



ARKANSAS INTERNATIONAL TRADE DATA SUMMARY 2018

WESTERN HEMISPHERE

WE GROW TRADE®



WORLD TRADE CENTER®
ARKANSAS
UNIVERSITY OF ARKANSAS

Introduction

Arkansas has a diverse economy ranging from aerospace and defense to agriculture, tourism, retail, and services among many others. Total exports of goods for Arkansas increased by nearly 11 percent during 2017¹ to \$6.3 billion². This is one of the highest percentage increases in the history of the state. Trade in Arkansas supported nearly 350,000 jobs³, exporting to 181 countries representing approximately 26 percent of the total employed labor force in Arkansas⁴ as of June 2018.

Top Economic Sectors in Arkansas



Aerospace & Defense



Agriculture



Retail & Services

Trade-Supported Employment in Arkansas

ARKANSAS LABOR FORCE



Trade-Supported Jobs Make Up 26% of Arkansas's Labor Force

350,000 JOBS



350,000 Jobs in Arkansas are Supported by International Trade

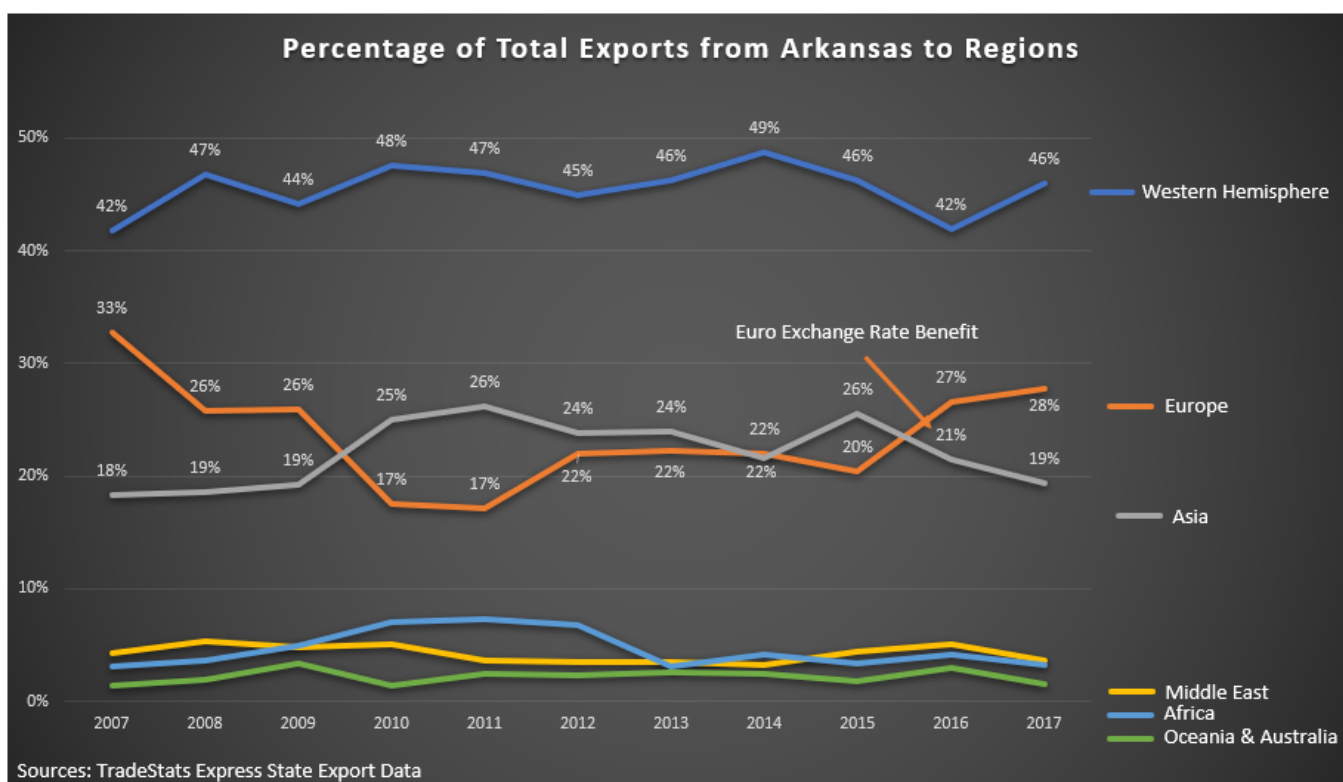
Trade Related Jobs Grew Six Times Faster in Arkansas

