



ARKANSAS INTERNATIONAL BUSINESS REPORT

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Overview of International Activities

The Arkansas Economic Development Commission (AEDC) is committed to attracting and retaining the best companies and the most advanced industries from around the world. This report summarizes AEDC's international activities, and foreign direct investment and trade in Arkansas.

Eighteen (18) of the 98 projects which signed financial assistance agreements with the AEDC in 2014 were by foreign-owned corporations. Cumulatively, these projects proposed the creation/retention of 567 jobs.

Arkansas recognizes the strong, long-term economic opportunities originating from Europe, Asia, and Latin America. The business development activities for all international regions involve:

- Project management;
- Business retention and expansion of existing international companies in Arkansas;
- Business trade missions to meet with prospective companies and to strengthen ties to existing companies to encourage new investment activity in Arkansas;
- Trade show participation in selected industries to create leads; and
- Protocol activities such as hosting international visitors from the political and business arenas.

Europe Summary

There were six (6) European countries among Arkansas's top 20 trading partners in 2014. (France, Germany, United Kingdom, Belgium, Austria and Denmark). These six countries accounted for 16.3 percent of all exports from Arkansas.

Arkansas has 23 German-owned companies with 40 locations that account for over 1,540 jobs. These companies include manufacturers of automotive parts, power tools, plastics, and steel among others.

There are 14 French-owned companies with 25 locations in Arkansas with more than 3,700 employees. These businesses are involved in aircraft customization, as well as manufacturing cosmetics, asphalt, automotive parts and mining equipment.

There are nine (9) companies owned by parent companies based in the United Kingdom. These companies have 15 locations around Arkansas and account for approximately 940 jobs.

Asia Summary

There were six (6) Asian countries among Arkansas's top 20 trading partners in 2014 (China, Japan, Singapore, the Republic of Korea, Hong Kong and Taiwan). These six countries account for 21.47 percent of all exports from Arkansas.

China

AEDC established Arkansas's first China Office in 2008. The China Office has taken several steps to lay the state's foundation for recruiting investment. It has identified targeted industries, created promotional materials in Mandarin, presented at conferences, identified and visited with potential sister provinces, established cooperative relationships with government agencies and commercial associations, arranged press briefings, and helped identify and qualify potential investment opportunities.

The AEDC and the State of Arkansas continue to develop relationships and partnerships with Chinese businesses and important government officials in China.

Four Chinese companies have a presence in Arkansas employing approximately 10 workers, while Taiwan has one established company with over 50 employees.

Japan and Southeast Asia

Arkansas has had a representative office in Japan since 1985. The Japan Office promotes FDI in Japan, the Republic of South Korea, India and countries in Southeast Asia by: visiting potential industry prospects, working with AEDC staff on active projects, organizing investment presentations, and researching and analyzing the recently-evolved Japanese outbound economy to guide a shift in state strategy for automotive, advanced manufacturing, aviation/aerospace, green and sustainable building products and technology recruitment.

Japan plays a significant role in the Arkansas economy. There are 16 Japanese companies with 19 locations in Arkansas employing approximately 5,300 workers. Japanese manufacturers in Arkansas produce heating and refrigeration equipment, steel and automotive parts.

India and the Republic of South Korea companies have also invested in Arkansas. India has five companies with just above 800 employees. The Republic of South Korea has two companies in Arkansas employing over 300 Arkansas workers.

Latin America Summary

There were four (4) Latin American countries among Arkansas's top 20 trading partners in 2014. (Mexico, Brazil, Peru and Colombia). These four countries accounted for 17 percent of all exports from Arkansas.

Arkansas has three (3) Mexican-owned companies that account for over 1,900 jobs. These companies include poultry processing, concrete manufacturing and a food brokerage firm.

There is one Brazilian-owned company in Arkansas with three (3) locations in Arkansas engaged in steel manufacturing and combined they have more than 600 employees, as well as two others.

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Foreign Direct Investment

Arkansas's international business activity contributes to the state's economy as stated below:

- Approximately 31,600 workers are employed by foreign-owned firms;
- More than half of the jobs created by foreign-owned entities are in manufacturing, mainly industrial machinery; food and kindred products; primary and fabricated metals; transportation equipment; forest products; and
- Foreign direct investment in Arkansas was responsible for 3.4 percent of the state's total private-industry employment.

