

## **Aerospace industry tops list of Arkansas exports in 2023**

By Dylan Sherman, *Arkansas Democrat-Gazette*

Arkansas' 2023 exports rose 9.2% from the previous year, increasing to \$6.45 billion from \$5.91 billion in 2022.

The state's top exports included parts for aircraft and spacecraft; nuclear reactors, boilers and machinery; arms and ammunition; cotton; and plastics, according to a report by the Arkansas Economic Development Commission.

The total value of exports from the state is the highest since 2014, when exports totaled \$6.87 billion.

Aircraft and spacecraft parts led the export sectors, making up 13% of the state's total export value at \$858.5 million. The top destinations for the sector's products were France with \$224 million, United Kingdom with \$124 million, and Switzerland with \$100 million.

Denise Thomas, chief executive officer of the World Trade Center Arkansas, said the reason for aerospace ranking the highest on the state's exports list is in part because the state produces products for Airbus, a French aerospace company. She said the state also imports a great deal of aerospace parts and pieces from France.

"It is a movement where things are traveling back and forth between France," she said. "It is not just France ... there are other countries that are producing some aspects of the French Airbus" jets.

Arkansas imported \$790 million worth of aerospace goods from France in 2023.

Dassault Falcon Jet, which has a jet finishing facility in Little Rock, also plays a part in the state's aerospace exports.

Thomas said Dassault flies jets to Little Rock for completion, and when someone wants their new plane, they pick it up in the state.

Overall market trends also play a role in the state too, as Airbus along with Boeing are the two largest aircraft manufacturers in the world, with the latter company dealing with declining sales and public relations fallout over problems with its 737 Max.

Thomas said increased Airbus sales lead to increased business in Arkansas.

"That is going to increase exports for us, because it is increasing demand," she said. "So our companies will have to scale accordingly, they will have to scale manufacturing and jobs, which is a boon for us."

Jonathan Bricker, chairman of the Arkansas District Export Council, said the state has created an ecosystem when it comes to the aerospace industry.

"You get a company like Dassault Falcon Jet here, then other companies tend to migrate closer to companies like that," he said. "Everything from Lockheed Martin ... and the Little Rock Air Force Base, that helps tremendously as well."

Dassault extended its lease for its Little Rock facility to 2064 in December, and will spend \$100 million on an expansion, eventually adding 800 jobs, according to the company.

Bricker touched on the state's workforce that is able to handle the manufacturing needed for the aerospace industry, which employs over 8,000 people in the state, according to the Arkansas Economic Development Commission.

Mexico and Canada were the state's top trade partners for exports, taking \$1.6 billion and \$1.1 billion in Arkansas products respectively, with the pair making up 42.43% of Arkansas' total export value.

Thomas said countries are always going to trade better with their neighbors, and trade agreements among the three countries make it easier to move products across borders.

Trade with Canada made up 25% of total Arkansas exports, with the top exports including \$382 million in machinery, \$174 million in iron and steel, \$128 million in auto parts, \$97.5 million in plastics, and \$90 million in rice.

Mexico took \$206 million in meat products from Arkansas, \$174 million worth of iron and steel, \$154 million in dairy and eggs, \$75 million in auto parts, and \$68 million worth of paper products.

Referencing the recent destruction of the Francis Scott Key Bridge in Baltimore, Bricker said the collapse is now holding up the exchange of goods through the Port of Baltimore.

"That is just on the domestic side. That kind of stuff happens in international waters constantly," he said.

The future for trade with Arkansas looks positive, according to Thomas, with the World Trade Center Arkansas seeing an increase in the services it provides to clients.

The center offers assistance through grants that are specifically for export trade activity. Thomas said the center has grown an estimated \$9 million in sales over the past year, showing that clients and customers are thriving.

Bricker said the start of 2024 has not been strong, but he does believe the state will gain some ground in overall exports this year.

Bricker praised state efforts to entice global companies to set up shop in the state, which is good for the state economy as they tend to hire more people with better-paying jobs and can be stable over time.

"We also saw during the covid years, or any cyclical business, companies that export weather the storm better," he said.