

MONTANA WORLD TRADE CENTER

INTERNATIONAL TRADE & INVESTMENT SURVEY

2022

May 2023



BUREAU OF BUSINESS AND
ECONOMIC RESEARCH
UNIVERSITY OF MONTANA



WORLD TRADE CENTER
MONTANA

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Executive Summary

The purpose of the Montana World Trade Center® International Trade and Investment Survey is to illuminate key characteristics of Montana businesses that engage in international trade. These characteristics demonstrate the importance of international trade to Montana's economy in terms of jobs produced, wages paid and revenue generated. The findings of this survey also provide information that business and government decision makers can use to grow Montana's international trade portfolio.

This survey was sponsored by the Montana World Trade Center® and was administered by University of Montana's Bureau of Business and Economic Research. The survey was conducted in late 2022 and early 2023. Of the 271 businesses asked to respond to this survey, 102 (38%) participated.

The statements that follow highlight the central findings of this survey:

- The responding businesses reported that they employed a total of 5,453 Montanans in 2022.
- On average, the responding businesses reported employing 53 Montanans per business.
- The responding businesses paid their Montana employees an average annual wage of \$68,000 in 2022. This is an increase when compared with 2021. This average is considerably higher than the Montana average annual wage of \$52,220 as reported in May 2022 by the U.S. Bureau of Labor Statistics.
- These businesses paid a total of \$370,800,000 in wages to Montana workers in 2022.
- The responding businesses averaged \$77,900,000 per business in annual revenue in 2022. Readers should keep in mind that revenue here is the total for the entire company and not just revenue earned by the company in Montana.
- Total revenue for these companies in 2022 was \$7.5 billion.
- The average anticipated change per firm in annual revenue in 2023 is an increase of 24%.
- The 2023 average estimate per firm for the change in annual wages is an 13% increase.
- Of the 102 responding businesses, 72 reported they export products or services.
- 72 exporting businesses reported the sales value of their products or services exported to markets outside the U.S. The total sales value reported was \$551,700,000 in 2022.
- The average total export sales value per business was \$8,900,000 in 2022.
- A majority of the participating export firms (46) sell directly using the internet.
- The top 5 export markets for these firms were Australia, United Kingdom, Canada, France and China.
- Obtaining stronger distribution networks, distributors or distributor partnerships was the top ranked factor (10 firms) that would cause the responding firms to be more successful exporting.
- Almost two-thirds of the 92 firms (60 firms) that answered the question about importing, reported importing products or services for use in Montana operations.
- The total 2022 value of imports reported by the participating businesses was \$181,300,000.
- The average 2022 value of imports per business was \$3,600,000.
- Over three in ten responding businesses (34%) said they are currently seeking investment for expansion of operations in Montana.
- More firms (13) said that the agriculture sector was most likely to make an investment in Montana when compared with any other industry or sector.

- Just under majority of responding businesses (45%) said that their firm was negatively impacted by U.S. tariffs over the last four years.
- The most frequently cited impact of the COVID-19 pandemic on responding firms was limited travel.
- More responding businesses (21) cited Montana's quality of life as a competitive advantage conferred by being located in Montana when compared to any other advantage.

Introduction

The purpose of the Montana World Trade Center® Survey is to illuminate key characteristics of Montana businesses that engage in international trade. These characteristics demonstrate the importance of international trade to Montana's economy in terms of jobs produced, wages paid and revenue generated. The findings of this survey also provide information that business and government decision makers can use to grow Montana's international trade portfolio.

Background of this project

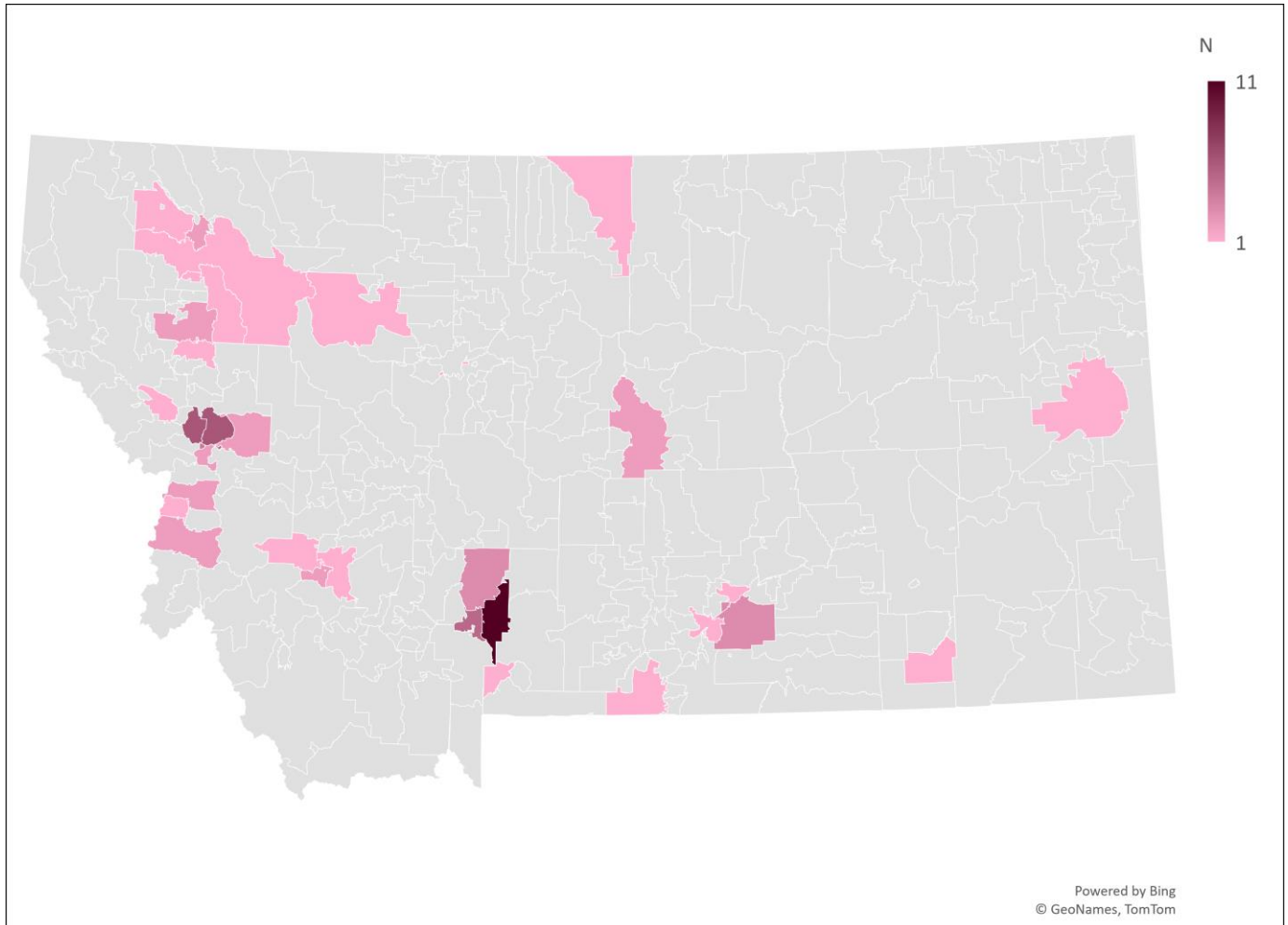
Growing international trade in Montana is central to the mission of the Montana World Trade Center® (MWTC), a longstanding program of the University of Montana. MWTC is part of the World Trade Centers® Association (WTCA), which includes nearly 300 World Trade Centers® (WTCs) in 100 countries around the globe.

MWTC's work falls into three primary areas. First, by integrating the extended resources available through the University system, compiling and analyzing information obtained through the World Trade Centers® Association, governmental organizations, trade associations, professional networking, and comprehensive primary and secondary research, MWTC trade specialists and students serve as an on-demand extension to businesses across Montana. Second, MWTC offers myriad trainings and forums relating to international business and trade each year. Finally, MWTC spearheads initiatives statewide that help grow Montana's international trade and investment portfolio.

Locations of responding Montana businesses

As Figure 1 demonstrates, the Montana World Trade Center® International Trade and Investment Survey collected data from international trading businesses located across Montana.

Figure 1: Number of responding businesses by zip code



The responding international trade businesses were most frequently located in Bozeman or Missoula. Important concentrations of responding international trade businesses were also located in Billings, Butte, Kalispell and the Bitterroot Valley.

Methods

This survey was sponsored by the Montana World Trade Center® and was administered by University of Montana's Bureau of Business and Economic Research (BBER). The survey was conducted in late 2022 and early 2023. Of the 271 businesses sampled, 102 (38%) participated. The response rate for this survey is calculated using the American Association for Public Opinion Research's formula RR1 (AAPOR, 2016).

