

# ARKANSAS INC

## Arkansas International Business Report January 2018

**Arkansas Economic Development Commission**  
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Little Rock, AR 72201



[ArkansasEDC.com](http://ArkansasEDC.com) | 1-501-682-2555

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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.

Twenty-three (23) of the 125 projects which signed financial assistance agreements with the AEDC in 2017 were by foreign-owned corporations. Cumulatively, these projects proposed the creation/retention of 921 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 seven (7) European countries among Arkansas's top 20 trading partners in 2016. (France, United Kingdom, Belgium, Netherlands, Germany, Switzerland and Italy). These five countries accounted for 23.8 percent of all exports from Arkansas.

Arkansas has 22 German-owned companies with 33 locations that account for over 1,600 jobs. These companies include manufacturers of automotive parts, power tools, plastics, and steel among others.

There are 10 French-owned companies with 18 locations in Arkansas with more than 3,300 employees. These businesses are involved in aircraft customization, as well as manufacturing cosmetics, asphalt, automotive parts and mining equipment.

There are 10 parent companies based in the United Kingdom with 14 locations around Arkansas and account for approximately 740 jobs.

## **Asia Summary**

There were seven (7) Asian countries among Arkansas's top 20 trading partners in 2016 (Japan, China, Singapore, the Republic of South Korea, United Arab Emirates, Hong Kong and Taiwan). These seven countries account for 21.2 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.

Six Chinese companies have a presence in Arkansas employing approximately 50 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 18 Japanese companies with 22 locations in Arkansas employing approximately 5,900 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 six companies with just above 1,300 employees. The Republic of South Korea has two companies in Arkansas employing over 300 Arkansas workers.

#### Latin America Summary

There were three (3) Latin American countries among Arkansas's top 20 trading partners in 2016. (Guatemala, Colombia and Brazil). These three countries accounted for 3.4 percent of all exports from Arkansas.

There are two Brazilian-owned companies in Arkansas with nine locations engaged in steel manufacturing and food processing. Combined, they have more than 1,900 employees.

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# Foreign Direct Investment

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

- Approximately 33,900 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	Domtar A.W. LLC	Nestle USA
Dassault Falcon Jet Corporation	Rheem Manufacturing Company	Bekaert Corporation
O.K. Foods	Nucor-Yamato Steel Company	Firestone Building Products
Husqvarna Forestry Products, N.A.	Gerber Products Company	Nidec Motor Corporation
Evergreen Packaging	Eaton Corporation	Pilgrim's Pride Corporation

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

4Media Group, Inc.	Eaton Corporation	Pipelife Jet Stream
AAF Flanders	Evergreen Packaging	Reynolds Consumer Products LLC
AERT, Inc.	Georg Fischer Harvel LLC	Rheem Manufacturing Company
American Rheinmetall Munitions	Gerber Products	Saint Gobain
Anthony Forest Products Company	Great Lakes Solutions	Saint Jean Industries, Inc.
Arauco	Hino Motors Manufacturing	Sediver USA, Inc.
Ash Grove Cement Company	Husqvarna Forestry Products, N.A.	SGL Carbon LLC
BASF	Imbicolor (Imbiber Beads), Inc.	Solfuels USA, LLC
Bayer Crop Science	Interfor (Monticello Sawmill Div.)	Spirit Fitness
Bekaert Corporation	Karcher North America	Stella-Jones Corporation
Cameron International Corporation	Kiswire Pine Bluff, Inc.	Tenaris
Camfil Farr APC	L'Oreal USA	TY Garments USA
Conifex Timber, Inc.	Mahle Engine Components USA	Umarex USA, Inc.
Danfoss LLC	Nidec Motor Corporation	Unilever Manufacturing (US) Inc.
Dassault Falcon Jet Corporation	Nucor-Yamato Steel Company	Vinh Long Arkansas Ltd. Company
DBG USA, LLC	O.K. Foods	Welspun Tubular LLC
Denso Mfg. Arkansas, Inc.	Orbea USA, LLC	West Fraser, Inc.
Domtar A.W., LLC	Pacific Vet Group USA	

# Exports and Trade

Arkansas ranked 37th in the US in value of total exports in 2016 (\$5.7 billion). The state's trade decreased 2.8 percent from 2015 to 2016. Total exports from Arkansas in 2016 were 9.3 percent above total exports in 2010.

TOP 10 ARKANSAS EXPORTS IN 2016		
CATEGORY	DOLLAR VALUE (\$)	PERCENT (%)
Aircraft/Spacecraft	\$1.08 billion	19.0
Machinery	\$505 million	8.9
Electrical Machinery	\$467 million	8.2
Plastics	\$378 million	6.6
Organic Chemicals	\$341 million	5.97
Cereals	\$319 million	5.6
Paper and Paperboard	\$249 million	4.37
Meat	\$246 million	4.31
Vehicles, Other than Railway	\$182 million	3.19
Dairy Produce	\$175 million	3.07

In 2016, aircraft/spacecraft was Arkansas's largest export article. Exports in this sector accounted for 19.0 percent of Arkansas's total export value in 2016 (\$1.08 billion). The top three (3) destinations for aircraft/spacecraft from Arkansas were France (\$749 million), United Arab Emirates (\$96 million) and Switzerland (\$62 million).

Exports in the machinery sector experienced a significant decrease in 2016 (24.33 percent). The top three (3) destinations for machinery from Arkansas were Canada (\$192 million), Mexico (\$56 million), and Germany (\$24 million). Trade in plastics increased by 7.55 percent in 2016, which led to sizeable purchases from both Canada (\$101 million) and China (\$73 million). Organic chemical exports increased by 0.56 percent to \$340 million. Belgium was the top market for Arkansas in 2016 (\$93 million) followed by the Republic of South Korea, China, Japan and India.

Canada continues to be Arkansas's largest trading partner accounting for just below \$1.2 billion in exports in 2016, or 20.39 percent of total exports. Canada is the top destination for four (4) of the state's top 10 commodities: machinery (\$192 million), plastics (\$101 million), cereals (\$61 million) and paper and paperboard (\$60.6 million).

France is Arkansas's second largest partner, with more than \$783 million in goods exported from Arkansas last year. Following Canada, France is Arkansas's second top destination for Arkansas commodities including: aircraft/spacecraft (\$749 million), machinery (\$12 million), plastics (\$5.5 million), rubber (\$4.6 million), electrical machinery (\$3.1 million), beverages and spirits (\$2.3 million), tools and implements (\$1.2 million), optical equipment (\$967,000), and ships and boats (\$669,000).

TOP 10 EXPORT DESTINATIONS IN 2016 \$5.7 billion to 189 countries		
COUNTRY	DOLLAR VALUE (\$)	PERCENT (%)
Canada	\$1.16 billion	20.39
France	\$783 million	13.72
Mexico	\$685 million	12.0
Japan	\$281 million	4.92
China	\$275 million	4.81
Singapore	\$184 million	3.22
The Republic of South Korea	\$146 million	2.56
Australia	\$145 million	2.54
United Kingdom	\$143 million	2.5
United Arab Emirates	\$142 million	2.49

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](http://www.arkansasedc.com) or by calling 501-682-1121.