



How Mississippi'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 Mississippi 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 Mississippi.

Why is International Trade & Investment Important to Mississippi?

- **International trade, including exports and imports, supports 335,058 Mississippi jobs – more than 1 in 5.** These trade-related jobs grew 6.3 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 Mississippi's globally engaged firms. *(See Mississippi Jobs Depend On Two-Way Trade)*
- **Mississippi exported \$13.2 billion in goods and \$2.2 billion in services in 2013,** including basic chemicals, oilseeds & grains, motor vehicles and travel services. Of Mississippi's 2,031 exporters, 76 percent are small- and medium-sized companies with less than 500 workers. *(See Mississippi Businesses Grow With Exports)*
- **Customers in 193 countries buy Mississippi-made goods and services,** including billions of dollars in annual exports to markets like Panama, Canada and Mexico. Mississippi's goods exports have grown nearly five times faster than state GDP since 2003. *(See Mississippi Companies Export Throughout The World)*
- **Imports lower prices and increase choices for Mississippi companies and families.** Lower raw material and input costs help Mississippi 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 Mississippi Companies And Workers Use Imports To Compete)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Mississippi to partner countries.** In 2013, \$7.9 billion of Mississippi's goods exports, or 60 percent, went to FTA partners. This represents a 469 percent increase since 2003. *(See Mississippi Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 34,100 workers in Mississippi.** *(See Foreign Investment In Mississippi Creates Jobs)*



Mississippi 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 Mississippi

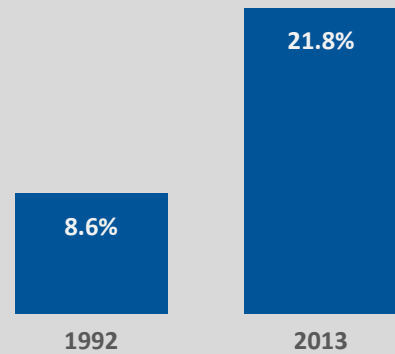
- Export growth increases jobs by generating new business for Mississippi's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Mississippi businesses compete and saving Mississippi families real dollars at the cash register.
- More than one in five Mississippi jobs depend upon international trade.
- Mississippi's trade-related employment grew 6.3 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

335,058

Number of Jobs in Mississippi Supported by Trade

Share of Jobs Tied to Trade Increased 154% from 1992 to 2013



Jobs Tied to Trade Top Sectors, 2013

Retail	38,400
Manufacturing	22,900
Management, Administrative Services	22,500
Transportation & Warehousing	12,900
Finance, Insurance	12,300



Mississippi Businesses Grow with Exports

Overview

Mississippi exported an estimated \$13.2 billion in goods and \$2.2 billion in services in 2013. Between 2009 and 2013, Mississippi goods exports have increased by 95 percent and services exports by 36 percent. Large companies now account for 84 percent of the value of Mississippi'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 Mississippi Exports

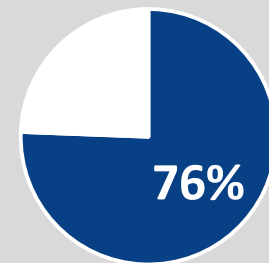
- Mississippi ranks among the top 15 state exporters in 10 industries, including second in farmed fish (\$29 million), fifth in misc. crops (\$482 million) and poultry (\$51 million), and sixth in petroleum & coal products (\$4.3 billion).
- Mississippi is America's 16th largest exporter of agricultural products. It is the second leading exporter of farmed fish and ranks among the top 10 exporters of cotton, poultry, rice, and peanuts.
- One of Mississippi's fastest growing export categories is electrical equipment, which have increased by 24 percent per year since 2003. In 2013, exports of these products reached \$146 million.

