



Trade Creates Jobs for Ohio

Creating and preserving quality U.S. jobs is a goal shared by all Americans. With 95 percent of the world's consumers living outside of the United States, it makes sense for small and large businesses to partner to build stronger trade ties with countries seeking U.S. goods and services.

Trade creates jobs for Ohioans. **Export growth** increases jobs by generating new business for Ohio's manufacturers, services providers and farmers. **Imports** support jobs and keep costs low, helping Ohio businesses compete and saving Ohio families real dollars at the cash register. **Foreign investment** in Ohio creates good jobs across a range of sectors.

MORE THAN 1 IN 5 OHIO JOBS DEPENDS ON TRADE

Ohio workers need trade to maintain and create **jobs**.

- Today, 1.4 million jobs in Ohio depend on trade.
- In 2008, 21.2 percent of jobs in Ohio depended on trade, up from 10.5 percent in 1992.
- Ohio's trade-related employment grew **more than eight times faster** than total employment from 2004 to 2008.

Ohio Jobs Tied to Trade, 2008

Wholesale & Retail Trade	227,600
Finance & Insurance	64,100
Transp. & Warehousing	63,300
Prof., Sci., & Tech. Services	61,100
Manufacturing	52,600
Information	30,100

Small and Large Employers Partner to Export

Small and medium-sized enterprises (SME) and workers in Ohio supply goods and services to large U.S. companies in and out of the State. Those bigger companies use the SME goods and services to make other products and services that they, in turn, export to customers around the world.

Trade through **Ohio's ports**, including **Cincinnati, Cleveland, and Toledo**, directly provides more than **20,000 jobs** with annual wages of more than **\$571 million**.

Jobs in **exporting plants pay** on average up to 18 percent more than similar jobs in non-exporting plants.

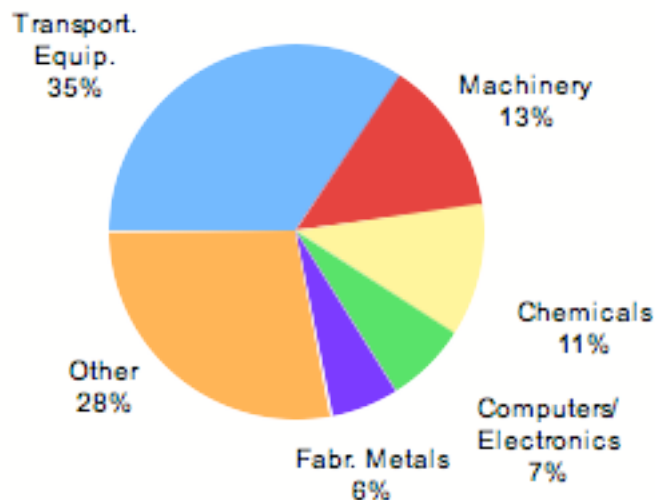
Newly **exporting firms increase employment** almost four times faster than non-exporting firms.

OHIO'S INDUSTRIES, SMALL BUSINESSES AND FARMERS GROW WITH EXPORTS

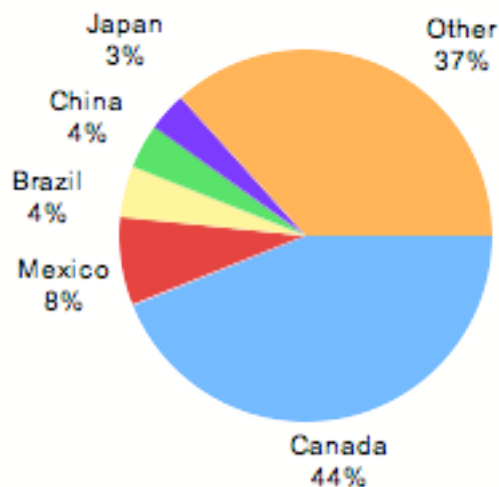
According to the U.S. Department of Commerce, Ohio ranked seventh in the United States with **total exports** valued at **\$45.6 billion** in 2008.

- **Transportation equipment** was Ohio's leading export category in 2008 accounting for 34.5 percent of total exports.
- One of the fastest growing export categories for Ohio is **chemicals**, increasing at an average annual rate of 12.9 percent since 2002.
- In 2008, Ohio companies sold their products in **nearly 220 foreign markets**.
- The top export market is **Canada** (\$20.1 billion). Other leading markets include **Mexico** (\$3.5 billion) and **China** (\$1.8 billion).
- **Brazil** is one of Ohio's fastest growing trading partners. In 2008, Ohio companies exported **\$2.0 billion** worth of goods to Brazil, an increase of 527 percent since 2002.
- In 2008, exports accounted for approximately **9.7 percent of Ohio's state gross domestic product** (state GDP).
- Since 2002, exports have increased **three times faster** than state GDP.

