

ARKANSAS
INC

International Business Report 2019



Table of Contents

Table of Contents.....	1
Overview of International Activities.....	3
Foreign Direct Investment.....	6
Exports and Trade.....	7

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.

Ten (10) of the 50 projects which signed financial assistance agreements with the AEDC in 2019 were by foreign-owned corporations. Cumulatively, these projects proposed the creation/retention of 792 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 2019. (France, Belgium, United Kingdom, Germany, the Netherlands, Spain and Italy). These six countries accounted for 21.82 percent of all exports from Arkansas.

Arkansas has 22 German-owned companies with 34 locations that account for over 1,800 jobs. These companies include manufacturers of automotive parts, power tools, plastics, and steel among others.

There are 12 French-owned companies with 20 locations in Arkansas with slightly below 3,500 employees. These businesses are involved in aircraft customization, as well as manufacturing cosmetics, asphalt, automotive parts and mining equipment.

There are 15 parent companies based in the United Kingdom with 20 locations around Arkansas and account for approximately 2,100 jobs.

Asia Summary

There were six (6) Asian countries among Arkansas's top 20 trading partners in 2019 (Japan, China, Hong Kong, the Republic of South Korea, Taiwan and Singapore). These six countries account for 16.32 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 651 workers*, while Taiwan has one established company with over 50 employees.

**Include Risever Machinery announced jobs*

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 24 Japanese companies with 45 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 five companies with approximately 1,500 employees. The Republic of South Korea has one company in Arkansas employing over 250 Arkansas workers.

Latin America Summary

There were three (3) Latin American countries among Arkansas's top 20 trading partners in 2019. (Brazil, Haiti and Guatemala). These three countries accounted for 4.85 percent of all exports from Arkansas.

There are two Brazilian-owned companies in Arkansas with eight 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 35,000 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; and forest products
- Foreign direct investment in Arkansas was responsible for 3.5 percent of the state's total private-industry employment.

LARGEST FOREIGN-OWNED EMPLOYERS IN ARKANSAS BY EMPLOYMENT

ABB	Pilgrim's Pride Corporation	Nestle Prep Foods/Infant Nutrition
O.K. Foods	Domtar A.W. LLC	Bekaert Corporation
Husqvarna Forestry Products, N.A.	Rheem Manufacturing Company	Firestone Building Products
Dassault Falcon Jet Corporation	Nucor-Yamato Steel Company	Hino Motors Manufacturing USA
Evergreen Packaging	Eaton Corporation	Welspun Pipes, Inc.

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

4Media Group, Inc.	Hino Motors Manufacturing	Risever Machine Company
American Rheinmetall Munitions	Husqvarna Forestry Products, N.A.	SAF-Holland USA, Inc.
Arauco	Imbikor (Imbiber Beads), Inc.	Saint Jean Industries, Inc.
Ash Grove Cement Company	Interfor (Monticello Sawmill Div.)	Sediver USA, Inc.
BASF	Kiswire Pine Bluff, Inc.	Seguin Moreau
Bekaert Corporation	Lanxess Solutions US	Solfuels USA, LLC
Camfil Farr APC	L'Oreal USA	Spirit Fitness
Canfor Southern Pine	MAHLE Engine Components USA	Stella-Jones Corporation
Chemofast USA	Mountain Valley Spring Company	Tenaris
Danfoss LLC	Nidec Motor Corporation	Tokai Carbon Co., Ltd.
Dassault Falcon Jet Corporation	Nucor-Yamato Steel Company	TY Garments USA
DBG Arkansas LLC	O.K. Foods	Umarex USA, Inc.
DENSO Mfg. Arkansas, Inc.	Orbea USA, LLC	Vinh Long Arkansas Ltd. Company
Domtar A.W., LLC	Pipelife Jet Stream	Welspun Pipes, Inc.
Eaton Corporation	Prysmian Group	West Fraser, Inc.
Evergreen Packaging	Reynolds Consumer Products LLC	
Georg Fischer Harvel LLC	Rheem Manufacturing Company	

Exports and Trade

Arkansas ranked 38th in the US in value of total exports in 2019 (\$6.2 billion). The state's trade decreased 3.43 percent from 2018 to 2019. Total exports from Arkansas in 2019 were 19.3 percent above total exports in 2010.

TOP 10 ARKANSAS EXPORTS IN 2019		
CATEGORY	DOLLAR VALUE (\$)	PERCENT (%)
Aircraft/Spacecraft	\$1.24 billion	19.9
Machinery	\$560 million	9.0
Railway or Tramway Rolling Stock	\$382 million	6.1
Electrical Machinery	\$329 million	5.3
Organic Chemicals	\$319 million	5.1
Cereals	\$285 million	4.6
Plastics	\$276 million	4.4
Pulp of Wood	\$265 million	4.3
Meat	\$261 million	4.2
Paper and Paperboard	\$247 million	4.0

In 2019, aircraft/spacecraft was Arkansas' largest export. Exports in this sector accounted for 19.94 percent of Arkansas's total export value (\$1.2 billion). The top three destinations for aircraft/spacecraft from Arkansas were France (\$679 million), Japan (\$200 million), and Norway (\$59 million).

Exports in the machinery sector experienced a moderate decrease in 2019 (8.3 percent). The top three (3) destinations for machinery from Arkansas were Canada (\$215 million), Mexico (\$44 million), and Australia (\$41 million). Foreign shipments of Arkansas railway or tramway rolling stock increased by 1,749.48 percent in 2019. Exports in the sector were sought mainly by Canada (\$377 million), Mexico (\$4 million) and Brazil (\$498,000). Pulp of Wood exports increased by 28.9 percent to \$265 million. Mexico was the top market for Arkansas in 2019 (\$53 million) followed by Spain, Italy, China and Sweden.

Canada continues to be Arkansas's largest trading partner accounting for \$1.5 billion in exports in 2019, or 24.65 percent of total exports. Canada is the top destination for five of the state's top ten commodities: railway or tramway rolling stock (\$377 million), machinery (\$215 million), plastics (\$102 million), electrical machinery (\$87 million) and paper/paperboard (\$62 million).

Mexico is Arkansas's second largest partner, with more than \$744 million in goods exported from Arkansas last year. Arkansas exports to Mexico include: dairy produce (\$127 million), vehicles, other than railway (\$77 million), iron and steel (\$71 million), electrical machinery (\$58 million), pulp of wood (\$53 million), machinery (\$44 million), paper/paperboard (\$33 million), edible prep of meat (\$28 million) and furniture (\$22 million).

TOP 10 EXPORT DESTINATIONS IN 2019 \$6.2 billion to 194 countries		
COUNTRY	DOLLAR VALUE (\$)	PERCENT (%)
Canada	\$1.5 billion	24.65
Mexico	\$745 million	11.97
France	\$711 million	11.42
Japan	\$372 million	5.97
China	\$191 million	3.07
Belgium	\$152 million	2.45
Hong Kong	\$142 million	2.28
United Kingdom	\$140 million	2.24
Brazil	\$126 million	2.03
The Republic of South Korea	\$124 million	1.99

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.