The data for this survey were collected by administering a questionnaire via the internet to a list of businesses provided by the MWTC. Montana Department of Commerce, Montana Department of Agriculture and the Montana High Tech Business Alliance also shared a hyperlink for this survey with existing lists of businesses and sought participation through social media. BBER used Qualtrics survey research software to manage this survey (Qualtrics, 2020). Data were collected using industry standard methods (Dillman, Smyth, & Christian, 2014). The questionnaire invitation was transmitted by email and respondents are asked to click on a hyperlink to access the online questionnaire. MWTC's Executive Director, Brigitta Miranda-Freer, assisted significantly by conducting additional non-respondent prompts and helping to manage the respondent list. The questionnaire was developed by the MWTC in consultation with BBER.

Following receipt of the survey responses, the data were inspected to ensure no duplicate cases were included and to correct any obvious typos made by respondents. Appropriate variable and value labels were added to the data set. Appropriate composite variables and flags, including indicators for industry type, number of employees and import / export participation, were coded and added to the data set to facilitate the analysis process.

BBER conducted a statistical analysis of the survey data using statistical analysis computer software packages SPSS and SAS (IBM Corporation, 2021) (SAS, 2020). BBER analyzed the data collected using frequencies, cross-tabulations, standard measures of central tendency (mean, median, and mode), sums and ratios (Heeringa, West, & Berglund, 2017). BBER used an industry standard technique called multiple imputation to estimate values of responses to key survey items that were left blank by respondents (Rubin, 1987) (Berglund & Heeringa, 2014).

About this report

This report presents the findings of the Montana World Trade Center® International Trade and Investment Survey in the order questions appeared in the questionnaire. The exact question language is displayed at the top of each page to provide context necessary for understanding responses. Following the presentation of the overall findings of the survey, this report focuses on the responses of bioscience businesses. MWTC is an integral partner on a federal contract from the U.S. Small Business Administration called the Montana Bioscience Cluster Initiative (MTBSCI) that works to grow the bioscience cluster across Montana. Finally, this report presents the references that underpin the methods used for the study.

Q1. Which industry best represents your company?

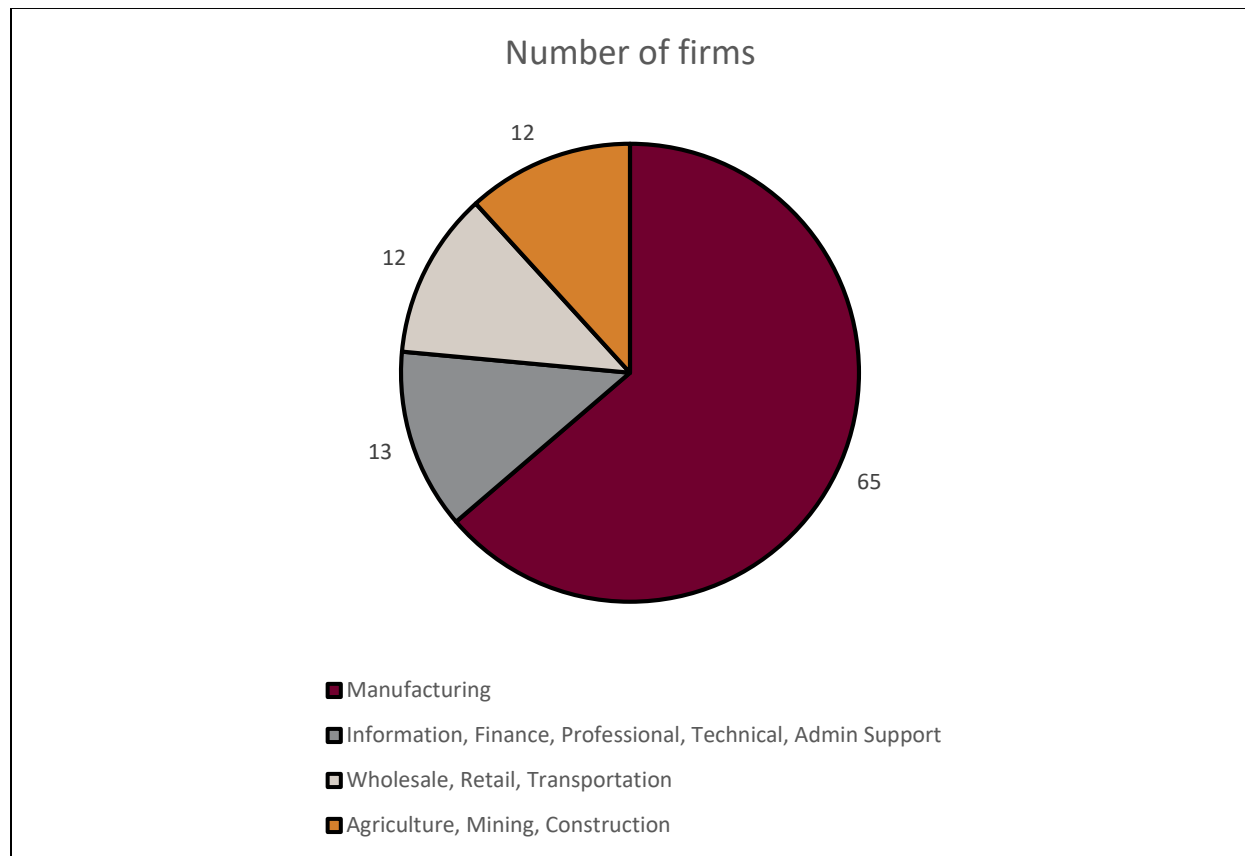
More than three-fifths of the firms that participated in this survey classified themselves as manufacturing firms (62%). Table 1 describes the types of firms that responded to the survey. Just under one in ten firms (8%) said that they are biotechnology firms.

Table 1: Self-assessed firm type

	%
Manufacturing - Other	21%
Manufacturing - Industrial equipment	15%
Other	10%
Manufacturing - Biotechnology/Pharma	8%
Manufacturing - Outdoor products	6%
Manufacturing - Value added agriculture	6%
Aerospace/Automotive/Transportation	5%
Software/SaaS	5%
Ecommerce	4%
Engineering	4%
Manufacturing - Medical/Healthcare Devices	4%
Manufacturing - Photonics or optics products	3%
Energy/Extractive Minerals	3%
Advertising/Marketing	2%
Financial Services/Payment Processing	2%
Professional Services	2%
Nanotechnology	1%
Ranching	1%
Total	100%

A second useful way to classify the responding businesses is by their 2022 North American Industry Classification System (NAICS) code. (Executive Office of the President, Office of Management and Budget, 2022) BBER assigned each business a NAICS code. Those classifications are summarized in Figure 2 below. About two-thirds of the 102 responding businesses were classified by BBER as manufacturing businesses (65). Thirteen businesses (13) were classified as information, finance, professional, scientific, technical or administrative support. BBER assessed that 12 of the businesses were wholesale, retail or transportation firms, and 12 were agriculture, mining or construction.

