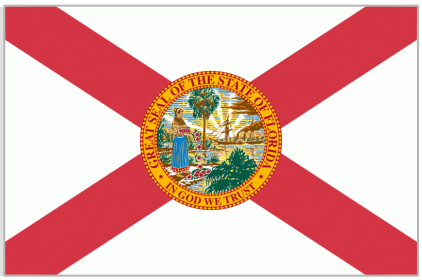
Business Roundtable

How Florida's Economy Benefits from International 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 Florida 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 Florida.

Why is International Trade & Investment Important to Florida?

- **International trade, including exports and imports, supports 2,190,000 Florida jobs – nearly one in five**. These trade-related jobs grew 2.7 times faster than total employment from 1992 to 2016 and are at large and small companies, on farms, in factories, and at the headquarters of Florida's globally engaged firms. *(See Florida Jobs Depend On Two-Way Trade)*

- **Florida exported $50.4 billion in goods and $42.6 billion in services in 2016**, including aerospace products & parts, communications equipment, computer equipment and travel services. Of Florida's 59,617 exporters, 95 percent are small- and medium-sized companies with less than 500 workers. (*See Florida Businesses Grow With Exports)*

- **Customers in 231 countries and territories buy Florida-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and Brazil. Florida's goods exports have grown more than two times faster than state GDP since 2006. *(See Florida Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Florida to partner countries.** In 2016, $20 billion of Florida's goods exports, or 40 percent, went to FTA partners. This represents an increase of 42 percent since 2006. *(See Florida Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 327,200 workers in Florida.** *(See Foreign Investment In Florida Creates Jobs)*

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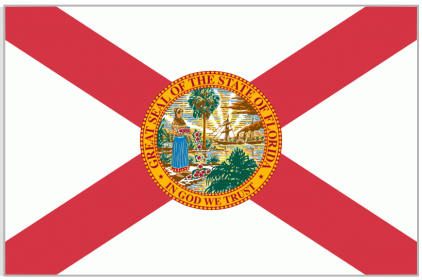
Florida Jobs Depend on Two-Way Trade



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 Creates & Supports Jobs in Florida

- Export growth increases jobs by generating new business for Florida's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Florida businesses compete and saving Florida families real dollars at the cash register.
- Nearly one in five Florida jobs depends upon international trade.
- Florida's trade-related employment grew 2.7 times faster than total employment from 1992 to 2016.
- 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.

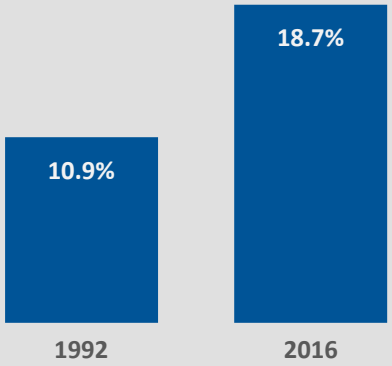
By the Numbers

2,190,000

Number of Jobs in Florida Supported by Trade

Share of Jobs Tied to Trade

Increased 72 percent from 1992 to 2016



Jobs Tied to Trade

Top Sectors, 2016

Trade & Distribution	511,900
Professional, Scientific, Tech. Services	427,300
Personal & Recreational Services	271,700
Finance, Insurance	121,000
Transportation & Warehousing	72,400

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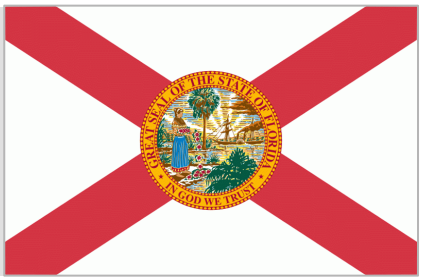
Florida Businesses Grow with Exports



Overview

Florida exported an estimated $50.4 billion in goods and $42.6 billion in services in 2016. Between 2006 and 2016, Florida goods exports have increased by 34 percent and services exports by 75 percent. Large companies now account for 41 percent of the value of Florida'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 Florida Exports

