



Maine: Expanding Exports and Supporting Jobs through Trade Agreements

For almost 40 years, Congress has enacted Trade Promotion Authority (TPA) type laws to help guide both Democratic and Republican Presidents in pursuing trade agreements that support U.S. jobs, eliminate barriers to U.S. exports, and set rules to level the playing field for U.S. companies, farmers, and workers. In these laws, Congress has set high-standard objectives and priorities for U.S. trade negotiators and established a process for consulting with Congress and the public.

The United States currently has free trade agreements with 20 partners which support 47 percent of total goods exports. The regional trade agreements currently under negotiation – Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) – accounted for 62 percent of U.S. goods exports in 2014, and supported an estimated 4.2 million U.S. jobs in 2013. Over fifty countries are negotiating a separate agreement focused on opening markets to trade in services, which would create significant new opportunities for U.S. services firms. TPA will allow these agreements to become a reality, spurring economic growth in the United States and our trading partners.

Exports Support Jobs for American Workers

Total exports from Maine helped contribute to the record-setting value of U.S. goods and services exports in 2014, which reached \$2.35 trillion. Nationally, U.S. jobs supported by exports reached an estimated 11.3 million in 2013, up 1.6 million since 2009. U.S. goods exports to current FTA partners supported an estimated 3.2 million jobs nationally. In 2013, goods exports from the state of Maine supported an estimated 14 thousand U.S. jobs.

Exports Sustain Thousands of Maine Businesses

A total of 2,183 companies exported from Maine locations in 2012. Of those, 1,857 (85.1 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated over two-fifths (43.1 percent) of Maine's total exports of merchandise in 2012.

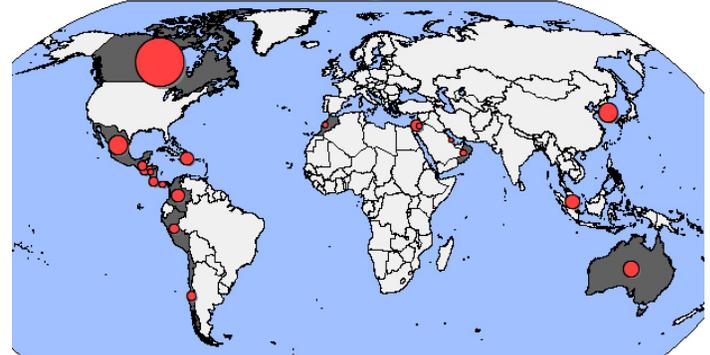
Trade Agreements

The United States currently has free trade agreements in force with 20 countries, which accounted for \$1.7 billion (63 percent) of Maine's exports in 2014. During the past 10 years (2005-2014), exports from Maine to these markets grew by 31 percent, with NAFTA, Australia, Colombia, Panama, and Peru showing the largest dollar growth during this period.

Maine Depends on World Markets

Maine's exports of merchandise in 2014 totaled \$2.8 billion. The state's largest market was Canada. Maine posted merchandise exports of \$1.5 billion to Canada in 2014, representing 54.4 percent of the state's total merchandise exports. Canada was followed by China (\$184 million), Malaysia (\$105 million), Japan (\$98 million), and the Netherlands (\$64 million).

Maine exporters take advantage of U.S. trade agreements



Bubble size represents relative value of Maine's exports to each country

The state's largest merchandise export category was Paper, which accounted for \$484 million of Maine's total merchandise exports in 2014. Other top merchandise exports were Fish & Other Marine Products (\$434 million); Oil & Gas (\$278 million); Computer & Electronic Products (\$260 million); and Transportation Equipment (\$209 million).

Maine's Metropolitan Exports

In 2013, merchandise exports from Maine's metropolitan areas included: Portland-South Portland (\$881 million), Lewiston-Auburn (\$110 million), and Bangor (\$109 million).

Future Trade Agreements will Benefit Maine's Exporters

Trans-Pacific Partnership (TPP)

TPP negotiations with Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam center on creating a high-standard, regional agreement that opens new markets and knits together existing U.S. trade agreements in the Asia-Pacific region by addressing new and emerging issues. The United States exported \$727.0 billion in goods to all TPP markets in 2014 (45 percent of total U.S. exports). In 2013, U.S. goods exports to all TPP markets supported an estimated 3.0 million U.S. jobs.

