



How Nevada'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 Nevada 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 Nevada.

Why is International Trade & Investment Important to Nevada?

- **International trade, including exports and imports, supports 367,800 Nevada jobs – nearly 1 in 4.** These trade-related jobs grew 3.9 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 Nevada's globally engaged firms. *(See Nevada Jobs Depend On Two-Way Trade)*
- **Nevada exported \$7.6 billion in goods and \$9.4 billion in services in 2014,** including nonferrous metals, semiconductors & components, misc. manufactured commodities and travel services. Of Nevada's 2,949 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. *(See Nevada Businesses Grow With Exports)*
- **Customers in 186 countries and territories buy Nevada-made goods and services,** including hundreds of millions of dollars in annual exports to top markets like Switzerland, Canada and China. Nevada's goods exports have grown more than four and a half times faster than state GDP since 2004. *(See Nevada Companies Export Throughout The World)*
- **Imports lower prices and increase choices for Nevada companies and families.** Lower raw material and input costs help Nevada 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 Nevada Companies And Workers Use Imports To Compete)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from Nevada to partner countries.** In 2014, \$2.2 billion of Nevada's goods exports, or 29 percent, went to FTA partners. This represents a 144 percent increase since 2004. *(See Nevada Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 42,700 workers in Nevada.** *(See Foreign Investment In Nevada Creates Jobs)*



Nevada 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 Nevada

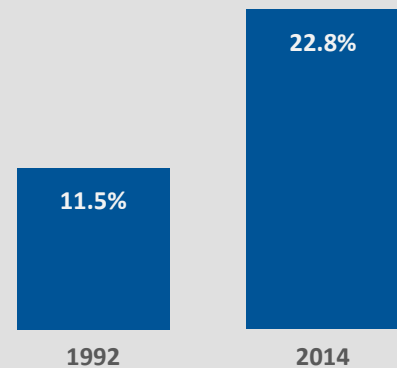
- Export growth increases jobs by generating new business for Nevada's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Nevada businesses compete and saving Nevada families real dollars at the cash register.
- Nearly one in four Nevada jobs depends upon international trade.
- Nevada's trade-related employment grew 3.9 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

367,800

Number of Jobs in Nevada Supported by Trade

Share of Jobs Tied to Trade Increased 97 percent from 1992 to 2014



Jobs Tied to Trade Top Sectors, 2014

Retail	39,700
Management, Administrative Services	29,800
Real Estate, Rental Services	22,300
Finance, Insurance	19,200
Professional, Scientific, Tech. Services	19,000



Nevada Businesses Grow with Exports

Overview

Nevada exported an estimated \$7.6 billion in goods and \$9.4 billion in services in 2014. Between 2009 and 2014, Nevada goods exports have increased by 35 percent and services exports by 42 percent. Large companies now account for 85 percent of the value of Nevada'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 Nevada Exports

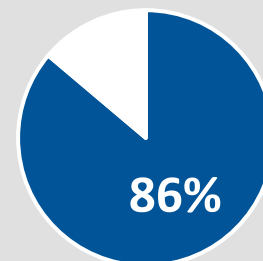
- Nevada ranks among the top half of state exporters in 15 industries, including third in metal ores (\$591 million), fourth in nonferrous metals (\$2.9 billion), eighth in misc. manufactured commodities (\$855 million), and 16th in semiconductors & components (\$921 million).
- Nevada is the 21st largest exporter of services. It is the fifth largest exporter of travel services and among the top 15 exporters of operational leasing services, passenger fares, and credit-related services.
- Nevada is America's 43rd largest exporter of agricultural products. It is the 17th largest exporter of hay and vegetables and melons.
- One of Nevada's fastest growing export categories is bakery & tortilla products, which have increased by 76 percent per year since 2004. In 2014, exports of these products reached \$30 million.

