

# HOW UTAH'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 Utah 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 Utah.

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## Trade Creates & Supports Jobs in Utah

- **International trade, including exports and imports, supports 389,000 Utah jobs – nearly one in five.** These trade-related jobs grew nearly three 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 Utah's globally engaged firms. *(See Utah Jobs Depend On Two-Way Trade)*
- **Utah exported \$11.6 billion in goods and \$6.8 billion in services in 2017,** including lime & gypsum products, nonferrous metal products, sheep, goats & fine animal hair and travel services. Of Utah's 3,503 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. *(See Utah Businesses Grow With Exports)*
- **Customers in 196 countries and territories buy Utah-made goods and services,** including billions of dollars in annual exports to top markets like the United Kingdom, Hong Kong and Canada. Utah's exports have grown more than 60 percent faster than state GDP since 2007. *(See Utah Companies Export Throughout The World)*
- **Imports lower prices and increase choices for Utah companies and families.** Lower raw material and input costs help Utah 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 Utah Companies Use Imports to Make Competitive Products)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Utah to partner countries.** In 2017, \$3.1 billion of Utah's goods exports, or 27 percent, went to FTA partners. This represents an increase of 76 percent since 2007. *(See Utah Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 47,800 workers in Utah.** *(See Foreign Investment In Utah Creates Jobs)*



# UTAH 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 Utah

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

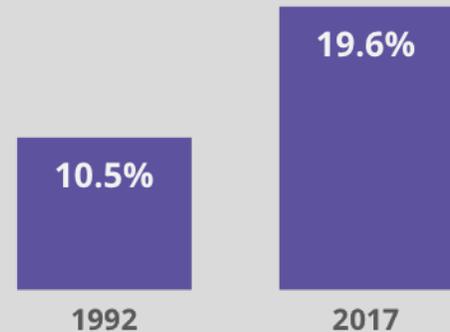
## By the Numbers

# 389,000

Number of Jobs in Utah  
Supported by Trade

### Share of Jobs Tied to Trade

Increased 86 percent from 1992 to 2017



### Jobs Tied to Trade Top Sectors, 2017

Trade & Distribution	85,200
Prof., Scient. & Tech. Services	71,200
Finance, Insurance	26,300
Personal & Rec. Services	24,700
Manufacturing	18,200



# UTAH BUSINESSES GROW WITH EXPORTS



## Overview

Utah exported an estimated \$11.6 billion in goods and \$6.8 billion in services in 2017. Between 2007 and 2017, Utah goods exports have increased by 49 percent and services exports by 88 percent. Large companies now account for 51 percent of the value of Utah'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 Utah Exports

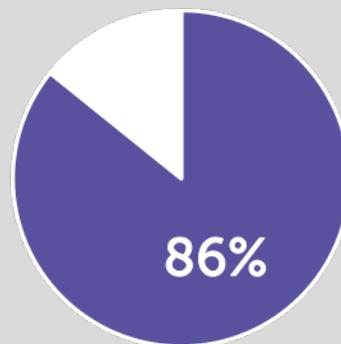
- Utah ranks among the top 15 state exporters in 14 industries, including second in lime & gypsum products (\$20 million), third in nonferrous metal products (\$3.8 billion), third in sheep, goats & fine animal hair (\$2.9 million), and sixth in miscellaneous foods (\$436 million).
- Utah is America's 38th largest exporter of agricultural products. It is the third largest exporter of sheep, goats & fine animal hair, the 12th largest exporter of miscellaneous crops, the 20th largest exporter of aquaculture, and the 25th largest exporter of swine.
- One of Utah's fastest growing export categories is meat products, which increased by 379 percent since 2007. In 2017, exports of these products reached \$262 million.

