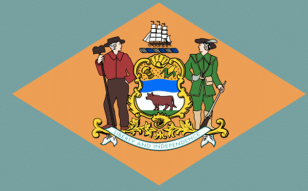


## How Delaware's Economy Benefits from International Trade & Investment



DECEMBER 7, 1787

### Overview

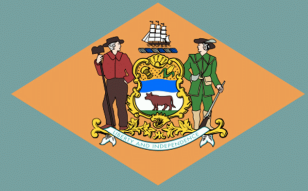
With more than 95 percent of the world's population and 80 percent of the world's purchasing power outside the United States, future economic growth and jobs for Delaware and America increasingly depend on expanding U.S. trade and investment opportunities in the global marketplace.

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 Delaware.

### Why is International Trade & Investment Important to Delaware?

- **International trade, including exports and imports, supports 127,000 Delaware jobs – nearly 1 in 4.** These trade-related jobs grew 4.7 times faster than total employment from 2004 to 2014 and are at large and small companies, on farms, in factories, and at the headquarters of Delaware's globally engaged firms. *(See Delaware Jobs Depend On Two-Way Trade)*
- **Delaware exported \$5.0 billion in goods and \$3.5 billion in services in 2014**, including pharmaceuticals & medicines, navigational & meas. instruments, communications equipment and credit-related services. Of Delaware's 1,627 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. *(See Delaware Businesses Grow With Exports)*
- **Customers in 174 countries and territories buy Delaware-made goods and services**, including hundreds of millions of dollars in annual exports to top markets like Belgium, the United Kingdom and China. Delaware's goods exports have grown more than five times faster than state GDP since 2004. *(See Delaware Companies Export Throughout The World)*
- **Imports lower prices and increase choices for Delaware companies and families.** Lower raw material and input costs help Delaware 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 Delaware Companies And Workers Use Imports To Compete)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Delaware to partner countries.** In 2014, \$1.1 billion of Delaware's goods exports, or 21 percent, went to FTA partners. This represents a 19 percent increase since 2004. *(See Delaware Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 25,800 workers in Delaware.** *(See Foreign Investment In Delaware Creates Jobs)*

## Delaware Jobs Depend on Two-Way Trade



DECEMBER 7, 1787

### 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 Delaware

- Export growth increases jobs by generating new business for Delaware's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Delaware businesses compete and saving Delaware families real dollars at the cash register.
- Nearly one in four Delaware jobs depends upon international trade.
- Delaware's trade-related employment grew 4.7 times faster than total employment from 2004 to 2014.
- Jobs in more export-intensive 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.

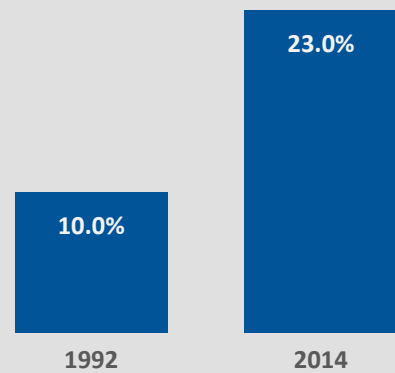
### By the Numbers

# 127,000

**Number of Jobs in Delaware  
Supported by Trade**

#### Share of Jobs Tied to Trade

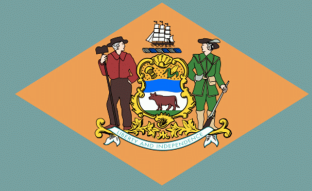
**Increased 129 percent from 1992 to 2014**



#### Jobs Tied to Trade Top Sectors, 2014

Retail	14,500
Finance, Insurance	12,100
Professional, Scientific, Tech. Services	8,600
Management, Administrative Services	8,500
Real Estate, Rental Services	5,000

## Delaware Businesses Grow with Exports



DECEMBER 7, 1787

### Overview

Delaware exported an estimated \$5.0 billion in goods and \$3.5 billion in services in 2014. Between 2009 and 2014, Delaware goods exports have increased by 20 percent and services exports by 67 percent. Large companies now account for 81 percent of the value of Delaware'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 Delaware Exports

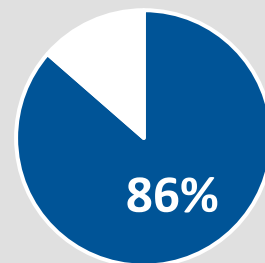
- Delaware ranks among the top half of state exporters in nine industries, including seventh in pharmaceuticals & medicines (\$1.6 billion), 16th in poultry & eggs (\$16 million), 17th in petroleum & coal products (\$176 million), and 21st in communications equipment (\$324 million).
- Delaware is America's 41st largest exporter of agricultural products. It is the 16th largest exporter of poultry and eggs, the 18th largest exporter of vegetables and melons, the 19th largest exporter of misc. grains, and the 21st largest exporter of soybeans.
- One of Delaware's fastest growing export categories is pulp & paperboard mill products, which have increased by 19 percent per year since 2004. In 2014, exports of these products reached \$83 million.

