

The Positive Impact of Imports on Washington's Trade Economy

Factsheet

Imports are a key driver of Washington's economy. The recent *International Competitiveness Strategy for Washington State* found that imports are tied to 277,477 jobs in Washington – from ports and logistics companies that handle in-bound cargo from Asia to the headquarters jobs at our state's manufacturing and retail companies that leverage a global supply chains.

In addition, imports benefit Washington exporters (by ensuring sufficient supply of containers at our ports) and consumers, thanks to access to a variety of affordable goods. Yet, too often the positive story of imports in Washington's international trade economy is forgotten. The following are some of the top benefits that Washington employers, workers and consumers receive from imports:

Imports support jobs in Washington and across the U.S.

As a gateway to the rest of the country, especially for Asian goods, and home to many retail and manufacturing companies that leverage global supply chains, our state has hundreds of thousands of people whose jobs are directly and indirectly tied to imports, from those engaged in the logistics of taking imported freight off ships and airplanes and transporting it to the rest of the country to the well-paid headquarters-based jobs such as marketing, sales, design, engineering, and logistics that exist because of increased competitiveness in the global economy. In fact, an estimated 16 million U.S. jobs depend on imports.¹ Companies can—and do—create more jobs all along the value chain when imported inputs lower production costs and allow them to sell more goods to more consumers.

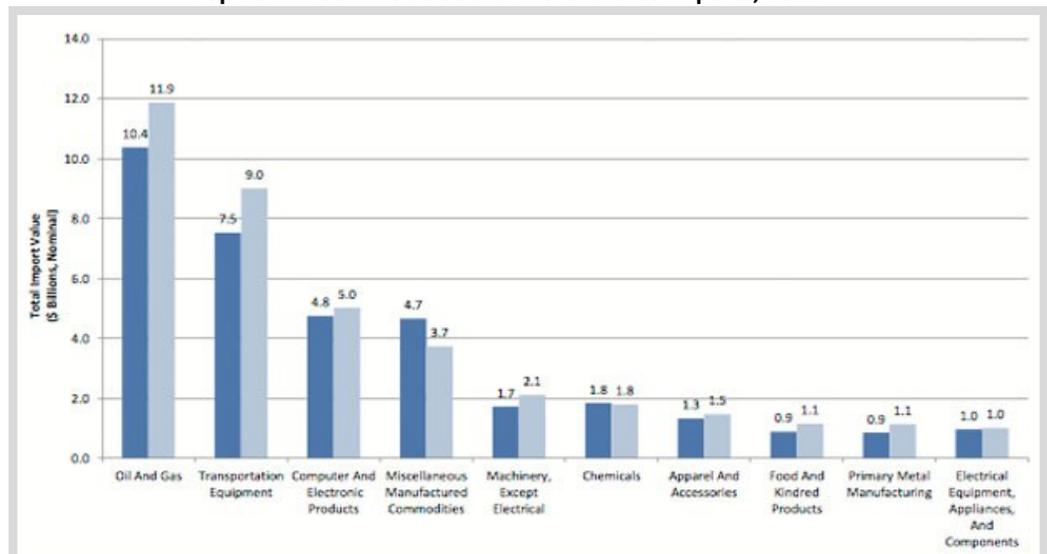
Imports increase access to a wide variety of goods for Washington residents.

Without access to a variety of imported products such as clothes, housewares and electronics, Washington consumers would face higher prices that would significantly raise their cost of living. Imports allow families to choose from an array of products at all price points, enabling them to put more money toward other necessities. Thanks to imports, Washingtonians can also enjoy much-loved products that are not produced here, such as chocolate, coffee or tropical fruits.

Imports are often inputs into Washington and U.S. exports.

