Next Steps in the 'Special Relationship' –
Impact of a US-UK Free Trade Agreement

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Distinguished Members of the Committee,

Thank you for the opportunity to speak with you today.

A trade and investment agreement between the United States and the United Kingdom will be vital to each of our countries once the UK leaves the European Union (EU) under the process known as 'Brexit.' But such an agreement will do even more to advance the interests of both parties if embedded in a broader North Atlantic Initiative for Jobs and Growth so we and our allies are better positioned to advance both our economic and our strategic interests in a world of intensified global competition.

As Brexit unfolds, the United States has a vital stake in ensuring that each point in the transatlantic triangle -- U.S.-UK, UK-EU, and U.S.-Europe -- is strong and sturdy. Failure to ensure that these three elements are mutually reinforcing rather than mutually disruptive will shortchange American workers, American consumers, American companies, and American interests.

How is Brexit Likely to Unfold?

British Prime Minister Theresa May has made it clear that her government intends to take the UK out of the European Union (EU) and to end its participation in the EU's Single Market for goods, services, people and capital as well as from the customs union for goods. She will not pursue partial or associate EU membership, nor will she seek special arrangements similar to those Norway and Switzerland have with the EU.

In March 2017 Prime Minister May plans to declare formally that the UK intends to leave the EU, triggering Article 50 of the Treaty on the European Union, which provides for a two-year process to negotiate the terms of separation. There is an option to extend this timeline if the UK and all 27 remaining member states of the European Union agree, but the goal is to have the UK leave the EU by April 2019.

UK-EU 'exit' negotiations will focus on resolving such legacy issues as budget commitments. Approval requires a qualified majority among the remaining EU 27 governments. When the UK exits the EU, the UK government's Great Reform Bill will transform EU legislation into UK legislation. That will ensure initial consistency with current rules in the UK. But once the UK does leave the EU, it will assess whether it wants to continue with those EU-oriented rules or whether it wants to determine, and then implement, new and different regulations.

Brexit and the UK's Trading Relationships

When the UK exits the EU it will also have to do three things that will affect U.S. economic interests.

First, it will have to replace the EU's common external tariff with its own customs tariff, and will also need to submit new tariff commitments for both goods and services at the World Trade Organization (WTO).

Second, it will negotiate new trade arrangements between the UK and the EU 27.

Third, it will want to negotiate new trade arrangements with the United States as well as many other non-EU countries.

The UK and the WTO

Currently, the EU makes collective commitments for its members, including the UK, when it comes to tariffs for goods and services at the WTO. When the UK leaves the EU it will need to either replicate or distinguish its own commitments from those of the EU. It is unlikely to simply replicate EU commitments, for instance in agriculture or services, and so will need to set forth different commitments. These commitments must be agreed by consensus among the entire WTO membership -- 161 countries. If only one WTO member objects, the UK's schedule of commitments will be disqualified. The EU itself could block it. Russia could block it. China or India could block it.

Knowing this, the UK is likely to face a series of pre-negotiations with a variety of countries before it sets its new WTO schedule of commitments. Some countries may be reasonable, others may seek to gain advantage at UK expense. All of this will take some time and preoccupy the UK's limited bench of trade negotiators.

The United States will be particularly keen to know how far the UK will be prepared to go in such areas as services or agriculture when it comes to trade with other WTO members. Until the UK's WTO commitments are known and agreed, our trade negotiators will not know the baseline for their own bilateral negotiations with the UK.

The UK and the EU

Since the UK government does not seek to maintain its participation in the EU's Single Market, it will seek to negotiate a new trade and investment agreement with the European Union. A new trading relationship between the UK and the EU will need to be approved by parliaments of all 28 current EU member states and by the European Parliament. Given the complicated issues and procedures involved, it is likely that such a new agreement would only take effect sometime in the middle of the next decade.

