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 South Dakota 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 South Dakota.

Why is International Trade & Investment Important to South Dakota?

- **International trade, including exports and imports, supports 124,179 South Dakota jobs – more than 1 in 5.** These trade-related jobs grew 2.1 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 South Dakota's globally engaged firms. *(See South Dakota Jobs Depend On Two-Way Trade)*

- **South Dakota exported $3.7 billion in goods and $1.3 billion in services in 2013,** including oilseeds & grains, meat products, ag & construction machinery and credit-related services. Of South Dakota's 970 exporters, 75 percent are small- and medium-sized companies with less than 500 workers. *(See South Dakota Businesses Grow With Exports)*

- **Customers in 168 countries buy South Dakota-made goods and services,** including significant annual exports to markets like China, Canada and Mexico. South Dakota's goods exports have grown more than two times faster than state GDP since 2003. *(See South Dakota Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from South Dakota to partner countries.** In 2013, $1.6 billion of South Dakota's goods exports, or 43 percent, went to FTA partners. This represents a 139 percent increase since 2003. *(See South Dakota Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 9,600 workers in South Dakota.** *(See Foreign Investment In South Dakota Creates Jobs)*

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

- Export growth increases jobs by generating new business for South Dakota’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping South Dakota businesses compete and saving South Dakota families real dollars at the cash register.
- More than one in five South Dakota jobs depend upon international trade.
- South Dakota's trade-related employment grew 2.1 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

124,179
Number of Jobs in South Dakota Supported by Trade

Share of Jobs Tied to Trade
Increased 90% from 1992 to 2013

1992 2013
11.3% 21.5%

Jobs Tied to Trade
Top Sectors, 2013

Retail 15,300
Finance, Insurance 8,500
Agriculture 7,700
Management, Administrative Services 5,100
Wholesale 5,000

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
South Dakota Businesses Grow with Exports

Overview

South Dakota exported an estimated $3.7 billion in goods and $1.3 billion in services in 2013. Between 2009 and 2013, South Dakota goods exports have increased by 27 percent and services exports by 38 percent. Large companies now account for 64 percent of the value of South Dakota'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 South Dakota Exports

- South Dakota ranks among the top half of state exporters in eight industries, including eighth in oilseeds & grains ($2.1 billion), 10th in misc. animal products ($22 million), 17th in nonmetallic minerals ($28 million), and 18th in meat products ($360 million).

- South Dakota is America’s 10th largest exporter of agricultural products. It is the second leading exporter of oilseeds (excluding soybeans) and ranks among the top 10 exporters of corn, wheat, cattle, soybeans, and hay.

- One of South Dakota's fastest growing export categories is grain & oilseed milling products, which have increased by 22 percent per year since 2003. In 2013, exports of these products reached $135 million.

By the Numbers

970
Number of South Dakota Businesses that Exported in 2012

75%
Share of South Dakota Exporters that are Small- & Medium-Sized Businesses

Top South Dakota Exports, 2013

Goods
- Oilseeds & Grains $2.1 billion
- Meat Products $360 million
- Ag & Construction Machinery $186 million
- Grain & Oilseed Milling Products $135 million
- Motor Vehicles $99 million

Services
- Credit-Related Services $352 million
- Misc. Financial Services $335 million
- Travel $291 million

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
South Dakota Companies Export throughout the World

In 2013, South Dakota companies sold their products in 184 international markets.

Top export markets include:

- **CANADA**
  - Goods Exports: $729 million
  - Services Exports: $119 million

- **BRAZIL**
  - Goods Exports: $97 million
  - Services Exports: $50 million

- **CHINA**
  - Goods Exports: $868 million
  - Services Exports: $63 million

- **MEXICO**
  - Goods Exports: $581 million
  - Services Exports: $52 million

- **SAUDI ARABIA**
  - Goods Exports: $82 million
  - Services Exports: $14 million

- **JAPAN**
  - Goods Exports: $265 million
  - Services Exports: $65 million

**Fast Facts: How Exports Help the South Dakota Economy Grow**

- Goods exports accounted for 8.0 percent of South Dakota's state GDP in 2013.
- South Dakota's goods exports have grown more than two times faster than state GDP since 2003. The average annual export growth during this period was 11.3 percent, while the average annual state GDP growth was 5.0 percent.
- South Dakota's top export markets for goods are China, Canada, and Mexico. Its top market for services is the United Kingdom.
- Among major export markets for South Dakota's goods, Saudi Arabia has grown the fastest at 91 percent per year since 2003. Exports to Australia grew by 34 percent per year, while exports to China grew by 21 percent per year.