### By the Numbers

**1,627**

**Number of Delaware Businesses  
that Exported in 2013**

**Share of Delaware Exporters that are  
Small- & Medium-Sized Businesses**



### Top Delaware Exports, 2014

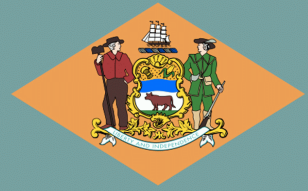
#### Goods

Pharmaceuticals & Medicines	\$1.6 billion
Navigational & Meas. Instruments	\$491 million
Communications Equipment	\$324 million
Motor Vehicles	\$305 million
Plastics Products	\$195 million

#### Services

Credit-Related Services	\$1.5 billion
Insurance Services	\$350 million
Financial Mgmt. & Advisory Services	\$279 million

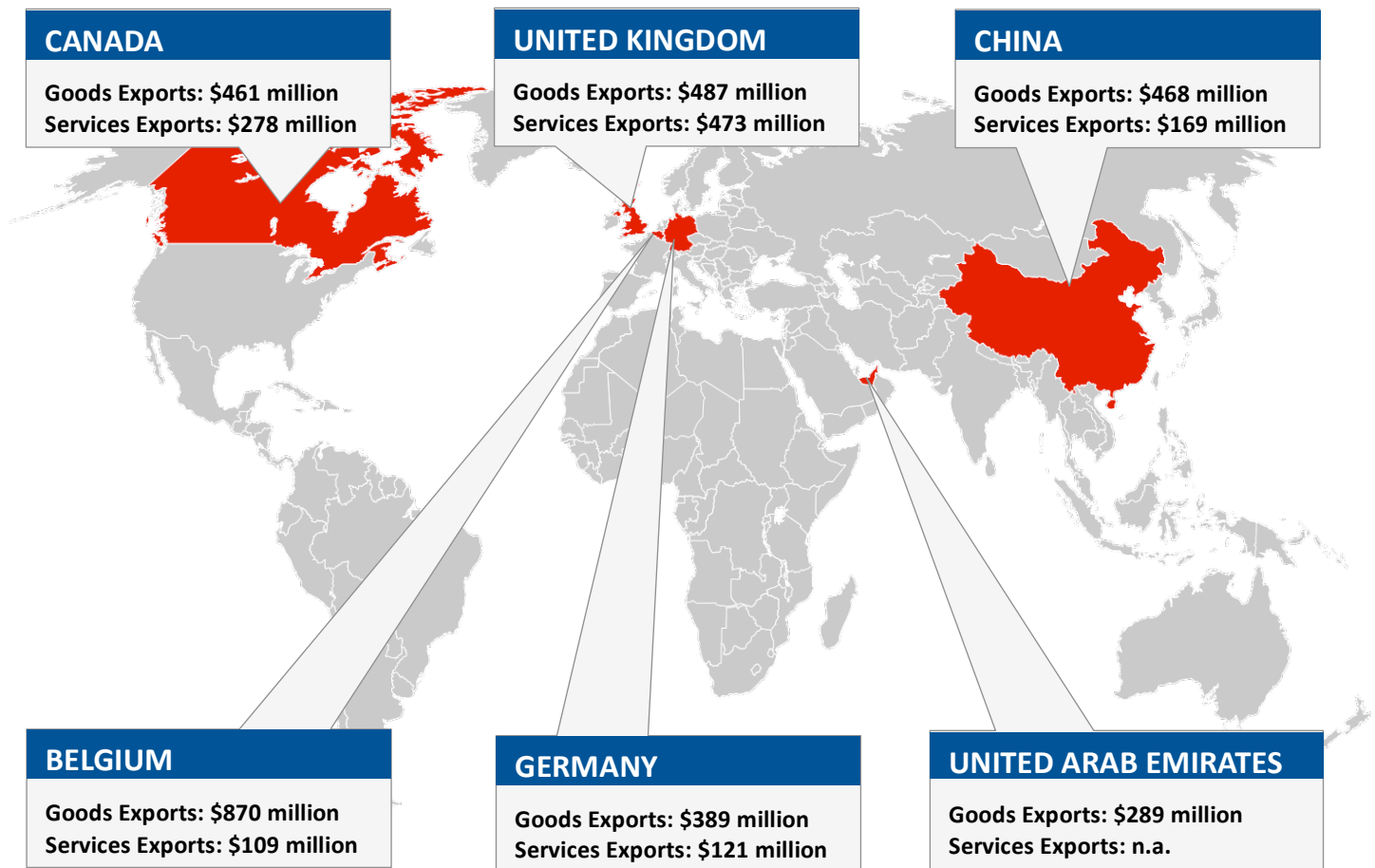
## Delaware Companies Export throughout the World



