**Why Is International Trade and Investment so Important for the United States?**

- **International trade** – both exports and imports – supports **38.1 million American jobs**. These trade-related jobs are at large and small companies, on farms, in factories, and at the headquarters of globally engaged firms. See *U.S. Jobs Depend On Two-Way Trade*.

- **The United States exports trillions of dollars** in goods and services annually, including petroleum products, transportation equipment, farm products, travel services, and royalties from industrial processes. The vast majority of U.S. exporters are small and medium-sized companies with less than 500 workers. See *U.S. Businesses Grow With Exports*.

- Customers in **234 countries** around the world buy American-grown and manufactured goods and services. Top markets like **Canada**, **Mexico** and **China** buy hundreds of billions of dollars of U.S. products and services annually. See *U.S. Companies Export Throughout The World*.

- **Imports lower prices and increase choices for United States companies and families**. Lower raw material and input costs help U.S. 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 *U.S. Companies And Workers Use Imports To Compete*.

- **Free trade agreements** (FTAs) have led to **rapid export growth** to partner countries. America’s FTA partners purchased **12.8 times more goods per capita from the United States** than non-FTA countries did in 2012. See *The United States Needs Trade Agreements To Grow*.

- **Foreign-owned companies** invest in the United States and employ **5.3 million Americans**. See *Foreign Investment In The United States Creates Jobs*.

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U.S. JOBS DEPEND ON TWO-WAY TRADE

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 creates and supports jobs in the United States. Export growth increases jobs by generating new business for U.S. manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping U.S. businesses compete and saving American families real dollars at the cash register. Foreign investment in the United States creates good jobs across a range of sectors.

More than one in five U.S. jobs depend on international trade.

• U.S. trade-related employment grew six and a half times faster than total employment between 2004 and 2011.

• Jobs in U.S. exporting plants pay on average up to 18 percent more than similar jobs in non-exporting plants.

• 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.

Small and Large Employers Partner to Export

In addition to exporting directly themselves, more than 6,000 American small- and medium-sized enterprises (SMEs) export indirectly when they sell goods and services to large U.S. companies that export. SMEs account for nearly a quarter of the value of purchases by large companies, which in turn often export finished goods and services to customers around the world.

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U.S. BUSINESSES GROW WITH EXPORTS

U.S. exports of goods and services reached $2.2 trillion in 2012, with goods exports totaling $1.6 trillion and services exports totaling $632 billion. Large companies account for 66 percent of the value of U.S. merchandise exports, with the rest provided by small- and medium-sized enterprises (SMEs).

Top Goods Exports, 2012
- Petroleum & Coal Products: $111.6 billion
- Aerospace Products & Parts: $105.6 billion
- Motor Vehicles: $69.5 billion
- Basic Chemicals: $66.9 billion
- Semiconductors & Components: $59.0 billion

Top Services Exports, 2011
- Travel: $116.1 billion
- Industrial Processes Royalties: $44.0 billion
- Freight & Port Services: $43.1 billion

Leading Export Products
Transportation equipment (including aerospace products and motor vehicles) was the leading U.S. export category in 2012, accounting for 26.0 percent of total merchandise exports.

98 Percent of U.S. Exporters are Small- or Medium-Sized Companies

- One of the fastest growing U.S. goods export categories is petroleum and coal products, which has increased by 34 percent per year since 2002. In 2012, exports of these products reached $111.6 billion.
- One of the fastest growing U.S. agricultural export categories is oilseeds and grains (e.g., soybeans and wheat), which has increased by 13 percent per year since 2002. In 2012, exports of these products reached $45.3 billion.
- One of the fastest growing U.S. services export categories is insurance, which has increased by 15 percent per year since 2002. In 2011, exports of these services reached $15.5 billion.

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In 2012, U.S. companies sold their products in **234 international markets**.

**Top Export Markets***

- **CANADA**
  Merchandise Exports: $292 billion
  Services Exports: $56 billion

- **UNITED KINGDOM**
  Merchandise Exports: $55 billion
  Services Exports: $53 billion

- **CHINA**
  Merchandise Exports: $111 billion
  Services Exports: $27 billion

- **GERMANY**
  Merchandise Exports: $49 billion
  Services Exports: $26 billion

- **MEXICO**
  Merchandise Exports: $216 billion
  Services Exports: $25 billion

- **JAPAN**
  Merchandise Exports: $70 billion
  Services Exports: $44 billion

*Goods data are for 2012; services data are for 2011

- The top U.S. export market for goods and services is **Canada**. Other leading markets include **Mexico** and **China**.

- Among the top U.S. export markets for goods, **Chile** and the **United Arab Emirates** have grown the fastest at **24 percent per year** since 2002, while exports to **Panama** and **Argentina** grew by **23 percent per year**.