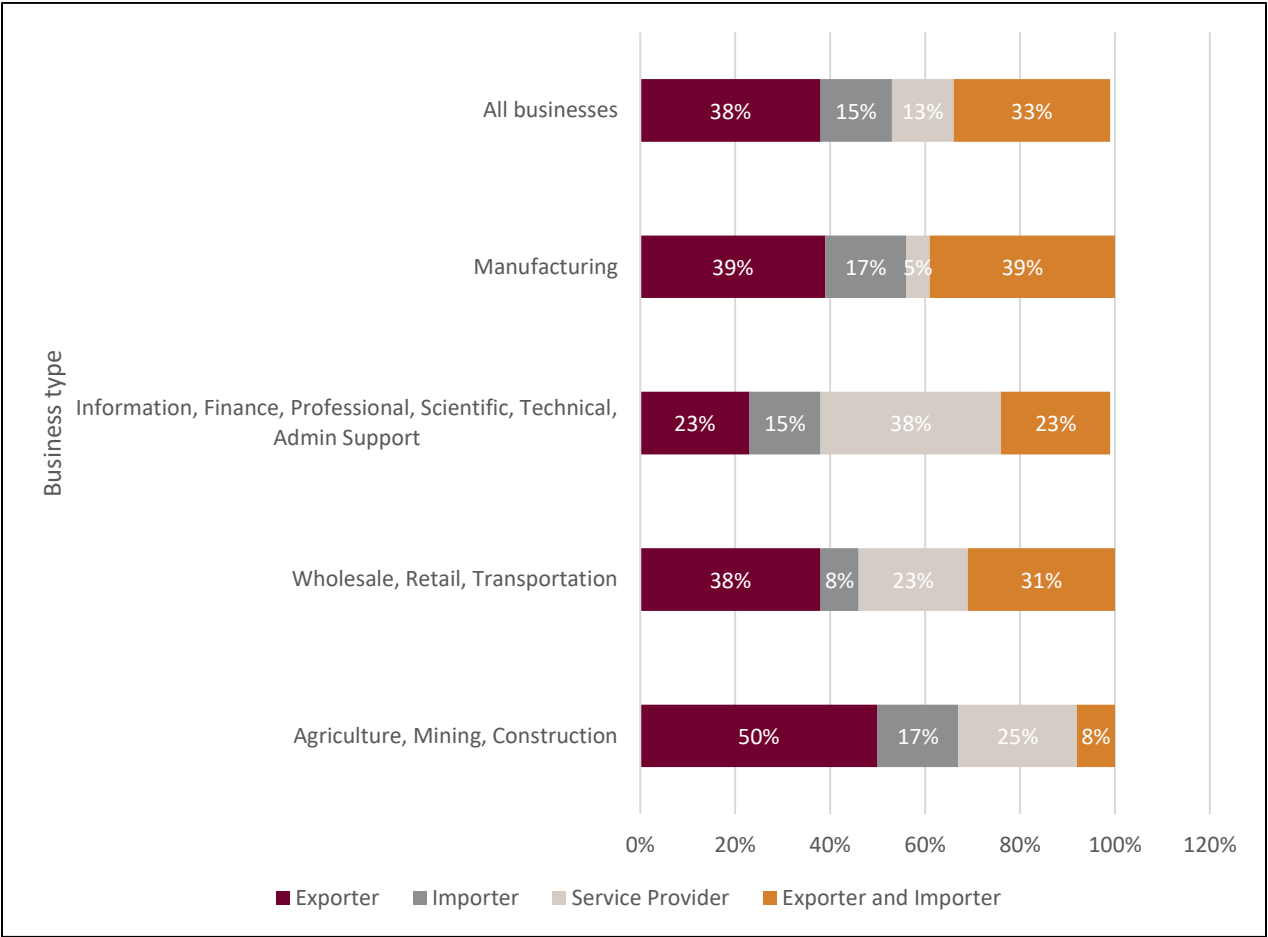
Figure 2: Industry type



Q2. Are you an Exporter, Importer, or Service Provider to firms that export/import (e.g. Freight Forwarder)?

A plurality of the firms that responded to this survey reported that they engage in exporting (38%). Figure 3 presents firms’ reports on their importing or exporting activity.

Figure 3: Importing or exporting activity

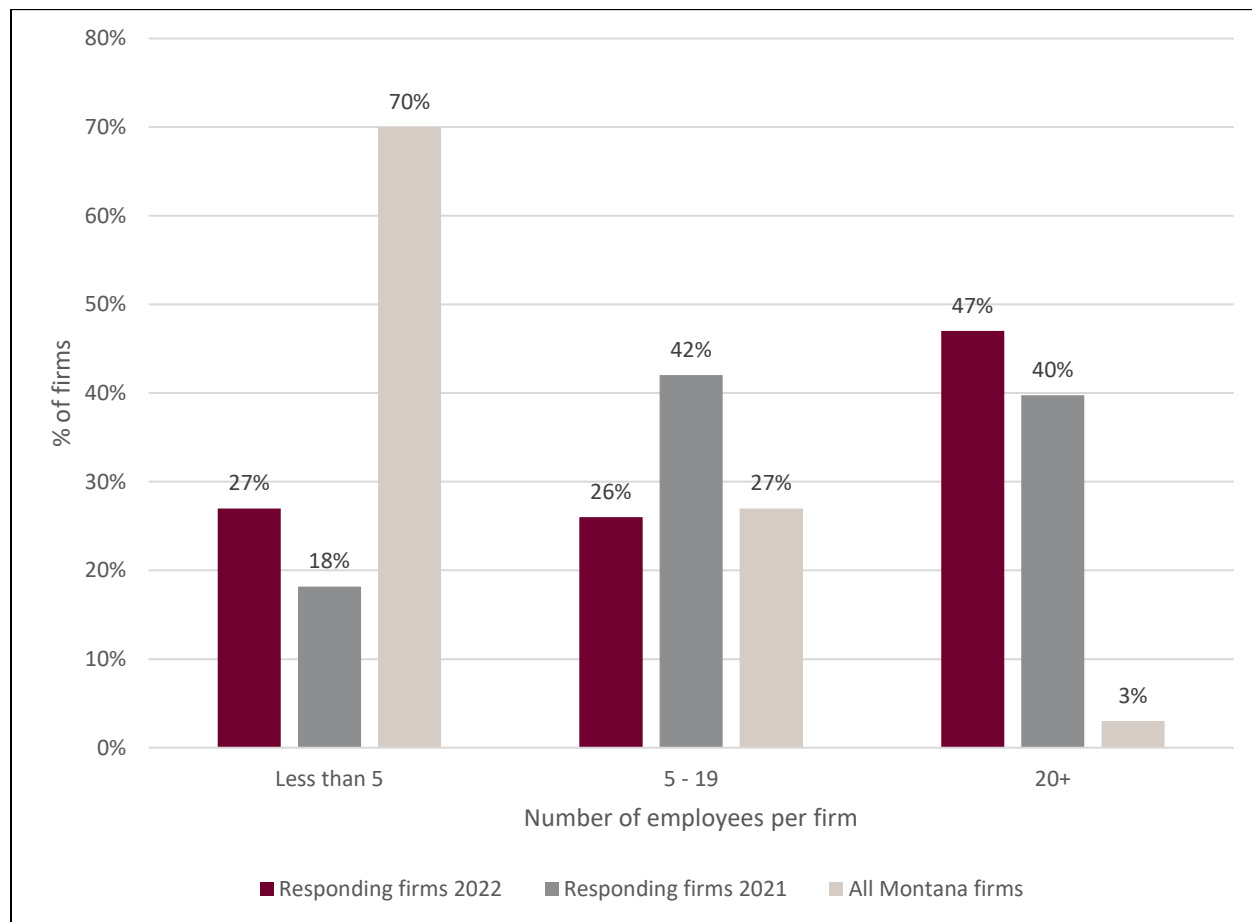


One-third of the businesses (33%) reported that they engage in exporting and importing. Fifteen percent of businesses said that they only import goods.

Q3. How many employees does your company have in Montana?

The 102 responding businesses reported that they employed a total of 5,453 Montanans in 2022. On average, the responding businesses reported employing 53 Montanans per business. The median responding firm reported employing 16 Montanans. The median number of employees per business reported in 2022 is somewhat larger than the median reported in 2021 (12). Figure 4 presents the percentage distribution of responding businesses by the number of Montanans they employed in 2022.

Figure 4: Distribution of employees among responding firms



The responding firms employ more workers per firm than do all firms in Montana. Nearly half of responding firms (47%) reported employing 20 or more employees, while only 3% of all Montana firms employ 20 or more employees. (U.S. Census Bureau, 2020) On the other end of the spectrum, 27% of responding businesses said they employ fewer than 5 employees, but 70% of all Montana businesses employ fewer than 5 employees.

When examining number of employees per firm by business type or import / export activity, it is apparent that responding businesses most commonly employ 20+ employees. Table 2 below presents the distribution of Montana workers employed by various types of business.

Table 2: Distribution of employees by type of business of import / export activity

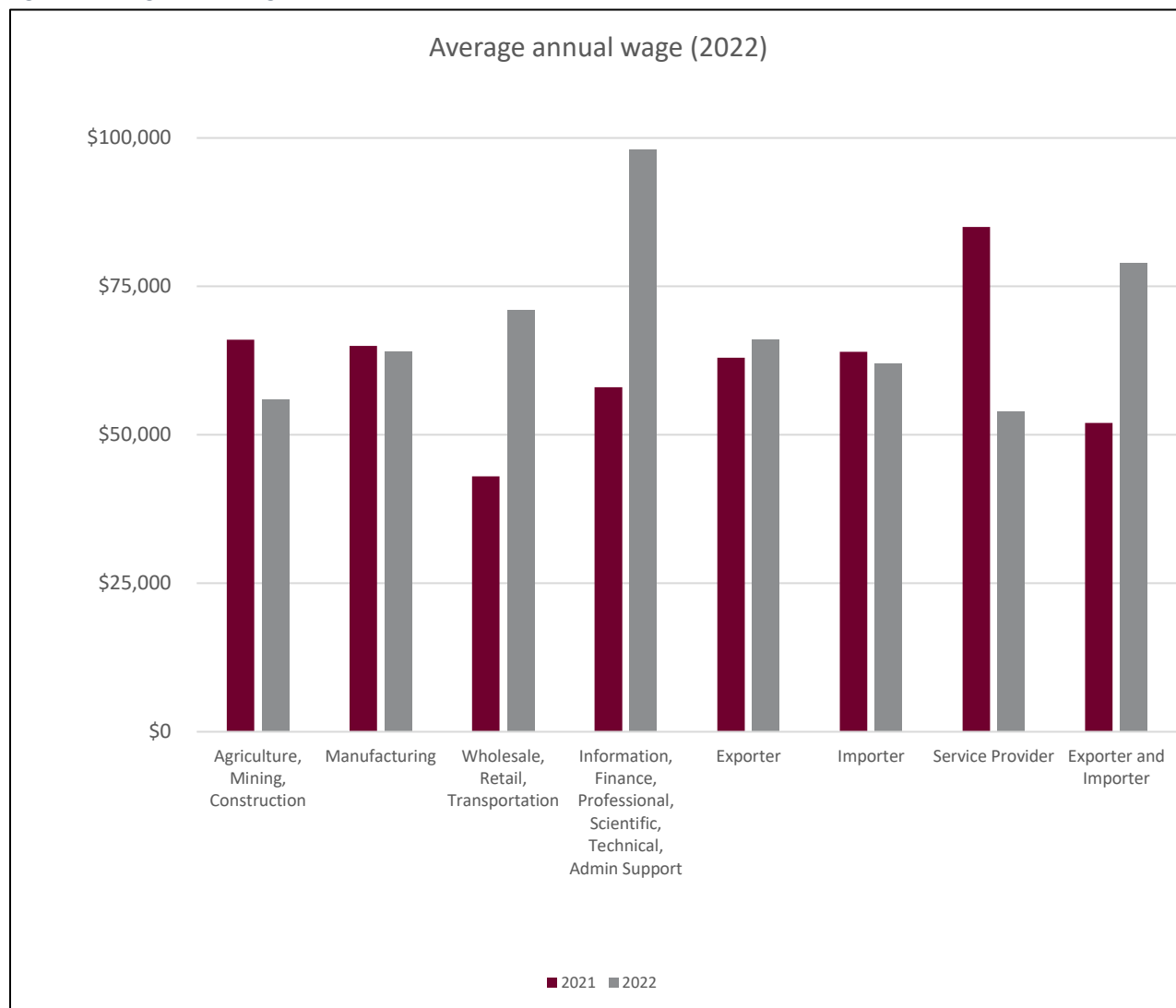
Type of business or import / export activity	Number of Montana Employees		
	< 5	5 - 19	20+
Agriculture, Mining, Construction	27%	25%	47%
Manufacturing	42%	17%	42%
Wholesale, Retail, Transportation	26%	28%	46%
Information, Finance, Professional, Scientific, Technical, Admin Support	17%	33%	50%
Exporter	31%	15%	54%
Importer	26%	18%	55%
Service Provider	25%	44%	31%
Exporter and Importer	71%	21%	7%