Maine exported \$1.9 billion annually in goods to all TPP markets (2012-2014 average). During this period, 66 percent of Maine's total goods exports went to the entire TPP region.

Maine's exports could benefit from new market access as a result of Brunei, Japan, Malaysia, New Zealand, and Vietnam eliminating their tariffs as part of TPP. Efforts under TPP to address unnecessary barriers to trade, increase transparency and certainty for businesses, and promote the rule of law throughout the region could also benefit Maine's exporters. TPP could further promote regional integration by providing companies the ability to access supply chains that span four continents and a dozen countries.

Maine's top industrial goods exports to Brunei, Japan, Malaysia, New Zealand, and Vietnam include:

Fish and fish products: Currently, tariffs on fish and fish products in these TPP markets range up to 34 percent.

Forest products: The tariffs on forest products in these TPP markets currently go as high as 40 percent.

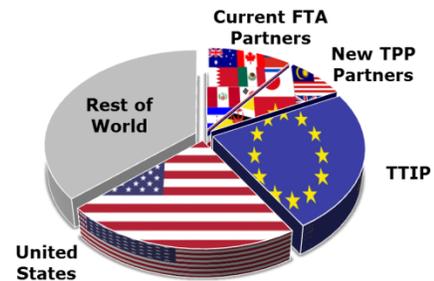
Health products: Currently, tariffs on health products in these TPP markets range up to 30 percent. TPP provisions that would encourage the use of international standards by partner countries could benefit medical device exports.

Transatlantic Trade and Investment Partnership (TTIP)

TTIP will be an ambitious, comprehensive, and high-standard trade and investment agreement that offers significant benefits for U.S. companies and workers through eliminating existing trade barriers and better enabling U.S. companies and workers to compete. TTIP will provide significant new opportunities for U.S. industry, as approximately one-fifth of all U.S. goods and services exports go to the European Union (EU). In 2013, U.S. goods and services exports to the EU supported an estimated 2.5 million U.S. jobs.

Maine exported \$361 million annually in goods to the EU (2012-2014 average). During this period, 13 percent of Maine's total goods exports went to the EU.

With TTIP & TPP, the United States & its trade agreements partners would account for 64% of global GDP



The EU's tariff elimination as part of TTIP would provide new market access that could benefit Maine's exports. Exports from Maine could also benefit from efforts in TTIP to achieve new market access commitments in services and investment, improve the regulatory environment, and establish global best practices.

Maine's top industrial goods exports to the EU include:

Forest products: Currently, the EU's tariffs on forest products range up to 10 percent.

High-tech instruments: The EU's tariffs on high-tech instruments currently go as high as 6.7 percent.

Machinery products: Currently, the EU's tariffs on machinery products range up to 9.7 percent. Machinery exports could also benefit from TTIP provisions that will address technical regulations and standards that unnecessarily restrict trade.

Trade in Services Agreement (TISA)

A trade agreement focused exclusively on services, TISA will encompass state-of-the-art trade rules aimed at promoting fair and open competition across a broad spectrum of service sectors. Presently there are more than 50 participants in the TISA negotiations, representing 75 percent of world trade in services and a majority of the \$44 trillion global services market.

The United States is the world's largest and most competitive provider of services. U.S. services exports in 2014 were \$710 billion, accounting for about 30 percent of total U.S. exports, and generating a trade surplus of \$231.8 billion. Promoting the expansion of services trade globally will pay dividends for the United States, with every \$1 billion in services exports supporting an estimated 5,900 U.S. jobs in 2013. Service industries employ workers throughout the country, and approximately three out of every four American workers nationwide.

An ambitious, high-standard international services agreement presents a tremendous opportunity to remove a range of barriers that face U.S. service exports, and thus boost U.S. economic growth and support additional jobs.

For more information, please see www.trade.gov/fta.

Prepared by Trade Policy and Analysis, International Trade Administration, U.S. Department of Commerce.

Sources include resources from the U.S. Department of Commerce's International Trade Administration, Bureau of the Census, and Bureau of Economic Analysis, as well as the International Monetary Fund's World Economic Outlook.