

HOW NEBRASKA'S ECONOMY BENEFITS FROM 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 Nebraska 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 Nebraska.

Trade Creates & Supports Jobs in Nebraska

- **International trade, including exports and imports, supports 277,100 Nebraska jobs – more than one in five.** These trade-related jobs grew five times faster than total employment from 1992 to 2017 and are at large and small companies, on farms, in factories, and at the headquarters of Nebraska's globally engaged firms. *(See Nebraska Jobs Depend On Two-Way Trade)*
- **Nebraska exported \$9.4 billion in goods and \$2.1 billion in services in 2017,** including meat products, leather & hide tanning, oilseeds & grains and travel services. Of Nebraska's 1,822 exporters, 81 percent are small- and medium-sized companies with less than 500 workers. *(See Nebraska Businesses Grow With Exports)*
- **Customers in 176 countries and territories buy Nebraska-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Mexico and China. Nebraska's exports have grown nearly two times faster than state GDP since 2007. *(See Nebraska Companies Export Throughout The World)*
- **Imports lower prices and increase choices for Nebraska companies and families.** Lower raw material and input costs help Nebraska 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 Nebraska Companies Use Imports to Make Competitive Products)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Nebraska to partner countries.** In 2017, \$4.6 billion of Nebraska's goods exports, or 49 percent, went to FTA partners. This represents an increase of 67 percent since 2007. *(See Nebraska Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 32,100 workers in Nebraska.** *(See Foreign Investment In Nebraska Creates Jobs)*



NEBRASKA 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 Supports Jobs in Nebraska

- Export growth increases jobs by generating new business for Nebraska's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Nebraska businesses compete and saving Nebraska families real dollars at the cash register.
- More than one in five Nebraska jobs depends upon international trade.
- Nebraska's trade-related employment grew five times faster than total employment from 1992 to 2017.
- 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.

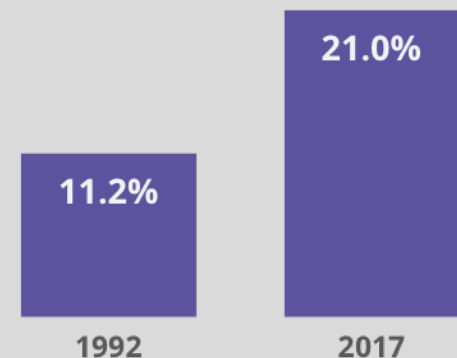
By the Numbers

277,100

Number of Jobs in Nebraska
Supported by Trade

Share of Jobs Tied to Trade

Increased 87 percent from 1992 to 2017



Jobs Tied to Trade Top Sectors, 2017

Trade & Distribution	56,800
Prof., Scient. & Tech. Services	35,200
Agriculture	28,100
Manufacturing	17,200
Finance, Insurance	16,900



NEBRASKA BUSINESSES GROW WITH EXPORTS



Overview

Nebraska exported an estimated \$9.4 billion in goods and \$2.1 billion in services in 2017. Between 2007 and 2017, Nebraska goods exports have increased by 85 percent and services exports by 75 percent. Large companies now account for 77 percent of the value of Nebraska'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 Nebraska Exports

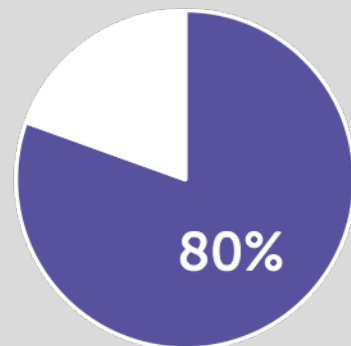
- Nebraska ranks among the top 15 state exporters in 11 industries, including second in meat products (\$2.2 billion), third in leather & hide tanning (\$97 million), fourth in oilseeds & grains (\$3.1 billion), and sixth in nonmetallic minerals (\$70 million).
- Nebraska is America's seventh largest exporter of agricultural products. It is the fourth largest exporter of oilseeds & grains, the ninth largest exporter of swine, the 19th largest exporter of vegetables & melons, and the 26th largest exporter of fruits & tree nuts.
- One of Nebraska's fastest growing export categories is nonmetallic minerals, which increased by 432 times its 2007 value. In 2017, exports of these products reached \$70 million.