Leading Export Products



Leading Export Markets



Services exports are also important to Ohio, including port services, education of foreign students at Ohio colleges and universities, and spending by foreign visitors to tourist destinations in Ohio, including **Canton's National Football Hall of Fame**, **Cleveland's Rock and Roll Hall of Fame**, and **Cincinnati**. Services companies employ 4.7 million workers in Ohio. In 2008, 1.1 million Ohio services jobs depended on trade.

Ohio is a major exporter of **agricultural products**. Leading markets include Canada, Taiwan, Japan, Indonesia, and China. The State is a leading exporter of **soybeans**, **feed grains**, **wheat**, and **dairy products**. These exports directly benefit Ohio's farmers, especially in regions like western Ohio.

OHIO'S SMALL AND MEDIUM BUSINESSES PARTNER WITH LARGE BUSINESSES TO EXPORT

Exports particularly benefit workers at Ohio's **small- and mid-size companies**. In 2007, 10,938 – 88.3 percent – of Ohio's exporting companies were small- or mid-sized companies.

Larger Ohio companies are also important exporters. For the United States generally, half of U.S. exports are generated by U.S. multinationals.

Small and medium-sized Ohio companies also indirectly export when they supply goods and services to larger Ohio exporters. Every job at an Ohio worldwide company supports nearly two others at companies that are part of its supply chain.