Trade-related jobs grew six times faster than total employment and are at large and small companies, farms, factories, and at the headquarters of Arkansas's globally engaged firms according to a report from Business Roundtable⁵.

Newly exporting firms increased employment almost four times faster than non-exporting firms⁶. Furthermore, salaries for jobs in companies that export pay up to 18% more⁷ than similar non-export jobs. Small Businesses account for 80 percent of all exporters in Arkansas⁸.

Primary Driver for Growth of Arkansas Exports

Growth in Arkansas exports was driven by a 20 percent increase year-over-year during 2017 in the Western Hemisphere⁹ after a steady decline in the region since 2013. According to data from the ITA's Global Patterns of State Exports report, more than 46 percent of all Arkansas exports go to Western Hemisphere countries¹⁰ and 43% of all agricultural exports from Arkansas go to Canada and Mexico¹¹. In addition to this, a report¹² released by Agriculture and Agri-Food Canada¹³ in April 2018 shows that four of the top five agricultural export countries from Arkansas are in the Western Hemisphere¹⁴.



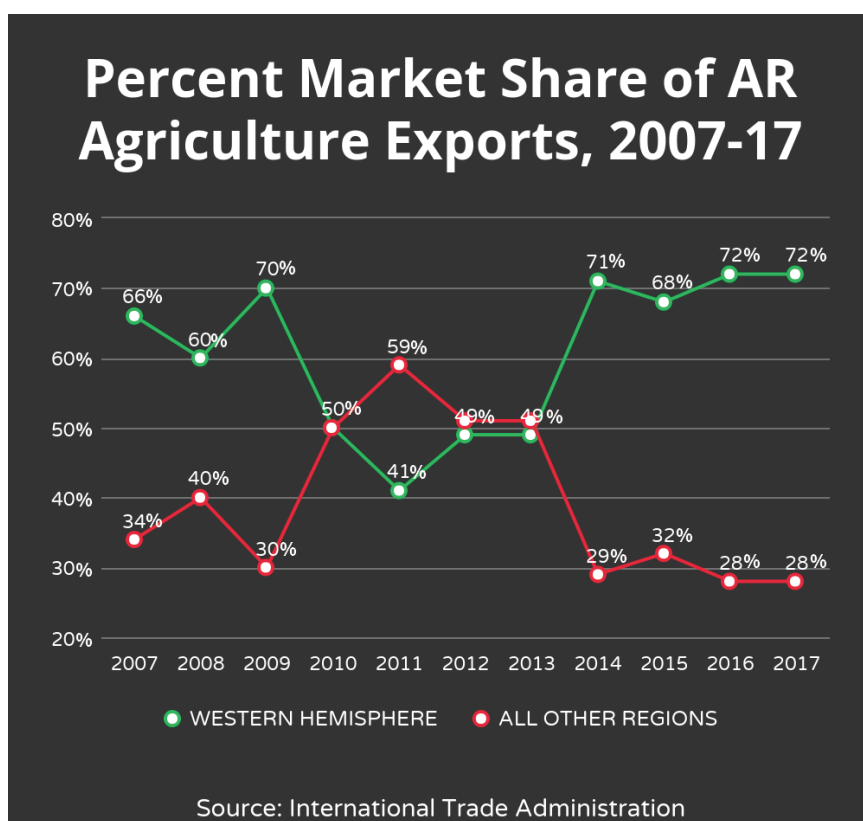
Primary Driver for Growth of Arkansas Exports (cont.)

