

International Trade in Services Benefits Florida'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 FLORIDA ECONOMY

- The services sector represents 81 percent of sales by Florida businesses, employs 86 percent of the workforce, and pays 84 percent of the state's \$183 billion in wages.¹
- Services exporters in Florida employed over 87,000 people and generated \$1.8 billion in export revenues in 2002.² For example:
 - Professional, scientific and technical industry exporters from Florida employed 37,300 people and generated \$700 million in export revenues.
 - Telecommunications services exporters from Florida employed 26,700 people and generated \$459 million in export revenues.
 - Publishing services exporters from Florida employed 7,500 people and generated \$107 million in export revenues.
- Affiliates of foreign services companies are part of this success. In 2004, they had over \$5.6 billion invested in property, plants, and equipment (PPE) in Florida and supported over 77,000 jobs.³ Some of the important sectors and companies include:
 - **Wholesale trade** (2004: 20,100 employed, \$2 billion PPE). Major foreign firms such as Nestlé (Swiss), Sodexo (French), and Unilever (Dutch-British) participate in the Florida 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/>.

- **Information** (2004: 12,900 employed, \$1.5 billion PPE). Leading global publishers and information providers such as Reed Elsevier (Dutch) are a large force in the Florida information industry.
- **Retail** (2004: 30,000 employed, \$1.5 billion PPE). Retailers such as Ikea (Swedish) have managed to thrive in Florida's competitive retail environment.
- **Finance & Insurance** (2004: 7,200 employed, \$390 million PPE): Florida is home to major foreign banking and investment operations, including Zurich North America (Swiss), one of Europe's largest insurance-based financial services firms.