- **U.S. exports have grown more than twice as fast as GDP** since 2002. The average annual export growth during this period was 8.8 percent, while the average annual GDP growth was 4.0 percent.

- Exports accounted for **14.0 percent of U.S. GDP** in 2012.

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In 2012, 61 percent 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.

$1.3 trillion of U.S. imported goods in 2012 were inputs or materials used by U.S. producers.

Nearly 182,000 U.S. companies imported products in 2010.

Services, especially transportation from U.S. ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.

In 2010, nearly 64 percent of identified importers were very small businesses with less than 20 employees.

Trade and investment liberalization policies save the average American family of four more than $10,000 per year.

Imports help keep prices down for American families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

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THE UNITED STATES NEEDS TRADE AGREEMENTS TO GROW

The United States has some of the lowest trade barriers in the world. Overall U.S. trade with free trade agreement (FTA) partner countries supports 17.7 million 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. The United States has increased its exports to FTA partner countries following implementation of the U.S. FTAs with those countries.

Since 2002, **U.S. goods exports to FTA partners** in effect in 2012 have increased by 110 percent. In 2012, **$718 billion of U.S. merchandise exports**, or 46 percent, went to FTA partners.

- **U.S. exports to Canada and Mexico** have increased by **$366 billion** (258 percent) since NAFTA went into effect in 1994. Exports to Canada have increased **$191.6 billion** (191 percent), while exports to Mexico have increased **$174.7 billion** (420 percent).

- **U.S. exports to Chile** have experienced very strong growth, **increasing by 596 percent** since the U.S.-Chile FTA took effect in 2004.

- **U.S. exports to Australia** of agricultural and construction machinery have **nearly quadrupled to $5.7 billion** since 2005 when the U.S.-Australia FTA went into effect.

- **NAFTA countries** bought 83 percent of U.S. exports of motor vehicle parts in 2012, while **DR-CAFTA countries** bought 76 percent of U.S. fiber, yarn, and thread exports.

- The **Trans-Pacific Partnership (TPP) countries** that are not current FTA partners — Brunei, Malaysia, New Zealand and Vietnam — were the 19th largest export market for U.S. goods in 2011 with a **combined value of $20.9 billion**.

**FTA partners purchased 12.8 times more goods per capita from the United States than non-FTA partners in 2012.**

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FOREIGN INVESTMENT IN THE UNITED STATES CREATES JOBS

Foreign-owned companies invest significant amounts of capital to open or expand facilities in the United States every year. Foreign-owned companies from around the world employ millions of American workers, including:

• 879,200 by companies based in the United Kingdom
• 654,900 by companies based in Japan
• 569,600 by companies based in Germany
• 536,700 by companies based in Canada
• 499,000 by companies based in France

Foreign-Owned Companies Employ a Total of 5.3 Million American Workers Across Many Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>1,986,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,356,300</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>551,700</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>477,700</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>398,600</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>254,900</td>
</tr>
<tr>
<td>Information</td>
<td>245,300</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in the United States

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc. USA</td>
<td>Power Distribution Equipment Mfg.</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Accenture plc</td>
<td>Consulting Services</td>
<td>Ireland</td>
</tr>
<tr>
<td>Bayer AG</td>
<td>Chemicals Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Case New Holland Inc.</td>
<td>Construction Equip. Manufacturing</td>
<td>Italy</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Accounting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Ingersoll-Rand PLC</td>
<td>Diversified Manufacturing</td>
<td>Ireland</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>PricewaterhouseCoopers LLP</td>
<td>Consulting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Sanofi-Avantis US LLC</td>
<td>Pharmaceutical Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>SAP America</td>
<td>Business Software Development</td>
<td>Germany</td>
</tr>
<tr>
<td>Shell Oil Company</td>
<td>Energy Production</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Siemens Corporation</td>
<td>Electrical Equipment Manufacturing</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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DATA SOURCES

U.S. JOBS DEPEND ON TWO-WAY TRADE

U.S. BUSINESSES GROW WITH EXPORTS

U.S. COMPANIES EXPORT THROUGHOUT THE WORLD

U.S. COMPANIES AND WORKERS USE IMPORTS TO COMPETE
Imports as Components: Derived from Census end-use import data
Price Changes: Derived from BLS Consumer Price Index database (http://www.bls.gov/cpi/)

THE UNITED STATES NEEDS TRADE AGREEMENTS TO GROW
Per Capita Purchases of U.S. Goods: Derived from The Trade Partnership (http://www.tradepartnership.com/site/data.html) and World Bank population estimates

FOREIGN INVESTMENT IN THE UNITED STATES CREATES JOBS
Employment Data: BEA “Direct Investment & Multinational Companies” database (http://bea.gov/Table/index_MNC.cfm)
Foreign Investors: Uniworld BP database of “Foreign Firms Operating in the United States” (http://www.uniworldbp.com)

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