By the Numbers

2,031

Number of Mississippi Businesses that Exported in 2012

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



Top Mississippi Exports, 2013

Goods

Petroleum & Coal Products	\$4.3 billion
Basic Chemicals	\$1.1 billion
Oilseeds & Grains	\$885 million
Motor Vehicles	\$817 million
Pulp, Paper & Paperboard	\$765 million

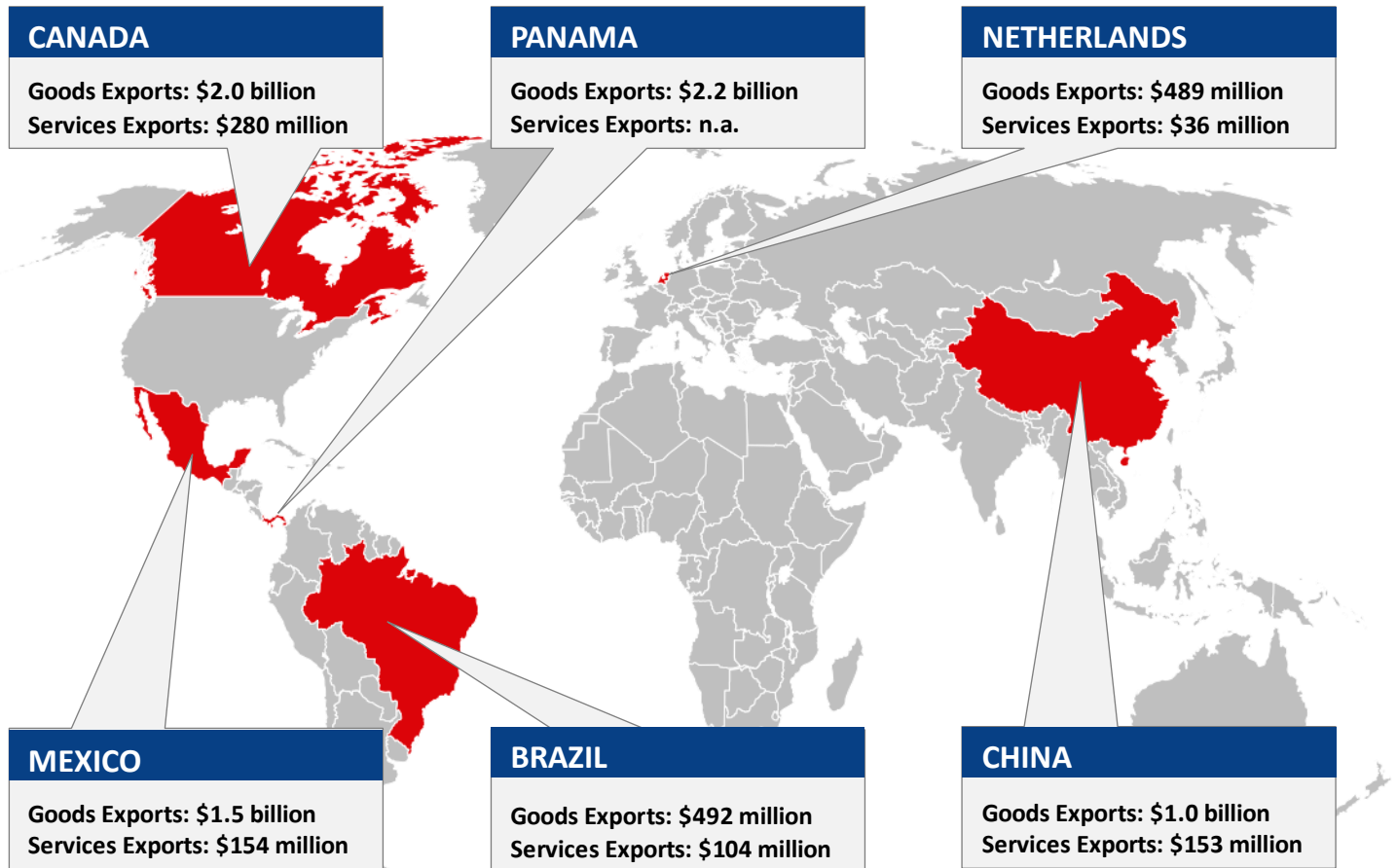
Services

Travel	\$1.2 billion
Equip. Maintenance & Repair	\$166 million
Industrial Processes Royalties	\$108 million



