



# Trade Facts

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## **Trade Delivers Growth, Jobs, Prosperity and Security at Home**

The United States is the world's largest economy and largest exporter and importer. Trade is critical to America's prosperity – fueling economic growth, supporting good jobs at home, raising living standards and helping Americans provide for their families with affordable goods and services. In just the last 13 years, freer trade has helped raise our GDP by 48 percent. Over the same period the United States has added over 23 million jobs.

The United States is one of the most open economies in the world, and as a result is one of the world's strongest and most dynamic and competitive. The U.S. economy continues to grow at exceptionally healthy rates and is the envy of the world. But markets abroad are too closed and U.S. goods, farm products, and services face numerous barriers. Reducing trade barriers abroad will give our farmers, ranchers, manufacturers and service providers better access to the 95 percent of the world's customers living outside our borders.

**U.S. Exports Drive Economic Growth:** In 2007, U.S. goods and services exports accounted for 12 percent of GDP, and these exports accounted for over 40 percent of overall growth in the U.S. economy in 2007.

- Manufacturing- Manufactured exports have increased 128 percent since the end of the last multilateral round a decade ago.
- Agriculture- One of every three U.S. acres is planted for export.
- Services – U.S. had a record \$104 billion surplus in 2007 on exports totaling \$473 billion, and these exports have more than doubled (up 136%) since 1994.

**Trade Creates Better Jobs:** Economic gains from trade translate directly to additional better and higher paying jobs in the United States.

- Manufactured exports support more than 1 in 6 manufacturing jobs (according to the Dept of Commerce), and an estimated 5.7 million jobs in the U.S. (estimate for 2005).
- Agriculture exports support 806 thousand jobs in the U.S. (estimate for 2005 by Dept of Agriculture).
- Services account for 8 out of every 10 jobs in the United States – an area of significant growth potential from a successful Doha round.

- U.S. jobs supported by goods exports pay more: an estimated 13 percent to 18 percent more than the U.S. national average. Reducing trade barriers will spur greater exports and the creation of more higher paying U.S. jobs.

**Prosperity Flows from Trade:** American families benefit from trade and open markets every day. Trade delivers a greater choice of goods – everything from food and furniture to computers and cars – at lower prices.

- Today, U.S. annual incomes are \$1 trillion higher, or \$9,000 per household, due to increased trade liberalization since 1945 Source: Institute for International Economics (IIE)
- The two major trade agreements of the 1990s – the North American Free Trade Agreement and the Uruguay Round – generate annual benefits of \$1300-\$2000 for the average American family of four.
- If remaining global trade barriers are eliminated, U.S. annual incomes could increase by an additional \$500 billion, adding roughly \$4,500 per household Source: IIE

**Trade Builds International Partnerships for Security:** Trade builds transparency, counters corruption, strengthens the rule of law, and encourages economic integration – building partnerships in prosperity for the United States.

- The Central America-Dominican Republic Free Trade Agreement supports freedom, democracy and economic reform in our own neighborhood. In the 1980s, Central America was characterized by civil war, chaos, dictators, and Communist insurgencies. Today, elected leaders in the region are, through CAFTA and other efforts, embracing transparency and economic reform, fighting corruption, and strengthening the rule of law.
- To re-ignite economic growth and expand opportunity in the Middle East, the President proposed on May 9th, 2003 establishing a U.S.-Middle East Free Trade Area within a decade. According to the United Nations, the Middle East attracted just 0.7 percent of global foreign direct investment throughout the 1990s. Exports from the region—over 70 percent of which are accounted for by oil and oil-related products—grew at 1.5 percent per year over the same period, far below a global average growth rate of 6 percent. On a per capita basis, exports are significantly lower today than 20 years ago.
- According to the World Bank, about 25 percent of people in the region live on less than \$2 per day. The UN reports that Arab countries have the world's lowest percentage of people who use the Internet or have access to a computer. The United States is committed to expanding trade in the region and providing economic hope for millions in the Middle East. The 9/11 Commission unanimously recommended that the United States expand trade with the Middle East as way to “encourage development, more open societies, and opportunities for people to improve the lives of their families.”