



WASHINGTON COUNCIL ON
INTERNATIONAL TRADE

Tariffs, US-China tensions impacting Washington state trade
New WCIT report identifies major trade impediments and policy responses

June 23, 2022, Seattle, WA – Emerging political and economic factors, including the increased reliance on tariffs and ongoing tensions between the United States and China, have negatively impacted the growth of international trade in Washington state in the past several years according to a [new report](#) published today by the Washington Council on International Trade (WCIT). In addition to detailing the affect these factors have on the state’s economy, the report outlines the strong link between trade and job creation and identifies key policy areas for elected officials and business and community leaders to prioritize that will help the state’s economy going forward.

[The Future of Trade: Positioning Washington state for economic growth in the next decade](#) cites three main factors that have hampered international trade and have taken a toll on the state’s businesses and farmers: the ongoing trade tensions between the United States and China; a retreat from global trade agreements and emergence of a more protectionist trade posture; and disruptions stemming from the Covid-19 pandemic. The report also identifies three areas that will help position the state to maximize the benefits of trade in the coming decade. These include leveraging the state’s diversified economy and geographic advantages; addressing current trade challenges while exploring new market opportunities; and positioning the state’s economy to turn new challenges into opportunities.

“Unprecedented and unpredictable forces have altered what was once a steady upward trajectory for Washington’s trade economy,” said WCIT President Lori Otto Punke. “WCIT’s new research provides valuable and revealing details on the impact these factors have on the regional economy and quantifies through compelling statistics the ongoing importance of trade to job creation and economic growth in communities throughout Washington state.”

The report contains new data on the close link between international trade and employment in the state. According to the study, trade supports roughly one in five jobs in Washington, approximately 900,000 jobs throughout the state. Exports of Washington-made goods alone directly support nearly a quarter of a million jobs across a diverse range of economic sectors including agricultural products, manufacturing, and professional services. The study underscores the broad impact trade has on a diversified economy, noting that 12,000 businesses in the state export to international markets, 89 percent of which are small and medium sized businesses.

The study also tracks export trends and the impact trade tensions and tariffs have had on Washington state trade. The report notes that in Washington state, total export value of goods peaked in 2014 at roughly \$90 billion, with an increase of 30 percent over 2011 figures. After leveling off, there was a decline in goods exports reaching a pre-pandemic low of \$60 billion in 2019, a 30 percent decrease from the peak in 2014. Exports in 2020 decreased even further with declines in both goods and services, though

digital trade remained relatively steady. The impact of tariffs and trade with China are cited as sources for the decline in export growth.

“The WCIT study makes one thing abundantly clear – Washington state has a trade-driven economy that touches everyone -- businesses large and small and workers from all sectors throughout the state,” said Otto Punke. “Leveraging the state’s advantages to solidify Washington as the epicenter of a West Coast innovation economy can accelerate growth, create jobs, and improve the well-being of all Washingtonians in the coming decade.”

The WCIT report on the future of Washington state trade can be found here: <https://wcit.org/wp-content/uploads/2022/06/WCIT.LookingAhead.VFinal.June2022.pdf>

ABOUT WASHINGTON COUNCIL ON INTERNATIONAL TRADE On behalf of our members – manufacturers, farmers, retailers, service providers and non-profits – the Washington Council on International Trade advocates for pro-trade policies and investments that benefit Washington’s workers and employers. Trade paves the way for Washington-made goods and services to reach foreign markets, provides Washingtonians with products that raise our quality of life, and sustains family-wage jobs in numerous local industries. To learn more, visit us at <http://www.wcit.org>