Q4. What is your company's average annual Montana wage?

The responding businesses paid their Montana employees an average annual wage of \$68,000 in 2022. This represents an increase when compared to 2021 (\$61,000). This average is considerably higher than the Montana average annual wage of \$52,220 as reported in May 2022 by the U.S. Bureau of Labor Statistics (U.S. Bureau of Labor Statistics, 2023). These businesses paid a total of \$370,800,000 in wages to Montana workers in 2022.

Figure 5 displays the average annual wage paid by the various types of responding business and by their import / export activity.

Figure 5: Average annual wage



* Survey question response options changed between the 2020 and 2021 versions of the survey which accounts for the differences in means for importers and service providers. Specifically, service provider was added as a response option in the 2021 survey.

Q5. What were your company's annual revenues in 2022?

The 104 responding businesses averaged \$77.9 million in annual revenue in 2022, up from \$22.8 million in 2021. Total revenue for these companies in 2022 was an estimated \$7.5 billion, up from \$2 billion in 2021. Readers should keep in mind that revenue here is the total for the entire company and not just revenue earned by the company in Montana, and is dependent on which firm responds to the survey.

Table 3 below displays the average 2022 revenue earned by the various industry types of the responding businesses and by their import / export activity.

Table 3: Average 2022 revenue

Type of business or import / export activity	Average 2022 Revenue	Average 2021 Revenue
All responding businesses	\$77,900,000	\$22,800,000
Agriculture, Mining, Construction	\$48,200,000	\$113,700,000
Manufacturing	\$90,700,000	\$13,600,000
Wholesale, Retail, Transportation	\$16,600,000	\$3,600,000
Information, Finance, Professional, Scientific, Technical, Admin Support	\$106,100,000	\$8,300,000
Exporter	\$26,800,000	\$25,500,000
Importer	\$10,200,000	\$44,300,000
Service Provider	\$1,300,000	\$13,100,000
Exporter / Importer	\$198,700,000	\$12,100,000

Q6. By what percentage do you estimate your company's annual revenues may increase or decrease next year (2023)?

Of the 102 businesses that responded to this survey in the fall of 2022, the average anticipated change in the upcoming year's revenue is an increase of 24%. This anticipated growth rate increased slightly over last year's anticipated growth rate (23%). This average is influenced by some firms that had low revenue in 2022, but anticipate relatively large gains in 2023. Table 4 below presents the anticipated change in revenue for 2023 by type of business and by the business's import / export activity.

Table 4: Mean anticipated change in 2022 revenue (%)

Type of business or import / export activity	Anticipated change in 2022 revenue (%)	Anticipated change in 2023 revenue (%)
All responding businesses	23%	24%
Agriculture, Mining, Construction	36%	71%
Manufacturing	21%	19%
Wholesale, Retail, Transportation	14%	0%
Information, Finance, Professional, Scientific, Technical, Admin Support	32%	10%
Exporter	25%	16%
Importer	9%	41%
Service Provider	22%	28%
Exporter / importer	29%	23%

The following are the specific NAICS classifications (Executive Office of the President, Office of Management and Budget, 2022) of the companies reporting the largest anticipated revenue growth in 2022 (in percentage terms):

Table 5: Fastest growing companies

NAICS	
Support activities for crop production	Mining machinery and equipment manufacturing
Power and communication line and related structures construction	Analytical laboratory instrument manufacturing
Coffee and tea manufacturing	Manufacturing and reproducing magnetic and optical media
Biological product manufacturing	Aircraft manufacturing
All other miscellaneous chemical product and preparation manufacturing	Sporting and athletic goods manufacturing

Q7. By what percentage do you estimate your company's annual Montana wages may increase or decrease next year (2023)?

Responding businesses estimated the anticipated percentage change in annual Montana wages their company would pay in 2023. The 2023 average estimate for these companies was a 13% increase, up slightly from last year's estimate of 9%. Table 6 displays the average anticipated change in annual wages that will be paid to Montana workers in 2023 by business type and import / export activity.

Table 6: Mean anticipated change in 2023 wages (%)

Type of business or import / export activity	Mean anticipated change in 2022 wages (%)	Mean anticipated change in 2023 wages (%)
All responding businesses	9%	13%
Agriculture, Mining, Construction	9%	38%
Manufacturing	9%	11%
Wholesale, Retail, Transportation	7%	5%
Information, Finance, Professional, Scientific, Technical, Admin Support	13%	8%
Exporter	6%	13%
Importer	8%	30%
Service Provider	4%	7%
Exporter / importer	12%	8%

Q8. About how much money do you anticipate your company will invest in major capital expenditures in Montana next year (2023)?

The responding firms estimated that, on average, they will spend \$2,200,000 on major capital expenditures in 2023, down slightly from the 2022 estimate of \$3,900,000. Table 7 presents the 2023 per firm major capital expenditure by business type and import / export activity.

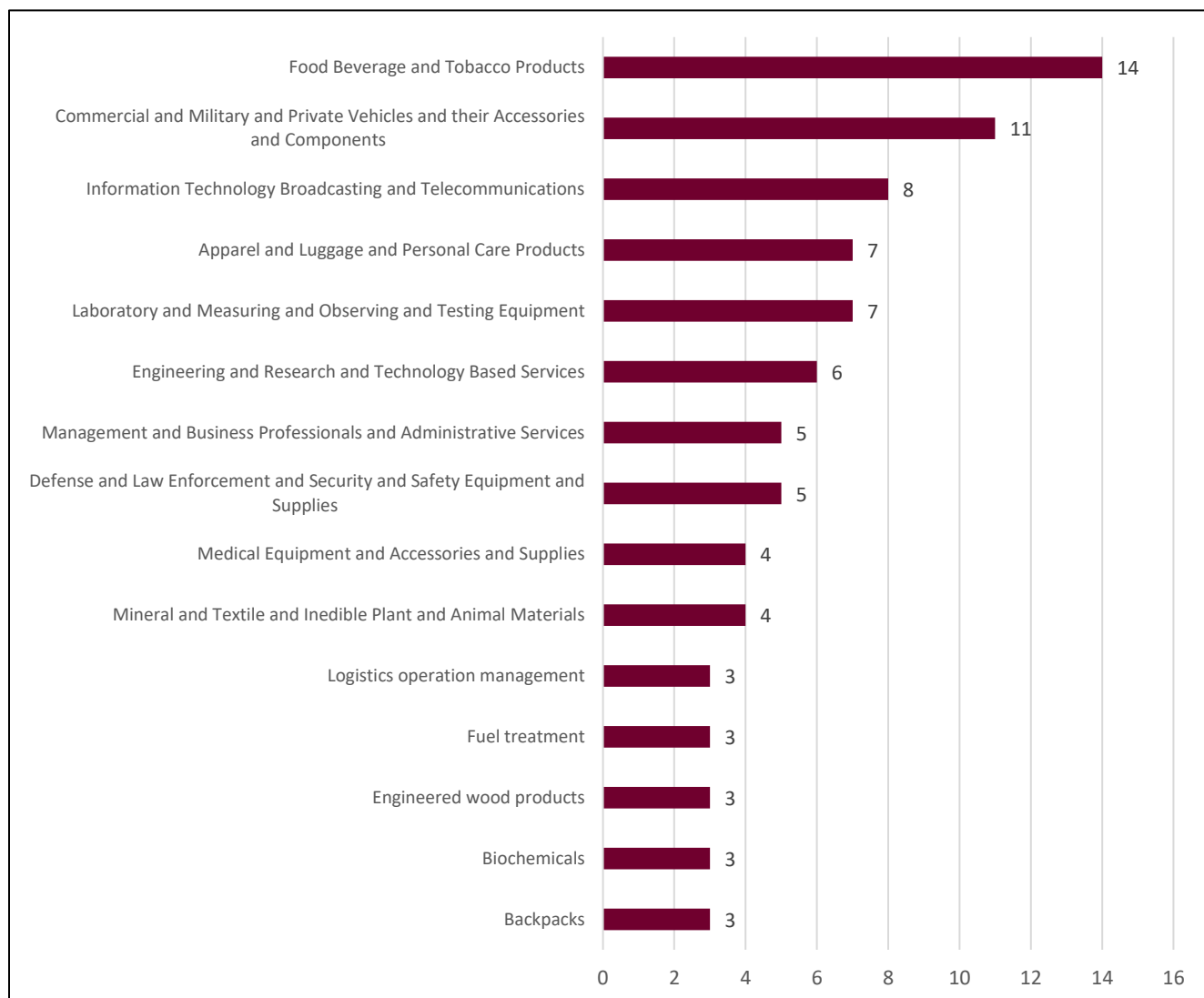
Table 7: 2023 Anticipated major capital expenditure per firm

