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 Maine 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 Maine.

Why is International Trade & Investment Important to Maine?

- **International trade, including exports and imports, supports 177,519 Maine jobs – more than 1 in 5.** While total employment declined from 2004 to 2013, trade-related jobs grew by 24 percent. These jobs are at large and small companies, on farms, in factories, and at the headquarters of Maine's globally engaged firms. *(See Maine Jobs Depend On Two-Way Trade)*

- **Maine exported $2.4 billion in goods and $1.3 billion in services in 2013,** including pulp & paperboard products, marine products, timber & logs and travel services. Of Maine's 2,183 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See Maine Businesses Grow With Exports)*

- **Customers in 184 countries buy Maine-made goods and services,** including hundreds of millions of dollars in annual exports to top markets like Canada, China and Japan. *(See Maine Companies Export Throughout The World)*

- **Imports lower prices and increase choices for Maine companies and families.** Lower raw material and input costs help Maine 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 Maine Companies And Workers Use Imports To Compete)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Maine to partner countries.** In 2013, $1.3 billion of Maine's goods exports, or 56 percent, went to FTA partners. This represents a 12 percent increase since 2003. *(See Maine Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 32,500 workers in Maine.** *(See Foreign Investment In Maine Creates Jobs)*

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
Maine 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 Maine

- Export growth increases jobs by generating new business for Maine's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Maine businesses compete and saving Maine families real dollars at the cash register.
- More than one in five Maine jobs depend upon international trade.
- While Maine’s total employment declined from 2004 to 2013, trade-related jobs grew by 24 percent.
- Jobs in U.S. exporting plants pay on average up to 18 percent more than similar jobs in non-exporting plants.
- 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

<table>
<thead>
<tr>
<th>Number of Jobs in Maine Supported by Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>177,519</td>
</tr>
</tbody>
</table>

Share of Jobs Tied to Trade
Increased 195% from 1992 to 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>7.5%</td>
</tr>
<tr>
<td>2013</td>
<td>22.1%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>23,200</td>
</tr>
<tr>
<td>Management, Administrative Services</td>
<td>10,500</td>
</tr>
<tr>
<td>Professional, Scientific, Tech Services</td>
<td>9,200</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>7,400</td>
</tr>
<tr>
<td>Real Estate, Rental</td>
<td>6,200</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
Maine Businesses Grow with Exports

Overview

Maine exported an estimated $2.4 billion in goods and $1.3 billion in services in 2013. Between 2009 and 2013, Maine goods exports have increased by 10 percent and services exports by 35 percent. Large companies now account for 57 percent of the value of Maine'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 Maine Exports

- Maine ranks among the top half of state exporters in nine industries, including second in timber & logs ($198 million), fourth in marine products ($322 million), 12th in pulp, paper & paperboard ($581 million), and 15th in fruits & nuts ($35 million).
- Maine is America’s 40th largest exporter of agricultural products. It ranks among the top 10 exporters of farmed fish, apples, berries, and potatoes.
- One of Maine's fastest growing export categories is misc. fabricated metal products, which have increased by 19 percent per year since 2003. In 2013, exports of these products reached $34 million.

By the Numbers

- **2,183**
  Number of Maine Businesses that Exported in 2012

- **85%**
  Share of Maine Exporters that are Small- & Medium-Sized Businesses

Top Maine Exports, 2013

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulp, Paper &amp; Paperboard</td>
<td>$581 million</td>
</tr>
<tr>
<td>Marine Products</td>
<td>$322 million</td>
</tr>
<tr>
<td>Timber &amp; Logs</td>
<td>$198 million</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$160 million</td>
</tr>
<tr>
<td>Semiconductors &amp; Components</td>
<td>$135 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$625 million</td>
</tr>
<tr>
<td>Equip. Maintenance &amp; Repair</td>
<td>$83 million</td>
</tr>
<tr>
<td>Insurance Services</td>
<td>$76 million</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
In 2013, Maine companies sold their products in 184 international markets. Top export markets include:

- **Canada**
  - Goods Exports: $1.1 billion
  - Services Exports: $165 million

- **Italy**
  - Goods Exports: $60 million
  - Services Exports: $18 million

- **Japan**
  - Goods Exports: $120 million
  - Services Exports: $92 million

- **China**
  - Goods Exports: $226 million
  - Services Exports: $84 million

- **Malaysia**
  - Goods Exports: $103 million
  - Services Exports: $6 million

- **Korea**
  - Goods Exports: $70 million
  - Services Exports: $39 million

**Fast Facts: How Exports Help the Maine Economy Grow**

- Goods exports accounted for 4.4 percent of Maine’s state GDP in 2013.
- Maine's goods exports have grown as fast as state GDP since 2003. During this period, the average annual export growth and state GDP growth were both 2.7 percent.
- Maine's top export markets for goods are Canada, China, and Japan. Its top market for services is Canada.
- Among major export markets for Maine's goods, Egypt has grown the fastest at 42 percent per year since 2003. Exports to Germany grew by 17 percent per year, while exports to Italy grew by 14 percent per year.
Overview

In 2013, 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 Maine.

