



Trade Matters to Florida's 11th Congressional District

Trade Matters to Manufacturing and Services

Trade matters to **manufacturing and services companies** and their workers located in the 11th Congressional District of Florida. District industries such as food and beverage processing and computer and transportation equipment export their products to the rest of the world, and imports are key ingredients for many companies who rely on agricultural products and other inputs to manufacture or process products in the District.

- Trade supports jobs in the 11th District. Fifteen percent of all **manufacturing** jobs in Florida depend on exports, and research demonstrates that exporting jobs pay 13-18 percent more than the U.S. average.
- Export dependence is much higher for manufacturing sectors of importance to the 11th District: more than one in four jobs in Florida's computer and electronic products industry, a key sector in the 11th District's economy, depend on exports. Twenty four percent of jobs in Florida's transportation equipment industry, another key sector in the District's economy, rely on exports.
- Trade is also important to **services sectors** that are large employers in the District. Economists estimate that a one-third cut in barriers to services trade generally would boost U.S. GNP growth by 1.5 percent a year.
- Thus, as trade increases, business opportunities for services companies and the high-wage jobs related to them increase for sectors important to the District, including computer and telecommunications consulting and software design and consulting. In addition, studies also show that trade liberalization has a positive impact on tourism, a key sector for the 11th District. Increased trade generates related business travel, and liberalized trade in services increases holiday travel, a particular benefit to the cruise industry operating out of the Port of Tampa.

ALPICO INTERNATIONAL PALMETTO, FLORIDA

Founded in 1997, Alpico International is a freight forwarding and shipping company in Palmetto that primarily ships goods between the United States and Central American countries.

Tracy Mondor of the company believes that Congressional passage of DR-CAFTA will have "an enormous impact on our company's success." Alpico depends on the trade of goods to stay in business, so "any increase in trading between nations helps our bottom line." DR-CAFTA will bring about a huge increase in trade between companies in the U.S. and Latin America because there will be an open zone free of tariffs and other barriers to trade.

"The simple fact is that when more trade is conducted, there are more goods for us to ship. DR-CAFTA will allow us to grow our company, hire more employees, and expand into new areas... I believe that passage of DR-CAFTA should be a top priority for President Bush and Congress in 2005."

SUMMARY FACTS

15% of all manufacturing jobs in Florida depend on exports.

More than 25% of Florida's computer and electronic products industry jobs depend on exports.

More than 90% of the 33,000 Florida companies that export goods are small businesses.

Foreign investors in Florida employ almost 245,000 workers.

NAFTA has resulted in \$149 million per year in income gains to households in Florida's 11th District.

In 2003, the Port of Tampa handled \$5.9 billion worth of exports.

Exports to the DR-CAFTA countries through the Port of Tampa are expected to increase by 305,242 tons in the first year and double in nine years.

20% of the population in Florida's 11th District is Hispanic indicating that strong ties exist between locals and the citizens of the DR-CAFTA nations.

Trade Matters to Small Business

Trade matters to **small businesses** located in the 11th District.

- More than 90 percent of the 33,000 Florida companies that export goods are small businesses.
- Nationally, we know that small businesses already export \$4.5 billion to the Dominican Republic and the countries in Central America.

Trade Matters to the Port of Tampa

Trade matters to the **Port of Tampa** and the 35,000 workers who depend on exports and imports flowing through it.

- In 2003, the Port handled \$5.9 billion worth of exports to over 170 foreign markets.
- The Port handles exports of motor vehicles and parts, fertilizer, poultry products, and fruit juices to Mexico, Germany, Brazil, and China. The Port also processes motor vehicle imports from Japan, Germany, and Mexico as well as copper from Chile and petroleum from Venezuela and Brazil.

TOP EXPORTERS TO DR-CAFTA COUNTRIES IN FLORIDA'S 11th DISTRICT

Cargill Inc.	Riverview
Del Monte	Palmetto
V F Corporation	Tampa
Angel Auto Sales	Tampa
UTI United States	Tampa
Tropical Sportswear	Tampa
Copher Equities	Tampa
Ball	Tampa
Best Car Exports and Shipping	Tampa
Tampa Tank and Welding	Tampa
USF Worldwide	Tampa
Anheuser Busch	Tampa
McLaughlin Supply	Tampa
Deep Reef Trading	Tampa

Trade Matters to International Investors

Fair international investment rules, which promote trade, matters to **foreign investors** in the 11th District of Florida.