Type of business or import / export activity	2022 anticipated major capital expenditure	2023 anticipated major capital expenditure
All responding businesses	\$3,900,000	\$2,200,000
Agriculture, Mining, Construction	\$24,600,000	\$3,400,000
Manufacturing	\$900,000	\$1,400,000
Wholesale, Retail, Transportation	\$300,000	\$4,000,000
Information, Finance, Professional, Scientific, Technical, Admin Support	\$3,900,000	\$4,400,000
Exporter	\$13,000,000	\$3,900,000
Importer	\$1,800,000	\$400,000
Service Provider	\$400,000	\$800,000
Exporter / importer	\$1,300,000	\$1,900,000

Q9. What three main products/services do you export? For purposes of this survey, export refers specifically to sale of products or services to markets outside the U.S.

The exporting businesses that responded to this survey reported exporting 37 different segments of product or service type in 2023. (United Nations Development Program, 2020) Figure 6 below lists the most commonly exported segments of types of products or services as reported by the responding businesses.

Figure 6: Most commonly cited export products or services in 2022



Q10. What is the estimated total U.S. dollar value of your firm’s export sales? For purposes of this survey, export refers specifically to sales of products or services to markets outside the U.S.

The 72 exporting businesses that responded to question 10 reported sales of products or services to markets outside the U.S. with a total sales value of \$551,700,000 in 2022. The average total export sales value per business in 2022 was \$8,900,000, down slightly from \$9,300,000 in 2021. Table 8 presents average 2022 export sales by business type.

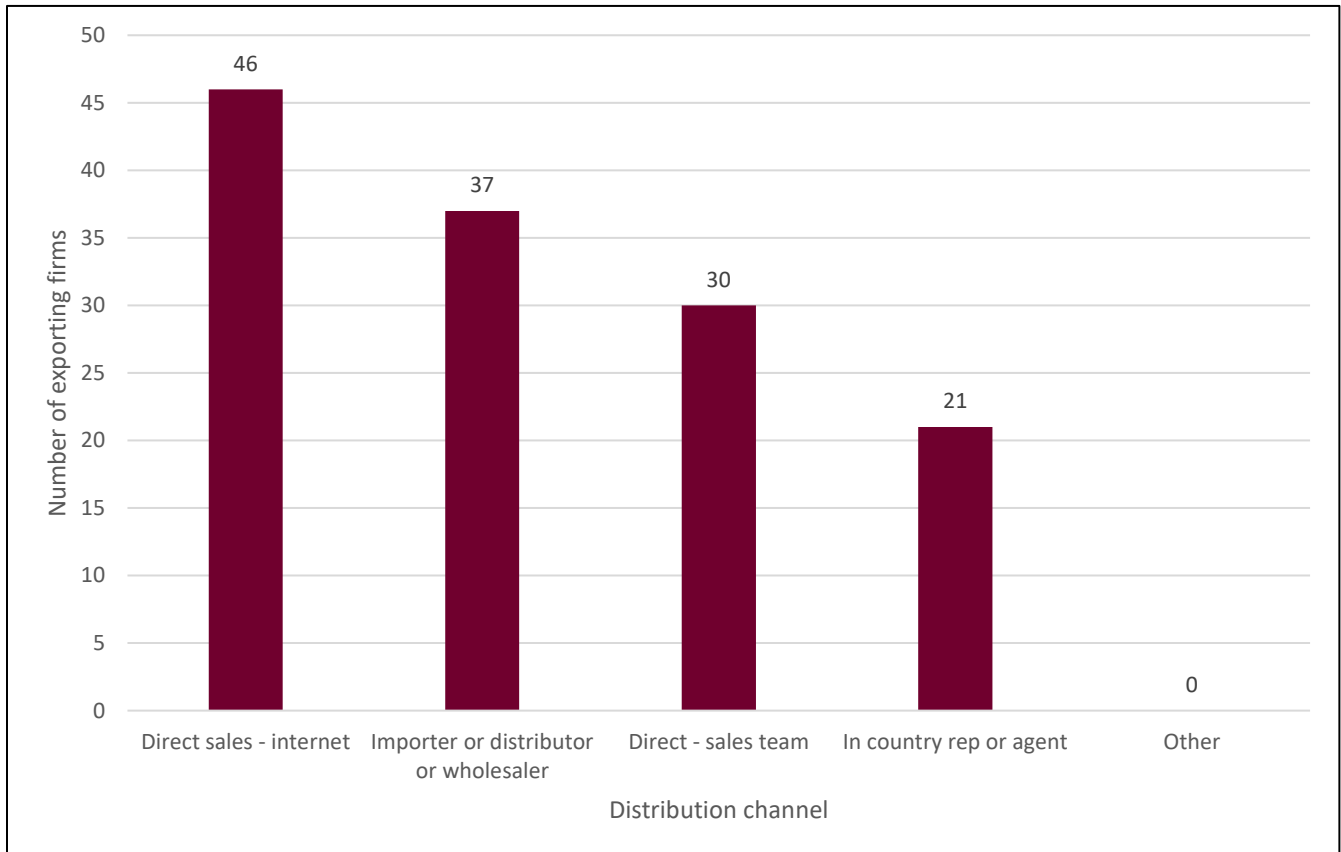
Table 8: Mean 2022 export sales (\$)

Type of business	Mean 2021 export sales	Mean 2022 export sales
All responding businesses	\$9,300,000	\$8,900,000
Agriculture, Mining, Construction	\$44,700,000	\$46,100,000
Manufacturing	\$4,800,000	\$3,100,000
Wholesale, Retail, Transportation	\$5,700,000	\$11,400,000
Information, Finance, Professional, Scientific, Technical, Admin Support	\$1,000,000	\$20,200,000

Q11. What distribution channels do you use for export?

A majority of the participating export firms (46) sell directly using the internet. Figure 7 illustrates the frequency of use of various export distribution channels by firm in 2022.

