td>Steel Product Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Luvata Appleton</td>
<td>Wire Product Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>McCain Foods USA</td>
<td>Food Processing/Packaging Products</td>
<td>Canada</td>
</tr>
<tr>
<td>QBE Insurance Corp.</td>
<td>Insurance Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Veolia Environmental Services</td>
<td>Waste Management Services</td>
<td>France</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 98,600 Wisconsin Workers Across Many Industries, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>48,800</td>
</tr>
<tr>
<td>Other</td>
<td>25,900</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>8,600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>6,800</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>4,500</td>
</tr>
<tr>
<td>Information</td>
<td>2,500</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>1,600</td>
</tr>
</tbody>
</table>

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WISCONSIN JOBS DEPEND ON TWO-WAY TRADE


WISCONSIN BUSINESSES GROW WITH EXPORTS


WISCONSIN COMPANIES EXPORT THROUGHOUT THE WORLD


WISCONSIN COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


**Imports as Components**: Derived from Census end-use import data


WISCONSIN NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN WISCONSIN CREATES JOBS

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

**Foreign Investors**: Uniworld BP database of “Foreign Firms Operating in the United States” ([http://www.uniworldbp.com](http://www.uniworldbp.com))

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