## By the Numbers

# 3,503

Number of Utah Businesses that Exported in 2016

## Share of Utah Exporters that are Small- & Medium-Sized Businesses



## Top Utah Exports, 2017

### Goods

Nonferrous Metal Products	\$3.8 billion
Semiconductors & Components	\$1.0 billion
Navigational & Meas. Instruments	\$594 million
Medical Equipment & Supplies	\$561 million
Aerospace Products & Parts	\$480 million

### Services

Travel	\$1.3 billion
Computer Software	\$859 million
Credit-Related Services	\$795 million

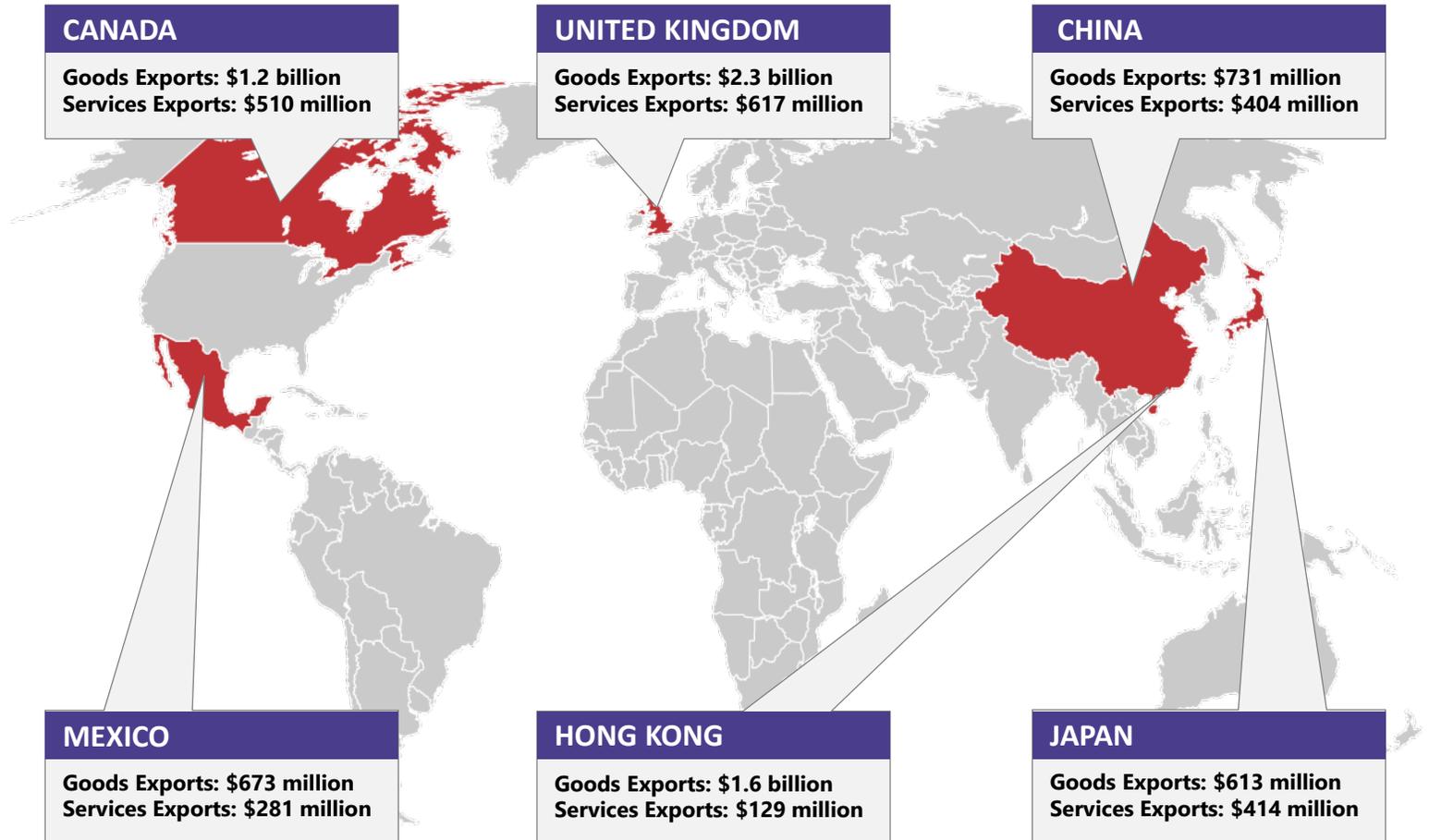


# UTAH COMPANIES EXPORT THROUGHOUT THE WORLD



In 2017, Utah companies sold their products in 196 countries and territories.

