



Trade Matters to Georgia's 1st Congressional District

Trade Matters to Manufacturing & Services

Trade matters to **manufacturing and services companies** and their workers located in the 1st Congressional District of Georgia. District paper producers, chemical companies, and farmers export their products to customers around the world, and imports are key ingredients for many companies who rely on inputs to manufacture or process products in the District.

- Trade supports jobs in the 1st District. More than one in seven **manufacturing** jobs in Georgia 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 1st District: Exports support 32 percent of the jobs in Georgia's chemical industry. Exports also support one in five jobs in the State's important paper industry.
- Many companies in the District use imported raw materials, such as steel to manufacture equipment, or machinery to manufacture textile products.
- Trade is also important to **agriculture**. American farmers sell overseas about one third of what they produce. Georgia is the nation's number one exporter of poultry products and peanuts. Georgia exported \$963.7 million of agricultural products in Fiscal Year 2003.

Trade Matters to Small Business

Trade matters to **small businesses** located in the 1st District.

- Over 83 percent of the Georgia companies that export goods are small and medium-sized businesses.
- Nationally, we know that small businesses already export \$4.5 billion to the countries in Central America.

Harris Real Estate, Inc.
Jesup

As a local businessman, I know that free trade is important to our economy. When the world's economic doors are truly open, our products can compete in any market. In addition, consumers here benefit from lower prices and even greater selection of goods.

I want to see the high tariffs that keep our products from being equal in the marketplace eliminated. For Georgia's manufacturers, CAFTA immediately eliminates tariffs on 80% of US exports, and most remaining duties within 15 years.

Helping Georgia farmers, her timber industry and manufacturers while providing lower costs on goods for our consumers makes sense to me.

Mark P. Williams

SUMMARY FACTS

In 2003, Georgia exported more than \$605 million worth of goods to the DR-CAFTA countries.

Under DR-CAFTA, most of the District's paper and paper product exports will receive immediate duty-free treatment.

Central American tariffs on U.S. exports of poultry will be phased out over ten years. Some Georgia's exports of peanuts and tobacco will receive immediate duty-free treatment. The rest will be phased out over 15 years.

Upon DR-CAFTA implementation, U.S. cotton exports will receive duty-free treatment. In addition the rule of origin for textile and apparel preferences promotes the use of U.S. cotton.

U.S. exports of snack foods alone could increase by 118 percent upon the elimination of duties under DR-CAFTA.

TOP IMPORTERS TO DR-CAFTA COUNTRIES IN GEORGIA'S 1st DISTRICT

B & M Wood Products	Homerville & Manor
Savannah Exotic	Savannah
Hardwoods	

Trade Matters to International Investors

Fair international investment rules, which promote trade, matters to **foreign investors** in the 1st District of Georgia.

- Foreign investors located in the United States support millions of American jobs. In Georgia, foreign investors employ 190,100 workers. Approximately 35 percent of Georgia workers employed by foreign investors are employed in the high-paying manufacturing sector.
- The strong Georgia and District economies are magnets for foreign investment and job-creating insourcing. Bayer CropSciences, a subsidiary of Germany-based Bayer AG, employs over 125 employees, who produce pesticides and other agro-chemicals, at its Woodbine facility. More than 200 employees produce gift-wrap paper, bows, and other paper products at The Gift Wrap Company in Midway. London-based International Greetings PLC owns the company.
- 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.

Trade Liberalization Matters to Georgia's 1st District

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

- NAFTA partners Canada and Mexico are Georgia's largest export markets. Since NAFTA went into effect, Georgia's exports to Canada and Mexico have increased by nearly 169 percent.
- 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 \$146 million annually just for families in the District.

TOP EXPORTERS TO DR-CAFTA COUNTRIES IN GEORGIA'S 1st DISTRICT

AKZO Chemicals Inc.	Baxley
Auto Truck Dixie Auto	Jessup
Salvage	
Forest Auto Parts	Douglas
Georgia Pacific	Brunswick
Harris Waste	Baxley
Larrys Auto Salvage	Alma
Modern Dispersions	Fitzgerald
Rulon	Brunswick

Trade Matters to the Port of Brunswick

Thousands of workers depend on exports and imports flowing through the Port of Brunswick.

- The Port is a major entry and departure point for automobiles, handling more than a quarter million vehicles every year.
- The Port is also a hub for imports and exports of agricultural products, handling well over 400,000 tons of agricultural products.

DR-CAFTA and Doha Matter to Georgia's 1st District

Other trade liberalization initiatives under way will boost the gains to the 1st 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**."

- In 2003, Georgia exported more than \$605 million worth of goods to the DR-CAFTA countries. Even without DR-CAFTA, the region has been a growing market for Georgia goods, expanding 21 percent since 1999.
- Georgia's cotton exports will benefit from the DR-CAFTA. Upon implementation of the Agreement, U.S. cotton exports will receive duty-free treatment. In addition the rule of origin for textile and apparel preferences promotes the use of U.S.

cotton. The Agreement also provides a considerable allowance for using NAFTA fabric, which also favors U.S. cotton, for duty-free apparel.

- District food producers, such as Frito-Lay could benefit from increased market access under CAFTA. U.S. food brands are well known throughout the Dominican Republic and Central America and tariff elimination will make U.S. products more competitive there. Studies estimate that U.S. exports of snack foods alone could increase by 118 percent upon the elimination of duties under DR-CAFTA.
- Many of Georgia's agricultural exports will become duty free immediately as well. Central American tariffs on U.S. exports of poultry will be phased out to zero over ten years. Some Georgia's exports of peanuts and tobacco will receive immediate duty-free treatment. The rest will be phased out over 15 years. DR-CAFTA resolves sanitary and phytosanitary disputes that have blocked U.S. exports to the region. District farmers and companies such as Gold Kist could see increased sales thanks to DR-CAFTA.
- Under DR-CAFTA, most of the District's paper and paper product exports will receive immediate duty-free treatment. Tariffs on other high-value paper product exports will be eliminated gradually over five or ten years. Georgia-Pacific, Rayonier, and other paper producers could benefit from the increased market access under DR-CAFTA.
- 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 \$248 million saved by District families annually. Economists estimate that total elimination of barriers to trade in goods and services would increase U.S. GNP growth by 5.5 percent a year.
- The global reduction of many agricultural subsidies through the Doha Round will benefit the District through increased agricultural exports.

In Short ...

Trade is important to the 1st 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 1st District.

Sources:

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