The Western Hemisphere countries significantly outperformed all other regions both in year-over-year export growth and export market share¹⁵ (Europe YOY change driven by the Euro vs. US Dollar Exchange Rate). Arkansas farmers export over \$3 billion¹⁶ annually in agriculture products every year and 80 percent of Arkansas exporters are small businesses¹⁷. Of the more than \$3 billion in agricultural exports during 2016 and 2017¹⁸, 72 percent of all agricultural exports from Arkansas go to Western Hemisphere countries¹⁹, the highest percentage in over a decade.

What are the top countries for Arkansas exports?

The increase in exports from Arkansas to the Western Hemisphere was mostly driven by Canada and Mexico's dramatic increase in imports during 2017²⁰. Canada and Mexico are Arkansas's largest trading partners by billions of dollars²¹, and trade with the two countries supports more than 120,000 jobs in Arkansas²².

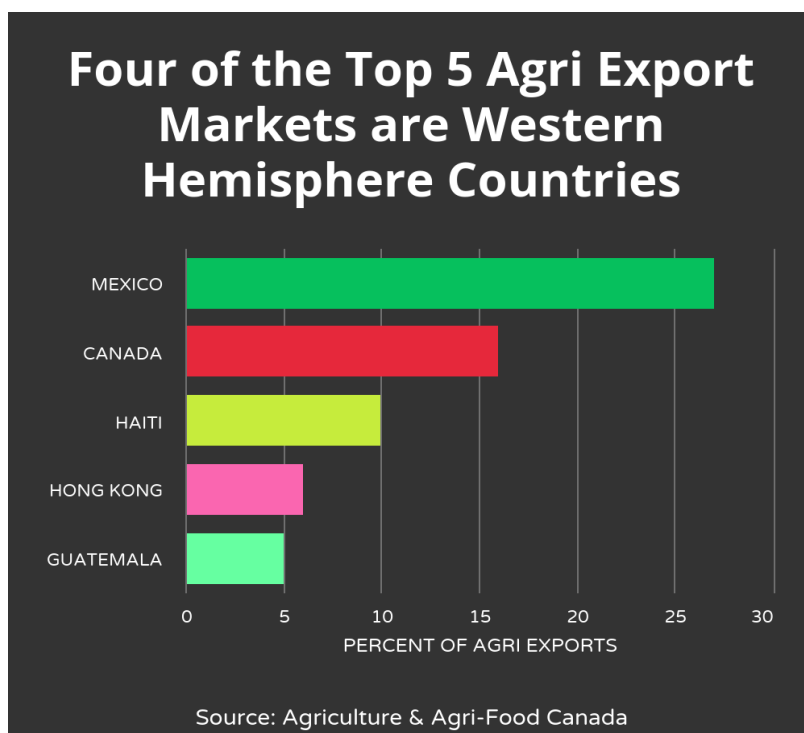
Canada is Arkansas's largest export market followed by Mexico. Arkansas exports to Canada and Mexico amounted to \$2.1 billion in goods²³ in 2017 and \$281 million in services in 2016²⁴, equaling 34% of all Arkansas exports²⁵, according to updated data released by the U.S. Census Bureau²⁶. Arkansas exports²⁷ nearly twice as much as it imports²⁸ from both Canada and Mexico together in goods. Additionally, Arkansas exports of goods to Canada and Mexico increased by 14 percent from 2016 to 2017²⁹. Year-over-year exports to Mexico of goods increased by nearly 24 percent from \$685 million to \$851 million³⁰ and have



What are the top countries for Arkansas exports? (cont.)

grown over 710 percent since 1993³¹.

According to the latest data reports from the Census Bureau³² and the Economic Department of Mexico³³, exports from Arkansas to Mexico in 2017 reached one of the highest points in recorded history. Arkansas exports to Mexico are increasing 2.3 times³⁴ to 3.5 times faster³⁵ than exports to any other country depending on the year. Arkansas exports to Mexico of agricultural commodities have increased by 911 percent since 1994 compared to the rest of the world³⁶ at 167 percent. This translates into an agricultural export growth rate from Arkansas to Mexico 5.46 times higher³⁷ than its agricultural export growth rate to the rest of the world.



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