Business Roundtable

How Georgia'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 Georgia 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 Georgia.

Why is International Trade & Investment Important to Georgia?

- **International trade, including exports and imports, supports 1.2 million Georgia jobs – more than 1 in 5**. These trade-related jobs grew 4.5 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 Georgia's globally engaged firms. *(See Georgia Jobs Depend On Two-Way Trade)*

- **Georgia exported $37.4 billion in goods and $21.0 billion in services in 2013**, including aerospace products & parts, pulp & paperboard products, motor vehicles and travel services. Of Georgia's 14,869 exporters, 89 percent are small- and medium-sized companies with less than 500 workers. (*See Georgia Businesses Grow With Exports)*

- **Customers in 219 countries buy Georgia-made goods and services,** including billions of dollars in annual exports to top markets like Canada, China and Mexico. Georgia's goods exports have grown three times faster than state GDP since 2003. *(See Georgia Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Georgia to partner countries.** In 2013, $14.2 billion of Georgia's goods exports, or 38 percent, went to FTA partners. This represents a 102 percent increase since 2003. *(See Georgia Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 196,300 workers in Georgia.** *(See Foreign Investment In Georgia Creates Jobs)*

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Georgia 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 Georgia

- Export growth increases jobs by generating new business for Georgia's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Georgia businesses compete and saving Georgia families real dollars at the cash register.
- More than one in five Georgia jobs depend upon international trade.
- Georgia's trade-related employment grew 4.5 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.

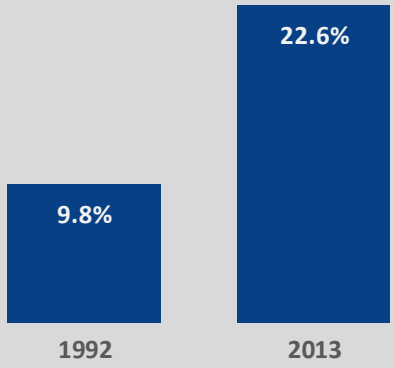
By the Numbers

1.2 million

Number of Jobs in Georgia Supported by Trade

Share of Jobs Tied to Trade

Increased 130% from 1992 to 2013



Jobs Tied to Trade
Top Sectors, 2013

Retail	129,300
Management, Administrative Services	108,500
Professional, Scientific, Tech Services	79,100
Finance, Insurance	56,500
Transportation & Warehousing	53,800

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Georgia Businesses Grow with Exports

Overview

Georgia exported an estimated $37.4 billion in goods and $21.0 billion in services in 2013. Between 2009 and 2013, Georgia goods exports have increased by 59 percent and services exports by 41 percent. Large companies now account for 67 percent of the value of Georgia'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 Georgia Exports

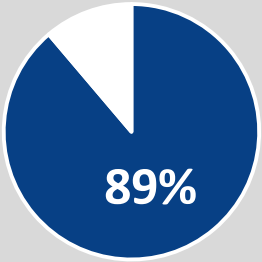
- Georgia ranks among the top 5 state exporters in 14 industries, including first in pulp & paperboard ($3.3 billion), textile furnishings ($598 million), nonmetallic minerals ($593 million), and poultry ($91 million).
- Georgia is America's 15th largest exporter of agricultural products. It is the top exporter of peanuts and poultry and ranks among the top 5 exporters of cotton, tree nuts, and vegetables and melons.
- One of Georgia's fastest growing export categories is grain & oilseed milling products, which have increased by 29 percent per year since 2003. In 2013, exports of these products reached $625 million.

By the Numbers

14,869

Number of Georgia Businesses that Exported in 2012

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



Top Georgia Exports, 2013

Goods

Aerospace Products & Parts	$6.8 billion
Pulp, Paper & Paperboard	$3.3 billion
Motor Vehicles	$2.1 billion
Engines & Turbines	$1.9 billion
Meat Products	$1.4 billion