Mississippi Companies Export throughout the World

In 2013, Mississippi companies sold their products in 193 international markets.
 Top export markets include:



Fast Facts: How Exports Help the Mississippi Economy Grow

- Goods exports accounted for 12.6 percent of Mississippi's state GDP in 2013.
- Mississippi's goods exports have grown nearly five times faster than state GDP since 2003. The average annual export growth during this period was 16.8 percent, while the average annual state GDP growth was 3.6 percent.
- Mississippi's top export markets for goods are Panama, Canada, and Mexico. Its top market for services is Canada.
- Among major export markets for Mississippi's goods, Brazil has grown the fastest at 27 percent per year since 2003. Exports to Mexico grew by 21 percent per year, while exports to Canada grew by 15 percent per year.



Mississippi 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 Mississippi.

- Services, especially transportation from Mississippi'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 Mississippi family of four more than \$10,000 per year.
- Imports help keep prices down for Mississippi 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 1,658 in Mississippi) 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



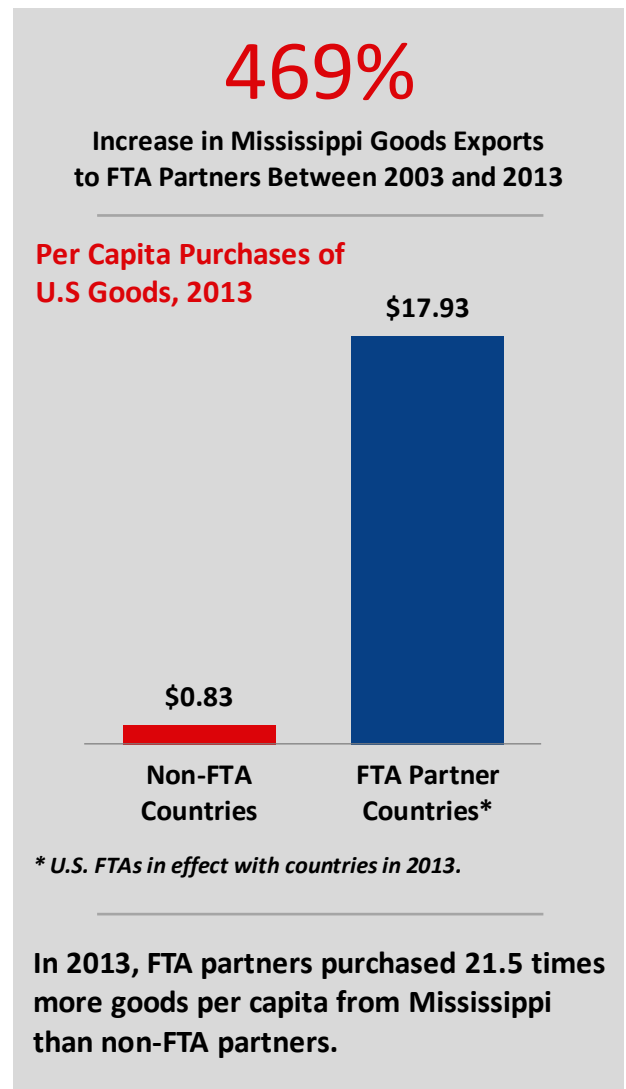
Mississippi Needs Trade Agreements to Grow

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. Mississippi has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2013, \$7.9 billion of Mississippi's goods exports, or 60 percent, went to FTA partners.
- Since 2003 Mississippi's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 469 percent.
- Mississippi's exports to Canada and Mexico have increased by \$3.1 billion (735 percent) since NAFTA went into effect in 1994.
- Mississippi's exports to Peru have increased by 790 percent since the FTA with Peru took effect in 2009.
- Mississippi's exports to Guatemala of pulp, paper and paperboard products have tripled since 2006 when the DR-CAFTA went into effect.
- Canada and Mexico combined to buy 83 percent of Mississippi's exports of iron, steel & ferroalloys in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased \$6.6 billion, or 50 percent, of Mississippi's goods exports in 2013.