By the Numbers

2,949

Number of Nevada Businesses that Exported in 2013

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



Top Nevada Exports, 2014

Goods

Nonferrous Metals	\$2.9 billion
Semiconductors & Components	\$921 million
Misc. Manufactured Commodities	\$855 million
Metal Ores	\$591 million
Navigational & Meas. Instruments	\$352 million

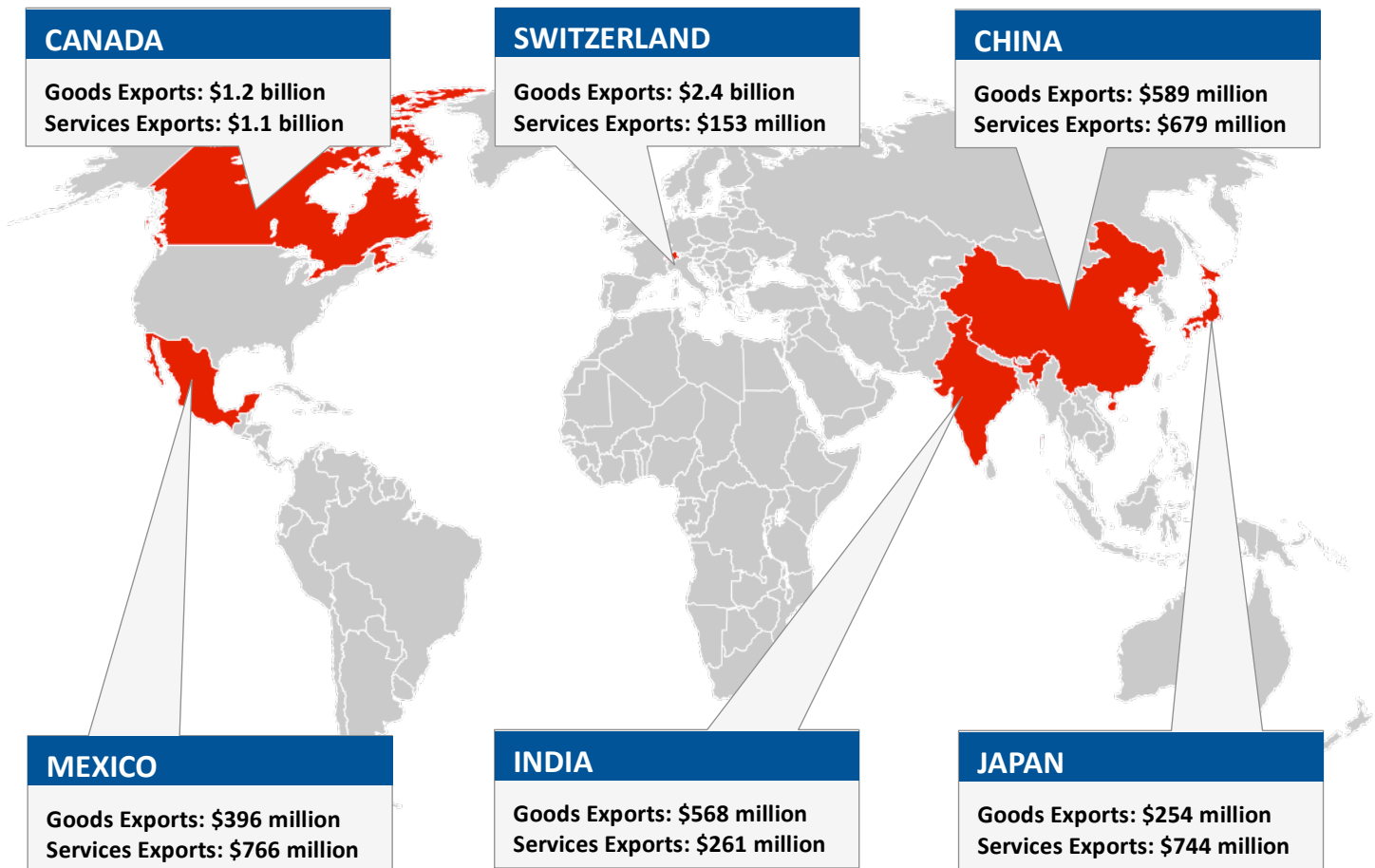
Services

Travel	\$6.0 billion
Passenger Fares	\$1.2 billion
Air Freight & Port Services	\$510 million

Nevada Companies Export throughout the World

In 2014, Nevada companies sold their products in 186 countries and territories.