DECEMBER 7, 1787

**In 2014, Delaware companies sold their products in 174 countries and territories.**

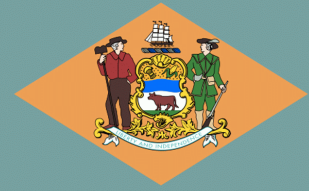
**Top export markets include:**



### Fast Facts: How Exports Help the Delaware Economy Grow

- Goods exports accounted for 7.9 percent of Delaware's state GDP in 2014.
- Delaware's goods exports have grown more than five times faster than state GDP since 2004. The average annual export growth during this period was 11.4 percent, while the average annual state GDP growth was 2.2 percent.
- Delaware's top export markets for goods are Belgium, the United Kingdom, and China. Its top market for services is the United Kingdom.
- Delaware's goods exports to the United Arab Emirates have grown by 65 percent per year since 2004. Exports to India grew by 23 percent per year, while exports to China grew by 21 percent per year.

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



DECEMBER 7, 1787

### Overview

In 2014, 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 Delaware.

- Services, especially transportation from Delaware's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2013, 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 Delaware family of four more than \$10,000 per year.
- Imports help keep prices down for Delaware families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

**In 2013, about 184,000 U.S. companies (including 1,240 in Delaware) 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



**-87.0%**

Decrease in the Price of Televisions Between 2004 and 2014.



**-69.2%**

Decrease in the Price of Computers Between 2004 and 2014.

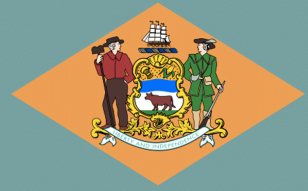


**-42.9%**

Decrease in the Price of Toys Between 2004 and 2014.

### Imports Increase Choices for Goods & Services

## Delaware Needs Trade Agreements to Grow



DECEMBER 7, 1787

### Overview

The United States has some of the lowest trade barriers in the world. Overall U.S. trade with our free trade agreement (FTA) partner countries supports more than 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. Delaware has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

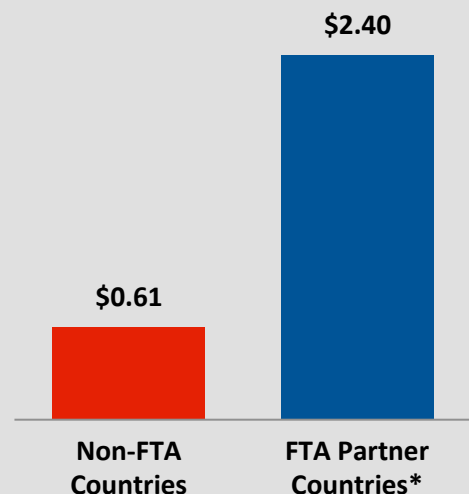
- In 2014, \$1.1 billion of Delaware's goods exports, or 21 percent, went to FTA partners.
- Since 2004 Delaware's goods exports to countries with FTAs in effect with the United States in 2014 have increased by 19 percent.
- Delaware's exports to Honduras have increased by 1,663 percent since the U.S.-Honduras FTA took effect in 2006.
- Delaware's exports to South Korea of soaps, cleaning agents & toiletries have increased 67 percent, from \$7.5 million to \$12.4 million, since the FTA with South Korea went into effect in 2012.
- Costa Rica bought 55 percent of Delaware's exports of pulp & paperboard mill products in 2014. In total, 98 percent of Delaware's pulp & paperboard mill products exports went to FTA partners in 2014.
- Canada bought 59 percent of Delaware's electrical equipment & components exports in 2014.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased \$3.0 billion, or 60 percent, of Delaware's goods exports in 2014.