By the Numbers





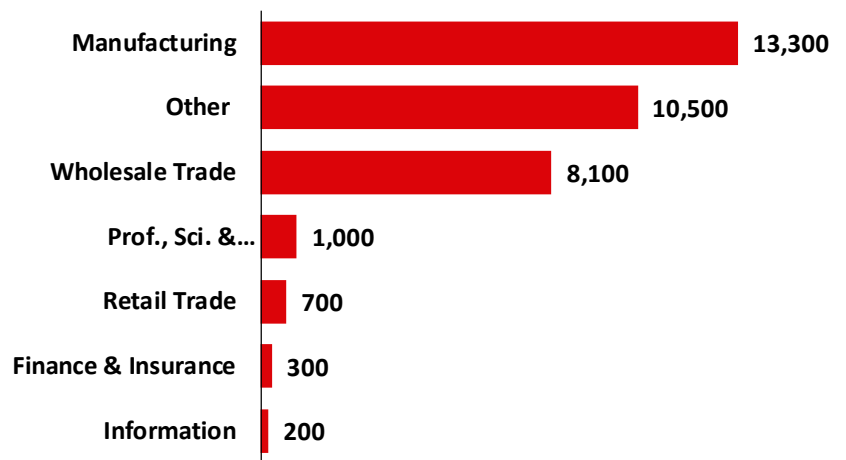
Foreign Investment in Mississippi Creates Jobs

Overview

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

- 7,600 workers employed by companies based in Japan;
- 5,900 workers employed by companies based in the United Kingdom;
- 3,300 workers employed by companies based in Germany;
- 3,000 workers employed by companies based in France;
- 2,900 workers employed by companies based in Canada.

Foreign-Owned Companies Employ 34,100 Mississippi Workers Across Many Industries



Selected Foreign-Owned Companies Employing Workers in Mississippi

Company	Industry	Country
Airbus Group	Aerospace Manufacturing	France
BAE Systems	Defense/Security/Aerospace Services	United Kingdom
EKO Peroxide	Chemical Manufacturing	Korea
Firestone Complete Auto Care Store	Retailing	Japan
Holiday Inn	Hotel Services	United Kingdom
Luvata Grenada LLC	Metal Manufacturing	United Kingdom
Qinetiq North America, Inc.	Research Services	United Kingdom
Rexel Inc.	Electronic Components Manufacturing	France
Securitas Security Services USA, Inc.	Security Services	Sweden
Siemens Energy & Automation	Electrical Equipment Manufacturing	Germany
Sims Metal Management	Metal Recycling Services	Australia
Toyota Motor Manufacturing	Motor Vehicle Manufacturing	Japan



Data Sources

MISSISSIPPI 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: 2014 Update” (2014) (<http://businessroundtable.org/resources/trade-and-american-jobs-2014-update>)

Exporting Firm Wages: Riker, “Do Jobs in Export Industries Still Pay More? And Why?” (2010) (http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_003208.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>)

MISSISSIPPI 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, 2011 – 2012” (<http://www.census.gov/foreign-trade/Press-Release/edb/2012>)

MISSISSIPPI 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>)

MISSISSIPPI COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS

Importing Company Information: Census, “A Profile of U.S. Importing and Exporting Companies, 2011 – 2012” (<http://www.census.gov/foreign-trade/Press-Release/edb/2012>)

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/>)

MISSISSIPPI NEEDS TRADE AGREEMENTS TO GROW

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

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

Jobs-Tied-to-FTAs: U.S. Chamber of Commerce, “Opening Markets, Creating Jobs: Estimated U.S. Employment Effects of Trade with FTA Partners” (2010) (http://tradepartnership.com/pdf_files/US%20Chamber%20-%20Opening%20Markets,%20Creating%20Jobs%20study.pdf)

FOREIGN INVESTMENT IN MISSISSIPPI 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>)