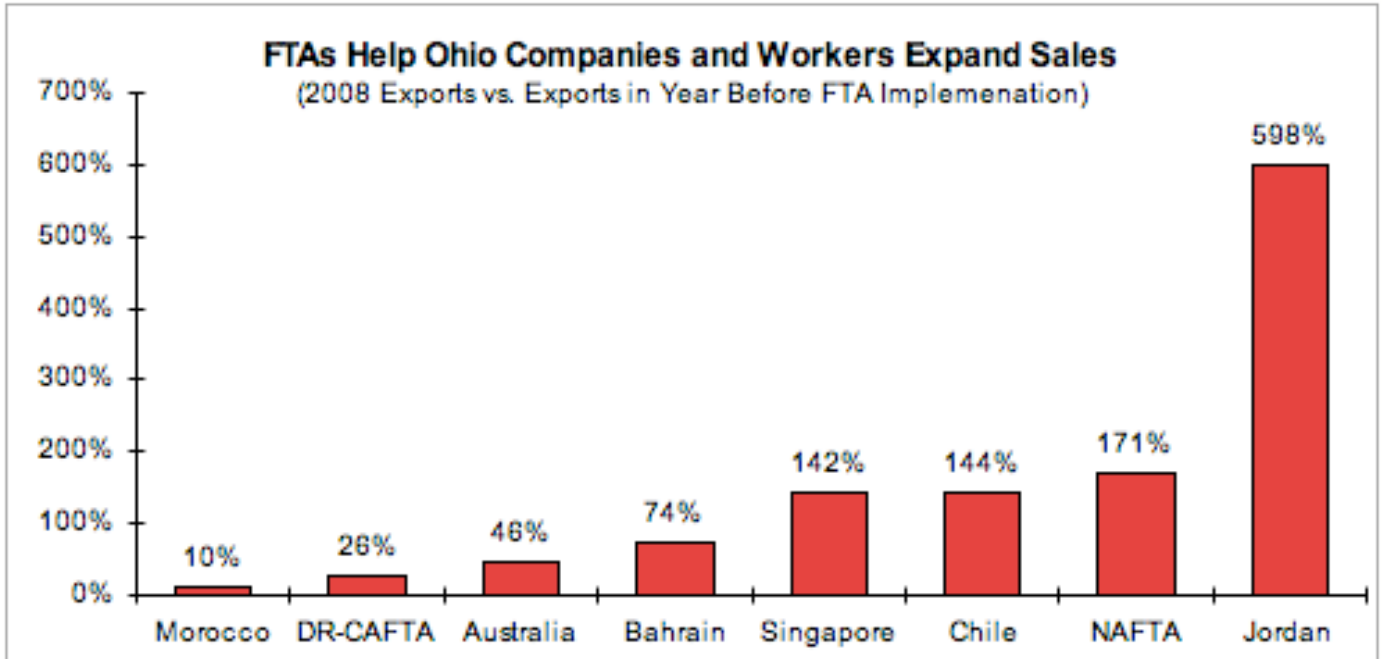
Leading Ohio Exporters

<u>Company</u>	<u>Industry</u>	<u>Country</u>
The Andersons (Maumee)	Soybeans, corn	Canada
Bridgestone Firestone (Akron)	Natural, synthetic rubber	Brazil, Japan, Venezuela
Cliffs Natural Resources (Cleveland)	Coking coal	China, Italy, Brazil, Turkey
Emerson Climate Technologies (Sidney)	Air conditioners, compressors, parts	Thailand, Belgium
Goodyear International (Akron)	Tires, rubbers	Turkey, Germany, Brazil
Lubrizol Advanced Materials (Wickliffe)	Mineral oils, synthetic resins	Singapore, UAE, Belgium
Owens Corning (Toledo)	Insulation, roofing shingles	Belgium, Australia, China,
Peter Cremer (Cincinnati)	Fatty acid, vegetable oils	Singapore, Netherlands
Proctor & Gamble (Cincinnati)	Perfume, soap, chemicals	UK, Japan, China, Hong Kong
Rolls Royce (Mount Vernon)	Generators, turbines, parts	Brazil, UK, Belgium

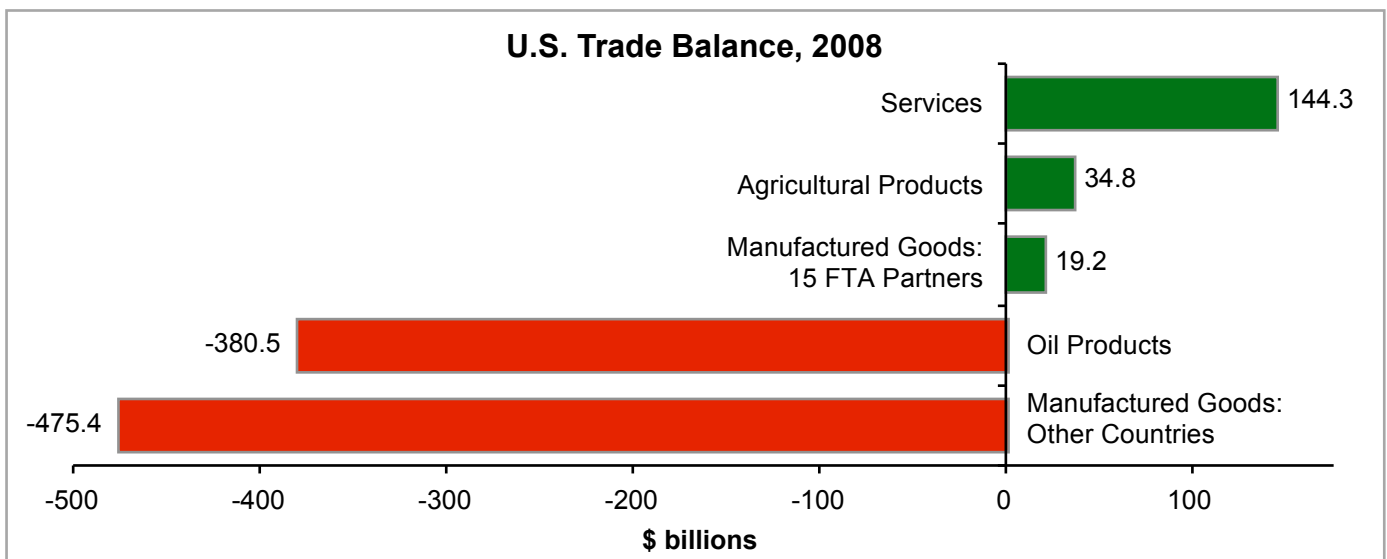
MORE OF A GOOD THING FOR OHIO – TRADE AGREEMENTS LEVEL THE PLAYING FIELD

The United States has some of the lowest trade barriers in the world. **Trade agreements level the playing field** by lowering other nations' trade barriers and opening up foreign markets to U.S. exports.

- Ohio has increased its exports to partner countries following the implementation of each of the U.S. bilateral and regional free trade agreements (FTAs), with exports to Jordan experiencing the strongest growth.



The United States enjoys a trade surplus in manufactured goods with its FTA partners.*



* State-specific data are not available for imports, so this chart cannot be prepared for Ohio

FOREIGN INVESTMENT IN OHIO CREATES JOBS

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Ohio every year.

These companies employ **213,300 workers**, nearly 5 percent of all Ohio employees in the private sector.