Figure 7: Export distribution channels

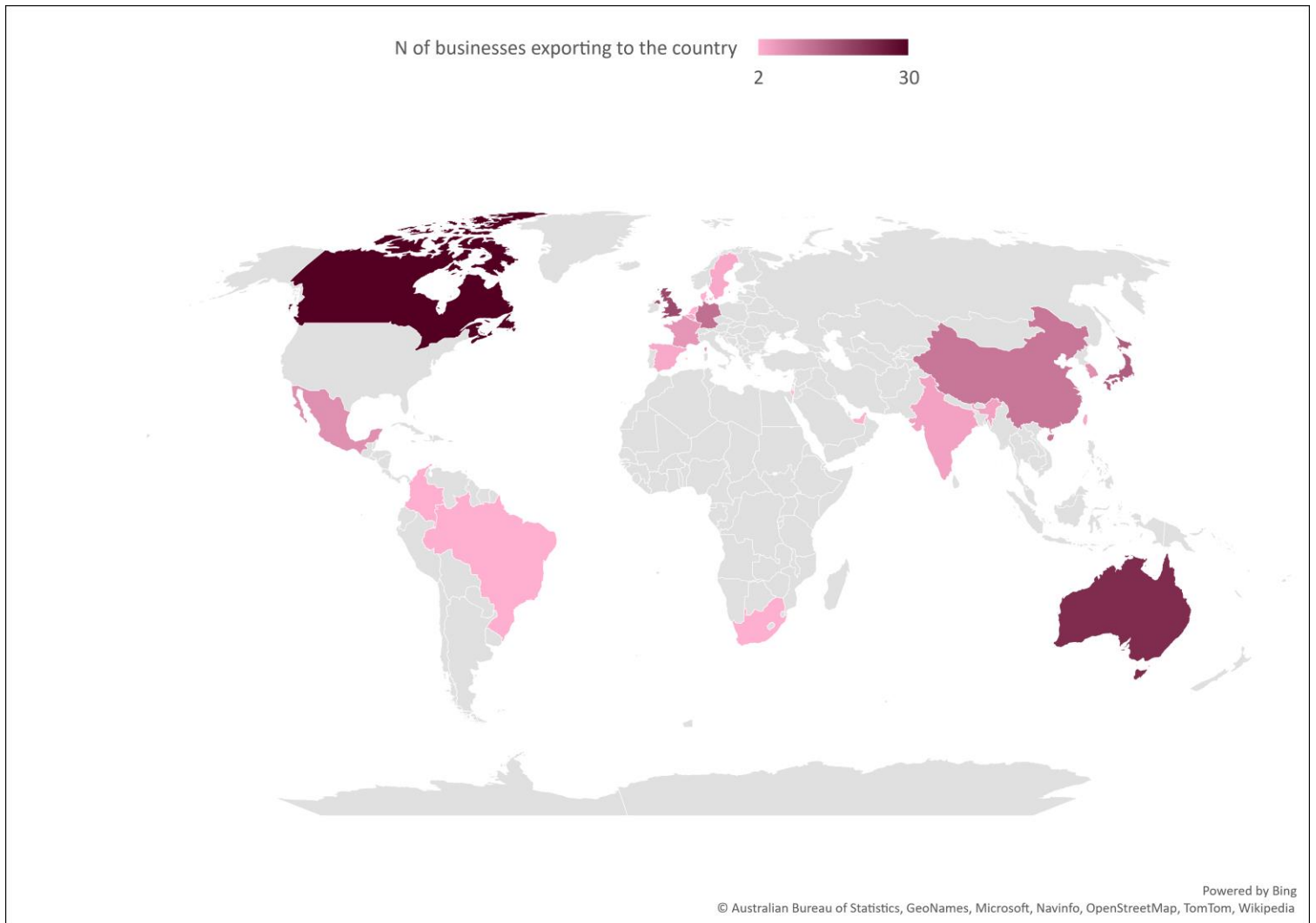


Slightly fewer businesses (37) distribute their products or services using an importer, distributor or wholesaler. In terms of use, the 3rd ranked distribution channel (30 businesses) was direct using a sales team.

Q12. To what main three countries do you export your product/service? For purposes of this survey, export refers specifically to sales of products or services to markets outside the U.S.

Exporting businesses that responded to this survey reported exporting products or services to 48 different countries or regions throughout the world (ISO 3166 Maintenance Agency, 2020). Canada was the dominant destination for exports (30 firms). Figure 8 presents the distribution of top destinations for exports among the businesses surveyed.

Figure 8: Export destinations

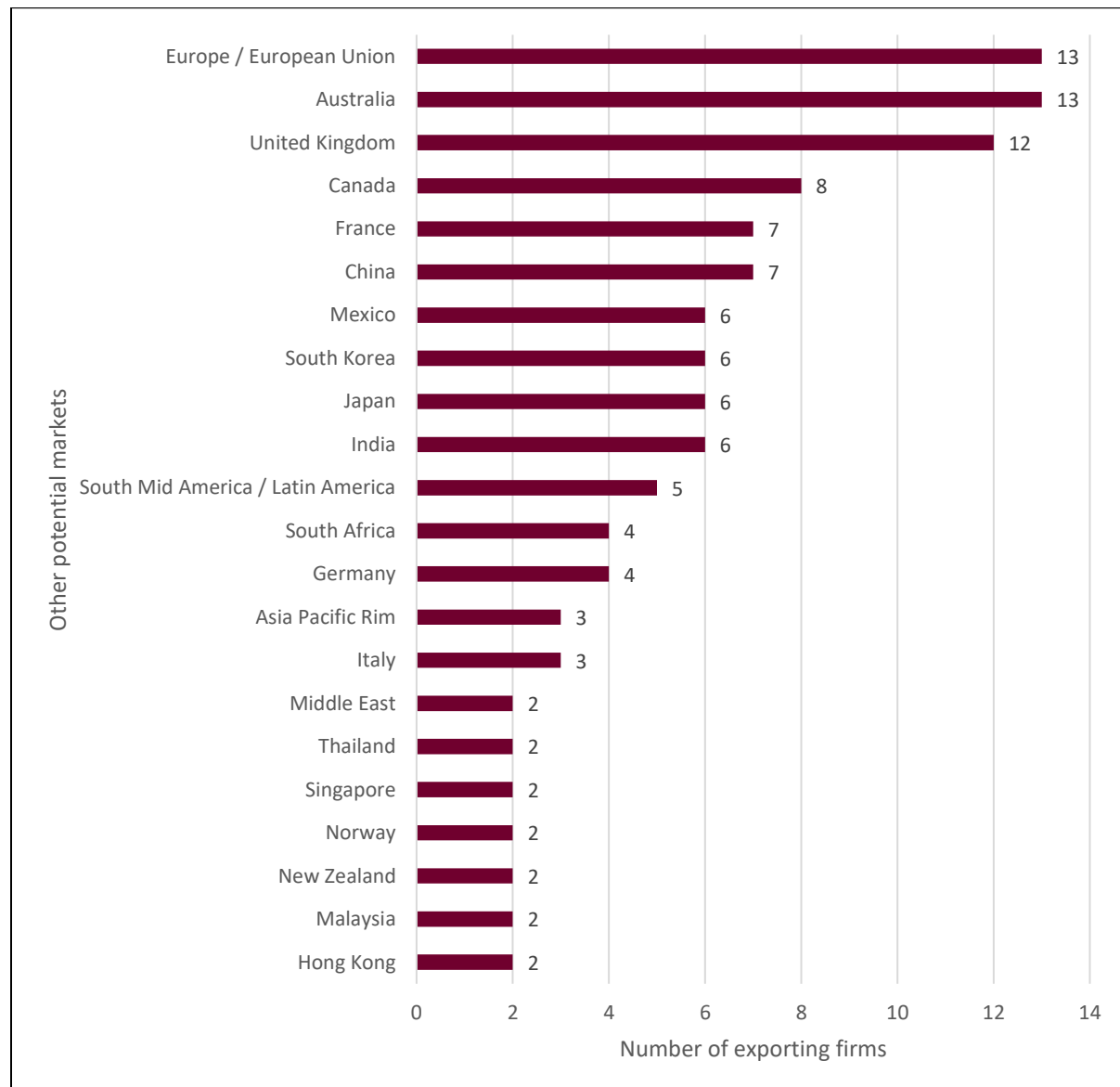


Australia ranked 2nd (23 firms) as an export destination. United Kingdom tied as the 3rd ranked destination (18 firms) for exports among the businesses that participated in the survey. Japan ranked 4th (15 firms) and Germany ranked 5th (12 firms).

Q13. Outside of these existing foreign markets, in what other foreign market are your product/services currently likely to be competitive?

Exporting businesses reported a total of 43 additional countries or regions that they viewed as potential markets. A plurality of responding firms (13) cited Europe, the European Union or Australia as a foreign market in which their product or service may be competitive. Figure 9 displays the distribution of top potential foreign markets for exporting firms.