Top export markets include:



Fast Facts: How Exports Help the Nevada Economy Grow

- Goods exports accounted for 5.6 percent of Nevada's state GDP in 2014.
- Nevada's goods exports have grown more than four and a half times faster than state GDP since 2004. The average annual export growth during this period was 12.1 percent, while the average annual state GDP growth was 2.6 percent.
- Nevada's top export markets for goods are Switzerland, Canada, and China. Its top market for services is Canada.
- Nevada's goods exports to Brazil have grown by 34 percent per year since 2004. Exports to Hong Kong grew by 23 percent per year, while exports to Mexico grew by 16 percent per year.



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

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 Nevada.

- Services such as transportation, finance and insurance, marketing, and legal services are needed to bring imported goods to Nevada's 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 Nevada family of four more than \$10,000 per year.
- Imports help keep prices down for Nevada 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 3,089 in Nevada) 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



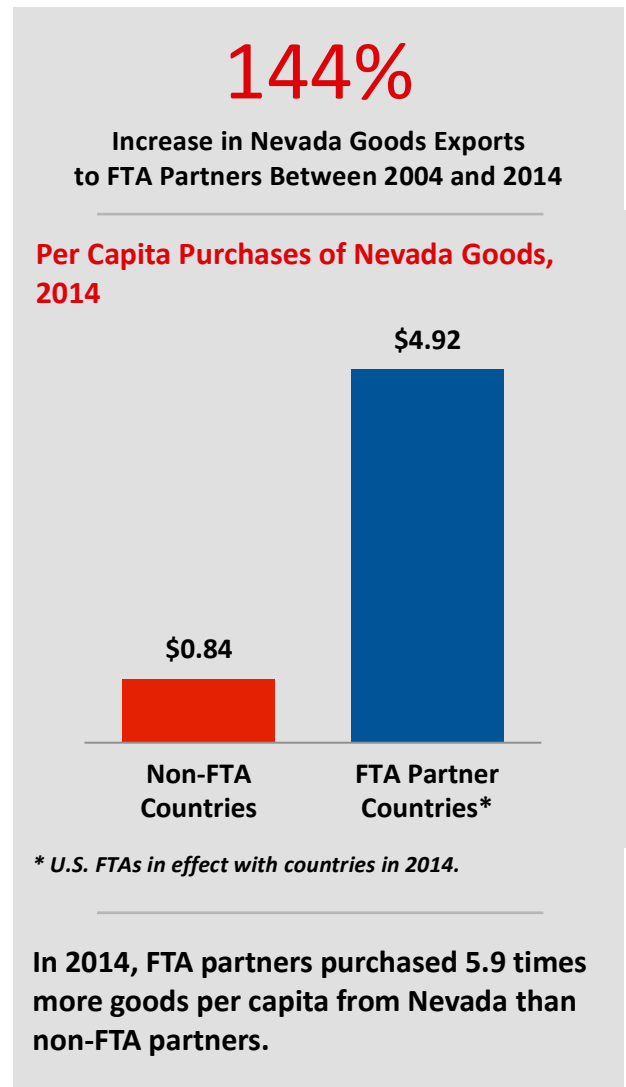
Nevada Needs Trade Agreements to Grow

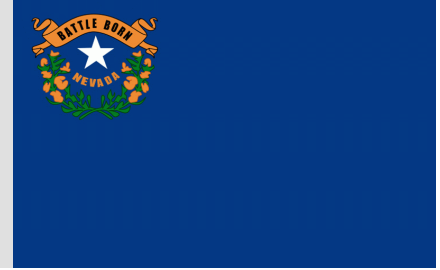
Overview

The United States has some of the lowest trade barriers in the world. Overall U.S. trade with our 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. Nevada has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2014, \$2.2 billion of Nevada's goods exports, or 29 percent, went to FTA partners.
- Since 2004 Nevada's goods exports to countries with FTAs in effect with the United States in 2014 have increased by 144 percent.
- Nevada's exports to Canada and Mexico have increased by \$1.5 billion (959 percent) since NAFTA went into effect in 1994.
- Nevada's exports to Bahrain have increased by 378 percent since the U.S.-Bahrain FTA took effect in 2006.
