



Trade Makes Florida Strong

Florida gains from global trade. Export growth increases jobs by advancing Florida’s manufacturers, services providers and farmers. Imports keep costs low, helping Florida businesses compete and saving Florida families real dollars at the cash register. Foreign investment in Florida creates good jobs across a range of sectors.

TRADE CREATES JOBS FOR FLORIDIANS

Trade with the world – both exports and imports of goods and services – creates jobs in Florida.

- Today, trade supports **nearly 1.8 million jobs** in Florida.
- **Trade accounts for 18.4 percent of jobs** in Florida, up from 10.9 percent in 1992.
- As trade in Florida has grown, unemployment has fallen. Florida’s unemployment rate – **3.8 percent** – is well below the national average.

Florida’s Three Most Export-Intensive Industries

<u>Industry</u>	<u>% Export-Related</u>
Computers	23.4%
Machinery	20.9
Transport. Equip.	20.6

- A study of the impact of international trade in goods shipped through the **Miami-Dade County ports** found that trade supported 121,000 jobs, or 10 percent of total employment in the county.
- Trade particularly benefits employees of Florida’s small- and mid-size companies. In 2004, more than **34,600 Florida companies** sold their products abroad and **93 percent were small- or mid-sized companies**.
- **Jobs in exporting plants pay on average up to 18 percent more** than similar jobs in non-exporting plants.

TEN WAYS TRADE MAKES FLORIDA STRONG

Trade supports one in five jobs in Florida.

Since 2002, Florida’s exports have increased twice as fast as its GDP.

Jobs at exporting plants pay 18% more than at non-exporting plants.

5% of Florida’s gross domestic product was from exports in 2005.

Foreign-owned companies employ 238,000 workers in Florida.

Foreign-owned firms pay workers 32% more.

Half of imports are raw materials and other items needed for manufacturing.

Marketing imports demand services and services account for 18% of Florida’s GDP.

Import prices grow much slower than overall consumer prices, saving money for Florida consumers.

Free trade agreements work for Florida.

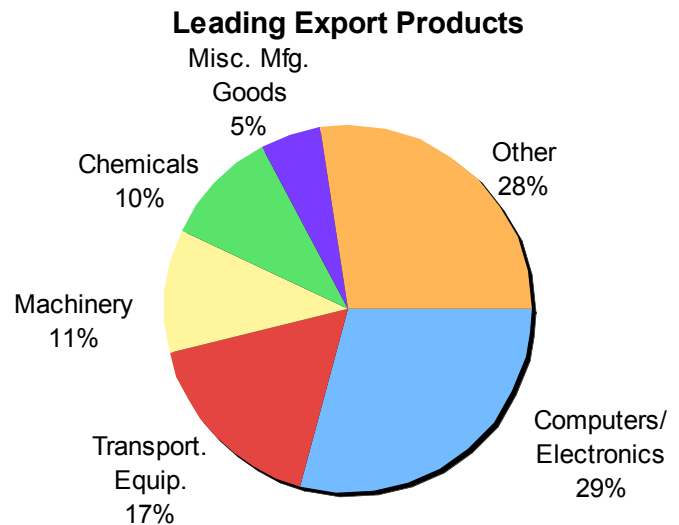
FLORIDA'S FARMERS AND KEY INDUSTRIES GROW WITH EXPORTS

Florida is a major U.S. agricultural product exporter, with exports totaling \$1.3 billion in 2005.

- The state is the nation's third largest exporter of **fruit**, the fourth largest exporter of **vegetables**, and the fifth largest exporter of **seeds**.
- Over 140 countries imported Florida agricultural commodities in 2004. The largest markets for the state's exports were **Canada, Japan, the Netherlands, and the United Arab Emirates**.

According to the U.S. Department of Commerce, Florida ranked eighth in the United States with **total exports valued at \$33.4 billion** in 2005.

- **Computers and electronics** is Florida's leading export products category, accounting for **29 percent** of total exports in 2005.
- One of the fastest growing exports for Florida is **transportation equipment**, which grew at an annual rate of **13.7 percent** between 2001 and 2005.
- In 2005, Florida companies sold their products in over **220 foreign markets**.
- The top export market for Florida is **Brazil** (\$3.1 billion). Other leading markets include **Canada** (\$2.8 billion) and **Venezuela** (\$2.1 billion).
- **Chile** is one of Florida's fastest growing trading partners. In 2005, Florida companies exported \$956 million worth of goods to Chile, an increase of 52.8 percent since 2001.
- In 2005, exports represented approximately **five percent of Florida's state gross domestic product** (state GDP).
- Since 2002, exports have increased **two times faster** than state GDP.



