

International Trade in Services

Benefits Arkansas's Companies and Workers

IMPORTANCE OF SERVICES TO THE OVERALL U.S. ECONOMY

- **The United States is the world's leading services exporting nation.** International services markets offer huge opportunities for U.S. firms and their employees, accounting today for nearly one-third of total U.S. exports. Total elimination of global barriers to trade in services could raise U.S. annual income by over \$460 billion or \$6,830 per family of four.
- **U.S. services exports have doubled over the past 10 years.** The United States recorded a \$66 billion surplus on exports totaling \$381 billion in 2005. This surplus was 22 percent higher than in 2004. Sales through U.S. services companies operating abroad measured \$477 billion in 2003. These international transactions support high-paying jobs across the United States.

IMPORTANCE OF SERVICES TO THE ARKANSAS ECONOMY

- Services are the backbone of Arkansas's economy. The sector provides 61 percent of sales by Arkansas businesses, employs 71 percent of the workforce, and pays 67 percent of the state's 24 billion in wages.¹
- Services exporters from Arkansas employed 3,800 people and generated \$39 million in export revenues in 2002.² For example:
 - Publishing industry exporters from Arkansas employed 3,000 people and generated \$20 million in export revenues.
 - Professional, scientific and technical services exporters from Arkansas employed 600 people and generated \$15.5 million in export revenues.
- Affiliates of foreign services companies are part of this success. In 2003, companies such as Sony (Japan), Vodaphone (Britain), and Deutsche Telekom (Germany) had over \$300 million invested in property, plants, and equipment (PPE) in Arkansas and supported over 4,000 jobs.³

¹ U.S. Census Bureau. *2002 Economic Census*. Available online at <http://www.census.gov/econ/census02/>.

² *Ibid.*

³ Bureau of Economic Analysis (BEA). *Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies 2006*. Available online at <http://www.bea.gov/bea/di/di1fdiop.htm/>.