- Nevada's exports to South Korea of navigational & measuring instruments have increased every year, from \$11 million to \$19 million, since the FTA with South Korea went into effect in 2012.
- Canada bought 58 percent of Nevada's exports of plastics products in 2014.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased \$3.0 billion, or 39 percent, of Nevada's goods exports in 2014.

By the Numbers





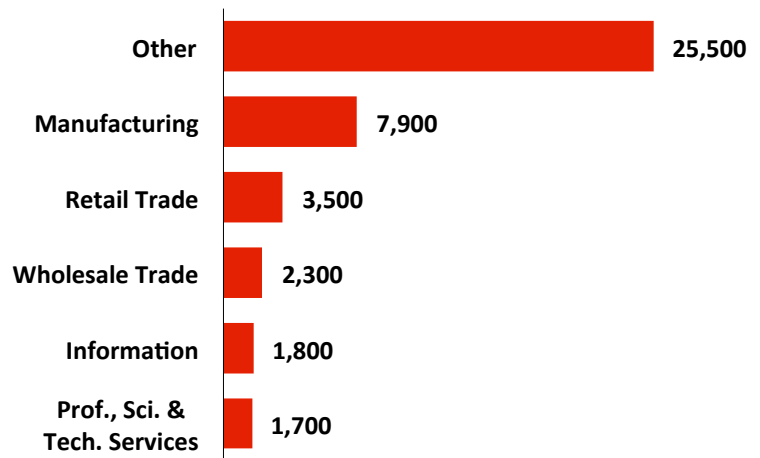
Foreign Investment in Nevada Creates Jobs

Overview

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

- 10,800 workers employed by companies based in Canada;
- 7,100 workers employed by companies based in Germany;
- 6,000 workers employed by companies based in the United Kingdom;
- 4,200 workers employed by companies based in France;
- 3,300 workers employed by companies based in Japan.

Foreign-Owned Companies Employ 42,700 Nevada Workers Across Many Industries



Selected Foreign-Owned Companies Employing Workers in Nevada

Company	Industry	Country
AMEC Earth and Environmental	Engineering & Consulting Services	United Kingdom
Atkins North America, Inc.	Engineering Services	United Kingdom
Avison Young Inc.	Commercial Real Estate Services	Canada
Ernst & Young	Accounting Services	United Kingdom
Fresh & Easy Market	Food Retailing	United Kingdom
Gerdau Ameristeel	Steel Product Manufacturing	Brazil
Holiday Inn Express	Hotel Services	United Kingdom
Lee Hecht Harrison	Employment Services	Switzerland
Nevada Copper Inc.	Copper Mining	Canada
Pacific Rim Mining Corp.	Gold Mining	Canada
Sims Metal Management	Metal Recycling Services	Australia
Tropicana Hotel and Casino	Gaming	Canada



Data Sources

NEVADA 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>)

NEVADA 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>)

NEVADA 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>)

NEVADA 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/>)

NEVADA NEEDS TRADE AGREEMENTS TO GROW

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

Per Capita Purchases of Nevada 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)

FOREIGN INVESTMENT IN NEVADA 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>)