This means there is likely to be a period of transition that could last as much as six years. Both parties will also have to negotiate trade and commercial arrangements for this transitional period. Such arrangements will not be subject to parliamentary approval.

A future UK-EU trade arrangement is unlikely to simply replicate the status quo in terms of UK access to the Single Market. The terms are likely to be less advantageous than if the UK were a member of the EU. While tariff-free access for goods is likely, firms based in the UK are likely to face some local content requirements within the EU. It is unlikely that there will be tariff-free access for services. UK financial services in particular are likely to lose their current right to "passport" financial services to the rest of the EU. Each of these provisions -- as well as related provisions to be negotiated during the transition period -- are likely to affect U.S. companies and banks with affiliates in the UK.

What do these developments mean for the United States and a U.S.-UK deal?

First, EU rules mean that London cannot legally begin negotiating a trade deal with Washington before the UK leaves the EU, which at the earliest will be March 2019. When Washington sets out to negotiate a formal bilateral deal with the UK, it will want to understand the UK's new WTO commitments and the nature of UK-EU transitional arrangements following Brexit, as well as London's end goals with regard to a deal with the UK's largest trade partner, the EU. This will all take time.

Washington and London can, however, move ahead now with two types of discussions. Initially, the two sides intend to start on what the White House and the Prime Minister's office are calling a "trade negotiation agreement" that identifies potential stumbling blocks and scopes what could be done before the UK leaves the EU. Based on these discussions, US-UK "shadow" negotiations could create a basic framework for an agreement once such an agreement can be negotiated officially, and to understand how UK-EU arrangements would also affect US-UK considerations during what may be a six-year transitional period. That would mean getting a jump start on the negotiations while respecting the Article 50 and WTO processes.

Since Congress has purview over commerce, and Trade Promotion Authority (TPA) authority provided by the Congress faces renewal before this timeline plays itself out, it will be important for the Congress to be part of this process.

Issues in a U.S.-UK Negotiation

The United Kingdom is a critical economic partner for the United States, and the U.S. should ensure that bilateral ties are strengthened, rather than disrupted, by Brexit. But Europe -- even without the UK -- remains America's largest trading partner, greatest source of foreign investment, and largest source of onshored jobs.

In **Appendix 1** I offer various data that explain America's stake in healthy commerce with the UK and Europe.

The data underscore a basic point: United States has a vital interest in strengthening and modernizing its ties not only with the UK, but with its other European allies and partners as well, and not getting trapped into a false choice between the two. As the Brexit process proceeds, the U.S. must ensure that U.S. workers, consumers and companies do not get caught in any cracks that may appear as the UK and the EU, the UK and the U.S., and the U.S. and the EU all adjust to post-Brexit realities. The United States has a vested interest in ensuring that each leg of this transatlantic stool remains strong and sturdy, particularly as the winds of global competition intensify.

America's significant commercial and financial presence in the UK is premised in large part on UK membership in the European Union -- the largest, wealthiest and most important foreign market in the world to U.S. companies. For decades, the UK has served as a strategic gateway to the European Union for U.S. firms and financial institutions. The primary motivation of many U.S. companies to invest in the UK has not been to serve only the UK market but to gain access to the much bigger EU Single Market. Similarly, many U.S. banks and financial institutions have relied on "passporting" via London to access the Single Market. U.S. affiliates based in the UK export more to the rest of Europe, in fact, than U.S. affiliates based in China export to the rest of the world.

Just as the U.S. has an interest in ensuring that Brexit does not damage its strong commercial interests with other European countries, so too does the United Kingdom. The UK exports almost half of its goods and services to the EU -- twice as much as to the U.S.

In short, as the UK and the U.S. pursue their exploratory discussions over a new set of economic arrangements, each is likely to have its own economic relationship with the EU in mind. Since many U.S. companies are based in the UK because of its role as a gateway to the Single Market, U.S. negotiators will want to know how open, wide and strong that gateway will be after Brexit. And while the UK will want to move quickly ahead with a deal with the U.S., it is also likely to condition its efforts on the nature of its parallel negotiations with the EU.

