

Arizona Manufacturing Facts

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Manufacturers in Arizona account for over 7 percent of the total output in the state, employing 6.3 percent of the workforce. Total output from manufacturing has ranged between \$19 and \$22 billion for the past several years (see figure). In addition, manufacturing compensation is 77.5 percent higher than other nonfarm employers in the state.

Manufacturing Output and Exports

Arizona Total Manufacturing Output (\$billions, 2009)	\$18.5
Manufacturing's Share of Total Gross State Product (2009)	7.4%
Manufacturing Establishments in Arizona (2009)	4,565
Manufacturing's Share of Arizona's Exports (2010)	88%
Total Employment Related to Manufactured Exports (2008)	85,100

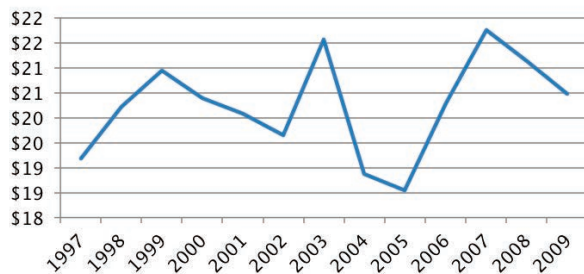
Source: U.S. Bureau of Economic Analysis

Employment and Compensation

Manufacturing Employment (2010)	150,800
Manufacturing Employment (% of Overall Nonfarm) (2010)	6.3%
Average Annual Compensation in Manufacturing (2009)	\$75,542
Average Annual Compensation in Nonfarm Sectors (2009)	\$42,566
Manufacturing Pay Premium (as a % of Nonfarm) (2009)	\$32,976 (77.5%)

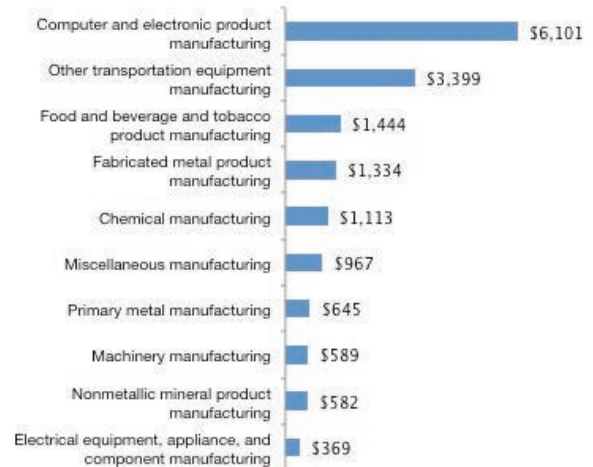
Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

**Arizona Manufacturing Output
(Billions of Dollars, from 1997-2009)**



Source: U.S. Bureau of Economic Analysis

**Top 10 Arizona Manufacturing Sectors
(in Millions of Dollars, in 2009)**



Source: U.S. Bureau of Economic Analysis

Arizona Exports — Room for Growth

Arizona's manufactured goods exports underperformed strong export growth nationally during the 2003-2010 period. Arizona's manufacturing exports rose 10 percent during this time while overall U.S. manufacturing exports rose 70 percent. Still, Arizona and other states export only half as much of their production as the world average. America's exports and the related jobs could double if Congress passes strong pro-export legislation.

- **Manufactured exports support 23 percent of Arizona's manufacturing jobs.**
- **Since 2003, Arizona manufacturing exports rose by 10 percent, while nationally, U.S. manufacturing exports rose by 70 percent.**
- **89 percent of Arizona exporters are small businesses (2009).**
- **Arizona exported \$7.1 billion of manufactured goods to Free Trade Agreement (FTA) partner countries in 2010 — 52 percent of Arizona's total.**

Arizona Trade Statistics

Manufactured Goods Exports, 2010 (billions)	\$13.8
Total Jobs in all Sectors Supported by Manufactured Goods Exports	85,100
Export Share of Manufacturing Jobs	23%
2003-2010 Growth of Manufactured Goods Exports	10%

Arizona Manufactured Exports Underperformed Strong Growth Nationally

- Manufacturing accounts for 88 percent of Arizona's exports (2010).
- Since 2003, Arizona manufacturing exports rose 10 percent, while nationally, U.S. manufacturing exports rose by 70 percent.
- Manufactured exports support 23 percent of Arizona's manufacturing jobs (U.S. average is 22 percent).

Arizona Manufacturers Are Engaged in Exporting around the World

- Top five U.S. export markets: 59 percent of Arizona exports (2010).
- Mexico (33%), Canada (11%), China (6%), Singapore (5%) and Thailand (4%).

Chart 1. Arizona's Manufactured Goods Exports

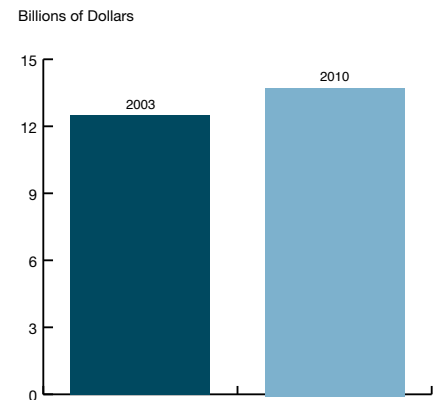
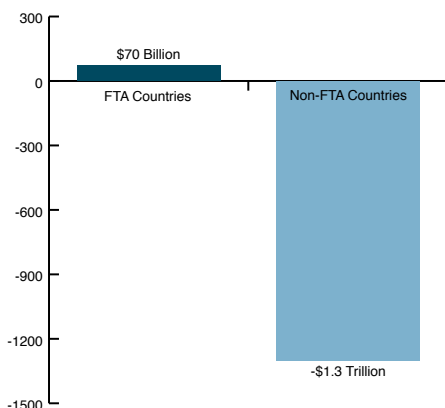


Chart 2. U.S. Manufacturing Trade Balance (2008-2010) FTA Countries Versus Non-FTA Countries



Exporting Is Critical to Arizona's Small Businesses

- Small businesses comprise 89 percent of Arizona's 5,404 exporters (2010).
- Small businesses average \$760,000 in exports per firm.
- Small businesses account for 24 percent of total state exports.

Additional Trade Facts

- Over the past three years, manufacturers in the U.S. sold \$70 billion more in manufactured goods to our free trade agreement (FTA) partners than we bought from them. The United States had a manufacturing trade deficit of \$1.3 trillion in countries where no FTAs existed (see chart 2).
- FTA countries: Australia, Bahrain, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, Singapore.
- Visit www.nam.org/statedata or www.nam.org/trade. E-mail us at trade@nam.org.

Source: U.S. Department of Commerce. Unless otherwise noted, data reflects 2008.