Enterprise Florida estimates that Florida's exports of **knowledge-based services** such as, accounting, consulting, engineering, law, medicine, telecommunications and transportation totaled nearly \$21 billion in 2005.

FLORIDA WORKERS & BUSINESSES BENEFIT FROM FOREIGN INVESTMENT

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Florida every year, infusing money into the local economy and keeping unemployment low.

- Foreign-owned companies employ **238,400 Florida workers**, nearly four percent of all Florida employees, **ranking it 4th** in the nation in “insourced” workers.
- **Manufacturing** accounts for **66,300 insourced jobs**, representing 28 percent of all insourced jobs in Florida.
- European-based companies employ the largest number of Floridians, followed by Canadian and Japanese companies.
- U.S. subsidiaries of **foreign companies pay** an average compensation of \$63,428 per year, **32 percent higher** than U.S. companies.

“Governor Bush has made international trade and investment a key aspect of his economic diversification efforts for Florida. Since January 1999, Governor Bush has led business development/advocacy missions as well as international goodwill missions to [26 countries]. More than 1,700 business leaders have participated with Governor Bush in these strategic missions, netting more than \$704 million in new business opportunities for the state.”

- Office of Governor Jeb Bush, July 16, 2006

Selected Multinational Corporations with Operations in Florida

<u>Company</u>	<u>Industry</u>	<u>Country</u>
Anchor Glass Container Corp.	Containers	Canada
ASO Corporation	Medical Products	Japan
BPB America	Gypsum Products	United Kingdom
Club Med	Tourism	France
Condotte America	Heavy Construction	Italy
CSR America	Concrete, Gypsum & Plaster Products	Australia
Hubbard Construction	Heavy Construction	France
Inter Continental Hotels	Hotels	United Kingdom
LanChile Airlines	Airline	Chile
Mapel	Chemicals	Italy
Nortel Networks	Telephone Communications	Canada
Siemens Information & Communication	Computer Programming	Germany
Pinkerton (Burns) Security Services	Security	Sweden
Sony Electronics	Appliances	Japan
Topp Telecom	Internet and Telecom. Services	Mexico
V. A. W. of America	Aluminum Extrusion/Tube Products	Norway

FLORIDA FARMERS AND MANUFACTURERS NEED IMPORTS TO BE COMPETITIVE

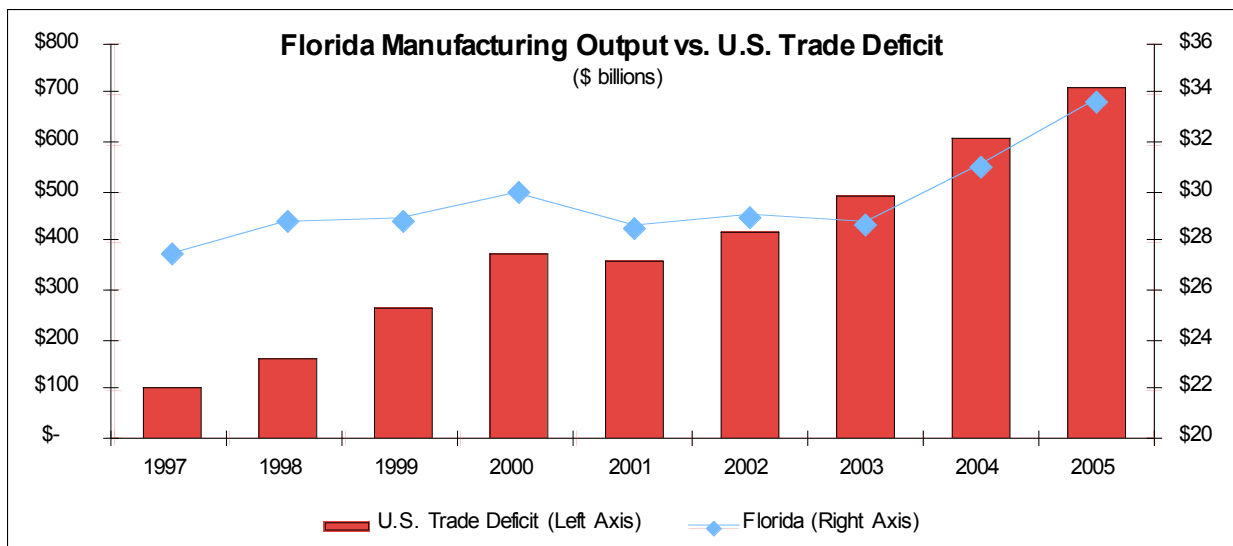
Raw materials, capital goods and industrial products used to manufacture goods in the United States account for approximately half of total U.S. merchandise imports.

