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 Tennessee 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 Tennessee.

Trade Creates & Supports Jobs in Tennessee

- **International trade, including exports and imports, supports 806,100 Tennessee jobs – more than one in five.** These trade-related jobs grew five 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 Tennessee’s globally engaged firms. *(See Tennessee Jobs Depend On Two-Way Trade)*

- **Tennessee exported $33.6 billion in goods and $10.2 billion in services in 2017,** including medical equipment & supplies, beverages, ships & boats and travel services. Of Tennessee’s 6,961 exporters, 82 percent are small- and medium-sized companies with less than 500 workers. *(See Tennessee Businesses Grow With Exports)*

- **Customers in 206 countries and territories buy Tennessee-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Tennessee’s exports have grown about 30 percent faster than state GDP since 2007. *(See Tennessee Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Tennessee to partner countries.** In 2017, $17.9 billion of Tennessee’s goods exports, or 53 percent, went to FTA partners. This represents an increase of 57 percent since 2007. *(See Tennessee Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 177,100 workers in Tennessee.** *(See Foreign Investment In Tennessee 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 Tennessee

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

806,100
Number of Jobs in Tennessee Supported by Trade

Share of Jobs Tied to Trade
Increased 123 percent from 1992 to 2017

9.0% 20.1%
1992 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>187,100</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>127,100</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>55,100</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>52,500</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>38,300</td>
</tr>
</tbody>
</table>

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Overview

Tennessee exported an estimated $33.6 billion in goods and $10.2 billion in services in 2017. Between 2007 and 2017, Tennessee goods exports have increased by 55 percent and services exports by 53 percent. Large companies now account for 84 percent of the value of Tennessee'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 Tennessee Exports

- Tennessee ranks among the top 10 state exporters in 30 industries, including second in medical equipment & supplies ($3.4 billion), third in beverages ($697 million), third in ships & boats ($134 million), and fourth in computer equipment ($1.9 billion).
- Tennessee is America's 17th largest exporter of agricultural products. It is the fourth largest exporter of miscellaneous crops, the eighth largest exporter of swine, the 14th largest exporter of sheep, goats & fine animal hair, and the 16th largest exporter of poultry & eggs.
- One of Tennessee's fastest growing export categories is communications equipment, which increased by 180 percent since 2007. In 2017, exports of these products reached $951 million.

By the Numbers

6,961
Number of Tennessee Businesses that Exported in 2016

82%
Share of Tennessee Exporters that are Small- & Medium-Sized Businesses

<table>
<thead>
<tr>
<th>Top Tennessee Exports, 2017</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Equipment &amp; Supplies</td>
<td>$3.4 billion</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Motor Vehicle Parts</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$1.9 billion</td>
</tr>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$1.9 billion</td>
</tr>
<tr>
<td>Travel</td>
<td>$4.2 billion</td>
</tr>
<tr>
<td>Mgmt. &amp; Consulting Services</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Air Freight &amp; Port Services</td>
<td>$887 million</td>
</tr>
</tbody>
</table>

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TENNESSEE COMPANIES EXPORT THROUGHOUT THE WORLD

In 2017, Tennessee companies sold their products in 206 countries and territories.

Top export markets include:

- **CANADA**
  - Goods Exports: $9.0 billion
  - Services Exports: $868 million

- **GERMANY**
  - Goods Exports: $1.1 billion
  - Services Exports: $459 million

- **CHINA**
  - Goods Exports: $2.7 billion
  - Services Exports: $789 million

- **MEXICO**
  - Goods Exports: $4.7 billion
  - Services Exports: $586 million

- **UNITED KINGDOM**
  - Goods Exports: $934 million
  - Services Exports: $950 million

- **JAPAN**
  - Goods Exports: $2.0 billion
  - Services Exports: $583 million

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

- Goods and services exports accounted for 12.5 percent of Tennessee’s state GDP in 2017.
- Tennessee’s exports have grown about 30 percent faster than state GDP since 2007. The average annual export growth during this period was 4.8 percent, while the average annual state GDP growth was 3.7 percent.
- Tennessee’s top export markets for goods are Canada, Mexico, and China. Its top market for services is the United Kingdom.
- Tennessee’s goods exports to Belgium have grown by 14 percent per year since 2007, while Tennessee’s services exports to China have grown by 17 percent per year.

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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 Tennessee.

- Services, especially transportation from Tennessee'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 Tennessee family of four more than $10,000 per year.
- Imports help keep prices down for Tennessee families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

<table>
<thead>
<tr>
<th>Imports Decrease Prices</th>
<th>Imports Increase Choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>-87.9%</td>
<td>Decrease in the Price of Televisions Between 2007 and 2017.</td>
</tr>
<tr>
<td>-63.3%</td>
<td>Decrease in the Price of Computers Between 2007 and 2017.</td>
</tr>
<tr>
<td>-44.7%</td>
<td>Decrease in the Price of Toys Between 2007 and 2017.</td>
</tr>
</tbody>
</table>

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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, $17.9 billion of Tennessee's goods exports, or 53 percent, went to FTA partners.
- Since 2007, Tennessee's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 57 percent.
- Tennessee's goods exports to Canada and Mexico have increased by $11.3 billion (470 percent) since NAFTA went into effect in 1994.
- Tennessee's goods exports to Singapore have increased by 420 percent since the FTA took effect in 2004.
- Tennessee's exports to Korea of motor vehicles have increased from $13 million to $141 million since the FTA went into effect in 2012.
- In 2017, $2.8 billion of Tennessee's services exports, or 27 percent, went to FTA partners.
- Tennessee's exports to Australia of equipment installation, maintenance & repair services have increased from $4.6 million to $27 million, or by 494 percent, since 2006 (earliest year available).

By the Numbers

57%
Increase in Tennessee Goods Exports to FTA Partners Between 2007 and 2017

**Per Capita Purchases of Tennessee Goods, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$</strong></td>
<td>$2.32</td>
<td>$38.52</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 16.6 times more goods per capita from Tennessee than non-FTA partners.

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Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Tennessee every year. Foreign-owned companies from around the world employed more than 170,000 workers in Tennessee, including:

- 48,600 workers employed by companies based in Japan;
- 20,900 workers employed by companies based in the United Kingdom;
- 19,900 workers employed by companies based in France;
- 16,600 workers employed by companies based in Germany;
- 12,300 workers employed by companies based in the Netherlands.

Selected Foreign-Owned Companies Employing Workers in Tennessee

<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>Arkema Inc.</td>
<td>Chemicals Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Cemex</td>
<td>Cement Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>EMI Music Publishing Inc.</td>
<td>Entertainment Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Gerdau Ameristeel</td>
<td>Steel Manufacturing</td>
<td>Brazil</td>
</tr>
<tr>
<td>JTEKT Automotive Tennessee</td>
<td>Steel Product Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Neotiss</td>
<td>Steel Product Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Nissan, N.A.</td>
<td>Motor Vehicle Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electronics and Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Sims Metal Management</td>
<td>Recycling Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Automotive Manufacturing</td>
<td>Japan</td>
</tr>
</tbody>
</table>

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TENNESSEE JOBS DEPEND ON TWO-WAY TRADE


TENNESSEE 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)


TENNESSEE COMPANIES EXPORT THROUGHOUT THE WORLD


TENNESSEE 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/)

TENNESSEE NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN TENNESSEE 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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