Introduction

Arkansas has a diverse economy ranging from aerospace and defense, to agriculture, and manufacturing.\(^1\) As of December 2019, international trade in Arkansas supported nearly 350,000 jobs,\(^2\) representing approximately 26% of the state's total employed labor force.\(^3\) Total exports of goods for Arkansas increased by 18% from their level in 2009,\(^4\) now totaling $6.2 billion,\(^5\) and traveling to 167 countries.\(^6\)

Top Economic Sectors in Arkansas

- Aerospace and Defense
- Agriculture and AgriFood
- Manufacturing

Trade-Supported Employment in Arkansas

- 350,000 Jobs
- 26% of Labor Force

Total Arkansas Exports

- $6.2 Billion

Approximately 350,000 Jobs in Arkansas are Supported by International Trade

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

Arkansas Exported $6.2 Billion Worth of Goods in 2019
Arkansas' Top Export Partners

**By region** -- throughout the last year, nearly 47% of all Arkansas exports went to Western Hemisphere countries, 26% went to Europe, 21% went to Asia, and 2.5% went to the Middle East.\(^7\)

By country -- Arkansas' overall top ten export markets last year were (in order): Canada, Mexico, France, Japan, China, Belgium, Hong Kong, United Kingdom, Brazil and South Korea.\(^8\)


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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CANADA</td>
<td>$1,257</td>
<td>$1,208</td>
<td>$1,535</td>
<td>20.2%</td>
<td>18.7%</td>
<td>24.7%</td>
<td>27.0%</td>
</tr>
<tr>
<td>2</td>
<td>MEXICO</td>
<td>$851</td>
<td>$870</td>
<td>$745</td>
<td>13.6%</td>
<td>13.5%</td>
<td>12.0%</td>
<td>-14.4%</td>
</tr>
<tr>
<td>3</td>
<td>FRANCE</td>
<td>$728</td>
<td>$326</td>
<td>$711</td>
<td>11.7%</td>
<td>5.1%</td>
<td>11.40%</td>
<td>118.3%</td>
</tr>
<tr>
<td>4</td>
<td>JAPAN</td>
<td>$192</td>
<td>$167</td>
<td>$372</td>
<td>3.1%</td>
<td>2.6%</td>
<td>6.0%</td>
<td>122.9%</td>
</tr>
<tr>
<td>5</td>
<td>CHINA</td>
<td>$367</td>
<td>$307</td>
<td>$191</td>
<td>5.9%</td>
<td>4.8%</td>
<td>3.1%</td>
<td>-37.7%</td>
</tr>
<tr>
<td>6</td>
<td>BELGIUM</td>
<td>$91</td>
<td>$196</td>
<td>$152</td>
<td>1.5%</td>
<td>3.0%</td>
<td>2.4%</td>
<td>-22.1%</td>
</tr>
<tr>
<td>7</td>
<td>HONG KONG</td>
<td>$122</td>
<td>$180</td>
<td>$142</td>
<td>2.0%</td>
<td>2.8%</td>
<td>2.3%</td>
<td>-21.1%</td>
</tr>
<tr>
<td>8</td>
<td>UNITED KINGDOM</td>
<td>$250</td>
<td>$204</td>
<td>$140</td>
<td>4.0%</td>
<td>3.2%</td>
<td>2.2%</td>
<td>-31.6%</td>
</tr>
<tr>
<td>9</td>
<td>BRAZIL</td>
<td>$117</td>
<td>$78</td>
<td>$126</td>
<td>1.9%</td>
<td>1.2%</td>
<td>2.0%</td>
<td>61.6%</td>
</tr>
<tr>
<td>10</td>
<td>KOREA, SOUTH</td>
<td>$142</td>
<td>$231</td>
<td>$124</td>
<td>2.3%</td>
<td>3.6%</td>
<td>2.0%</td>
<td>-46.3%</td>
</tr>
</tbody>
</table>

Data provided by U.S. Census Bureau.
Canada and Mexico are Arkansas’ largest trading partners by billions of dollars, and trade with the two countries supports more than 120,000 jobs in Arkansas, representing almost 35% of all trade jobs.

In 2019, Arkansas' exports to Canada and Mexico amounted to approximately $2.3 billion in goods, representing nearly 37% of all Arkansas exports. As of 2019, Arkansas had a combined $485 million positive trade balance in goods with both Canada and Mexico.

Canada is Arkansas’ largest export partner. In 2019, Arkansas' exports to Canada increased by 27% compared to the previous year, from $1.2 billion to over $1.5 billion.
becoming the main driver of exports for the state. This dramatic increase propelled export growth to our NAFTA partners.