Services

Travel	$4.0 billion
Passenger Fares	$3.7 billion
Computer Software	$2.2 billion

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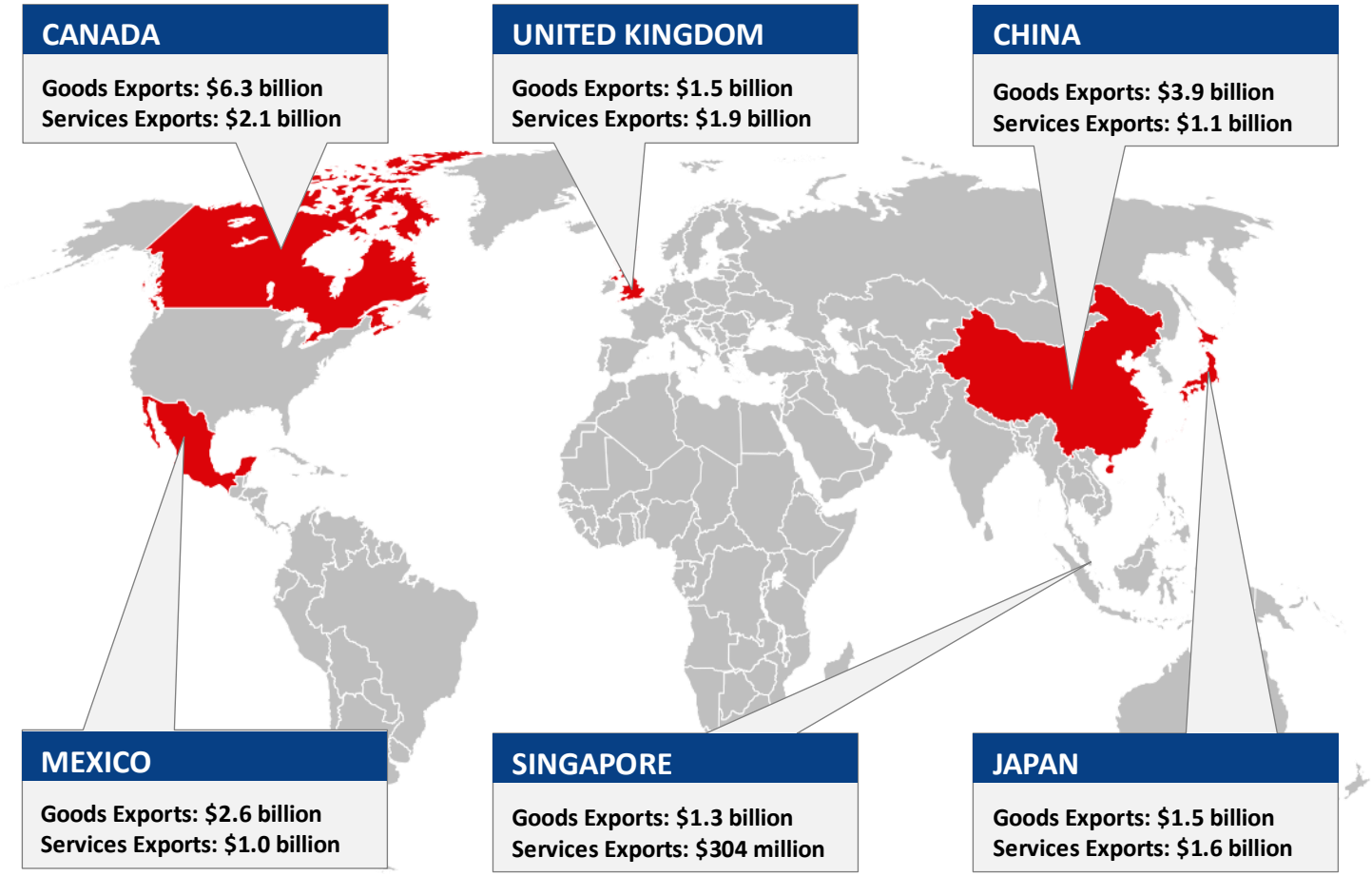
Georgia Companies Export throughout the World

In 2013, Georgia companies sold their products in 219 international markets.

Top export markets include:



Fast Facts: How Exports Help the Georgia Economy Grow

- Goods exports accounted for 8.2 percent of Georgia's state GDP in 2013.
- Georgia's goods exports have grown three times faster than state GDP since 2003. The average annual export growth during this period was 9.3 percent, while the average annual state GDP growth was 3.1 percent.
- Georgia's top export markets for goods are Canada, China, and Mexico. Its top market for services is Canada.
- Among major export markets for Georgia's goods, Poland has grown the fastest at 39 percent per year since 2003. Exports to the United Arab Emirates grew by 26 percent per year, while exports to China grew by 20 percent per year.

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

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 Georgia.