What would be the major issues in a U.S.-UK deal? Agreeing on reductions in traditional trade tariffs is not likely to be very troublesome, since most tariffs are already quite small, with a few notable exceptions, such as agriculture. The much bigger gains from a bilateral deal would come from

- reducing barriers to services, the "sleeping giant" of the transatlantic economy and where job gains are likely to occur;

- recognizing that various regulatory procedures in one country essentially conform or are equivalent to those in the other country;
- pioneering standards in new economic areas that could push the global frontier.

Keeping in mind that in each of this tracks both the U.S. and the UK have more to gain from achieving some agreement with the EU than simply with each other, each will want to ensure that whatever agreements they reach with each other serve to strengthen, rather than disrupt, their more significant commercial connections with the EU. Similarly, the EU will want to ensure that a U.S.-UK agreement, as well as any separate arrangements it may advance with the U.S. and with the UK, will enhance its own economic ties with two of its most significant economic partners.

The intertwined nature of UK-EU, US-UK, and US-EU negotiations can be best understood by looking at financial services. When the UK leaves the EU, financial services institutions based in the UK will lose their "passport" to provide services across the Single Market. This will not only disrupt the UK financial services industry. Many U.S. banks and other financial services companies established a presence in the UK to take advantage of passporting via the City of London to access the Single Market. Unless similar provisions are incorporated in any new UK-EU arrangements, many of these U.S. firms will probably choose another entry point to access the Single Market in the future. This will make a huge difference with regard to London's role as a financial hub, may accelerate the rise of other European financial centers, for instance Frankfurt, and will reinforce U.S. interest in strong and predictable financial services procedures with the EU. It will also affect the U.S. approach to financial services in any U.S.-UK arrangement. The EU has established an "equivalence" regime that extends limited access rights to non-EU countries, such as the U.S., that have rules that have been deemed "equivalent," but this is a relatively new and somewhat inconsistent approach with rights that are weaker than those granted under full "passporting.

With these considerations in mind, U.S.-UK discussions could productively focus on three lines of discussion/negotiation: market access, regulatory cooperation, and ‘rules’.

- Market access discussions would focus on goods trade and customs duties; services trade; public procurement; and clear, simple and aligned rules of origin.

- Discussions regarding regulatory cooperation would address issues of regulatory coherence; technical barriers to trade; sanitary and phytosanitary questions; and good practice in a range of sectors, from medical devices and chemicals to vehicles, pharmaceuticals, and financial services.

- Discussions of "rules" could encompass such issues as intellectual property, digital trade, or state-owned enterprises that could create standards as orientation for many other countries around the world.

A U.S-UK agreement could be harder than some anticipate. Disagreements are likely to arise over differences in regulatory policy. Issues such as public procurement and healthcare have strong public constituencies and are often extremely sensitive. Remaining tariff barriers, especially in agriculture, often reflect the most politically difficult cases. It is unclear, for instance, whether UK farmers will be keen on a trade deal that would open them up to U.S. competition at the very time they are losing generous EU subsidies, or whether they will be willing to accommodate U.S. interests in changing their rules related to hygiene or genetically-modified organisms if that makes it harder for them to sell to the EU, which is their largest market.

The benefits, however, could be considerable, and important to many constituencies across the United States. **In Appendix 2** I offer data underscoring the significance of UK/European-sourced jobs, trade and investment for each state represented by Members of the two Subcommittees hosting this hearing today.

U.S.-UK discussions along the three lines I have outlined would be compatible with the way the UK is likely to conduct its relations with the EU, and would be similar to how the U.S. and the EU have been conducting their own negotiations. In sum, this three-track framework (market access, regulatory cooperation with individual sectoral agreements, rules) could offer common orientation at each point of the transatlantic triangle -- U.S.-UK, UK-EU, and U.S.-EU.