Top export markets include:

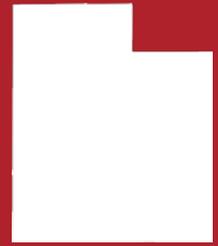


## Fast Facts: How Exports Help the Utah Economy Grow

- Goods and services exports accounted for 11.1 percent of Utah's state GDP in 2017.
- Utah's exports have grown more than 60 percent faster than state GDP since 2007. The average annual export growth during this period was 6.1 percent, while the average annual state GDP growth was 3.7 percent.
- Utah's top export markets for goods are the United Kingdom, Hong Kong, and Canada. Its top market for services is the United Kingdom.
- Utah's goods exports to Hong Kong have grown by 84 percent per year since 2007, while Utah's services exports to China have grown by 16 percent per year.



# UTAH 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 Utah.

- 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 Utah family of four more than \$10,000 per year.
- Imports help keep prices down for Utah 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 4,052 in Utah) 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.



**-63.3%**

Decrease in the Price of Computers Between 2007 and 2017.



**-44.7%**

Decrease in the Price of Toys Between 2007 and 2017.

## Imports Increase Choices



# UTAH NEEDS TRADE AGREEMENTS TO GROW



## 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.

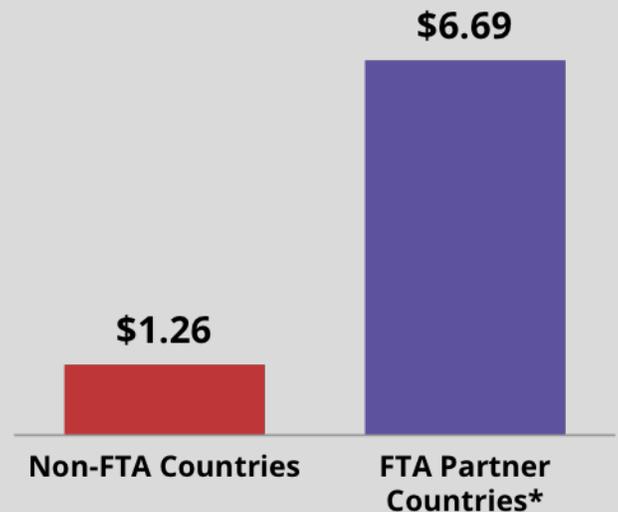
- In 2017, \$3.1 billion of Utah's goods exports, or 27 percent, went to FTA partners.
- Since 2007, Utah's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 76 percent.
- Utah's goods exports to Canada and Mexico have increased by \$1.5 billion (378 percent) since NAFTA went into effect in 1994.
- Utah's goods exports to Chile have increased by 384 percent since the FTA took effect in 2004.
- Utah's exports to Australia of soaps, cleaning agents & toiletries have increased from \$6.0 million to \$32 million since the FTA went into effect in 2005.
- Singapore bought 28 percent of Utah's exports of semiconductors & components in 2017.
- In 2017, \$1.6 billion of Utah's services exports, or 24 percent, went to FTA partners.
- Utah's exports to Korea of travel services have increased from \$24 million to \$59 million, or by 145 percent, since the FTA went into effect in 2012.