By the Numbers

1,822

Number of Nebraska Businesses
that Exported in 2016

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



Top Nebraska Exports, 2017

Goods

Oilseeds & Grains	\$3.1 billion
Meat Products	\$2.2 billion
Ag. & Construction Machinery	\$731 million
Grain & Oilseed Milling Products	\$404 million
Pharmaceuticals & Medicines	\$306 million

Services

Travel	\$417 million
Insurance Services	\$343 million
Equip. Install., Maint., & Repair	\$188 million

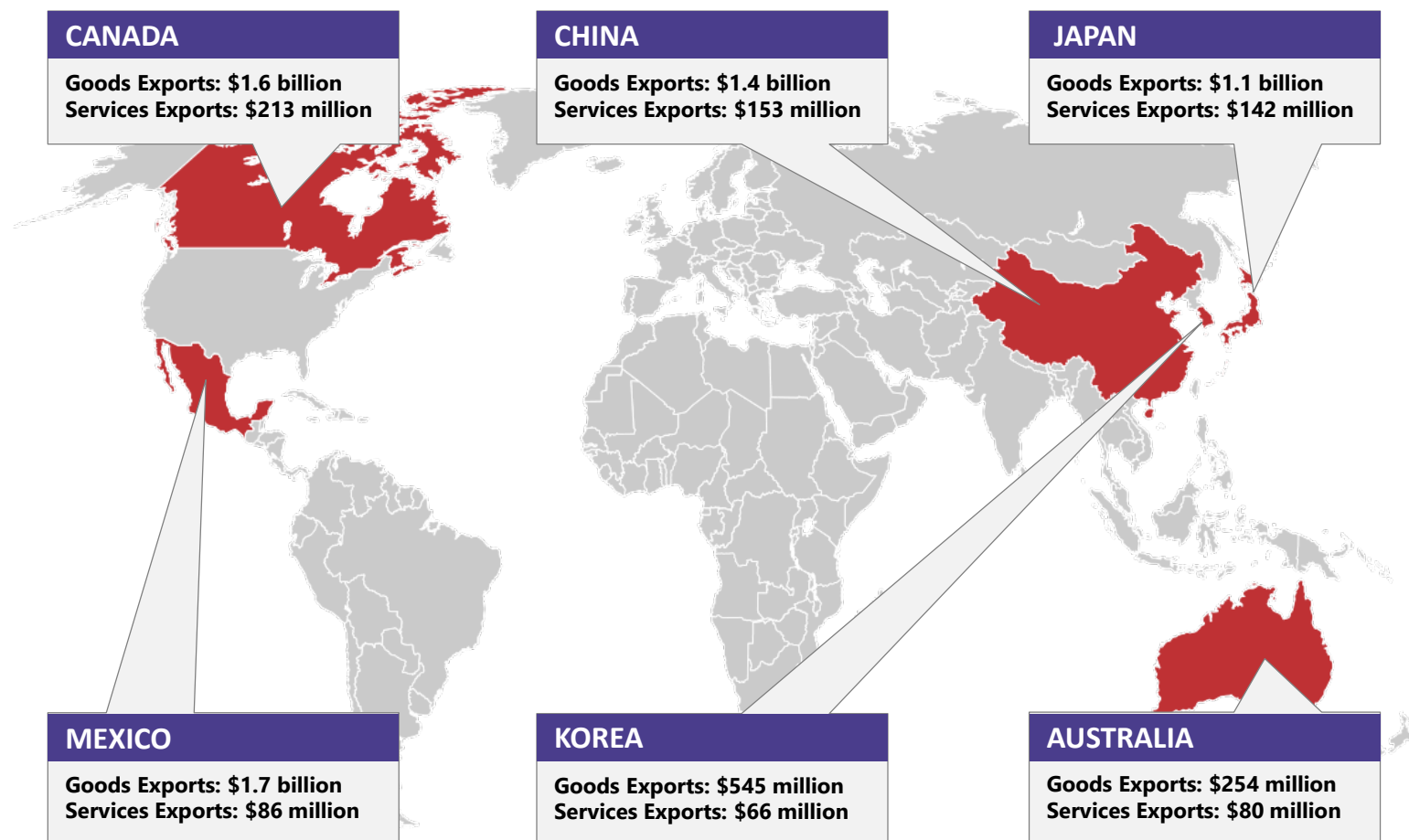


NEBRASKA COMPANIES EXPORT THROUGHOUT THE WORLD



In 2017, Nebraska companies sold their products in 176 countries and territories.

Top export markets include:



Fast Facts: How Exports Help the Nebraska Economy Grow

- Goods and services exports accounted for 9.7 percent of Nebraska's state GDP in 2017.
- Nebraska's exports have grown nearly two times faster than state GDP since 2007. The average annual export growth during this period was 7.1 percent, while the average annual state GDP growth was 3.7 percent.
- Nebraska's top export markets for goods are Mexico, Canada, and China. Its top market for services is Canada.
- Nebraska's goods exports to China have grown by 35 percent per year since 2007, while Nebraska's services exports to China have grown by 19 percent per year.



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NEBRASKA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS



Overview

In 2017, 58 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 Nebraska.

- Services such as transportation, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2016, 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 Nebraska family of four more than \$10,000 per year.