- Foreign investors located in the United States support millions of American jobs. In Florida, foreign investors employ almost 245,000 workers. Indeed, Florida ranks fifth in the United States in the number of employees supported by U.S. subsidiaries of foreign firms, and nearly one in five of those are employed by foreign-owned manufacturers.
- The strong Florida and District economies are magnets for foreign investment and job-creating insourcing. Further engagement with the international economy through trade will improve the competitiveness of companies and workers in the District, making it a still more attractive location for new investment for manufacturing and services.

TAMPA TANK & WELDING TAMPA

Tampa Tank & Welding is a steel construction and fabrication company that has been in business for 30 years. With annual sales of \$35 million, the company maintains three facilities and employs about 175 people.

Tampa Tank & Welding currently export steel to several countries in Central America, including El Salvador, Panama, Guatemala, Nicaragua, and Honduras, where the firm uses it for construction and fabrication projects.

Calvin Reed, of Tampa Tank & Welding, insists free trade is beneficial because it creates jobs in the U.S. and improves our economy. He believes DR-CAFTA will help improve the U.S.'s image abroad, promote goodwill between the U.S. and the region, and bring better employment opportunities for workers in Central America.

"Free trade is extremely important, and our elected officials should do all they can to ensure that the Dominican Republic – Central America free trade agreement is passed as soon as possible."

COMMERCIAL PLASTICS RECYCLING TAMPA, FLORIDA

Commercial Plastic Recycling in Tampa buys scrap plastics domestically and abroad, which it then recycles and sells to businesses in the U.S., Latin and Central America, China, and the European Union. The company has three facilities, a sales office in Denver, and headquarters in Tampa.

Alfonso Larrea, International Sales Manager, believes that the "DR-CAFTA can help us expand our business significantly. The elimination of tariffs will benefit us in two ways: scrap plastics will be cheaper for us to purchase, and prices for our products can be lowered. Trade with Central American companies currently makes up about 12 to 15 percent of our business, but this free trade agreement can really help us increase our foreign and domestic sales."

Trade Liberalization Matters to Florida's 11th District

District companies, workers and consumers have benefited from trade liberalization.

- Lower foreign barriers to District exports of computer and electronic products (thanks to the World Trade Organization's Information Technology Agreement) and food and beverage products (thanks to the North American Free Trade Agreement and free trade agreements with Chile) have expanded opportunities for District producers to export more of these products. Strong intellectual property rights protections in international agreements protect the works of District software writers in international markets. Special tariff and quota benefits available for apparel under NAFTA and Caribbean Basin preference programs have improved the competitiveness of District apparel producers.
- The average U.S. household saves \$930 annually thanks to income gains and tariff - tax -- cuts due to NAFTA alone. For the District, this equals nearly \$149 million annually just for households in the District.

- The Port of Tampa has seen traffic to and from Mexico increase ten-fold since NAFTA was implemented in 1994.
- Since the U.S.-Chile Free Trade Agreement entered into force on January 1, 2004, two-way trade between the Port of Tampa and Chile has increased 57 percent.

DR-CAFTA and Doha Matter to Florida's 11th District

Other trade liberalization initiatives under way will boost the gains to the 11th District, and merit strong support. The most important initiatives include Congressional approval of the **Dominican Republic-Central American Free Trade Agreement (DR-CAFTA)** and strong support for a successful conclusion of multilateral trade negotiations in progress at the World Trade Organization (WTO), known as the "Doha Round."

- With its proximity to Central America and the Dominican Republic, the 11th District and Florida already have strong ties to the region. The significant share of the District's population that is Hispanic - 20 percent - suggests that the relationship is personal as well as economic.
- In 2003, Florida exported nearly \$3.1 billion worth of goods to the DR-AFTA countries. Manufactured goods accounted for 97 percent of those exports. Computers and electronic equipment topped the list of Florida's exports to the DR-CAFTA countries, valued at \$752 million in 2003.
- Studies estimate that DR-CAFTA's tariff and nontariff barrier cuts could potentially increase Florida's exports to the DR-CAFTA countries by \$525 million after the first year, and by \$2.8 billion after nine years.
- DR-CAFTA's strong intellectual property protections will benefit the District's software producers and computer and electronic equipment manufacturers. As the economies there develop and grow, their need for this equipment and the software to run it will expand. District companies such as IBM, Software Spectrum Inc., and Sypris

Electronics could all see increased exports to the DR-CAFTA countries.