- Important Florida manufacturing sectors benefit from imports in some way.
- Local computer and electronics manufacturers use imported components to keep costs low.
- An entire apparel production industry in Florida has developed around co-production with manufacturers in the Caribbean, with each using inputs from the other.

Capital Goods Imports Benefiting Florida's Manufacturers

Product	Price Change, 1996-2005
All Capital Goods	-23.4%
Electric Generators and Parts	-6.4%
Non-Electrical Machinery, (excl. Computers)	-9.4%
Business Machinery (excl. Computers)	-12.4%
Computers	-50.2%

There is no correlation between changes in Florida's manufacturing output and the national trade deficit. In fact, Florida manufacturing output has been generally increasing even as the trade deficit expands.



FLORIDA'S SERVICES INDUSTRIES BENEFIT FROM IMPORT-DRIVEN DEMAND

Numerous **services industries** benefit from business generated by imported goods.

- **Professional services**, including finance, insurance, marketing, and legal services, are needed to market imported products. These industries are vital to Florida's growth, and account for **17.9 percent of state GDP**, three-and-a-half times more than manufacturing.

- Imports comprise a significant portion of Florida's **transportation and product sales** (both wholesale and retail). These industries account for 17.1 percent of state GDP.
- Tourism and port services** – technically “imports” – are crucial to the Florida economy. Foreign tourists stay longer and spend twice as much as domestic travelers. Also, Florida's proximity to Latin and South America makes it a key transportation hub, not only for exports to the region but for imports into the United States as well.

FLORIDA FAMILIES ENJOY A HIGHER STANDARD OF LIVING BECAUSE OF IMPORTS

Imports help keep prices for Florida families down while increasing their choices for goods and services.

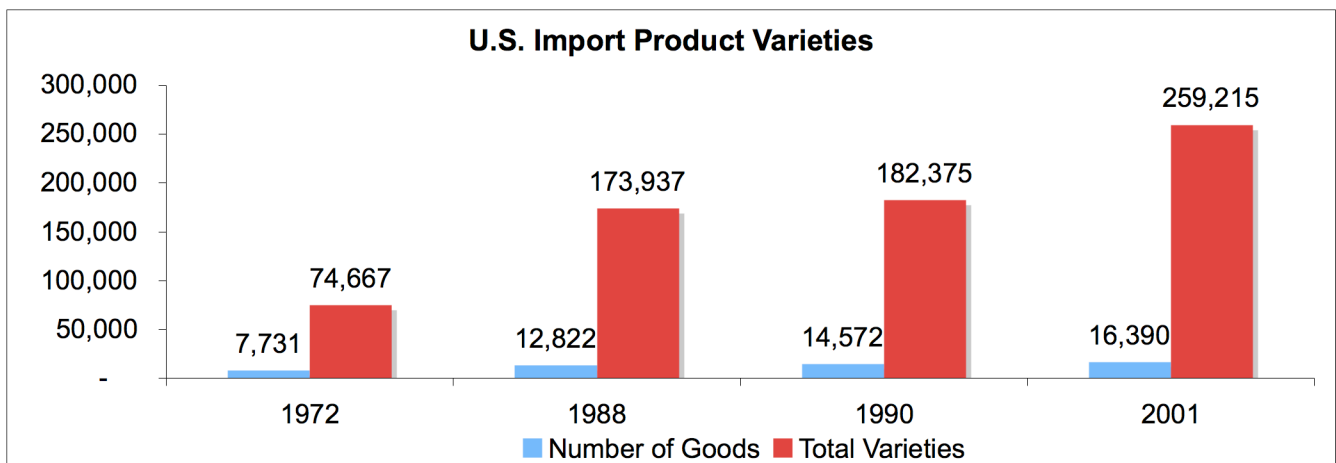
- Trade helps **keep inflation in check**. Prices for widely traded consumer goods tend to rise less than prices for non-traded goods.
- Trade and investment liberalization policies are worth **over \$10,000 per year** to an average Florida family of four.
- Between 1990 and 2004, U.S. import prices grew at about a quarter of the rate of growth of overall consumer prices (0.6 percent per year vs. 2.2 percent per year).

