HOW THE U.S. ECONOMY BENEFITS FROM TRADE & INVESTMENT

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 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. As the world continues efforts to defeat the COVID-19 pandemic and create jobs and economic opportunity – restoring trade and supporting trade-dependent jobs can help the United States recover as well.

Trade Creates & Supports Jobs in the United States

- **International trade, including exports and imports, supported 41 million American jobs – one in five in 2019**. These trade-related jobs grew four 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 U.S. globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic . *(See U.S. Jobs Depend On Two-Way Trade)*
- **The United States exported $1.6 trillion in goods and $848 billion in services in 2019**, including aerospace products and parts, oil and gas, petroleum and coal products, and personal travel and tourism. Of the over 288,000 U.S. exporters, 97 percent are small- and medium-sized companies with less than 500 workers. *(See U.S. Businesses Grow With Exports)*
- **Customers in 233 countries and territories buy American-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. U.S. exports have grown 3.5 percent per year since 2010. Policies that help U.S. businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See U.S. Companies Export Throughout The World)*
- **Imports lower prices and increase choices for U.S. 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 Families Benefit from Imports)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from the United States to partner countries.** In 2019, $739 billion of U.S. goods exports, or 47 percent, went to FTA partners. This represents an increase of 32 percent since 2010. *(See The United States Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 7.9 million workers in the United States.** *(See Foreign Investment In the United States Creates Jobs)*

U.S. JOBS DEPEND ON TWO-WAY 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. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs and help recovery.

Trade Creates & Supports Jobs in the U.S.

- Export growth increases jobs by generating new business for U.S. manufacturers, services 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.
- One in five American jobs depends upon international trade.
- U.S. trade-related employment grew four 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."

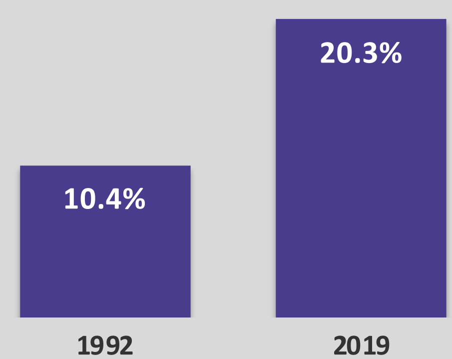
By the Numbers

41.5 million

Number of Jobs in the United States Supported by Trade

Share of Jobs Tied to Trade

Increased 96 percent from 1992 to 2019



Jobs Tied to Trade
Top Sectors, 2019

Business and professional services	8.8 million
Personal and recreational services	8.3 million
Education and health services	6.1 million
Wholesale and retail trade	5.2 million
Transportation and utilities	2.4 million

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U.S. BUSINESSES GROW WITH EXPORTS

Overview

The United States exported an estimated $1.6 trillion in goods and $848 billion in services in 2019. Between 2010 and 2019, U.S. goods exports have increased by 28 percent and services exports by 50 percent. Large companies now account for 68 percent of the value of U.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 U.S. Exports

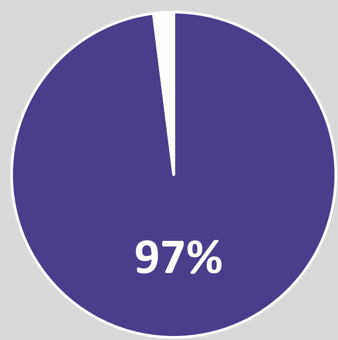
- One of the fastest growing U.S. goods export categories is oil and gas, which increased by 35 percent per year since 2010. In 2019, exports of these products reached $95.3 billion.
- One of the fastest growing U.S. agricultural export categories is fruits and tree nuts, which increased by 5 percent per year since 2010. In 2019, exports of these products reached $14.3 billion.
- One of the fastest growing U.S. services export categories is computer software, which increased by 19 percent per year since 2010. In 2019, exports of these services reached $23.8 billion.