A North Atlantic Initiative for Jobs and Growth

This means that the U.S. should champion a multi-channel transatlantic economic initiative -- a North Atlantic Initiative for Jobs and Growth -- that generates synergies rather than competition among a new U.S.-UK economic relationship and both post-Brexit UK-EU and U.S.-European ties. As the U.S. and UK move forward with their own discussions, the U.S. should also move ahead with a new agenda with its own European allies and partners as well.

An immediate revival of the U.S.-EU Transatlantic Trade and Investment Partnership (TTIP) is unlikely, given the advent of a new U.S. Administration and a series of important European elections in 2017. But at an early date the U.S. and the EU could issue a political statement affirming the value of transatlantic economic ties and a mutual commitment to strengthen the transatlantic economy, and use the Transatlantic Economic Council to move forward in areas where progress has already been registered or is likely.

A multi-channel transatlantic economic initiative that generates synergies rather than competition between a U.S.-UK trade agreement and both post-Brexit UK-EU and U.S.-European ties is ambitious. It will be tough to manage and conclude. But the potential payoff is high, and the geostrategic impact of such an initiative could be as profound as the direct economic benefits.

Such an initiative promises to be an operational reflection of basic values we share with our European partners as democratic societies rooted in respect for human rights and the rule of law. The UK and our other European allies are more likely to have greater faith in America's security commitments if they are anchored by strong trade and investment links. A strong multi-channel transatlantic initiative would also reassure Americans that the post-Brexit UK as well as the post-Brexit European Union are each committed to look outward rather than inward. In a world of rising powers and intensified competition, it could ensure that Europeans and Americans continue as rule-makers instead of becoming rule-takers. Standards negotiated among the U.S., UK and our other European allies are almost certainly to be better for American workers, consumers and companies than comparable rules found in the WTO. Agreement on such issues as intellectual property, services, digital trade, and tackling discriminatory regulations would set the global standard.

Now that the British government has decided to exit the European Union, the United States has a vital interest in ensuring that Brexit is a success for Great Britain, Europe, and the transatlantic partnership. A "Global Britain" that retains and deepens its strong economic links to the United States and to continental Europe, is outward-looking and has a robust economy ready to shoulder a greater British contribution to our common defense and to address global challenges together with us is a Britain that Americans can and should support. A "Global Britain" that is isolated from the United States and its key European partners, that seeks to stake out its own positions on global issues without regard to its strong transatlantic links, is likely to be a lonely and increasingly impoverished Britain unable to be a value-added partner to America.

Similarly, a messy and acrimonious divorce between the UK and our European allies and partners would not only disrupt U.S. jobs, trade and investment, it would impair the ability of our major allies to deal with a whole host of challenges important to the United States -- generating inclusive economic growth, fighting terrorism, addressing destabilizing flows of people, and fighting threats in many other world regions.

It is decidedly in U.S. interests to ensure that Brexit serves to strengthen, rather than weaken, our transatlantic alliance.

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Appendix 1[1]

America's Economic Stake in Healthy Commerce with Britain and Europe

The United Kingdom is a critical economic partner for the United States. Bilateral trade flows are strong. In 2015 the United States exported $124.5 billion in goods and services to the UK, and imported $121 billion worth of British goods and services. The United States is Britain's largest export destination after the EU.

U.S.-UK trade is significant. But the real driver of the British-American economy is investment. In 2015, U.S. foreign direct investment in the UK totaled a record $593.0 billion and UK foreign direct investment in the U.S. totaled $483.8 billion. Estimated sales of American and British affiliates totaled more than $1.3 trillion. The UK accounted for 22% of overall global U.S. investment outside the United States. U.S. investment flows to the UK rose by nearly 30% in the first nine months of 2016. UK affiliates domiciled in the United States improved the U.S. trade balance by exporting $74 billion worth of goods from the U.S. in 2014.