- Ohio ranks eighth in the United States for number of workers employed by foreign subsidiaries.
- Foreign-owned **manufacturing** accounts for **91,700 jobs**, representing about 12 percent of all manufacturing jobs in Ohio.
- U.S. subsidiaries of **foreign companies pay** an average compensation of \$68,317 per year, **32 percent higher** than U.S. companies.

Selected Multinational Corporations Employing Workers in Ohio

<u>Company</u>	<u>Employees</u>	<u>Industry</u>	<u>Country</u>
BP	2,980	Petroleum	United Kingdom
Boehringer Ingelheim Gmb	2,100	Pharmaceuticals	Germany
Bridgestone	3,300	Rubber Products	Japan
Honda Motor Company	11,700	Motor Vehicles	Japan
Nestle S.A.	2,200	Food Products	Switzerland
Reed Elsevier PLC	3,000	Information Services	United Kingdom
Sait-Gobain	1,270	Plastic Products	France
Siemens AG	2,260	Motion Control systems	Germany
Signet Group PLC	3,700	Jewelry Retail	United Kingdom
Tokai Kogyo Co.	1,895	Motor Vehicle Parts	Japan
Tokyo Seat	1,660	Motor Vehicle Parts	Japan

OHIO COMPANIES AND WORKERS USE IMPORTS TO STAY COMPETITIVE

- In 2008, 58.5 percent of the products we imported were used by U.S. workers to manufacture goods in the United States. Lower cost inputs **keep U.S. manufacturing competitive** in international markets.
- Imports frequently contain **components** (like cotton or semiconductors) and services (like design) sourced from U.S. companies and farmers, including companies and farmers in Ohio.
- **Services**, especially transportation from Ohio's ports, finance and insurance, marketing and legal services, are needed to bring imported goods to American manufacturers and households. These importing-related services industries are vital to Ohio's growth, and account for 41.3 percent of state GDP, more than twice as much as manufacturing.

EXPORTS AND IMPORTS HELP OHIO FAMILIES ENJOY A HIGHER STANDARD OF LIVING

Exports and imports support family incomes.

- **Jobs in exporting plants pay on average up to 18 percent** more than similar jobs in non-exporting plants.
- Imports help keep prices for Ohio families down while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.
- Trade and investment liberalization policies are worth **over \$10,000 per year** to an average Ohio family of four.

Imports Keep Inflation Low (1999-2008)

	<u>Price Change</u>
Toys	-45%
Clothing	-10%
Household Appliances	-9%
Footwear	-3%

SOURCES

JOBS

Laura Baughman and Joseph Francois, Trade Partnership Worldwide, LLC (<http://www.businessroundtable.org>)
Ohio Council of Port Authorities (<http://www.toledoseaport.org/documents/OCPA%202008%20LEG%20EVENT%20HANDOUT1.pdf>)
U.S. Department of Labor (<http://www.bls.gov/lau/home.htm>)
U.S. Department of Commerce (<http://ita.doc.gov/td/industry/otea/jobs/index.html>), (<http://ita.doc.gov/td/industry/otea/edb/index.html>), (<http://www.bea.gov/regional/index.htm>)

EXPORTS

U.S. Department of Agriculture (<http://www.ers.usda.gov/StateFacts/>)
U.S. Department of Commerce (<http://tse.export.gov>), (<http://www.usatradeonline.gov>), (<http://ita.doc.gov/td/industry/otea/edb/index.html>), (<http://www.bea.gov/bea/regional/gsp/>)
Andrew B. Bernard, J. Bradford Jensen, and Peter K. Schott (<http://www.iie.com/publications/wp/wp05-10.pdf>)
PIERS Trade Intelligence database (<http://www.piers.com/>)

FOREIGN INVESTMENT

"Honda in Ohio" (<http://ohio.honda.com/ohio/facts.cfm>)
Ohio Dept. of Development, Research | Business and Industry (<http://www.development.ohio.gov/research/files/B10000002.pdf>)
Organization for International Investment (<http://www.ofii.org>)

IMPORTS

U.S. Department of Labor (<http://www.bls.gov/mxp/home.htm>)
U.S. Department of Commerce (<http://www.bea.gov/bea/regional/gsp/>)

STANDARD OF LIVING

Council of Economic Advisers (<http://www.gpoaccess.gov/eop/index.html>)
U.S. Department of Labor (<http://www.bls.gov/cpi/home.htm>)
U.S. Department of Commerce (<http://www.bea.gov/>)

TRADE LIBERALIZATION

U.S. Department of Commerce (<http://tse.export.gov>)

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<http://trade.businessroundtable.org>