### By the Numbers

# 19%

**Increase in Delaware Goods Exports  
to FTA Partners Between 2004 and 2014**

### Per Capita Purchases of Delaware Goods, 2014

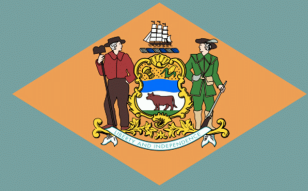


*\* U.S. FTAs in effect with countries in 2014.*

**In 2014, FTA partners purchased 3.9 times more goods per capita from Delaware than non-FTA partners.**



## Foreign Investment in Delaware Creates Jobs



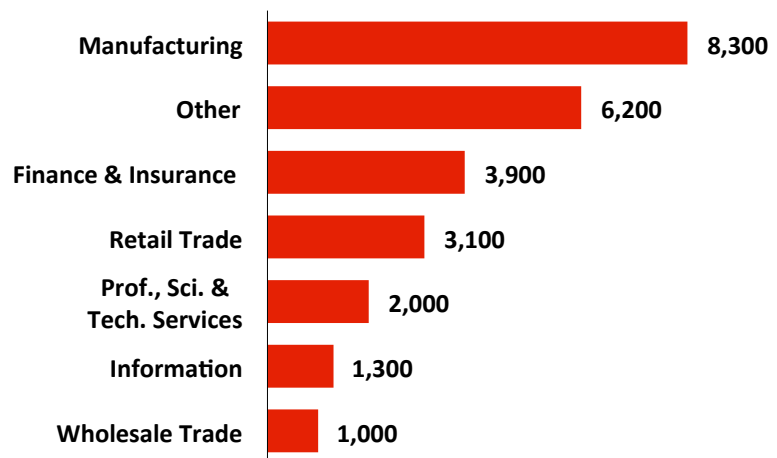
DECEMBER 7, 1787

### Overview

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

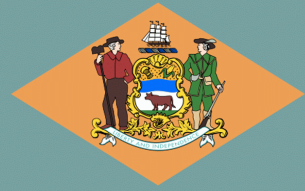
- 8,500 workers employed by companies based in the United Kingdom;
- 2,900 workers employed by companies based in Germany;
- 1,900 workers employed by companies based in Switzerland;
- 1,700 workers employed by companies based in Canada;
- 1,700 workers employed by companies based in France.

### Foreign-Owned Companies Employ 25,800 Delaware Workers Across Many Industries



### Selected Foreign-Owned Companies Employing Workers in Delaware

Company	Industry	Country
Acuren Group	Inspection and Testing Services	Canada
BASF Corp. Coatings	Automotive Products Manufacturing	Germany
Cemex	Construction Materials Manufacturing	Mexico
Dassault Falcon Jet Corp	Aerospace Manufacturing	France
Dupont Tate & Lyle Bio Products	Food Products Manufacturing	United Kingdom
Evrax Claymont Steel	Steel Manufacturing	Luxembourg
FCC Environmental	Environmental Services	Spain
Infosys Technology	Software Products and Services	India
Motech Americas	Solar Products Manufacturing	Taiwan
SAP America	Software Products and Services	Germany
Solvay Solexis	Chemicals Manufacturing	Belgium
Syngenta Corporation	Chemicals Manufacturing	Switzerland



### **DELAWARE 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” (2016) (<http://businessroundtable.org/resources/trade-and-american-jobs-2016-update>)

**Exporting Firm Wages:** Riker, “Export-Intensive Industries Pay More on Average: An Update” (2015) (<https://www.usitc.gov/publications/332/ec201504a.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>)

### **DELAWARE 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, 2012 – 2013” (<http://www.census.gov/foreign-trade/Press-Release/edb/2013>)

### **DELAWARE 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>)

### **DELAWARE COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS**

**Importing Company Information:** Census, “A Profile of U.S. Importing and Exporting Companies, 2012 – 2013” (<http://www.census.gov/foreign-trade/Press-Release/edb/2013>)

**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/>)

### **DELAWARE NEEDS TRADE AGREEMENTS TO GROW**

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

**Per Capita Purchases of Delaware 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/wp-content/uploads/2014/06/opening\\_markets\\_creating\\_jobs\\_USChamber.pdf](http://tradepartnership.com/wp-content/uploads/2014/06/opening_markets_creating_jobs_USChamber.pdf))

### **FOREIGN INVESTMENT IN DELAWARE CREATES JOBS**

**Employment Data:** BEA “Direct Investment & Multinational Companies” database ([http://bea.gov/iTable/index\\_MNC.cfm](http://bea.gov/iTable/index_MNC.cfm))

**Foreign Investors:** Uniworld BP database of “Foreign Firms Operating in the United States” (<http://www.uniworldbp.com>)