



Trade Matters to Florida's 2nd Congressional District

Trade Matters to Manufacturing and Services

Trade matters to **manufacturing and services companies** and their workers located in the 2nd Congressional District of Florida. District farmers and industries such as wood products export 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 2nd 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 2nd District: Florida's agricultural exports support nearly 19,400 jobs. Over 1,500 jobs in Florida's pulp and paper sector also depend 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. Studies show that trade liberalization has a positive impact on tourism, a key sector for the 2nd District. Liberalized trade in services increases holiday travel.

SUMMARY FACTS

Transportation service providers, such as CPS International Shipping and McKenzie Tank Lines, would see demand rise for the transport of goods between Florida and the DR-CAFTA countries.

DR-CAFTA will lock in duty-free access for District soybean exports to Central America and the Dominican Republic.

In 2003, Florida exported \$3.1 billion in goods to the DR-CAFTA countries. Wood and paper products accounted for nearly 4% of those exports. Increased market access U.S. exports to DR-CAFTA could benefit local paper and pulp companies such as Watkins Engineers and Constructors Inc. and Buckeye Technologies Inc.

Salone IT Solutions Tallahassee

I founded Salone IT Solutions over ten years ago, and since, we have been offering a wide range of IT systems design, development, and deployment services with particular emphasis on leading-edge technologies involving electronic records management, e-commerce, distance learning, web hosting, web design and programming and software development. Salone IT Solutions has been serving customers throughout the country for over ten years.

Once I learned about DR-CAFTA, I realized how much its passage would affect my business. If we eliminate the current trade obstacles, not only will it strengthen the American economy and the economies of the other countries involved, but it will also strengthen our national security by developing better relationships with neighboring countries. I know that Florida's largest export region is Central America, and it is also the second largest market for computer hardware and software. With the passage of DR-CAFTA, I will see increased opportunity in Central America, which in turn will allow me to expand my market.

With the passage of DR-CAFTA, it will improve our national security by uniting the United States of America with our neighbors. In this current time of war and terrorism, creating allies through trade will set the stage for a safer more secure nation. With the development of a new trade economy, we can begin to exchange intelligence and security as well, finally making our hemisphere competitive with Asia and Europe.

International expansion is part of our long-term vision, and with the passage of DR-CAFTA, that will help us attain our goals even sooner. The current tariffs make business with that region too expensive, 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.

I urge Congress to ratify DR-CAFTA as soon as possible in order to open up the doors of trade with Central America.

Michael Salone

Trade Matters to Small Business

Trade matters to **small businesses** located in the 2nd 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 countries in Central America.

Trade Matters to International Investors

Fair international investment rules, which promote trade, matters to **foreign investors** in the 2nd 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 23 foreign investors in the District employing more than 2,700 workers demonstrate that 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.

TOP EXPORTERS TO DR-CAFTA COUNTRIES IN FLORIDA'S 2ND DISTRICT

CPS International Shipping	Panama City
Growers Supply	Lynn Haven
McKenzie Tank Lines	Tallahassee
Natural Freight	Lynn Haven
Sindolfo Roveló	Marianna
Specialty Woods	Destin
Suwannee Salvage	Live Oak

Trade Liberalization Matters to Florida's 2nd District

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

- Lower foreign barriers to District exports of peanuts, tobacco, soybeans and pulp and paper products (thanks to the North American Free Trade Agreement) have expanded opportunities for District producers to export more of these products.
- The average U.S. family 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 families in the District.

DR-CAFTA and Doha Matter to Florida's 2nd District

Other trade liberalization initiatives under way will boost the gains to the 2nd 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 2nd District and Florida already have strong ties to the region.
- In 2003, Florida exported \$3.1 billion worth of goods to the DR-CAFTA countries. Wood and paper products accounted for nearly 4 percent of those exports. Increased market access U.S. exports to DR-CAFTA could benefit local paper and pulp companies such as Watkins Engineers and Constructors Inc. and Buckeye Technologies Inc.
- 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 will lock in duty-free access for District soybean exports to Central America and the Dominican Republic; duties on soybean meal and flour will be eliminated immediately in most countries. All Central American partner countries' and the Dominican Republic's peanut tariffs will be eliminated; the U.S. tariff on peanuts will be phased out over 15 years and a tariff rate quota will be established. U.S. and DR-CAFTA countries' tariffs on U.S. tobacco exports will be phased out in 15 years.
- The District's transportation service providers, such as CPS International Shipping and McKenzie Tank Lines, would benefit from the DR-CAFTA. As trade grows, demand will rise for these companies to transport the increasing volume of goods between the District, Florida, and the DR-CAFTA countries.
- 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. family annually. For the District, this represents an additional \$256 million saved by District families 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.

**TOP IMPORTERS TO DR-CAFTA COUNTRIES
IN FLORIDA'S 2ND DISTRICT**

C R Murray	Panama City Beach
CPS International Shipping	Panama City
Peggy Russell	Tallahassee
Specialty Woods	Destin
Tiffin Interiors	Eastpoint

In Short ...

Trade is important to the 2nd 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 strengthens 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 2nd District.

Sources:

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