Trade and Low Inflation: Price Changes (1997-2004)

Traded Goods	Price Change
Toys	-36%
Household Appliances	-15%
Clothing	-11%
Footwear	-6%
Non-Traded Goods	
Milk	24%
Margarine	22%
Ice Cream	17%
Sugar	9%

The lower costs resulting from trade mean **more purchasing power** for Florida consumers, which is particularly important for lower-income families.

- In 2005, 399,000 families in Florida were at or below the national poverty level (about \$20,000 per year for a family of four).
- Lower-income families spend nearly three times as much on footwear and 50 percent more on apparel than upper-income families spend, both goods that are largely traded.



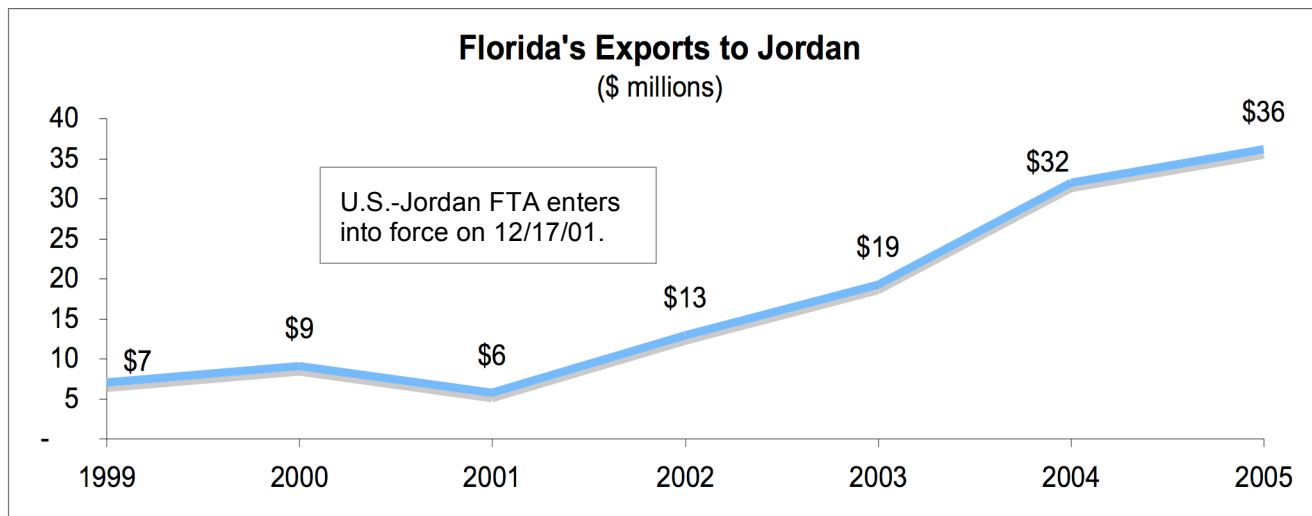
Consumer choice increases with trade.

- Trade allows consumers to enjoy products with limited U.S. production (e.g., coffee) as well as products not widely available from U.S. manufacturers (e.g., silk apparel).
- The number of product varieties imported by the United States increased fourfold over the last three decades.

MORE OF A GOOD THING FOR FLORIDA – LEVELING THE TRADE PLAYING FIELD

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

- Since the **North American Free Trade Agreement** went into effect in 1994, Florida's exports to Canada have increased \$1.3 billion (81 percent), while exports to Mexico have increased \$1.4 billion (213 percent).
- In 2001, a recession year, Florida's total trade with **Canada** generated \$7.8 billion for Florida's economy and supported over 288,800 jobs.
- Similarly, the **U.S.-Jordan Free Trade Agreement**, which went into effect in 2001, has had a significant effect on export growth from Florida to Jordan.



“Bilateral or multilateral international agreements lower or eliminate barriers to trade and investment, and Florida’s economy stands to benefit significantly from this. In particular, free trade agreements in the Western Hemisphere disproportionately benefit Florida and are key to Florida’s status as a hemispheric hub.”

- Enterprise Florida, “Roadmap to Florida’s Future, 2007-2012 Strategic Plan for Economic Development”

SOURCES

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TRADE LIBERALIZATION

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