- Services, especially transportation from Georgia'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 Georgia family of four more than $10,000 per year.
- Imports help keep prices down for Georgia 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 10,070 in Georgia) 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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Georgia 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 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. Georgia has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

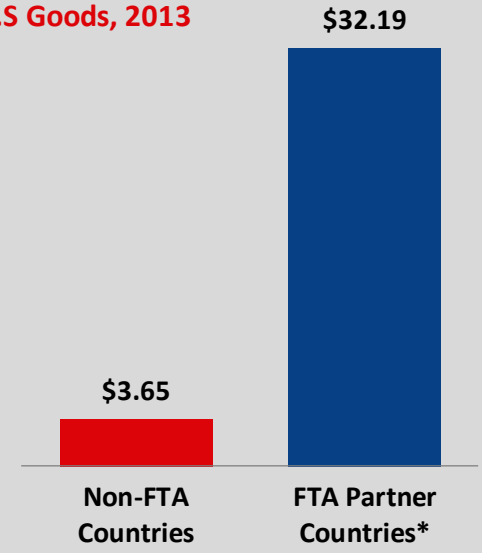
- In 2013, $14.2 billion of Georgia's goods exports, or 38 percent, went to FTA partners.
- Since 2003 Georgia's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 102 percent.
- Georgia's exports to Canada and Mexico have increased by $7.0 billion (368 percent) since NAFTA went into effect in 1994.
- Georgia's exports to Chile have increased by 266 percent since the FTA with Chile took effect in 2004.
- Georgia's exports to Colombia of meat products have nearly doubled in the two years since the FTA with Colombia went into effect.
- Canada and Mexico combined to buy 72 percent of Georgia's exports of audio & video equipment in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $20.9 billion, or 56 percent, of Georgia's goods exports in 2013.

By the Numbers

102%

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

Per Capita Purchases of U.S Goods, 2013



** U.S. FTAs in effect with countries in 2013.*

In 2013, FTA partners purchased 8.8 times more goods per capita from Georgia than non-FTA partners.

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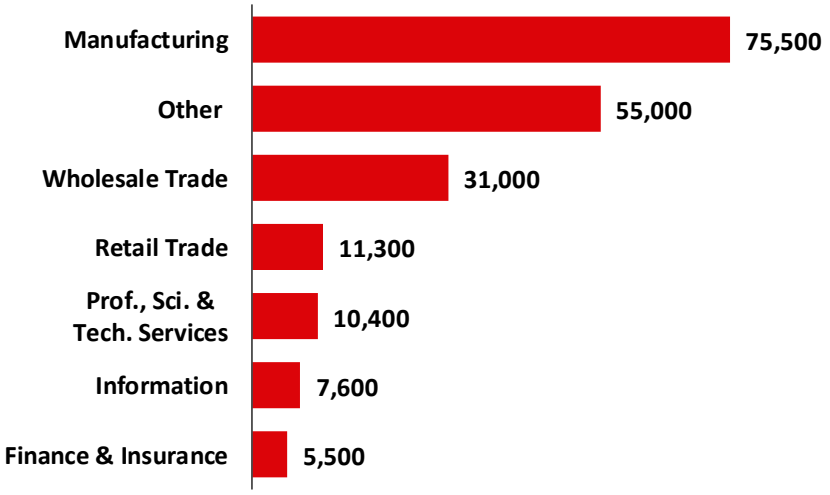
Foreign Investment in Georgia Creates Jobs

Overview

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

- 26,800 workers employed by companies based in Japan;
- 24,200 workers employed by companies based in the United Kingdom;
- 22,900 workers employed by companies based in Germany;
- 18,300 workers employed by companies based in the Netherlands;
- 17,200 workers employed by companies based in Canada.

Foreign-Owned Companies Employ 196,300 Georgia Workers Across Many Industries



Selected Foreign-Owned Companies Employing Workers in Georgia

Company	Industry	Country
ANDRITZ	Industrial Equipment Manufacturing	Austria
Bekaert Corporation	Steel Manufacturing	Belgium
Bimbo Bakeries	Food Manufacturing	Mexico
ERM Group	Environmental Consulting Services	United Kingdom
Imerys USA	Mineral Mining	France
Kia Motors Manufacturing	Motor Vehicle Manufacturing	Korea
Kubota Industrial Equipment	Heavy Machinery Manufacturing	Japan
NSG Pilkington North America	Automotive Parts Manufacturing	Japan
SAP America	Business Software Development	Germany
Skanska USA	Architecture & Design Services	Sweden
Tescom USA	Software and Services	Israel
WEG Electric	Electrical Equipment Manufacturing	Brazil

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Data Sources

GEORGIA JOBS DEPEND ON TWO-WAY TRADE

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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)

GEORGIA BUSINESSES GROW WITH EXPORTS

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

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GEORGIA COMPANIES EXPORT THROUGHOUT THE WORLD

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GEORGIA COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS

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

GEORGIA NEEDS TRADE AGREEMENTS TO GROW

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

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

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FOREIGN INVESTMENT IN GEORGIA CREATES JOBS

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

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