U.S. affiliates employed almost 1.4 million workers in the UK while UK affiliates employed roughly 1.1 million Americans, according to 2015 estimates. British firms were the #1 source of onshored jobs in 25 of the 50 U.S. states in 2014.

America's capital stock in the UK is more than double combined U.S. investment in South America, the Middle East and Africa. Total U.S. investment stock in China was just 11% of the comparable figure in the United Kingdom in 2014. Even when the U.S. investment position of China and India are combined—roughly $94 billion in 2014—the figure is just 16% of total U.S. investment in the United Kingdom (Chart 1).

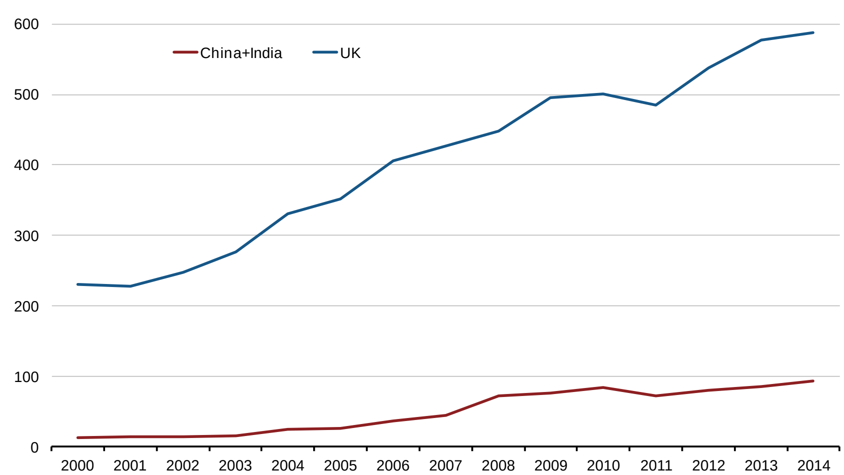
Chart 1: America's Preference for the UK vs. China and India.

(U.S. direct investment position,* billions of $)

*U.S. Foreign Direct Investment (stock).

Source: Bureau of Economic Analysis.

Data as of February 2016.



[1] Figures are drawn from Daniel S. Hamilton and Joseph P. Quinlan, *The Transatlantic Economy 2017: Annual Survey of Jobs, Trade and Investment between the United States and Europe* (Washington, DC: Center for Transatlantic Relations, 2017).

In sum, the UK and the U.S. are critical partners for each other. Wealthy consumers, respect for the rule of law, the ease of doing business, credible institutions, and, importantly, **membership to the European Union** have long made the UK a more attractive place to do business for American firms than either China or India.

Whatever the metric—total assets, R&D expenditures, foreign affiliate sales and even affiliate employment—the United Kingdom is a key pillar of America's global economic infrastructure and a key hub for the global competitiveness of U.S. firms. Since 2000, the U.K. has accounted for nearly 9% of the cumulative global income of U.S. affiliates, a proxy for global earnings. The UK ranks number one in the world in terms of U.S. foreign affiliate value added (or output). The output of U.S. affiliates in the UK totaled $153 billion in 2013, about the same as the entire GDP of Vietnam or Ukraine (Chart 2). U.S. affiliates in the UK produced three times more than U.S. affiliates in China.

Chart 2: Operations of U.S. Foreign Affiliates in the UK.*

	Billions of $	% of Global Total	Rank
Total Assets	4,982	22%	1
Value Added (Output of Affiliates)	153	11%	1
R&D	5	11%	2
Capital Expenditures	19	8%	2
Foreign Affiliate Sales	643	11%	2
Employment (thousands of employees)	1,233	10%	2
Manufacturing (thousands of employees)	300	6%	5

*Data for majority-owned foreign affiliates, 2012.

Source: Bureau of Economic Analysis.

Data as of February 2016.