Figure 9: Other potential export markets

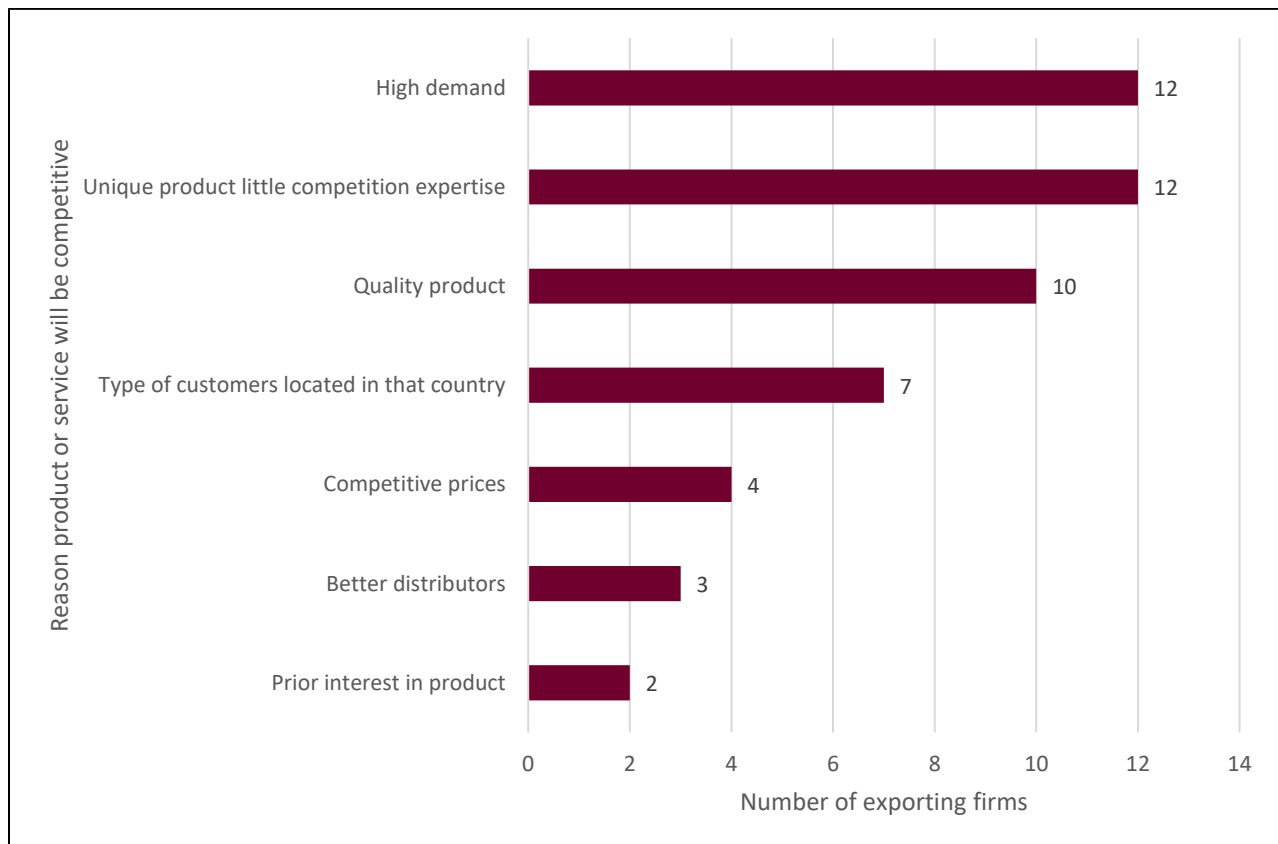


The United Kingdom was the area ranked 2nd (12 firms) as potential markets. Canada was 3rd ranked (8 firms), France (7 firms) and China (7 firms) were tied for 4th.

Q14. Why are your products/services likely be competitive in these regions?

Most exporting firms (12) said that the reason they expected their products or services to be competitive were high demand or that their product was unique, there was little competition or their company's expertise was substantial. Figure 10 describes the range of reasons cited by responding firms.

Figure 10: Reasons exports will be competitive

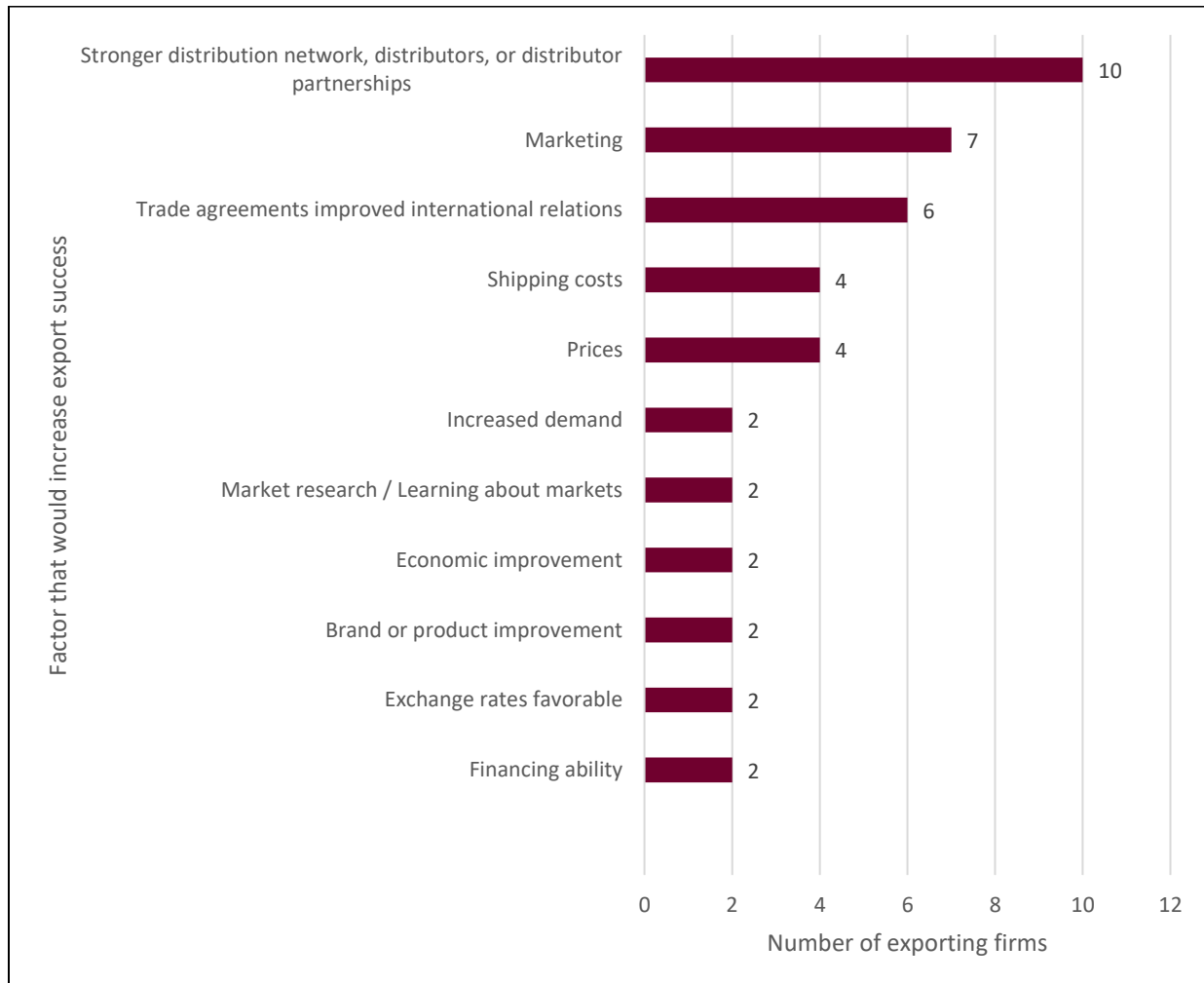


The 2nd ranked competitive edge cited by firms (10) was the exporter has a quality product. The 3rd ranked reason was the exporter has a quality product.

Q15. What factors might cause you to become more successful at exporting to these countries?

Obtaining stronger distribution networks, distributors or distributor partnerships was the top ranked factor (10 firms) that would cause the responding firms to be more successful exporting. Figure 11 presents the top ranked factors mentioned by firms.