LARGEST FOREIGN-OWNED EMPLOYERS IN ARKANSAS BY EMPLOYMENT

Baldor Electric Company	Tenaris	Eaton Corporation
Dassault Falcon Jet Corporation	Domtar Paper Co. LLC	Nestle USA
O.K.Foods	Rheem Manufacturing	Bekaert Corporation
Husqvarna Outdoor Products	Nucor-Yamato Steel	Firestone Building Products
Evergreen Packaging	Gerber Products Company	Nidec Motor Corporation

FDI AND BUSINESS EXPANSIONS IN ARKANSAS IN PAST FIVE (5) YEARS

AAF International	Gerdau Steel	Orbea USA
BASF	Husqvarna Outdoor Products	Pipelife Jet Stream
Bekaert Corporation	Karcher North America	Rheem Manufacturing Company
Camfil Farr APC	Delek US Holdings	Saint Gobain Proppants
Danfoss LLC	Kiswire Pine Bluff, Inc.	SGL Carbon Group
Dassault Falcon Jet Corporation	L'Oreal USA	Spirit Fitness
Domtar Paper Co. LLC	Mahle Engine Components	Tenaris
Eaton Corporation	Nidec Motor Corporation	Umarex USA, Inc.
Evergreen Packaging	Novus Arkansas	Vinh Long
Firestone Building Products	Nucor-Yamato Steel	Welspun
Flakeboard America	O.K. Foods	West Fraser

Exports and Trade

Arkansas ranked 38th in the US in value of total exports in 2014 (\$6.9 billion). The state's trade decreased 4.15 percent from 2013 to 2014. Total exports from Arkansas in 2014 were 40 percent above total exports in 2007.

TOP 10 ARKANSAS EXPORTS IN 2014		
CATEGORY	DOLLAR VALUE (\$)	PERCENT (%)
Aircraft/Spacecraft	\$1.63 billion	24
Machinery	\$720 million	11
Electrical Machinery	\$591 million	9
Plastics	\$392 million	6
Organic Chemicals	\$363 million	5
Meat	\$293 million	4
Paper and Paperboard	\$281 million	4
Cereals	\$273 million	4
Articles of Iron & Steel	\$264 million	4
Vehicles, Other than Railway	\$217 million	3

In 2014, aircraft/spacecraft was Arkansas's largest export article. Exports in this sector accounted for 24 percent of Arkansas's total export value in 2014 (\$1.63 billion). The top three (3) destinations for aircraft/spacecraft from Arkansas were France (\$403 million), China (\$182 million), and Virgin Islands (British) (\$182 million).

Exports in the machinery sector experienced a moderate increase in 2014 (10.54 percent). The top three (3) destinations for machinery from Arkansas were Canada (\$234 million), Mexico (\$86 million), and Brazil (\$54 million). Trade in electrical machinery increased by 9.7 percent in 2014, with sizeable purchases from both Japan (\$145 million) and Canada (\$134 million). Plastics exports increased by 16 percent to \$392 million. Canada was the top market for Arkansas in 2014 (\$116 million) followed by China, Mexico, Belgium and Singapore.

Canada continues to be Arkansas's largest trading partner accounting for more than \$1.4 billion in exports in 2014, or 20.75 percent of total exports. Canada is the top destination for seven (7) of the state's top 10 commodities: machinery (\$234 million), articles of iron and steel (\$149 million), electrical machinery (\$134 million), plastics (\$116 million), vehicles, other than railways or tramway rolling stock (\$100 million), cereals (\$79 million) and paper and paperboard (\$53 million).

Mexico is Arkansas's second largest partner, with more than \$738 million in goods exported from Arkansas last year. Following Canada, Mexico is Arkansas's second top destination for Arkansas commodities including: machinery (\$86 million), vehicles, other than railway or tramway rolling stock (\$69 million), electrical machinery (\$48 million), paper and paperboard (\$47 million), meat (\$47 million; primarily poultry), cereals (\$47 million), and plastics (\$33 million).

TOP 10 EXPORT DESTINATIONS IN 2014 \$6.9 billion to 190 countries		
COUNTRY	DOLLAR VALUE (\$)	PERCENT (%)
Canada	\$1.4 billion	22
Mexico	\$738 million	12
France	\$439 million	6
China	\$437 million	6
Japan	\$330 million	5
Brazil	\$242 million	4
Singapore	\$191 million	3
The Republic of South Korea	\$176 million	3
Virgin Islands (British)	\$176 million	3
Germany	\$171 million	2

For more information on foreign-owned companies in Arkansas, see the [Arkansas Foreign Owned Business Report](#). Additional information can be found at AEDC's website, www.arkansasedc.com or by calling 501-682-1121.