By the Numbers

288,063

Number of U.S. Businesses that Exported in 2019

Share of U.S. Exporters that Are Small- & Medium-Sized Businesses



Top U.S. Exports, 2019

Goods

Aerospace Products & Parts	$141 billion
Oil & Gas	$95.4 billion
Petroleum & Coal Products	$93.8 billion
Motor Vehicles	$67.3 billion
Pharmaceuticals	$66.2 billion

Services

Personal Travel & Tourism	$111 billion
Business Mgmt. & Consulting Services	$67.0 billion
Financial Mgmt. & Advisory Services	$53.4 billion

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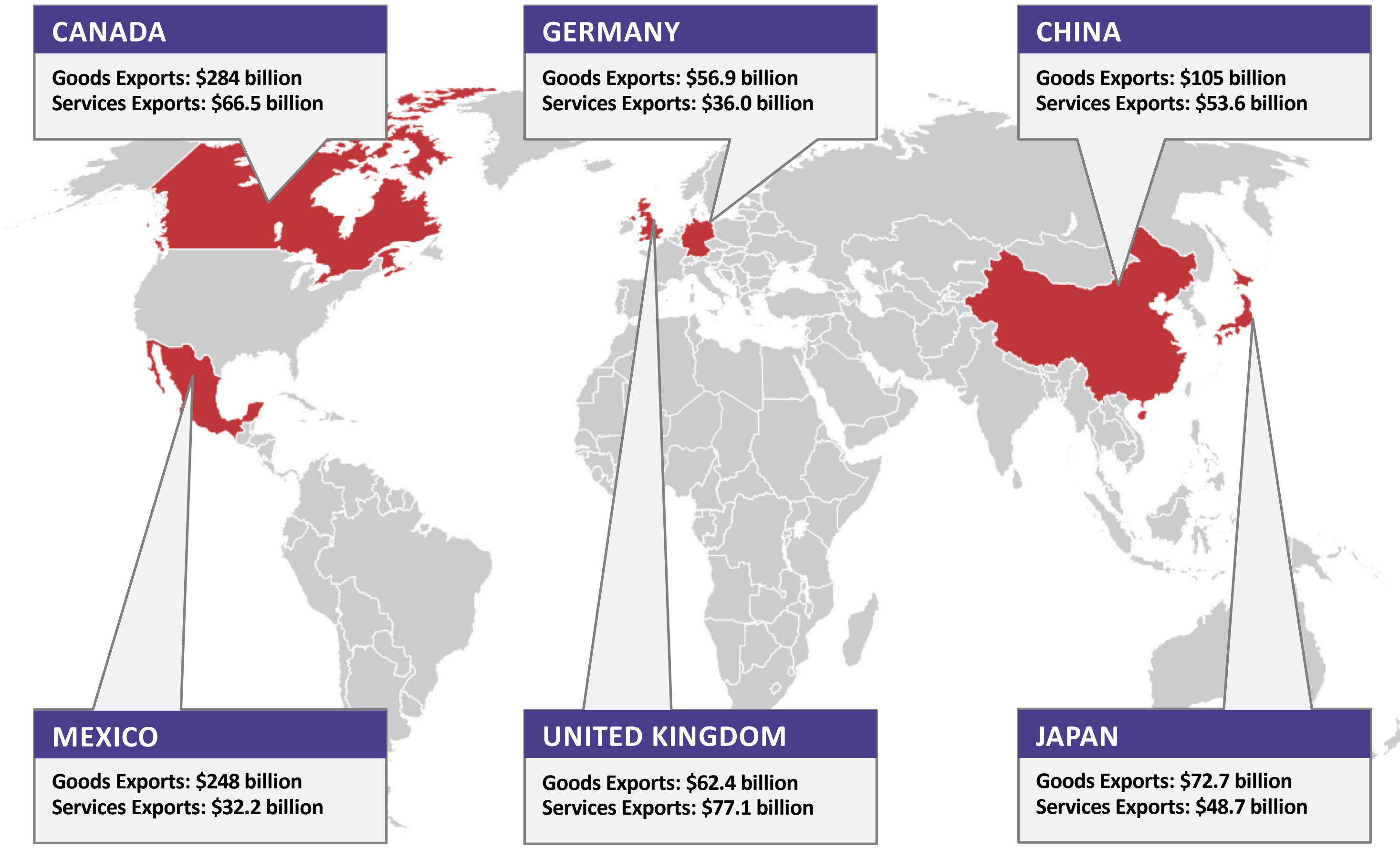
U.S. COMPANIES EXPORT THROUGHOUT THE WORLD

In 2019, U.S. companies sold their products in 233 countries and territories.

