HOW WEST VIRGINIA'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 West 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 West Virginia.

Trade Creates & Supports Jobs in West Virginia

- **International trade, including exports and imports, supports 167,400 West Virginia jobs – nearly one in five.** These trade-related jobs grew eight 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 West Virginia's globally engaged firms. (See West Virginia Jobs Depend On Two-Way Trade)

- **West Virginia exported $7.1 billion in goods and $1.6 billion in services in 2017,** including coal & petroleum gases, resins & synthetic fibers, poultry & eggs and travel services. Of West Virginia's 1,047 exporters, 77 percent are small- and medium-sized companies with less than 500 workers. (See West Virginia Businesses Grow With Exports)

- **Customers in 140 countries and territories buy West Virginia-made goods and services,** including billions of dollars in annual exports to top markets like Canada, India and China. West Virginia's exports have grown more than three times faster than state GDP since 2007. (See West Virginia Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from West Virginia to partner countries.** In 2017, $2.4 billion of West Virginia's goods exports, or 33 percent, went to FTA partners. This represents an increase of 56 percent since 2007. (See West Virginia Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 28,900 workers in West Virginia.** (See Foreign Investment In West Virginia Creates Jobs)

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
WEST 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 West Virginia

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

167,400
Number of Jobs in West Virginia Supported by Trade

Share of Jobs Tied to Trade
Increased 68 percent from 1992 to 2017

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>42,400</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>20,100</td>
</tr>
<tr>
<td>Agriculture</td>
<td>10,100</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>9,900</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8,200</td>
</tr>
</tbody>
</table>

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

West Virginia exported an estimated $7.1 billion in goods and $1.6 billion in services in 2017. Between 2007 and 2017, West Virginia goods exports have increased by 78 percent and services exports by 44 percent. Large companies now account for 71 percent of the value of West 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 West Virginia Exports

- West Virginia ranks among the top half of state exporters in 19 industries, including first in coal & petroleum gases ($3.2 billion), ninth in resins & synthetic fibers ($1.1 billion), 13th in poultry & eggs ($12 million), and 14th in sawmill & wood products ($141 million).

- West Virginia is America’s 46th largest exporter of agricultural products. It is the 13th largest exporter of poultry & eggs, the 41st largest exporter of oilseeds & grains, the 41st largest exporter of fruits & tree nuts, and the 45th largest exporter of greenhouse & nursery products.

- One of West Virginia's fastest growing export categories is sawmill & wood products, which increased by 188 percent since 2007. In 2017, exports of these products reached $141 million.

By the Numbers

**1,047**

Number of West Virginia Businesses that Exported in 2016

**77%**

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

Top West Virginia Exports, 2017

**Goods**

- Coal & Petroleum Gases: $3.2 billion
- Resins & Synthetic Fibers: $1.1 billion
- Motor Vehicle Parts: $574 million
- Basic Chemicals: $330 million
- Engines & Turbines: $234 million

**Services**

- Travel: $666 million
- Royalties from Industrial Processes: $214 million
- Equip. Install., Maint., & Repair: $187 million

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2017, West Virginia companies sold their products in 140 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $1.5 billion, Services Exports: $123 million
- **Netherlands**: Goods Exports: $390 million, Services Exports: $38 million
- **China**: Goods Exports: $539 million, Services Exports: $150 million
- **Brazil**: Goods Exports: $369 million, Services Exports: $45 million
- **India**: Goods Exports: $706 million, Services Exports: $47 million

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

- Goods and services exports accounted for 11.7 percent of West Virginia's state GDP in 2017.
- West Virginia's exports have grown more than three times faster than state GDP since 2007. The average annual export growth during this period was 8.0 percent, while the average annual state GDP growth was 2.4 percent.
- West Virginia's top export markets for goods are Canada, India, and China. Its top market for services is China.
- West Virginia's goods exports to Ukraine have grown by 77 percent per year since 2007, while West Virginia's services exports to China have grown by 15 percent per year.

**Contact**: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
WEST VIRGINIA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

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 West Virginia.

- Services such as transportation, 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 West Virginia family of four more than $10,000 per year.
- Imports help keep prices down for West 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 913 in West 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.
- **-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, $2.4 billion of West Virginia’s goods exports, or 33 percent, went to FTA partners.
- Since 2007, West Virginia’s goods exports to countries with FTAs in effect with the United States in 2017 have increased by 56 percent.
- West Virginia’s goods exports to Canada and Mexico have increased by $1.5 billion (499 percent) since NAFTA went into effect in 1994.
- West Virginia’s goods exports to Morocco have increased by 19939 percent since the FTA took effect in 2005.
- West Virginia’s exports to Singapore of aerospace products & parts have increased from $134,000 to $34 million since the FTA went into effect in 2004.
- Korea bought 33 percent of West Virginia’s exports of aluminum in 2017.
- In 2017, $418 million of West Virginia’s services exports, or 27 percent, went to FTA partners.
- West Virginia’s exports to Singapore of royalties from industrial processes have increased from $1.3 million to $10 million, or by 691 percent, since 2006 (earliest year available).

By the Numbers

56%
Increase in West Virginia Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of West Virginia Goods, 2017

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.70</td>
<td>$5.06</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 7.2 times more goods per capita from West Virginia than non-FTA partners.

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

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

- 4,300 workers employed by companies based in the United Kingdom;
- 4,000 workers employed by companies based in Canada;
- 4,000 workers employed by companies based in Japan;
- 2,000 workers employed by companies based in Germany;
- 2,000 workers employed by companies based in the Netherlands.

Foreign-Owned Companies Employed 28,900 West Virginia Workers Across Many Industries, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>14,300</td>
</tr>
<tr>
<td>Other</td>
<td>6,300</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2,900</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>2,800</td>
</tr>
<tr>
<td>Information</td>
<td>1,900</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>100</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in West Virginia

<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>ArcelorMittal Weirton</td>
<td>Steel Manufacturing</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Cemex</td>
<td>Cement Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>Core Laboratories Inc.</td>
<td>Energy Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Hatch Mott MacDonald</td>
<td>Construction Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Hino Motor Manufacturing</td>
<td>Truck Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Lucite International Inc.</td>
<td>Chemicals Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Panera Bread</td>
<td>Food Service</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Motor Vehicle Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Wood Group Pressure Control</td>
<td>Energy Services</td>
<td>Scotland</td>
</tr>
</tbody>
</table>

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


WEST 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)


WEST VIRGINIA COMPANIES EXPORT THROUGHOUT THE WORLD


WEST 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/)

WEST VIRGINIA NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN WEST 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)

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

DATA SOURCES

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