- The textile and apparel provisions contained in DR-CAFTA will help the District's apparel companies stay competitive against imports from Asia by enabling them to offer retailers lower-cost apparel products in mere days or weeks, and often made with U.S. yarns and fabrics. VF Imagewear and Tropical Sportswear International could both see increased business thanks to DR-CAFTA.
- DR-CAFTA is expected to benefit the Port of Tampa. In Fiscal Year 2003, nearly 350,000 tons of cargo traded between the United States and the CAFTA countries (over 461,600 between U.S. and DR-CAFTA) moved through the Port of Tampa.
- Roughly three-fourths of that cargo was U.S. exports from Florida and the United States to the CAFTA countries (over 80%--372,965 tons--to DR-CAFTA).
- Studies project that exports from the Port of Tampa to the CAFTA countries will increase to 305,242 tons after the first year (436,369 DR-CAFTA) and nearly double in nine years.

- A tariff-free world by 2015, under consideration in the Doha Round, will result in \$1,600 in increased income for the average U.S. household annually. For the District, this represents an additional \$256 million saved by District households annually.
- Total elimination of barriers to trade in goods and services would increase U.S. GNP growth by 5.5 percent.
- The global reduction of many agricultural subsidies through the Doha Round will open more markets for U.S. agricultural exports.
- Services trade liberalization contemplated in the Round will benefit District services companies who have limited access at present to potentially large developing country markets for computer and telecommunications consulting and software design and consulting.

**TOP IMPORTERS TO DR-CAFTA COUNTRIES
IN FLORIDA'S 11th DISTRICT**

Del Monte	Palmetto
V F Corporation	Tampa
Gator International	Tampa
Deep Reef Trading	Tampa
US Cigar Sales	Tampa
Acuarios Auto Supply	Tampa
Oliva Tobacco	Tampa
Sahlman Seafoods	Tampa
Hellman International Forwarders	Tampa
Bama Sea Products	Saint Petersburg
A J Aranago	Tampa
Plantain Products	Tampa
Hydro Agri	Tampa
Thompson Cigar	Tampa

**Signature Announcements
Tampa**

Founded ten years ago, Signature Announcements has already grown into a multi-million dollar company. Manufacturing and distributing graduation memorabilia to students throughout the nation, Signature's executives have an eye on international expansion. And, DR-CAFTA could make that long-term goal attainable in the near future. David Freeman, Signature's Co-Founder, explains it this way:

The current tariffs make business with that region too expensive currently, but if DR-CAFTA is passed, it will motivate us to conduct business in Central America, thus stimulating the growing economies in that region. Not only will the enactment of DR-CAFTA directly benefit my business, it will benefit many other businesses in Florida that use products produced in Central America or distribute products that could be used in Central America.

In Short ...

Trade is important to the 11th District. Pending trade agreements and ongoing negotiations will boost the benefits of trade to the District. Increased U.S. exports boost productivity for U.S. companies and generate higher wages for U.S. workers. Trade agreements lower the cost of products purchased by consumers and U.S. companies and farmers who use imported raw materials in their U.S. factories and farms. Trade grows foreign economies increasing their demand for U.S. goods and services at the same time it promotes political stability, security and democracy. Expanded trade opportunities in our Hemisphere are therefore particularly important to the residents of the 11th District.

Sources:

U.S. Bureau of Labor Statistics

Office of the U.S. Trade Representative, "U.S. Services Offers in WTO Trade Talks," and "CAFTA—Expanding Shares of the Free Trade Pie."

Bureau of the Census.

Organization of American States, "Free Trade Agreements and their Affect on Tourism"

Tampa Bay Convention and Visitors Bureau

Organization for International Investment, "Investing in American Jobs: State by State"

City of Tampa, Department of Strategic Planning and Technology, "Tampa Profile: Citywide Perspective," June 2004.

Port of Tampa Authority

U.S. Chamber of Commerce, "The Economic Impact of the U.S.-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) on Florida," 2004.