Top export markets include:



Fast Facts: How Exports Help the U.S. Economy Grow

- Goods and services exports accounted for 11.3 percent of U.S. GDP in 2019.
- U.S. annual exports grew by 3.5 percent per year since 2010.
- U.S. top export markets for goods are Canada, Mexico, and China. Its top market for services is the United Kingdom.
- U.S. goods exports to Vietnam have grown by 14 percent per year since 2010, while U.S. services exports to China have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help American businesses, workers, and farmers reach the growing number of customers around the world.

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U.S. COMPANIES AND FAMILIES BENEFIT FROM IMPORTS

Overview

Imports provide a variety of benefit for American companies and families. Imported consumer goods help keep prices down for families while increasing choices for foods and other products that are not available locally. Imported inputs help American manufacturers compete in both domestic 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.

American Families Benefit from Imports

- In 2019, 35 percent of U.S. imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving American 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 American 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

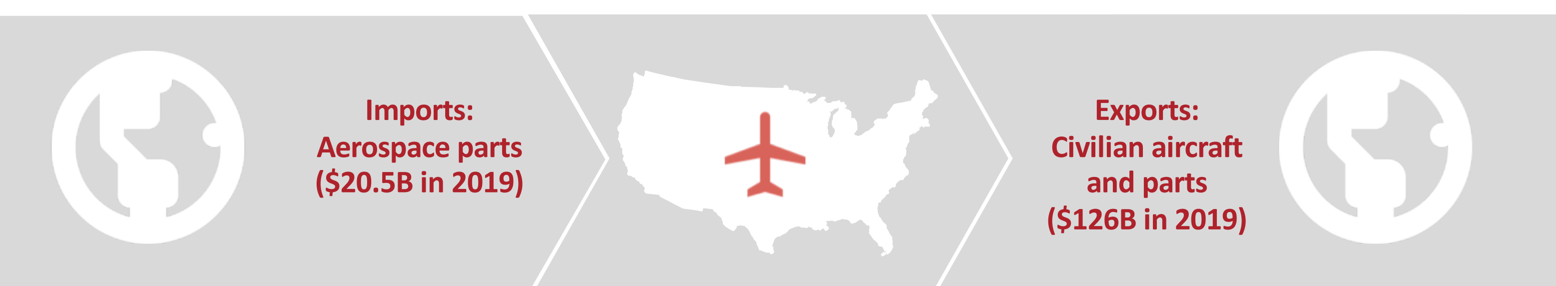
-51% for Toys

Most Importers are Small Businesses

- In 2019, 224,699 American companies imported goods from 233 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.

American Exports and Imports are Linked Through Global Value Chains

- In 2019, 65 percent of American goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of U.S. top imports are critical components for American exports. Conversely, American exports of raw materials and parts may return to the United States in imported finished goods.



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THE UNITED STATES 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. American 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 the United States.

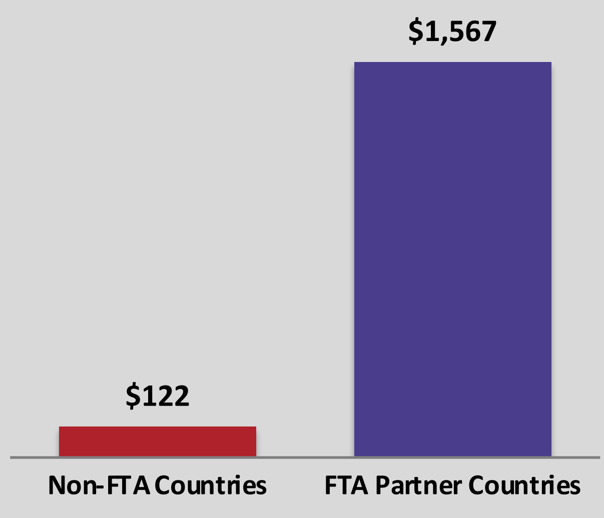
- In 2019, $739 billion of U.S. goods exports, or 47 percent, went to FTA partners.
- Since 2010, U.S. goods exports to countries with FTAs in effect with the United States in 2019 have increased by 32 percent.
- U.S. exports to Canada and Mexico have increased by $384 billion (271 percent) since NAFTA went into effect in 1994.
- U.S. exports to Chile have increased by 484 percent – from $2.6 billion to $15.0 billion – since the FTA with Chile took effect in 2004.
- U.S. exports to Singapore of medical equipment and supplies have increased from $170 million to nearly $1.2 billion since the FTA with Singapore went into effect in 2004.
- Honduras bought 52 percent of U.S. exports of fibers, yarns and threads in 2019.
- In 2019, $204 billion of U.S. services exports, or 24 percent, went to FTA partners.
- U.S. exports to Singapore of R&D and testing services have increased from $190 million to $7.0 billion, or by over 35 times, since 2006 (earliest year available).