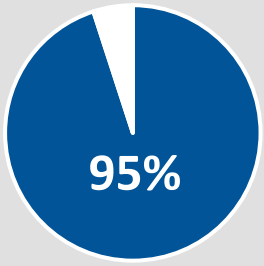
- Florida ranks among the top 5 state exporters in 37 industries, including first in pesticides & fertilizers ($1.8 billion), first in ships & boats ($579 million), second in vegetables & melons ($340 million), and second in greenhouse & nursery products ($91 million).
- Florida is America's 19th largest exporter of agricultural products. It is the second largest exporter of vegetables & melons, the second largest exporter of greenhouse & nursery products, the third largest exporter of fruits & tree nuts , and the 10th largest exporter of miscellaneous crops.
- One of Florida's fastest growing export categories is beverages, which have increased by 11 percent per year since 2006. In 2016, exports of these products reached $328 million.

By the Numbers

59,617

Number of Florida Businesses that Exported in 2015

Share of Florida Exporters that are Small- & Medium-Sized Businesses



Top Florida Exports, 2016

Goods

Aerospace Products & Parts	$6.0 billion
Communications Equipment	$4.4 billion
Computer Equipment	$3.1 billion
Navigational & Meas. Instruments	$2.1 billion
Nonferrous Metal Products	$2.0 billion

Services

Travel	$15 billion
Ocean Freight & Port Services	$4.6 billion
Passenger Fares	$3.9 billion

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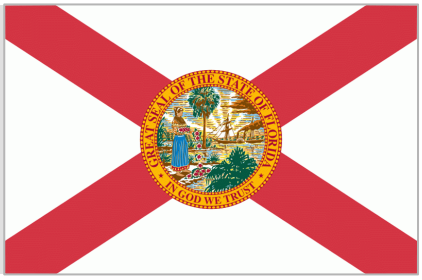
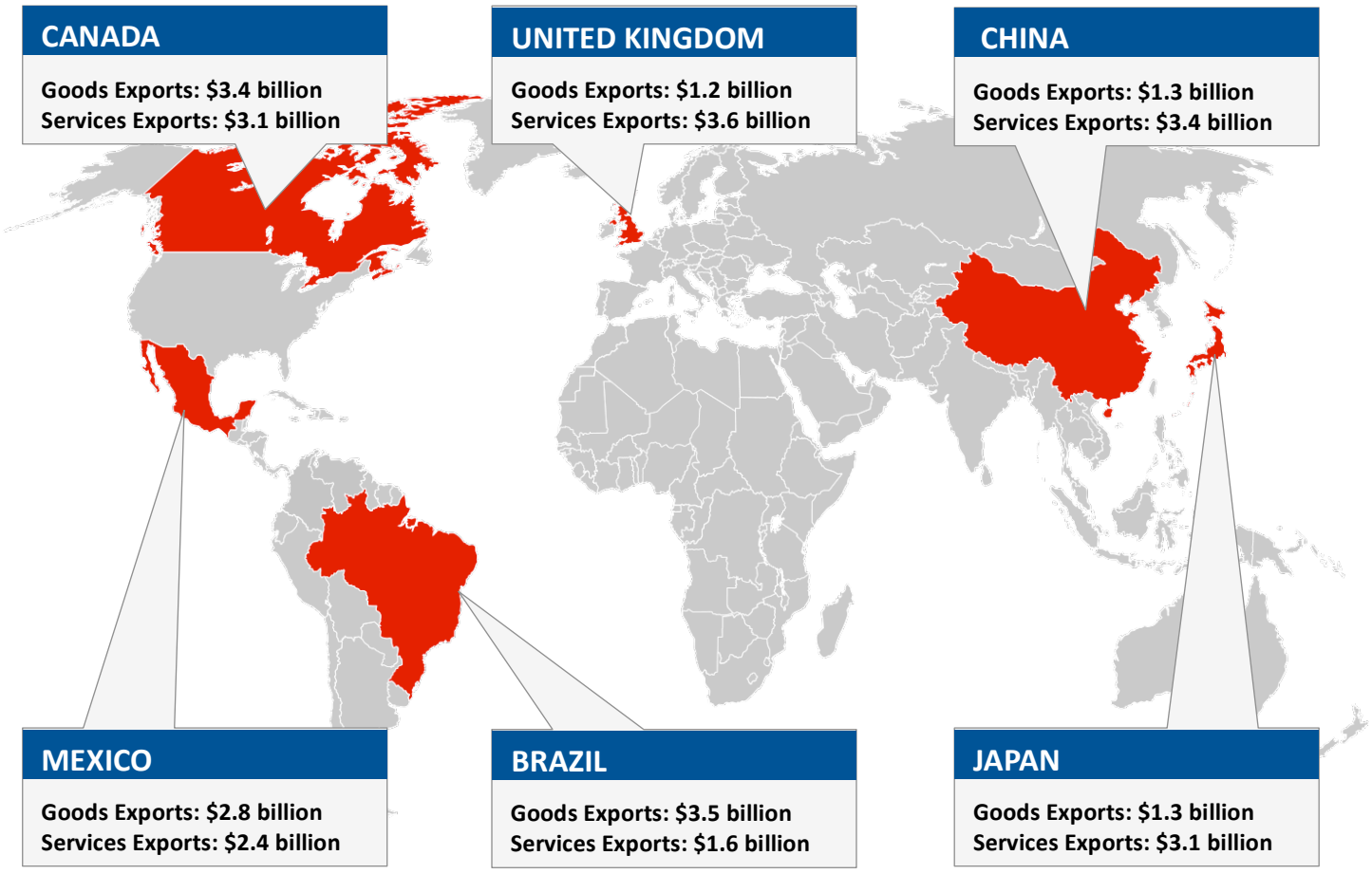
Florida Companies Export throughout the World