U.S. affiliate exports from the UK still totaled over $190 billion in 2013, the last year of available data. That figure is more than double U.S. affiliate exports from Mexico and nearly four times greater than U.S. affiliate exports from China—two lower-cost nations more closely associated with U.S. affiliate exports. U.S. affiliate exports from the UK each year are greater than the total exports of most nations.

The U.S. Stake in Healthy Commerce with Europe, Even after Brexit

As these figures show, the U.S.-UK commercial relationship is among the most deeply connected in the world. But it is important to place the U.S.-UK relationship in the broader context of U.S. economic relations with our other European allies and partners.

The EU Single Market will remain the major destination for American goods, services and investments, even if the UK is not part of it. In nominal U.S. dollar terms, the European Union (plus Norway, Switzerland, Iceland) accounted for 23.4% of world output in 2016 according to estimates from the International Monetary Fund. Even when the United Kingdom is excluded from the figures, the EU's aggregate output—$14.9 trillion, or 19.8%—is among the largest in the world, less than America's share (24.7%), but in excess of China's—15.1%. Based on purchasing power parity figures, the European Union's share was greater than that of the United States, but slightly less than China's in 2016.

U.S. companies still see Europe as a major hub for their global operations. Europe accounted for nearly 70% of total U.S. FDI outflows in 2016. The Asia-Pacific region represented just 21% of the total, underscoring the bias and preference among U.S. firms for Europe versus Asia. In 2016 we estimate that U.S. FDI outflows to Europe totaled $220 billion, a 12% rise from the levels of 2015 ($196 billion). U.S. investment in the UK, while significant, accounted for just 22% of the total. 78% went to other European countries.

Despite all the hype about rising powers and emerging markets, Europe remains the most important commercial market in the world for the United States and the major geo-economic base for U.S. companies. That base is enhanced if the UK is included, but Europe retains its preeminent importance for the United States even without the UK. None of America's other commercial arteries are as integrated. The $5.5. trillion transatlantic economy is the fulcrum of the global economy, generating 15 million jobs on both sides of the Atlantic.

Europe -- even without the UK -- remains America's largest trading partner, greatest source of foreign investment, and largest source of onshored jobs.

Massachusetts, New Jersey and Florida each export 8 times more to Europe than to China. New York exports 7 times more to Europe than to China. Indiana exports 7 times more to Europe than to China. Texas exports 3 times more to Europe than to China, and California exports twice as much to Europe as to China.

American affiliates of European companies also generate U.S. exports -- $230 billion in 2014, 32 UK affiliates in America were responsible for close to one-third of those exports, but the remaining two-thirds were generated by other U.S.-based European affiliates. In the end, the more European affiliates export from the U.S., the higher the number of U.S. jobs and the greater U.S. export figures.

US companies invest twice as much in Europe as in all of the Asia-Pacific region. In 2016 Europe accounted for an estimated 72% percent of all investment flowing into the United States from foreign shores. Europe invests four times as much in America than does Asia. The UK leads the way, with $493 billion invested in 2015, but Luxembourg, the Netherlands, Switzerland, Germany and France invested $1.255 *trillion*. That reflects the strategy of European firms to be “inside” the United States -- the world’s largest and most dynamic market.

One of the greatest benefits of this presence is the creation of U.S. jobs. Europe is by far the largest source of "onshored" jobs in the United States. Chart 3 provides a snapshot of state employment provided directly by UK and other European affiliates on the ground across the United States.