- Services, especially transportation from Maine's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2012, 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 Maine family of four more than $10,000 per year.
- Imports help keep prices down for Maine families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2012, nearly 186,000 U.S. companies (including 1,280 in Maine) 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

<table>
<thead>
<tr>
<th>Item</th>
<th>Percentage Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Televisions</td>
<td>-86.9%</td>
</tr>
<tr>
<td>Computers</td>
<td>-71.2%</td>
</tr>
<tr>
<td>Toys</td>
<td>-41.9%</td>
</tr>
</tbody>
</table>

Decrease in the Price of Televisions Between 2003 and 2013.
Decrease in the Price of Toys Between 2003 and 2013.

Imports Increase Choices for Goods & Services
Overview

The United States has some of the lowest trade barriers in the world. Overall U.S. trade with our 20 free trade agreement (FTA) partner countries supports 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. Maine has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2013, $1.3 billion of Maine's goods exports, or 56 percent, went to FTA partners.
- Since 2003 Maine's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 12 percent.
- Maine's exports to Canada and Mexico have increased by $764 million (199 percent) since NAFTA went into effect in 1994.
- Maine's exports to Costa Rica have increased by 341 percent since the DR-CAFTA took effect for Costa Rica in 2009.
- Maine's exports to Korea of marine products have increased twelve-fold, from $790,000 to $10 million, in the two years since the FTA with Korea took effect.
- Canada and Mexico combined to buy 96 percent of Maine's exports of sawmill wood products in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $1.8 billion, or 76 percent, of Maine's goods exports in 2013.

By the Numbers

12%  
Increase in Maine Goods Exports to FTA Partners Between 2003 and 2013

<table>
<thead>
<tr>
<th>Per Capita Purchases of U.S Goods, 2013</th>
<th>$3.02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-FTA Countries</td>
<td>$0.17</td>
</tr>
<tr>
<td>FTA Partner Countries*</td>
<td></td>
</tr>
</tbody>
</table>

* U.S. FTAs in effect with countries in 2013.

In 2013, FTA partners purchased 18.3 times more goods per capita from Maine than non-FTA partners.

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Foreign Investment in Maine Creates Jobs

Overview

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

- 7,400 workers employed by companies based in Canada;
- 3,300 workers employed by companies based in the United Kingdom;
- 2,200 workers employed by companies based in Switzerland;
- 1,900 workers employed by companies based in Germany;
- 1,200 workers employed by companies based in Japan.

Foreign-Owned Companies Employ 32,500 Maine Workers Across Many Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Country</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td></td>
<td>17,400</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td>8,600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td></td>
<td>3,700</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td></td>
<td>1,200</td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td></td>
<td>600</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in Maine

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB</td>
<td>Power Generation Equip. Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Boralex</td>
<td>Power Distribution Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Central Maine Power Company</td>
<td>Electricity Services</td>
<td>Spain</td>
</tr>
<tr>
<td>Domtar Corporation</td>
<td>Paper Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Hotel Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Poland Spring Bottling Co.</td>
<td>Beverage Product Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Portland Natural Gas Transmission</td>
<td>Power Distribution Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Sappi Fine Paper North America</td>
<td>Paper Product Manufacturing</td>
<td>South Africa</td>
</tr>
<tr>
<td>Securitas Security Services</td>
<td>Security Services</td>
<td>Sweden</td>
</tr>
<tr>
<td>Stantec, Inc.</td>
<td>Architecture, Engineering &amp; Design Services</td>
<td>Canada</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Willis North America Inc.</td>
<td>Insurance Services</td>
<td>United Kingdom</td>
</tr>
</tbody>
</table>

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MAINE JOBS DEPEND ON TWO-WAY TRADE


MAINE 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)


MAINE COMPANIES EXPORT THROUGHOUT THE WORLD


MAINE COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS


Imports as Components: Derived from Census end-use import data


Price Changes: Derived from BLS Consumer Price Index database (http://www.bls.gov/cpi/)

MAINE NEEDS TRADE AGREEMENTS TO GROW


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


FOREIGN INVESTMENT IN MAINE 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)

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