- Imports help keep prices down for Nebraska families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2016, about 211,000 U.S. companies (including 1,821 in Nebraska) imported products...

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

Imports Decrease Prices



-87.9%

Decrease in the Price of Televisions Between 2007 and 2017.



-63.3%

Decrease in the Price of Computers Between 2007 and 2017.



-44.7%

Decrease in the Price of Toys Between 2007 and 2017.

Imports Increase Choices



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NEBRASKA NEEDS TRADE AGREEMENTS TO GROW



Overview

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.

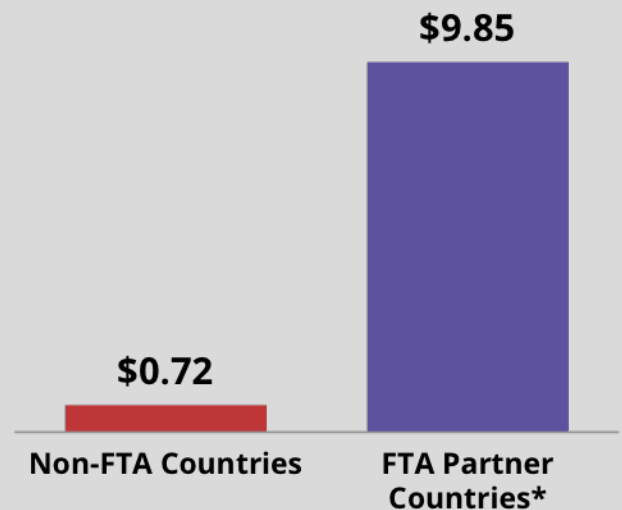
- In 2017, \$4.6 billion of Nebraska's goods exports, or 49 percent, went to FTA partners.
- Since 2007, Nebraska's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 67 percent.
- Nebraska's goods exports to Canada and Mexico have increased by \$2.8 billion (661 percent) since NAFTA went into effect in 1994.
- Nebraska's goods exports to Chile have increased by 1,400 percent since the FTA took effect in 2004.
- Nebraska's exports to Australia of meat products have increased from \$198,000 to \$56 million since the FTA went into effect in 2005.
- Korea bought 25 percent of Nebraska's exports of communications & services industry machinery in 2017.
- In 2017, \$564 million of Nebraska's services exports, or 26 percent, went to FTA partners.
- Nebraska's exports to Australia of insurance services have increased from \$2.4 million to \$28 million, or by 1,055 percent, since 2006 (earliest year available).