Chart 3. Top 20 States by Jobs Supported Directly by European/UK Investment, 2014

(Thousands of employees)

U.S. State	Europe w/o UK	*UK*	Total Europe/UK
California	295.6	*98.2*	**393.8**
Texas	224.0	*107.2*	**331.2**
New York	206.8	*103.7*	**310.5**
Pennsylvania	162.8	*60.1*	**222.9**
Illinois	135.8	*59.3*	**195.1**
New Jersey	134.5	*40.0*	**174.5**
Florida	122.9	*51.4*	**174.3**
North Carolina	140.1	*34.0*	**174.1**
Massachusetts	123.2	*40.6*	**163.8**
Ohio	105.5	*42.1*	**147.6**
Michigan	117.9	*24.0*	**141.9**
Virginia	99.8	*31.9*	**131.7**
Georgia	100.9	*29.0*	**129.9**
Indiana	64.3	*31.8*	**96.1**
South Carolina	82.9	*11.9*	**94.8**
Maryland	63.3	*20.4*	**83.7**
Tennessee	60.9	*20.2*	**81.1**
Connecticut	60.9	*20.0*	**80.9**
Missouri	49.6	*23.1*	**72.7**
Minnesota	48.4	*16.8*	**65.2**

The charts underestimate the true impact on US jobs of America's commercial ties to UK/Europe in at least two ways. First, jobs tied to exports and imports of goods and services are not included. Second, many other jobs are created indirectly through suppliers or distribution networks and related activities.

Appendix 2[2]

UK- and European-Sourced Jobs, Trade and Investment in U.S. States Represented by Subcommittee Members

California

- Roughly 1.2 million jobs in California are directly or indirectly related to California's commerce with Europe.
- 394,000 California jobs are directly supported by European investment.
- The UK follows Japan as the top source of onshored jobs in California, accounting for 98,200 jobs -- a quarter of all California jobs onshored from Europe. Germany, Switzerland and France accounted for an additional 205,900 jobs.
- California exported $33.1 billion to Europe in 2015 -- almost 2 1/2 times the amount that California exports to China.
- In 2015 California was the #1 U.S. state exporting to Europe, and in 2014 it was the #1 state profiting from onshored jobs from Europe. The UK is the third largest European market for California goods, trailing the Netherlands and Germany.

Florida

- Over 500,000 Florida jobs are directly or indirectly related to the state's commerce with Europe.
- 174,300 Florida jobs are directly supported by European investment.
- The UK ranks as the largest source of onshored jobs in Florida, accounting for 51,400 jobs. France and Germany accounted for 54,500 jobs.
- Florida exported $9 billion to Europe in 2015 -- almost 9 times the amount that Florida exports to China.
- In 2015 Florida was the 12th largest U.S. state exporting to Europe, and in 2014 it hosted the 7th largest number of onshored jobs from Europe.
- Germany is the largest European market for Florida goods, followed by Switzerland, and then the UK. The Netherlands and France round out the top 5.

Massachusetts

- Close to 450,000 jobs in Massachusetts are directly or indirectly related to the state's commerce with Europe.
- Massachusetts jobs directly supported by European investment have risen 37% since 2006.
- The UK is the #1 source of onshored jobs in Massachusetts, accounting directly for 40,600 jobs -- one-fourth of all onshored jobs in the state. The Netherlands, France and Germany accounted for an additional 83,000 jobs.
- The EU accounts for 45% of global investment in Massachusetts and 43% of global investment in Boston.

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[2] Figures are drawn from Daniel S. Hamilton and Joseph P. Quinlan, *The Transatlantic Economy 2017: Annual Survey of Jobs, Trade and Investment between the United States and Europe* (Washington, DC: Center for Transatlantic Relations, 2017).

- Massachusetts exported goods valued at 9.5 billion to Europe in 2015 -- 8 times more than to China.
- The UK is the top European export market for Massachusetts. But Massachusetts exports to the UK totaled $1.2 billion, ranking it third as a European export market behind Germany and the Netherlands.

New York

- Slightly less than 1 million New York jobs are directly or indirectly related to New York's commerce with Europe.
- 310,500 New York jobs are directly supported by European investment.
- The UK ranks as the top source of onshored jobs in New York, accounting for 103,700 jobs -- about a third of all New York jobs onshored from Europe. Switzerland and France accounted for an additional 89,600 jobs.
- New York exported $28.2 billion to Europe in 2015 -- over 8 times the amount the state exports to China.
- In 2015 New York was the third largest U.S. state exporter to Europe, and in 2014 it hosted the third largest number of onshored jobs from Europe.
- Switzerland is the largest European market for New York goods, followed by the UK, Belgium, Germany and France.