Mexico is Arkansas’ second largest export partner,\(^{19}\) with nearly $745 million in goods\(^{20}\) exported in 2019. Since NAFTA, Arkansas’ exports to Mexico have increased by 609.5%.\(^{21}\)

\[
\text{Arksansas Exports to Mexico & Canada Over the Years (in Millions of U.S. Dollars)}
\]

In 2019, Canada and Mexico agreed on a new trade agreement with the U.S., aiming to modernize the 25-year-old NAFTA.\(^{25}\) The new United States-Mexico-Canada Agreement (USMCA) intends to better support mutually beneficial trade, leading to freer markets and stronger economic growth across North America.\(^{26}\) The expected implementation date is July 1, 2020.\(^{27}\)

France was Arkansas’ third largest export partner in 2019, with $711 million\(^{22}\) worth of goods exported. Meanwhile, exports to Japan accounted for $372 million,\(^{23}\) and exports to China added $191 million.\(^{24}\)
Arkansas' Top Export Sectors


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<tbody>
<tr>
<td>1</td>
<td>CIVILIAN AIRCRAFT, ENGINES, AND PARTS (880000)</td>
<td>$1,503</td>
<td>$995</td>
<td>$1,039</td>
<td>24.1%</td>
<td>15.4%</td>
<td>16.7%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>2</td>
<td>RAILWAY OR TRAMWAY TANK CARS AND THE LIKE, NOT SEL (860610)</td>
<td>0</td>
<td>1</td>
<td>364</td>
<td>0%</td>
<td>0%</td>
<td>5.8%</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>CHEMICAL WOOCUPULP, SODA OR SULFATE, OTHER THAN DIS (470312)</td>
<td>$111</td>
<td>$191</td>
<td>$242</td>
<td>1.8%</td>
<td>3.0%</td>
<td>3.9%</td>
<td>27.1%</td>
</tr>
<tr>
<td>4</td>
<td>RICE, SEMI-MILLED OR WHOLLY MILLED, WHETHER OR NOT (100630)</td>
<td>$222</td>
<td>$233</td>
<td>$206</td>
<td>3.6%</td>
<td>3.6%</td>
<td>3.3%</td>
<td>-11.4%</td>
</tr>
<tr>
<td>5</td>
<td>AIRPLANES AND OTHER AIRCRAFT NESO, OF AN UNLADEN (880240)</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>0%</td>
<td>0%</td>
<td>3.2%</td>
<td>N/A</td>
</tr>
<tr>
<td>6</td>
<td>PAPER &amp; PAPERBOARD, COATED, IMPREGNATED OR COVERED (481151)</td>
<td>$189</td>
<td>$206</td>
<td>$195</td>
<td>3.0%</td>
<td>3.2%</td>
<td>3.1%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>7</td>
<td>EGGS OF CHICKENS (FOWLS OF THE SPECIES GALLUS DOME (40711)</td>
<td>$162</td>
<td>$172</td>
<td>$185</td>
<td>2.6%</td>
<td>2.7%</td>
<td>3.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>8</td>
<td>CHICKEN CUTS AND EDIBLE OFFAL (INCLUDING LIVERS) F (20714)</td>
<td>$190</td>
<td>$171</td>
<td>$156</td>
<td>3.1%</td>
<td>2.7%</td>
<td>2.5%</td>
<td>-9.2%</td>
</tr>
<tr>
<td>9</td>
<td>HALOGENATED DERIVATIVES OF AROMATIC HYDROCARBONS, (290399)</td>
<td>$17</td>
<td>$103</td>
<td>$124</td>
<td>0.3%</td>
<td>1.6%</td>
<td>2.0%</td>
<td>20.4%</td>
</tr>
<tr>
<td>10</td>
<td>COTTON, NOT CARDED OR COMBED (520100)</td>
<td>$63</td>
<td>$117</td>
<td>$99</td>
<td>1.0%</td>
<td>1.8%</td>
<td>1.60%</td>
<td>-15.2%</td>
</tr>
</tbody>
</table>

Data provided by U.S. Census Bureau.

$3 Billion in Agricultural Exports

Agriculture and agrifood represent one of the main industries of Arkansas' exports. Arkansas farmers export approximately $3 billion in agricultural and agrifood goods every year. During 2019, the top four destinations for those exports were Western Hemisphere countries with a total share of 62%, followed by Hong Kong with 6.9%.

Arkansas’ Top Agricultural Export Markets

- Canada: 23%
- Mexico: 17%
- Haiti: 14%
- Guatemala: 7%
- Hong Kong: 6.9%

Top Agricultural Exports

- America's largest rice exporter
- Second largest poultry exporter
- Fifth largest cotton exporter
Arkansas Trade-Related Jobs

Over the last few years, Arkansas trade-related jobs have grown six times faster than total employment, paid up to 18% more than similar jobs at non-exporting firms, and were shown to be more secure. Likewise, businesses that started exporting for the first time last year also increased employment approximately four times faster than non-exporting businesses.

80% of Exporters are Small Businesses

In Arkansas, small businesses account for about 80% of all exporters.

2020 Outlook

The COVID-19 pandemic without a doubt will have an impact on 2020 Arkansas exports (which will be reflected in next year's Trade Summary).

During export year 2020, we expect to see a more diversified supply chain. This may include more manufacturing and sourcing outside of China as a result of COVID-19 pandemic supply chain disruptions.
Contact Information

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Sources

Figures may not add up due to rounding. Figures may also be subject to variations based on sources used.
12. Percentage calculation based on 2. and 11.

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