

International Trade in Services

Benefits Louisiana'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 LOUISIANA ECONOMY

- The services sector represents 52 percent of sales by Louisiana businesses, employs 78 percent of the workforce, and pays 70 percent of the state's \$43 billion in wages.¹
- Services exporters in Louisiana employed over 7,400 people and generated \$166 million in export revenues in 2002.² For example:
 - Professional, scientific and technical industry services exporters from Louisiana employed 5,200 people and generated \$134 million in export revenues.
 - Telecommunications exporters from Louisiana employed 500 people and generated \$9 million in export revenues.
- Affiliates of foreign services companies are part of this success. In 2004, they had over \$6 billion invested in property, plants, and equipment (PPE) in Louisiana and supported over 6,000 jobs.³ Wholesale trade is one of the important sectors, with foreign companies such as Nestlé (Swiss) and Sodexo (French) participating in the Louisiana wholesale industry.

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/>.