## By the Numbers

76%

Increase in Utah Goods Exports to FTA Partners Between 2007 and 2017

## Per Capita Purchases of Utah Goods, 2017



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

**In 2017, FTA partners purchased 5.3 times more goods per capita from Utah than non-FTA partners.**



# FOREIGN INVESTMENT IN UTAH CREATES JOBS

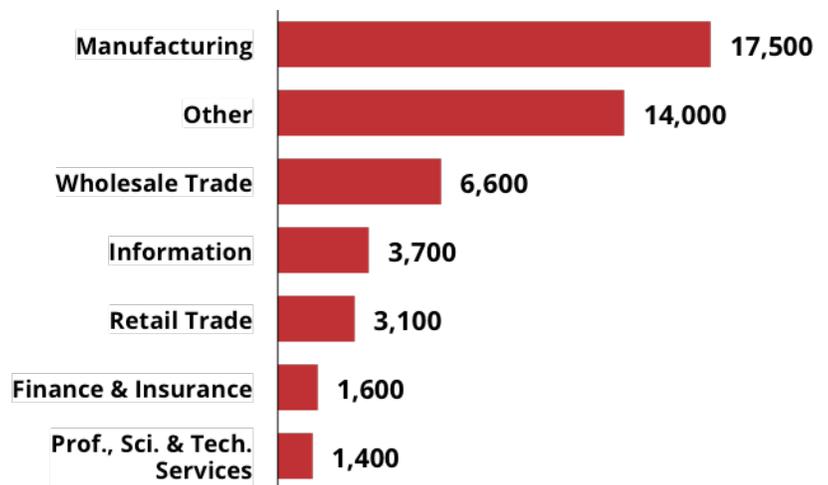


## Overview

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

- 8,900 workers employed by companies based in the United Kingdom;
- 5,500 workers employed by companies based in France;
- 4,900 workers employed by companies based in Germany;
- 3,700 workers employed by companies based in Switzerland;
- 2,600 workers employed by companies based in Japan.

## Foreign-Owned Companies Employed 47,800 Utah Workers Across Many Industries, 2016



## Selected Foreign-Owned Companies Employing Workers in Utah

Company	Industry	Country
Acuren Group	Inspecting & Testing Services	Canada
Alpha Pro Tech Inc.	Safety Product Manufacturing	Canada
ASC Profiles	Steel Products Manufacturing	Australia
Autoliv North America	Motor Vehicle Parts Manufacturing	Sweden
Barrick Gold Corporation	Mining	Canada
Denison Mines (USA) Corp.	Mining	Canada
Holiday Inn	Hotel Services	United Kingdom
Kennecott Utah Copper Corp.	Mining	Australia
KPMG LLP	Accounting Services	Netherlands
The Dannon Company	Dairy Product Manufacturing	France
UBS Financial Services	Banking Services	Switzerland
Veolia Environmental Services	Waste Management Services	France



# DATA SOURCES



## UTAH JOBS DEPEND ON TWO-WAY TRADE

**Jobs-Tied-to-Trade:** Baughman and Francois, "Trade and American Jobs: The Impact of Trade on U.S. and State-Level Employment" (2019) ([https://s3.amazonaws.com/brt.org/Trade\\_and\\_American\\_Jobs\\_2019.pdf](https://s3.amazonaws.com/brt.org/Trade_and_American_Jobs_2019.pdf))

**Exporting Firm Wages:** Riker, "Export-Intensive Industries Pay More on Average: An Update" (2015) (<https://www.usitc.gov/publications/332/ec201604a.pdf>)

**Exporting Firm Growth:** Bernard and Jensen, "Exporting and Productivity in the USA" (2004) (<http://faculty.tuck.dartmouth.edu/images/uploads/faculty/andrew-bernard/exprod.pdf>)

## UTAH 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>)

**Exports, Rankings, and Trends:** The Trade Partnership, derived from U.S. Census Bureau ("Census") data (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

**Exporting Company Information:** Census, "A Profile of U.S. Importing and Exporting Companies, 2015 – 2016" (<https://www.census.gov/foreign-trade/Press-Release/edb/2016/>)

## UTAH COMPANIES EXPORT THROUGHOUT THE WORLD

**Exports, Rankings, and Trends:** The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

**Export vs. GDP Growth:** Derived from Census export data and U.S. Bureau of Economic Analysis (BEA) "GDP by State" database (<http://bea.gov/regional/index.htm>)

## UTAH COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

**Importing Company Information:** Census, "A Profile of U.S. Importing and Exporting Companies, 2015 – 2016" (<https://www.census.gov/foreign-trade/Press-Release/edb/2016/>)

**Imports as Components:** Derived from Census end-use import data

**Savings from Liberalization:** Bradford, Grieco, and Hufbauer, "The Payoff to America from Global Integration" (2005) (<http://www.piie.com/publications/papers/2iie3802.pdf>)

**Price Changes:** Derived from BLS Consumer Price Index database (<http://www.bls.gov/cpi/>)

## UTAH NEEDS TRADE AGREEMENTS TO GROW

**Exports and Trends:** The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

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

## FOREIGN INVESTMENT IN UTAH CREATES JOBS

**Employment Data:** BEA "Direct Investment & Multinational Companies" database ([http://bea.gov/iTable/index\\_MNC.cfm](http://bea.gov/iTable/index_MNC.cfm))

**Foreign Investors:** Uniworld BP database of "Foreign Firms Operating in the United States" (<http://www.uniworldbp.com>)