By the Numbers

67%

Increase in Nebraska Goods Exports
to FTA Partners Between 2007 and 2017

Per Capita Purchases of Nebraska Goods, 2017



* U.S. FTAs in effect with countries in 2017.

In 2017, FTA partners purchased 13.8 times more goods per capita from Nebraska than non-FTA partners.



FOREIGN INVESTMENT IN NEBRASKA CREATES JOBS

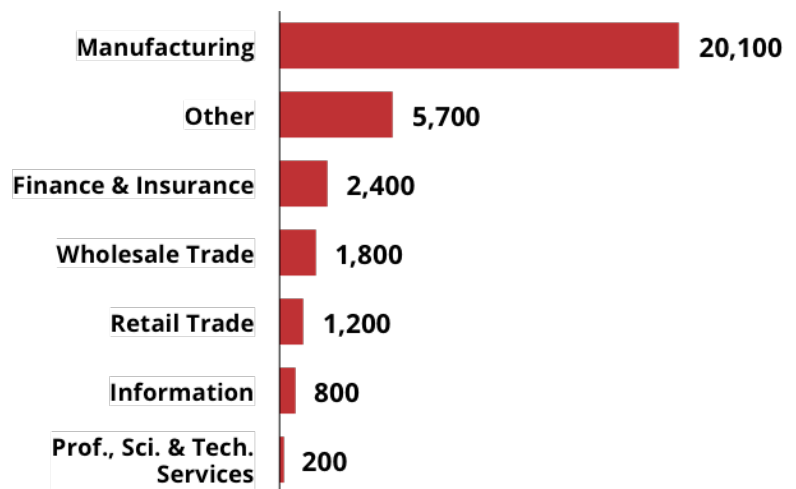


Overview

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

- 4,800 workers employed by companies based in Japan;
- 4,500 workers employed by companies based in the United Kingdom;
- 3,300 workers employed by companies based in France;
- 2,100 workers employed by companies based in Switzerland;
- 1,900 workers employed by companies based in Canada.

Foreign-Owned Companies Employed 32,100 Nebraska Workers Across Many Industries, 2016



Selected Foreign-Owned Companies Employing Workers in Nebraska

Company	Industry	Country
Abengoa Bioenergy Corporation	Engineering Services	Spain
Agrium Advanced Technologies	Fertilizer Manufacturing	Canada
Americold Logistics	Warehousing Services	Canada
BAE Systems Inc.	Defense/Security/Aerospace Services	United Kingdom
Coreslab Structures	Building Materials Manufacturing	Canada
Ernst & Young	Accounting Services	United Kingdom
Evonik Corp.	Chemical Manufacturing	Germany
Firestone Complete Auto Care	Retailing	Japan
Great Western Bank	Banking Services	Australia
Holiday Inn	Hotel Services	United Kingdom
Midwest Lysine	Chemical Manufacturing	Germany
UBS Financial Services	Financial Services	Switzerland



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DATA SOURCES



NEBRASKA 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" (2019) (https://s3.amazonaws.com/brt.org/Trade_and_American_Jobs_2019.pdf)

Exporting Firm Wages: Riker, "Export-Intensive Industries Pay More on Average: An Update" (2015) (<https://www.usitc.gov/publications/332/ec201604a.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>)

NEBRASKA BUSINESSES GROW WITH EXPORTS

Small and Large Firms Partnering to Export (for 2006, 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, 2015 – 2016" (<https://www.census.gov/foreign-trade/Press-Release/edb/2016/>)

NEBRASKA 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>)

NEBRASKA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

Importing Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2015 – 2016" (<https://www.census.gov/foreign-trade/Press-Release/edb/2016/>)

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/>)

NEBRASKA NEEDS TRADE AGREEMENTS TO GROW

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

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

FOREIGN INVESTMENT IN NEBRASKA 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>)