Pennsylvania

- Close to 675,000 Pennsylvania jobs are directly or indirectly related to Pennsylvania's commerce with Europe.
- 222,900 Pennsylvania jobs are directly supported by European investment - 22% more than in 2006.
- The UK ranks as the largest source of onshored jobs in Pennsylvania, accounting for 60,100 jobs. But the Netherlands, Germany and France accounted for 107,900 jobs.
- Pennsylvania exported $10.5 billion to Europe -- 5 times the amount that Pennsylvania exports to China.
- In 2015 Pennsylvania was the 7th largest U.S. state exporting to Europe, and in 2014 it hosted the 4th largest number of onshored jobs from Europe.
- The UK is the largest European market for Pennsylvania goods, followed by Germany, the Netherlands, Belgium and France.

South Carolina

- Roughly 285,000 jobs in South Carolina are directly or indirectly related to South Carolina 's commerce with Europe.
- 94,800 South Carolina jobs are directly supported by European investment -- 12% more than in 2006.
- The UK ranks as the fourth largest source of onshored jobs in South Carolina, accounting for 11,900 jobs. But Germany accounted for 25,800 jobs, and France for 19,300.
- South Carolina exported $9.8 billion to Europe in 2015 -- twice the amount that South Carolina exports to China. Many of South Carolina's exports to China come from European

companies at home in the state. BMW, for instance, domiciled in South Carolina, is the largest U.S. exporter of cars by value to the rest of the world.

- In 2015 South Carolina was the 8th largest U.S. state exporting to Europe.
- Germany is the largest European market for South Carolina goods, followed by the UK, Belgium, France and the Netherlands.

Texas

- Slightly less than 1 million Texas jobs are directly or indirectly related to the state's commerce with Europe.
- 331,200 Texas jobs are directly supported by European investment -- over 40% more than in 2006.
- The UK ranks as the largest source of onshored jobs in Texas, accounting for 107,200 jobs. France and Germany accounted for 89,000 jobs.
- Texas exported $31.9 billion to Europe in 2015 -- almost 3 times the amount that Texas exports to China.
- In 2015 Texas was the #2 U.S. state exporting to Europe, and in 2014 it hosted the 2nd largest number of jobs onshored from Europe.
- The Netherlands is the largest European market for Texas goods, followed by Belgium, and then the UK. Germany and France round out the top 5.

Virginia

- Close to 400,000 Virginia jobs are directly or indirectly related to the state's commerce with Europe.
- 131,700 Virginia jobs are directly supported by European investment in the state -- over 17% more than in 2006.
- The UK ranks as the largest source of onshored jobs in Virginia, accounting for 31,900 jobs. The Netherlands, France and Germany accounted for 46,600 jobs.
- Virginia exported $5 billion to Europe in 2015 -- about 3 times the amount that Virginia exports to China.
- In 2014 Virginia hosted the 12th largest number of onshored jobs from Europe.
- The UK is the largest European market for Virginia goods, followed by Germany, Belgium, the Netherlands and Italy.

Wisconsin

- Roughly 150,000 Wisconsin jobs are directly or indirectly related to Wisconsin's commerce with Europe.
- 57,500 Wisconsin jobs are directly supported by European investment in the state.
- The UK ranks as the largest European source of onshored jobs in Wisconsin, accounting for 13,100 jobs. Germany, Switzerland and France accounted for 25,000 jobs.
- Wisconsin exported $4.2 billion to Europe in 2015 -- almost 3 times the amount that Wisconsin exports to China.
- The UK is the largest European market for Wisconsin goods, followed by Germany, France, Belgium and the Netherlands.