In 2016, Florida companies sold their products in 231 countries and territories.

Top export markets include:



Fast Facts: How Exports Help the Florida Economy Grow

- Goods and services exports accounted for 10.0 percent of Florida's state GDP in 2016.
- Florida's exports have grown more than two times faster than state GDP since 2006. The average annual export growth during this period was 4.6 percent, while the average annual state GDP growth was 2.2 percent.
- Florida's top export markets for goods are Canada, Brazil, and Mexico. Its top market for services is the United Kingdom.
- Florida's goods exports to Vietnam have grown by 30 percent per year since 2006, while Florida's services exports to Argentina have grown by 16 percent per year.

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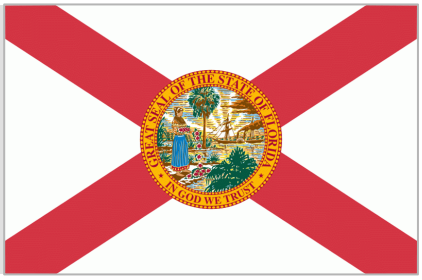
Florida Companies & Workers Use Imports to Make Products and Compete in International Markets



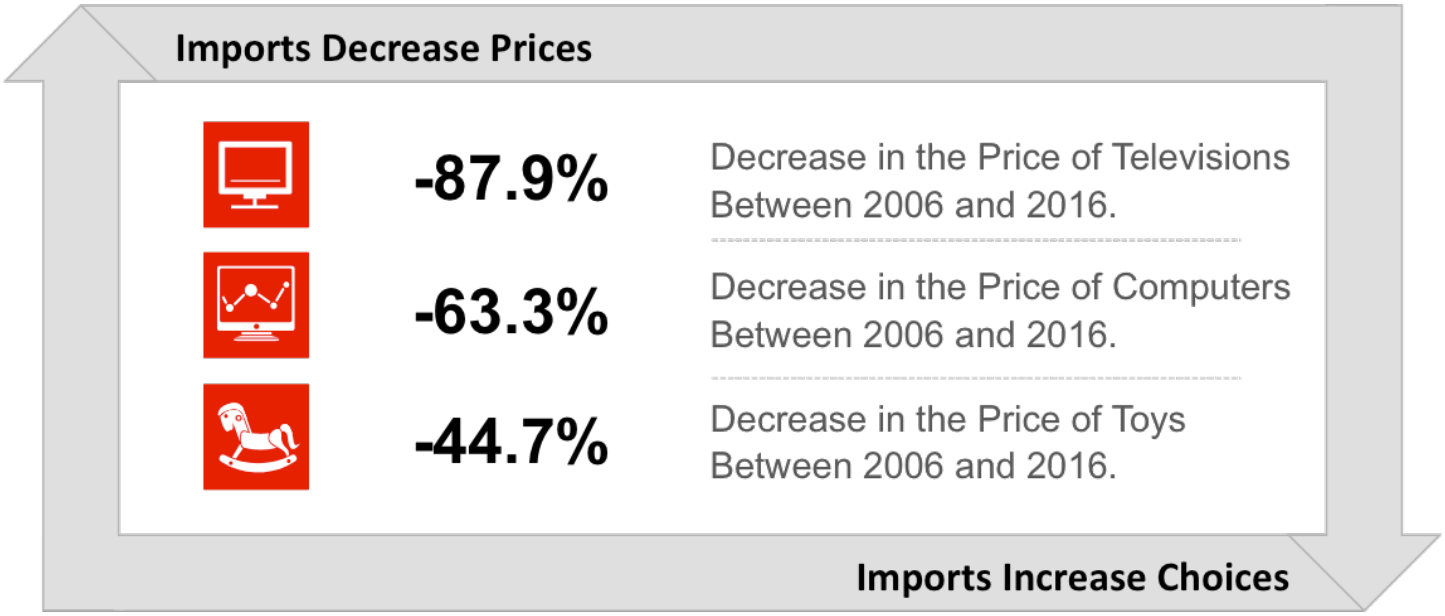
Overview

In 2016, 56 percent ($1.2 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 Florida.

- Services, especially transportation from Florida's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2015, 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 Florida family of four more than $10,000 per year.
- Imports help keep prices down for Florida families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2015, about 197,000 U.S. companies (including 24,975 in Florida) imported products…

And roughly three-quarters of U.S. importers were very small businesses with less than 20 employees.



