

International Trade in Services

Benefits Mississippi'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 \$450 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 MISSISSIPPI ECONOMY

- The services sector represents 61 percent of sales by Mississippi businesses, employs 72 percent of the workforce, and pays 66 percent of the state's \$22.1 billion in wages.¹
- Services exporters in Mississippi employed over 2,600 people and generated \$70 million in export revenues in 2002.² For example:
 - Professional, scientific and technical industry services exporters from Mississippi employed 1,000 people and generated \$3.2 million in export revenues.
 - Telecommunications exporters from Mississippi employed 1,500 people and generated \$67 million in export revenues.
- Affiliates of foreign services companies are part of this success. In 2003, they had over \$354 million invested in property, plants, and equipment (PPE) in Mississippi and supported over 3,000 jobs.³ Some of the important sectors and companies include:
 - **Wholesale trade** (2003: 1,800 employed, \$746 million PPE). Major foreign firms such as Sodexho (French) participate in the Mississippi wholesale industry.
 - **Information** (2003: 200 employed, \$56 million PPE). This highly varied sector includes telecommunication firms such as Deutsche Telekom (German).

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/>.