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

- Services, such as transportation, finance and insurance, marketing, and legal services are needed to bring imported goods to South Dakota’s 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 South Dakota family of four more than $10,000 per year.
- Imports help keep prices down for South Dakota families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

Imports Decrease Prices for Goods & Services

- **-86.9%**
  - Decrease in the Price of Televisions Between 2003 and 2013.

- **-71.2%**

- **-41.9%**
  - Decrease in the Price of Toys Between 2003 and 2013.

Imports Increase Choices for Goods & Services

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
South Dakota 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. South Dakota has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2013, $1.6 billion of South Dakota's goods exports, or 43 percent, went to FTA partners.
- Since 2003 South Dakota's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 139 percent.
- South Dakota’s exports to Canada and Mexico have increased by $1.2 billion (969 percent) since NAFTA went into effect in 1994.
- South Dakota's exports to Chile have increased by 537 percent since the FTA with Chile took effect in 2004.
- South Dakota's exports to Australia of general purpose machinery jumped from just $64,000 to $2.4 million since 2005 when the FTA with Australia went into effect.
- Canada and Mexico combined to buy 99.99 percent of South Dakota's exports of beverages in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $1.9 billion, or 52 percent, of South Dakota's goods exports in 2013.

By the Numbers

139%
Increase in South Dakota Goods Exports to FTA Partners Between 2003 and 2013

<table>
<thead>
<tr>
<th>Per Capita Purchases of U.S Goods, 2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-FTA Countries</td>
<td>$0.34</td>
</tr>
<tr>
<td>FTA Partner Countries*</td>
<td>$3.61</td>
</tr>
</tbody>
</table>

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

In 2013, FTA partners purchased 10.7 times more goods per capita from South Dakota than non-FTA partners.

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

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

- 2,400 workers employed by companies based in Canada;
- 1,900 workers employed by companies based in the United Kingdom;
- 1,600 workers employed by companies based in Germany;
- 1,000 workers employed by companies based in France;
- 400 workers employed by companies based in Switzerland.

![Foreign-Owned Companies Employ 9,600 South Dakota Workers Across Many Industries](image)

Selected Foreign-Owned Companies Employing Workers in South Dakota

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAE Systems Inc.</td>
<td>Defense/Security/Aerospace Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Dakota, Minn. &amp; Eastern Railroad</td>
<td>Transportation Services</td>
<td>Canada</td>
</tr>
<tr>
<td>GCC Dacotah Inc.</td>
<td>Cement Manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>Great Western Bank</td>
<td>Financial Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Hubbard Feeds Inc.</td>
<td>Animal Feed and Supplies</td>
<td>Canada</td>
</tr>
<tr>
<td>Landmark Aviation</td>
<td>Transportation Services</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>Rosenbauer America</td>
<td>Fire Engine Manufacturing</td>
<td>Austria</td>
</tr>
<tr>
<td>Sapa Yankton</td>
<td>Aluminum Manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>Saputo Cheese</td>
<td>Food Products Manufacturer</td>
<td>Canada</td>
</tr>
<tr>
<td>SGS North America</td>
<td>Inspection and Testing Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Financial Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
SOUTH DAKOTA JOBS DEPEND ON TWO-WAY TRADE


SOUTH DAKOTA 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)


SOUTH DAKOTA COMPANIES EXPORT THROUGHOUT THE WORLD


SOUTH DAKOTA 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/)

SOUTH DAKOTA NEEDS TRADE AGREEMENTS TO GROW


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


FOREIGN INVESTMENT IN SOUTH DAKOTA 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)

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