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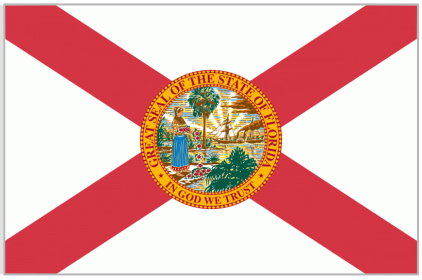
Florida Needs Trade Agreements to Grow



Overview

The United States has some of the lowest trade barriers in the world. Overall U.S. 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. Florida has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

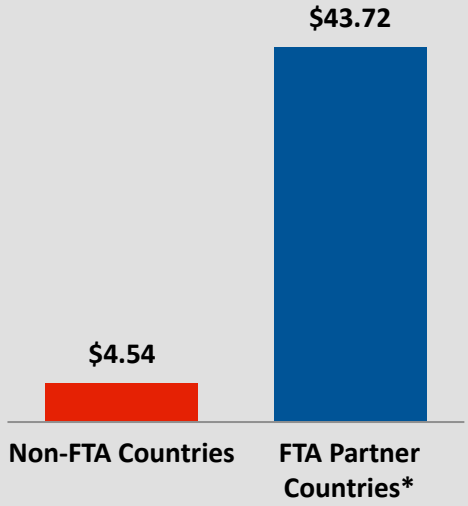
- In 2016, $20 billion of Florida's goods exports, or 40 percent, went to FTA partners.
- Since 2006, Florida's goods exports to countries with FTAs in effect with the United States in 2016 have increased by 42 percent.
- Florida's exports to Canada and Mexico have increased by $4.0 billion (184 percent) since NAFTA went into effect in 1994.
- Florida's exports to Nicaragua have increased by 130 percent since the FTA with Nicaragua took effect in 2006.
- Florida's exports to Peru of aerospace products & parts have increased from $24 million to $135 million since the FTA with Peru went into effect in 2009.
- DR-CAFTA countries bought 24 percent of Florida's exports of meat products in 2016.
- In 2016, $11 billion of Florida's services exports, or 26 percent, went to FTA partners.
- Florida's exports to Singapore of management & consulting services have increased from $21 million to $197 million, or by over 851 percent, since 2006 (earliest year available).

By the Numbers

42%

Increase in Florida Goods Exports to FTA Partners Between 2006 and 2016

Per Capita Purchases of Florida Goods, 2016



** U.S. FTAs in effect with countries in 2016.*

In 2016, FTA partners purchased 9.6 times more goods per capita from Florida than non-FTA partners.

