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 Wisconsin 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 Wisconsin. 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 Wisconsin recover as well.

Trade Creates & Supports Jobs in Wisconsin

- **International trade, including exports and imports, supported 691,400 Wisconsin jobs – nearly one in five in 2019.** These trade-related jobs grew five 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 Wisconsin’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Wisconsin. *(See Wisconsin Jobs Depend On Two-Way Trade)*

- **Wisconsin exported $21.9 billion in goods and $6.9 billion in services in 2019,** including navigational and measurement instruments, miscellaneous general purpose machinery, agricultural and construction machinery and software distribution royalties. Of Wisconsin’s 8,930 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. *(See Wisconsin Businesses Grow With Exports)*

- **Customers in 200 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 0.5 percent per year since 2010. Policies that help Wisconsin businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(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 and Families Benefit from Imports)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Wisconsin to partner countries.** In 2019, $12 billion of Wisconsin's goods exports, or 56 percent, went to FTA partners. This represents an increase of 19 percent since 2010. *(See Wisconsin Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 127,900 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 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 Wisconsin. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Wisconsin and help it recover faster.

Trade Creates & Supports Jobs in Wisconsin

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

691,400
Number of Jobs in Wisconsin
Supported by Trade

Share of Jobs Tied to Trade
Increased 83 percent from 1992 to 2019

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>140,000</td>
</tr>
<tr>
<td>Business and professional services</td>
<td>125,300</td>
</tr>
<tr>
<td>Education and health services</td>
<td>111,100</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>103,100</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>40,200</td>
</tr>
</tbody>
</table>

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

Wisconsin exported an estimated $21.9 billion in goods and $6.9 billion in services in 2019. Between 2010 and 2019, Wisconsin goods exports have increased by 10 percent and services exports by 43 percent. Large companies now account for 72 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 10 state exporters in 29 industries, including second in nonmetallic minerals ($216 million), third in preserves and specialty foods ($377 million), and fourth in agricultural and construction machinery ($1.2 billion), converted paper products ($672 million), and dairy products ($421 million).

- Wisconsin is America’s 20th largest exporter of agricultural products. It is the largest exporter of cattle, the second largest exporter of miscellaneous animal products, the 12th largest exporter of swine, and the 14th largest exporter of oilseeds and grains.

- One of Wisconsin’s fastest growing export categories is basic chemicals, which increased by 125 percent since 2010. In 2019, exports of these products reached $636 million.

By the Numbers

8,930
Number of Wisconsin Businesses that Exported in 2018

86%
Share of Wisconsin Exporters that Are Small- & Medium-Sized Businesses

Top Wisconsin Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>Misc. General Purpose Machinery</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Ag. &amp; Construction Machinery</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Motor Vehicle Parts</td>
<td>$948 million</td>
</tr>
<tr>
<td>Engines &amp; Turbines</td>
<td>$946 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Distribution Royalties</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$887 million</td>
</tr>
<tr>
<td>Insurance Services</td>
<td>$649 million</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
In 2019, Wisconsin companies sold their products in 200 countries and territories. Top export markets include:

- **Canada**: Goods Exports: $6.7 billion, Services Exports: $536 million
- **United Kingdom**: Goods Exports: $796 million, Services Exports: $538 million
- **China**: Goods Exports: $1.6 billion, Services Exports: $492 million
- **Mexico**: Goods Exports: $3.3 billion, Services Exports: $268 million
- **Germany**: Goods Exports: $753 million, Services Exports: $277 million
- **Japan**: Goods Exports: $778 million, Services Exports: $480 million

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

- Goods and services exports accounted for 8.3 percent of Wisconsin's state GDP in 2019.
- Wisconsin's annual exports grew 0.5 percent per year since 2010.
- Wisconsin's top export markets for goods are Canada, Mexico, and China. Its top market for services is Ireland.
- Wisconsin's goods exports to New Zealand have grown by 10 percent per year since 2010, while Wisconsin's services exports to China have grown by 13 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Wisconsin 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 Wisconsin companies and families. Imported consumer goods help keep prices down for Wisconsin families while increasing choices for foods and other products that are not available locally. Imported inputs help Wisconsin 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.

Wisconsin Families Benefit from Imports

- In 2019, 42 percent of Wisconsin’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Wisconsin 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 Wisconsin 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, 6,344 Wisconsin companies imported goods from 167 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.

Wisconsin Exports and Imports are Linked Through Global Value Chains

- In 2019, 58 percent of Wisconsin goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Wisconsin’s top imports are critical components for Wisconsin exports. Conversely, Wisconsin 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. Wisconsin 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 Wisconsin and United States.

• In 2019, $12 billion of Wisconsin's goods exports, or 56 percent, went to FTA partners.

• Since 2010, Wisconsin's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 19 percent.

• Wisconsin's exports to Canada and Mexico have increased by $7.4 billion (284 percent) since NAFTA went into effect in 1994.

• Wisconsin’s exports to Chile have increased by 171 percent – from $85 million to $230 million – since the FTA with Chile took effect in 2004.

• Wisconsin's exports to Australia of pharmaceuticals and medicines have increased from $1.5 million to $48 million since the FTA with Australia went into effect in 2005.


• In 2019, $1.6 billion of Wisconsin's services exports, or 24 percent, went to FTA partners.

• Wisconsin's exports to Singapore of R&D and testing services have increased from $1.6 million to $68 million, or by 42 times, since 2006 (earliest year available).

By the Numbers

19%

Increase in Wisconsin Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Wisconsin Goods, 2019

In 2019, FTA partners purchased 18.7 times more goods per capita from Wisconsin 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.

Wisconsin is no exception. Foreign-owned companies make significant investments in Wisconsin 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 120,000 workers in Wisconsin in 2019, including:

- 22,500 workers employed by companies based in the United Kingdom;
- 17,500 workers employed by companies based in Canada;
- 14,300 workers employed by companies based in Germany;
- 10,300 workers employed by companies based in France;
- 10,200 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>Machinery parts manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Ahlstrom–Munksjo USA Inc.</td>
<td>Fiber-based products manufacturing</td>
<td>Finland</td>
</tr>
<tr>
<td>Amcor Flexibles</td>
<td>Packaging products manufacturing</td>
<td>Australia</td>
</tr>
<tr>
<td>Case IH</td>
<td>Agricultural equipment manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Domtar Paper Company, Inc.</td>
<td>Paper products manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Lallemand Inc. - Animal Nutrition</td>
<td>Food products manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Merz North America</td>
<td>Pharmaceuticals manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Waupaca Foundry</td>
<td>Iron foundry manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
</table>

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WISCONSIN JOBS DEPEND ON TWO-WAY TRADE

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

WISCONSIN 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)

WISCONSIN COMPANIES EXPORT THROUGHOUT THE WORLD


WISCONSIN 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/)

WISCONSIN NEEDS TRADE AGREEMENTS TO GROW

Per Capita Purchases of Wisconsin Goods: Derived from The Trade Partnership (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)
Foreign Investors: Uniworld BP database of “Foreign Firms Operating in the United States” (http://www.uniworldbp.com)