How Louisiana'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 Louisiana 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 Louisiana.

Why is International Trade & Investment Important to Louisiana?

- **International trade, including exports and imports, supports 539,002 Louisiana jobs – more than 1 in 5.** These trade-related jobs grew 2.5 times faster than total employment from 2004 to 2013 and are at large and small companies, on farms, in factories, and at the headquarters of Louisiana's globally engaged firms. *(See Louisiana Jobs Depend On Two-Way Trade)*

- **Louisiana exported $48.0 billion in goods and $9.8 billion in services in 2013,** including basic chemicals, grain & oilseed milling products, resins & synthetic fibers and travel services. Of Louisiana's 4,000 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See Louisiana Businesses Grow With Exports)*

- **Customers in 196 countries buy Louisiana-made goods and services,** including billions of dollars in annual exports to top markets like Mexico, Canada and Singapore. Louisiana's goods exports have grown nearly four times faster than state GDP since 2003. *(See Louisiana Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Louisiana to partner countries.** In 2013, $19.9 billion of Louisiana's goods exports, or 42 percent, went to FTA partners. This represents a 418 percent increase since 2003. *(See Louisiana Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 58,300 workers in Louisiana.** *(See Foreign Investment In Louisiana Creates Jobs)*
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 Louisiana

- Export growth increases jobs by generating new business for Louisiana's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Louisiana businesses compete and saving Louisiana families real dollars at the cash register.

- More than one in five Louisiana jobs depend upon international trade.

- Louisiana's trade-related employment grew 2.5 times faster than total employment from 2004 to 2013.

- 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.

- 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

539,002
Number of Jobs in Louisiana Supported by Trade

Share of Jobs Tied to Trade
Increased 88% from 1992 to 2013

Jobs Tied to Trade
Top Sectors, 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>62,900</td>
</tr>
<tr>
<td>Management, Administrative Services</td>
<td>39,200</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>31,100</td>
</tr>
<tr>
<td>Professional, Scientific, Tech Services</td>
<td>30,000</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>23,100</td>
</tr>
</tbody>
</table>

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
Overview

Louisiana exported an estimated $48.0 billion in goods and $9.8 billion in services in 2013. Between 2009 and 2013, Louisiana goods exports have increased by 146 percent and services exports by 38 percent. Large companies now account for 65 percent of the value of Louisiana’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 Louisiana Exports

- Louisiana ranks among the top 5 state exporters in 12 industries, including first in grain & oilseed milling products ($3.9 billion) and farmed fish ($43 million), and second in petroleum & coal products ($25.5 billion) and basic chemicals ($4.5 billion).

- Louisiana is America’s 27th largest exporter of agricultural products. It is the top exporter of farmed fish and ranks among the top 15 exporters of rice, misc. grains, and cotton.

- One of Louisiana's fastest growing export categories is misc. fabricated metal products, which have increased by 26 percent per year since 2003. In 2013, exports of these products reached $362 million.

By the Numbers

4,000
Number of Louisiana Businesses that Exported in 2012

85%
Share of Louisiana Exporters that are Small- & Medium-Sized Businesses

Top Louisiana Exports, 2013

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum &amp; Coal Products</td>
<td>$25.5 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$4.5 billion</td>
</tr>
<tr>
<td>Grain &amp; Oilseed Milling Products</td>
<td>$3.9 billion</td>
</tr>
<tr>
<td>Resins &amp; Synthetic Fibers</td>
<td>$3.4 billion</td>
</tr>
<tr>
<td>Ag &amp; Construction Machinery</td>
<td>$1.9 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>Ocean Freight &amp; Port Services</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>Industrial Processes Royalties</td>
<td>$1.5 billion</td>
</tr>
</tbody>
</table>
Louisiana Companies Export throughout the World

In 2013, Louisiana companies sold their products in 196 international markets.
Top export markets include:

- **CANADA**
  - Goods Exports: $3.1 billion
  - Services Exports: $830 million

- **NETHERLANDS**
  - Goods Exports: $2.7 billion
  - Services Exports: $234 million

- **FRANCE**
  - Goods Exports: $2.4 billion
  - Services Exports: $338 million

- **MEXICO**
  - Goods Exports: $5.0 billion
  - Services Exports: $457 million

- **BRAZIL**
  - Goods Exports: $2.6 billion
  - Services Exports: $266 million

- **SINGAPORE**
  - Goods Exports: $2.8 billion
  - Services Exports: $159 million

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

- Goods exports accounted for 18.9 percent of Louisiana’s state GDP in 2013.
- Louisiana’s goods exports have grown nearly four times faster than state GDP since 2003. The average annual export growth during this period was 19.7 percent, while the average annual state GDP growth was 5.0 percent.
- Louisiana’s top export markets for goods are Mexico, Canada, and Singapore. Its top market for services is Canada.
- Among major export markets for Louisiana’s goods, France has grown the fastest at 39 percent per year since 2003. Exports to Colombia grew by 38 percent per year, while export to Brazil grew by 33 percent per year.