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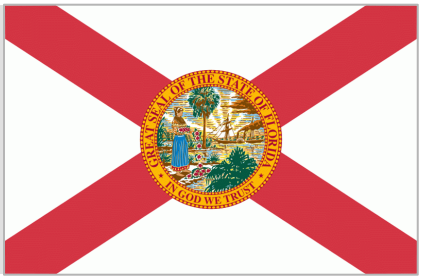
Foreign Investment in Florida Creates Jobs

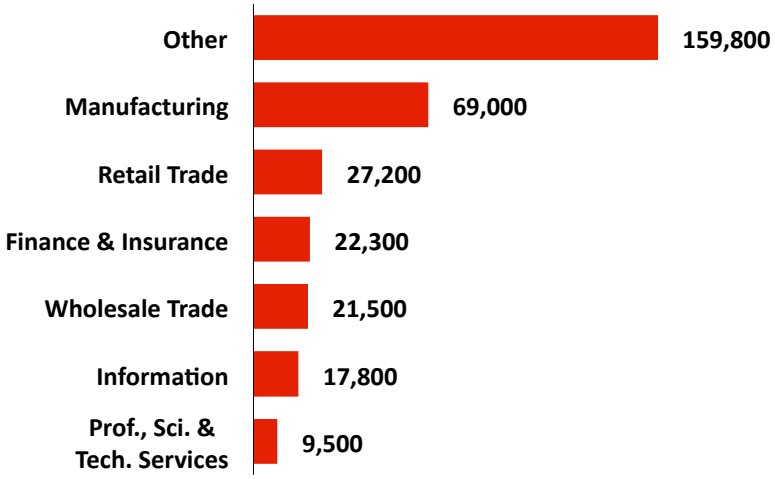


Overview

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

- 61,000 workers employed by companies based in the United Kingdom;
- 38,600 workers employed by companies based in Canada;
- 29,000 workers employed by companies based in France;
- 28,800 workers employed by companies based in Germany;
- 22,000 workers employed by companies based in Japan.

Foreign-Owned Companies Employed 327,200 Florida Workers Across Many Industries, 2015



Selected Foreign-Owned Companies Employing Workers in Florida

Company	Industry	Country
Amadeus Americas Inc.	Travel Services	Spain
Bombardier Aerospace	Aerospace Manufacturing	Canada
Cemex	Construction Materials Manufacturing	Mexico
HSA Engineers and Scientists	Engineering Services	Canada
KPMG LLP	Consulting Services	Netherlands
Mitsubishi Electric	Electrical Equipment Manufacturing	Japan
Saint-Gobain	Plastics Manufacturing	France
Siemens	Electrical Equipment Manufacturing	Germany
Skanska USA	Architecture & Design Services	Sweden
Swissport USA	Cargo Services	Switzerland
Veolia Environmental Services	Waste Management Services	France
Wipro Gallagher Solutions	IT Services	India

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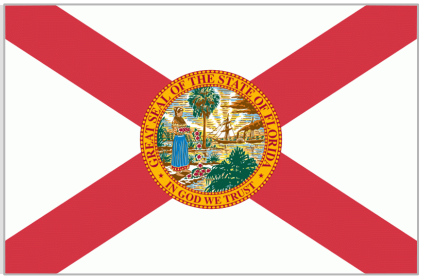
Data Sources



FLORIDA JOBS DEPEND ON TWO-WAY TRADE

Jobs-Tied-to-Trade: Baughman and Francois, "Terminating NAFTA: The National and State-by-State Impacts on Jobs, Exports and Output" (2018) (http://businessroundtable.org/media/news-releases/new-study-withdrawal-nafta-would-jeopardize-american-jobs-and-hurt-u.s.-economy)

Exporting Firm Wages: Riker, "Export-Intensive Industries Pay More on Average: An Update" (2015) (https://www.usitc.gov/publications/332/ec201504a.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)

FLORIDA BUSINESSES GROW WITH EXPORTS

Small and Large Firms Partnering to Export (for 2007, 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, 2014 – 2015" (https://www.census.gov/foreign-trade/Press-Release/edb/2015/)

FLORIDA 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)

FLORIDA COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS

Importing Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2014 – 2015" (https://www.census.gov/foreign-trade/Press-Release/edb/2015/)

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/)

FLORIDA NEEDS TRADE AGREEMENTS TO GROW

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

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

FOREIGN INVESTMENT IN FLORIDA 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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