

# International Trade in Services Benefits Kansas'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 KANSAS ECONOMY

- The services sector represents 62 percent of sales by Kansas businesses, employs 76 percent of the workforce, and pays 69 percent of the state's \$32 billion in wages.<sup>1</sup>
- Services exporters in Kansas employed over 21,000 people and generated \$259 million in export revenues in 2002.<sup>2</sup> For example:
  - Professional, scientific and technical industry exporters from Kansas employed 2,000 people and generated \$73 million in export revenues.
  - Telecommunications exporters from Kansas employed 15,000 people and generated \$155 million in export revenues.
  - Publishing industry exports from Kansas employed 3,100 people and generated \$26 million in export revenues.
- Affiliates of foreign services companies are part of this success. In 2003, companies such as Nestlé (Swiss) and Deutsche Telekom (German) had over \$1.6 billion invested in property, plants, and equipment (PPE) in Kansas and supported over 8,000 jobs.<sup>3</sup>

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

<sup>2</sup> *Ibid.*

<sup>3</sup> 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/>.