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Overview

In 2013, 60 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 Louisiana.

- Services, especially transportation from Louisiana's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2012, 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 Louisiana family of four more than $10,000 per year.
- Imports help keep prices down for Louisiana families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2012, nearly 186,000 U.S. companies (including 3,121 in Louisiana) imported products...

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

Imports Decrease Prices for Goods & Services

- **-86.9%** Decrease in the Price of Televisions Between 2003 and 2013.
- **-71.2%** Decrease in the Price of Computers Between 2003 and 2013.
- **-41.9%** Decrease in the Price of Toys Between 2003 and 2013.

Imports Increase Choices for Goods & Services

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Overview

The United States has some of the lowest trade barriers in the world. Overall U.S. trade with our 20 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. Louisiana has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2013, $19.9 billion of Louisiana's goods exports, or 42 percent, went to FTA partners.
- Since 2003 Louisiana's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 418 percent.
- Louisiana’s exports to Canada and Mexico have increased by $7.3 billion (848 percent) since NAFTA went into effect in 1994.
- Louisiana’s exports to Singapore have increased by 1,177 percent since the FTA with Singapore took effect in 2004.
- Louisiana's exports to Panama of nonferrous metals have jumped from just $264,000 to $281 million since the FTA with Panama went into effect in 2012.
- Canada and Mexico combined to buy 83 percent of Louisiana's exports of electric equipment & parts in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $22.6 billion, or 47 percent, of Louisiana's goods exports in 2013.

By the Numbers

**418%**

Increase in Louisiana Goods Exports to FTA Partners Between 2003 and 2013

<table>
<thead>
<tr>
<th>Per Capita Purchases of U.S Goods, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-FTA Countries</td>
</tr>
<tr>
<td>$4.41</td>
</tr>
<tr>
<td>FTA Partner Countries*</td>
</tr>
<tr>
<td>$45.27</td>
</tr>
</tbody>
</table>

In 2013, FTA partners purchased 10.3 times more goods per capita from Louisiana than non-FTA partners.

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Foreign Investment in Louisiana Creates Jobs

Overview

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

- 16,300 workers employed by companies based in the United Kingdom;
- 6,700 workers employed by companies based in France;
- 6,300 workers employed by companies based in Canada;
- 5,300 workers employed by companies based in Germany;
- 4,700 workers employed by companies based in Switzerland.

Foreign-Owned Companies Employ 58,300 Louisiana Workers Across Many Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>26,100</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>19,300</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>5,500</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3,900</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>2,600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>500</td>
</tr>
<tr>
<td>Information</td>
<td>400</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in Louisiana

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Power Distribution Equipment Mfg.</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Cemex</td>
<td>Cement Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>FCC Environmental</td>
<td>Environmental Services</td>
<td>Spain</td>
</tr>
<tr>
<td>Hunting Energy Services</td>
<td>Oilfield Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Novus Glass</td>
<td>Automotive Parts Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Rexel Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Schindler Elevator Corp.</td>
<td>Elevator Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Southern Recycling, LLC</td>
<td>Recycling Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Sparrows Offshore LLC</td>
<td>Oilfield Services</td>
<td>Scotland</td>
</tr>
<tr>
<td>V &amp; M Tube-Alloy</td>
<td>Steel Product Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Veolia Environmental Services</td>
<td>Environmental Services</td>
<td>France</td>
</tr>
</tbody>
</table>

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Data Sources

LOUISIANA JOBS DEPEND ON TWO-WAY TRADE


LOUISIANA BUSINESSES GROW WITH EXPORTS


LOUISIANA COMPANIES EXPORT THROUGHOUT THE WORLD


LOUISIANA COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS


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


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

LOUISIANA NEEDS TRADE AGREEMENTS TO GROW


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


FOREIGN INVESTMENT IN LOUISIANA 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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