By the Numbers

32%

Increase in American Goods Exports
to FTA Partners Between 2010 and 2019

Per Capita Purchases of American Goods, 2019



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

In 2019, FTA partners purchased 12.9 times more goods per capita from the United States than non-FTA partners.

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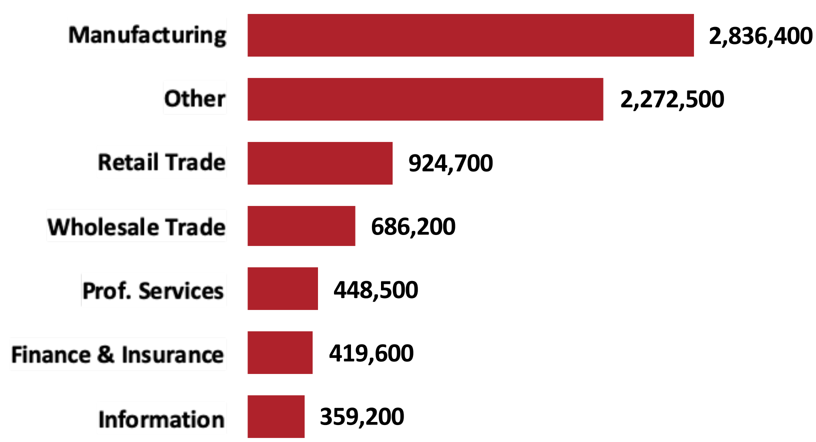
FOREIGN INVESTMENT IN THE UNITED STATES CREATES JOBS

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 7.9 million workers in the United States, including 2.8 million workers – or 1 out of every 6 – in the manufacturing sector. Employment at U.S. subsidiaries included:

- 1.3 million workers employed by companies based in the United Kingdom;
- 973,800 workers employed by companies based in Japan;
- 871,300 workers employed by companies based in Canada;
- 859,900 workers employed by companies based in Germany;
- 765,100 workers employed by companies based in France.

Foreign-Owned Companies Employed 7.9 Million American Workers Across Many Industries, 2019



Selected Foreign-Owned Companies Employing Workers in the United States

Company	Industry	Country
ABB Inc.	Electrical Equipment Manufacturing	Switzerland
BAE Systems	Aerospace Manufacturing	United Kingdom
Gerdau Ameristeel	Steel Manufacturing	Brazil
Infosys Technology Ltd.	IT/Business Services	India
KPMG LLP	Consulting Services	Netherlands
Siemens	Electrical Equipment Manufacturing	Germany
Toyota Motor Manufacturing	Automotive Manufacturing	Japan
UBS Financial Services	Financial Services	Switzerland

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DATA SOURCES

U.S. JOBS DEPEND ON TWO-WAY TRADE

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

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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)

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Exporting Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2018 – 2019" (https://www.census.gov/foreign-trade/Press-Release/edb/2019/)

U.S. COMPANIES EXPORT THROUGHOUT THE WORLD

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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)

U.S. COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

Importing Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2018 – 2019" (https://www.census.gov/foreign-trade/Press-Release/edb/2019/)

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/)

THE UNITED STATES NEEDS TRADE AGREEMENTS TO GROW

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

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

FOREIGN INVESTMENT IN THE UNITED STATES 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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