Washington manufacturers often source components and raw materials from other parts of the world to build innovative, in-demand products. Without imports, production costs would be far higher and some materials would be completely inaccessible. As a result, imports have played a greater role in increasing U.S. manufacturing output than exports²; the manufacturing sector depends heavily on low cost, high quality imported inputs to produce competitive products, and 55 percent of goods imported into the U.S. are inputs used for American manufacturing or other value-added activities.³

Top 10 WA Commodities and Merchandise Imports, 2011⁴



1 "Imports Work for America." The Imports Work Coalition, 2013 | 2 Kevin L. Kliesen and John A. Tatom. "U.S. Manufacturing and the Importance of International Trade: It's Not What You Think." *Federal Reserve Bank of St. Louis REVIEW*, January/February 2013 | 3 Daniel J. Ikenson and Scott Lincione. "Beyond Exports: A Better Case for Free Trade." CATO Institute, 2011 | 4 WISER Trade, 2012

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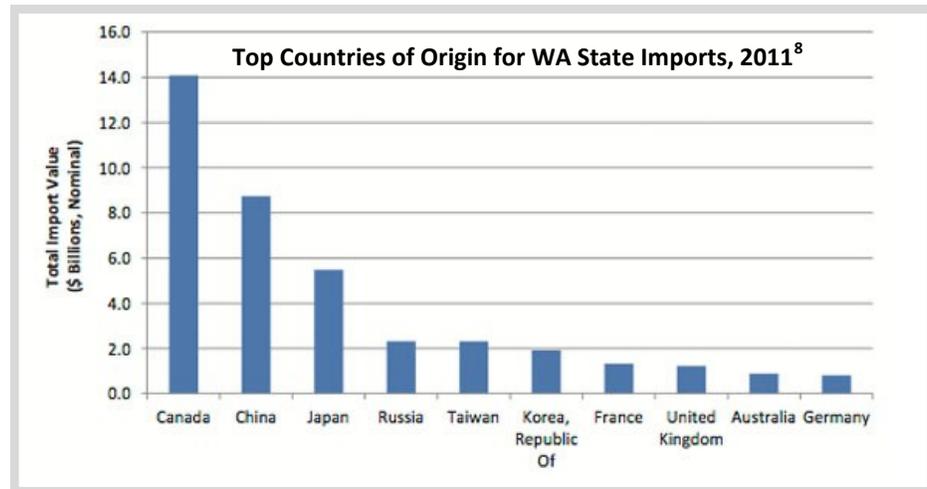
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Imports Create Capacity for Washington Exports

The goods that are exported from our state's ports are often shipped in containers that are here because they arrived carrying imported goods. Without the high volume of imported containers that travel through our ports, Washington exporters would not have the containers to ship out Washington-made goods to the rest of the world.

Imports are a key driver of our state's ports.

Because of Washington's role as a gateway from Asia, our state's ports are a key portal for imports into the United States. In fact, approximately 70 percent of goods coming through the Ports of Tacoma⁵ and Seattle⁶ are imported goods, many of them en route to other parts of the country. That means that 70 percent of the jobs tied to these ports are import-related jobs. Many other ports in the state, such as the ports of Everett, Vancouver and Longview also support jobs through imports.



Imports are vital to Washington's large retail industry.

Our state is home to major retailers like Amazon.com, Costco, REI, Eddie Bauer and Nordstrom, as well as new entrants like Zulily. The retail industry in Washington supports 600,000 jobs statewide.⁷ A large number of these jobs rely on global supply chains and cost-effective imports. For example, a company like Costco sells an array of imported electronics, housewares, furniture and other consumer goods. In 2012, Washington companies imported more than \$1.5 billion in apparel and \$376 million in footwear for resale in our state and across the country.⁸ It's often overlooked that U.S.-based jobs make up both the early stage and late stage links in the global supply chain. According to one study, for example, the vast majority of value-add attributable to apparel production flows from economic activity in the United States. Even if the garment is assembled overseas, over 70 percent of the value of imported apparel is added in the United States by designers, testers, marketers, merchandisers, warehouse workers, distributors, sales associates, etc.

A Sampling of Washington Employers That Create Jobs Through Imports

Amazon.com	Nordstrom
Starbucks	REI
The Boeing Company	Eddie Bauer
Brooks Sports	Port of Seattle
Costco	Port of Tacoma
Expeditors, International	Port of Everett
BNSF	Port of Vancouver, WA
Livingston International	Sur la Table
Zumiez	Tommy Bahama



Imports from Asia being unloaded at the Port of Seattle. Photo courtesy of Port of Seattle.

5 Port of Tacoma, 2013 | 6 Port of Seattle, 2013 | 7 National Retail Federation, 2013 | 8 WISER Trade, 2012 *Imports through WA ports only, apparel total is knit and non-knit | 9 Moongate Associates. "Analyzing the Value Chain for Apparel Designed in the United States and Manufactured Overseas," 2013