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 West Virginia 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 West Virginia. 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 West Virginia recover as well.

Trade Creates & Supports Jobs in West Virginia

- **International trade, including exports and imports, supported 173,800 West Virginia jobs – nearly one in five in 2019.** These trade-related jobs grew eight 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 West Virginia’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in West Virginia. *(See West Virginia Jobs Depend On Two-Way Trade)*

- **West Virginia exported $5.9 billion in goods and $1.5 billion in services in 2019**, including coal and petroleum gases, resins and synthetic fibers, motor vehicle parts and personal travel and tourism services. Of West Virginia’s 1,054 exporters, 77 percent are small- and medium-sized companies with less than 500 workers. *(See West Virginia Businesses Grow With Exports)*

- **Customers in 135 countries and territories buy West Virginia-made goods and services**, including billions of dollars in annual exports to top markets like Canada, India and Ukraine. West Virginia’s exports have grown 0.9 percent per year since 2010. Policies that help West Virginia businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(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 and Families Benefit from Imports)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from West Virginia to partner countries.** In 2019, $2.2 billion of West Virginia’s goods exports, or 37 percent, went to FTA partners. This represents an increase of 14 percent since 2010. *(See West Virginia Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 29,100 workers in West Virginia.** *(See Foreign Investment In West Virginia 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 West Virginia. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in West Virginia and help it recover faster.

Trade Creates & Supports Jobs in WV

- Export growth increases jobs by generating new business for West Virginia’s manufacturers, services 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 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

173,800
Number of Jobs in West Virginia Supported by Trade

Share of Jobs Tied to Trade
Increased 73 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>11.2%</td>
</tr>
<tr>
<td>2019</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>34,800</td>
</tr>
<tr>
<td>Education and health services</td>
<td>30,600</td>
</tr>
<tr>
<td>Business and professional services</td>
<td>26,500</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>24,800</td>
</tr>
<tr>
<td>Construction</td>
<td>10,200</td>
</tr>
</tbody>
</table>

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Overview
West Virginia exported an estimated $5.9 billion in goods and $1.5 billion in services in 2019. Between 2010 and 2019, West Virginia goods exports have decreased by 9 percent, while services exports increased by 24 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 20 state exporters in 11 industries, including second in coal and petroleum gases ($2.3 billion), 10th in resins and synthetic fibers ($1.0 billion), 12th in aluminum ($189 million), and 13th in timber and logs ($23 million).
- West Virginia is America’s 45th largest exporter of agricultural products. It is the 12th largest exporter of poultry and eggs, the 37th largest exporter of vegetables and melons, the 41st largest exporter of oilseeds and grains, and the 46th largest exporter of greenhouse and nursery products.
- One of West Virginia’s fastest growing export categories is iron, steel and ferroalloys, which increased by 71 percent since 2010. In 2019, exports of these products reached $69 million.

By the Numbers
1,054
Number of West Virginia Businesses that Exported in 2018

Share of West Virginia Exporters that Are Small- & Medium-Sized Businesses
77%

Top West Virginia Exports, 2019
Goods
- Coal & Petroleum Gases: $2.3 billion
- Resins & Synthetic Fibers: $1.0 billion
- Motor Vehicle Parts: $698 million
- Basic Chemicals: $382 million
- Aluminum: $189 million

Services
- Personal Travel & Tourism: $485 million
- Equip. Installation & Maintenance: $201 million
- Royalties from Industrial Processes: $177 million

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In 2019, West Virginia companies sold their products in 135 countries and territories. Top export markets include:

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

- Goods and services exports accounted for 9.4 percent of West Virginia's state GDP in 2019.
- West Virginia's annual exports grew 0.9 percent per year since 2010.
- West Virginia's top export markets for goods are Canada, Ukraine, and India. Its top market for services is China.
- West Virginia's goods exports to Indonesia have grown by 25 percent per year since 2010, while West Virginia's services exports to Switzerland have grown by 8 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help West Virginia 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 West Virginia companies and families. Imported consumer goods help keep prices down for West Virginia families while increasing choices for foods and other products that are not available locally. Imported inputs help West Virginia 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.

West Virginia Families Benefit from Imports

- In 2019, 9 percent of West Virginia’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving West Virginia 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 West Virginia 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, 997 West Virginia companies imported goods from 90 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.

West Virginia Exports and Imports are Linked Through Global Value Chains

- In 2019, 91 percent of West Virginia goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of West Virginia’s top imports are critical components for West Virginia exports. Conversely, West Virginia exports of raw materials and parts may return to the United States in imported finished goods.

Imports: Engine parts ($85M in 2019)

Exports: Internal combustion engines ($644M in 2019)

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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. West Virginia 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 West Virginia and United States.

- In 2019, $2.2 billion of West Virginia's goods exports, or 37 percent, went to FTA partners.
- Since 2010, West Virginia's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 14 percent.
- West Virginia's exports to Canada and Mexico have increased by $1.4 billion (462 percent) since NAFTA went into effect in 1994.
- West Virginia's exports to Morocco have increased nearly 250 times – from $540,000 to $128 million – since the FTA with Morocco took effect in 2006.
- West Virginia's exports to Singapore of resins and synthetic fibers have increased from $16 million to $35 million since the FTA with Singapore went into effect in 2004.
- In 2019, $412 million of West Virginia's services exports, or 27 percent, went to FTA partners.
- West Virginia's exports to Australia of personal travel have increased from $7 million to $27 million, or by 290 percent, since 2006 (earliest year available).

By the Numbers

14%
Increase in West Virginia Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of West Virginia Goods, 2019

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.54</td>
<td>$4.61</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 8.5 times more goods per capita from West Virginia 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.

West Virginia is no exception. Foreign-owned companies make significant investments in West Virginia to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed tens of thousands of workers in West Virginia in 2019, including:

- 5,100 workers employed by companies based in Canada;
- 3,900 workers employed by companies based in Japan;
- 3,200 workers employed by companies based in France;
- 3,100 workers employed by companies based in the United Kingdom;
- 2,000 workers employed by companies based in the Netherlands.

Foreign-Owned Companies Employed 29,100 West Virginia Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>15,000</td>
</tr>
<tr>
<td>Other</td>
<td>6,300</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>5,500</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,200</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>700</td>
</tr>
<tr>
<td>Information</td>
<td>300</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>200</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>Allnex USA Inc</td>
<td>Chemicals manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Allevard Sogefi USA Inc</td>
<td>Motor vehicle parts manufacturing</td>
<td>Italy</td>
</tr>
<tr>
<td>Fuchs Lubricants Co.</td>
<td>Petroleum products manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>ICL Industrial Products America</td>
<td>Chemical products manufacturing</td>
<td>Israel</td>
</tr>
<tr>
<td>Solvay Cytec Industries Inc.</td>
<td>Specialty chemicals manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Sulzer Pumps (US) Inc.</td>
<td>Machinery parts manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Tim Hortons Inc.</td>
<td>Food retailing</td>
<td>Canada</td>
</tr>
</tbody>
</table>

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WEST VIRGINIA JOBS DEPEND ON TWO-WAY TRADE

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


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/cdxports-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)

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