Figure 11: Factors that would increase export success

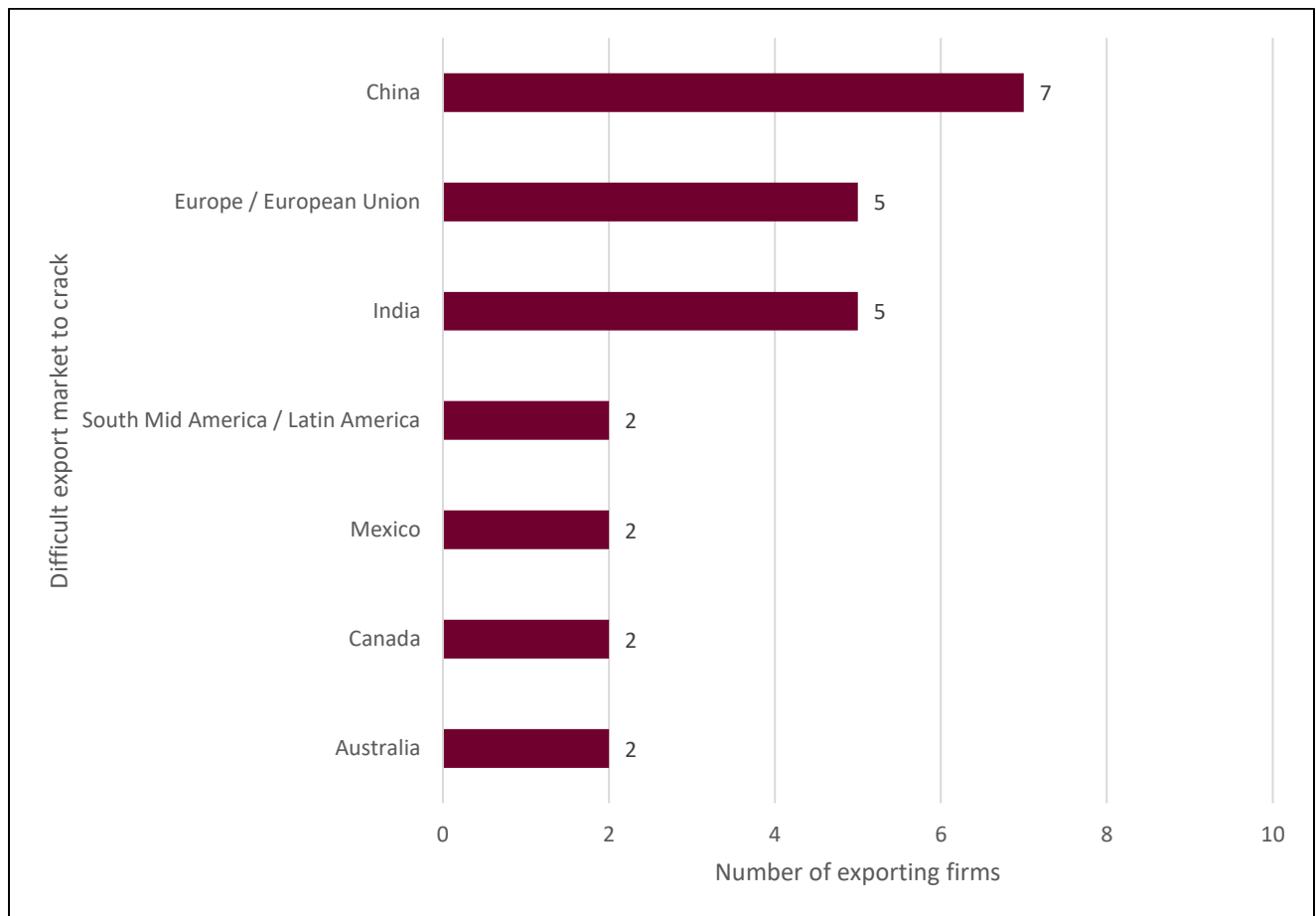


Marketing the 2nd ranked success factor (7 firms). Trade agreements or improved international relations was the 3rd ranked factor (6 firms).

Q16. Are there export markets that you have an interest in but are particularly difficult to crack? If yes, what are they?

Of the firms that provided an answer to question 16, 37 (45%) answered Yes - there are export markets in which they are interested but are hard to crack. 45 firms (55%) answered No. China was most frequently mentioned (4 firms) as a market in which firms were interested but had difficulty gaining access. Figure 12 displays the top markets in which firms were interested but had difficulty gaining access.

Figure 12: Interesting export markets that are difficult to crack



Europe, the European Union and India were tied as the 2nd ranked markets (5 firms) that were interesting but difficult to crack.

Q17. Are you thinking that you may have to curtail exporting efforts in the coming year?

Nine firms (11% of responding firms) stated that they may have to curtail exporting efforts in 2022, while 74 firms (89%) stated they would not curtail exporting. Table 9 presents the proportion if businesses that may curtail exporting in 2023 by the type of business.

Table 9: Firms that may curtail exporting in 2023

Type of business	May curtail exporting in 2023	
	Yes	No
Agriculture, Mining, Construction	18%	82%
Manufacturing	7%	93%
Wholesale, Retail, Transportation	20%	80%
Information, Finance, Professional, Scientific, Technical, Admin Support	13%	87%

More than nine in ten (93%) of manufacturing firms will definitely continue exporting in 2023. At least four-fifths of agriculture, mining or construction companies (82%) and information, finance, professional, scientific, technical and admin support companies (87%) will continue exporting in 2022. Eighty-seven percent of wholesale, retail or transportation companies are likely to continue exporting.

Q18. Does your firm currently import (from outside the U.S.) products or services for use in your Montana operations?

Sixty of the 92 firms that responded to this question (65%) reported importing products or services for use in Montana operations, while 35% reporting importing no products or services. Table 10 describes the proportions of businesses that import products or services by the type of business.

Table 10: Imports products or services for use in Montana operations

Type of business	Imports products or services for use in Montana operations	
	Yes	No
Agriculture, Mining, Construction	36%	64%
Manufacturing	73%	27%
Wholesale, Retail, Transportation	70%	30%
Information, Finance, Professional, Scientific, Technical, Admin Support	44%	56%

Almost three-quarters of responding manufacturing firms (73%) reported importing products or services. Among responding wholesale, retail or transportation companies 70% said they import products or services. Just over two-fifths responding information, finance, professional, scientific, technical or admin support companies (44%) import products or services for use in Montana operations. Thirty-six percent of responding agriculture, mining or construction companies reported importing goods or services.

Q19. What is the estimated annual U.S. dollar value of those imports?

The total 2022 value of imports reported by the 60 responding businesses was \$181,300,000, up from \$172,800,000 in 2021. Table 11 presents the average 2022 value of imports by business type.

Table 11: Mean 2022 value of imports per firm

Type of business	Mean 2021 value of imports	Mean 2022 value of imports
All responding businesses	\$2,700,000	\$3,600,000
Agriculture, Mining, Construction	\$11,200,000	\$3,700,000
Manufacturing	\$2,100,000	\$2,500,000
Wholesale, Retail, Transportation	\$1,600,000	\$7,600,000
Information, Finance, Professional, Scientific, Technical, Admin Support	\$500,000	\$7,200,000

Q20. Do you have foreign suppliers that might benefit you if they were a resident in Montana?

Among importing businesses, 42% reported that their firm would benefit from a foreign supplier being a Montana resident, up from 27% in the previous survey. 58% said they have no such foreign supplier. Table 12 shows the proportion of firms answering Yes to this question by type of business.

Table 12: Importer would benefit from a foreign supplier becoming a Montana resident

Type of business	Importer would benefit from a foreign supplier becoming a Montana resident	
	Yes	No
Agriculture, Mining, Construction	100%	0%
Manufacturing	34%	66%
Wholesale, Retail, Transportation	57%	43%
Information, Finance, Professional, Scientific, Technical, Admin Support	50%	50%

Of the four importing agriculture, mining or construction firms that responded to this question, all (100%) said that they have a supplier that would benefit from becoming a Montana resident. This proportion significantly exceeds those found among the other responding business types.

Q21. Is your firm currently seeking investment for expansion of operations in Montana?

About three in ten responding businesses (34%) said they are currently seeking investment for expansion of operations in Montana, while 66% said that they are not. The proportion of firms currently seeking investment for expansion is identical to that found in the previous survey (34%). Table 13 displays the proportion of businesses that are currently seeking investment for expansion of Montana operations by business type and import / export activity.

Table 13: Firm is currently seeking investment for expansion of operations in Montana

Type of business or import / export activity	Firm is currently seeking investment for expansion of operations in Montana	
	Yes	No
Agriculture, Mining, Construction	64%	36%
Manufacturing	27%	73%
Wholesale, Retail, Transportation	36%	64%
Information, Finance, Professional, Scientific, Technical, Admin Support	36%	64%
Exporter	35%	65%
Importer	43%	57%
Service Provider	23%	77%
Exporter / importer	32%	68%

When examining responses by business agriculture, mining and construction firms (64%) were most likely to be seeking investment for expansion in Montana. When viewing responses by import / export activity importers (43%) were most likely to be seeking investment for expansion in Montana.

Q22. Does your firm have ownership over 10% by a foreign investor?

Relatively few responding firms (11%) reported having ownership of over 10% by a foreign investor. This represents no change from the previous survey. Table 14 describes rates of firms with greater than 10% foreign ownership by business type and import / export activity.

Table 14: Firm has ownership over 10% by a foreign investor

Type of business or import / export activity	Firm has ownership over 10% by a foreign investor	
	Yes	No
Agriculture, Mining, Construction	9%	91%
Manufacturing	5%	95%
Wholesale, Retail, Transportation	30%	70%
Information, Finance, Professional, Scientific, Technical, Admin Support	27%	73%
Exporter	9%	91%
Importer	14%	86%
Service Provider	8%	92%
Exporter / Importer	12%	88%

Q23. Has your firm ever considered seeking Foreign Direct Investment (FDI) or has your firm been approached by a foreign-owned entity seeking an ownership interest in your firm?

About 20% of responding businesses reported that they have considered seeking Foreign Direct Investment (FDI). Another 15% of responding businesses reported that they have been approached by a foreign owned entity seeking an ownership interest in their firm. These proportions represent a small change from those found in the 2021 survey (16% considered, 16% approached). The remaining 65% have neither considered FDI nor been approached about it. Table 15 presents the proportions of firms that have had experiences with FDI by business type or import / export activity.

Table 15: Foreign Direct Investment (FDI) experiences

Type of business or import / export activity	Foreign Direct Investment		
	Considered	Approached	Neither
Agriculture, Mining, Construction	33%	8%	50%
Manufacturing	12%	14%	72%
Wholesale, Retail, Transportation	33%	25%	33%
Information, Finance, Professional, Scientific, Technical, Admin Support	31%	15%	46%
Exporter	18%	16%	61%
Importer	19%	13%	56%
Service Provider	14%	7%	71%
Exporter / importer	24%	18%	62%

Q24. Do you know of any majority foreign-owned firms in your area? If Yes please specify which firms.

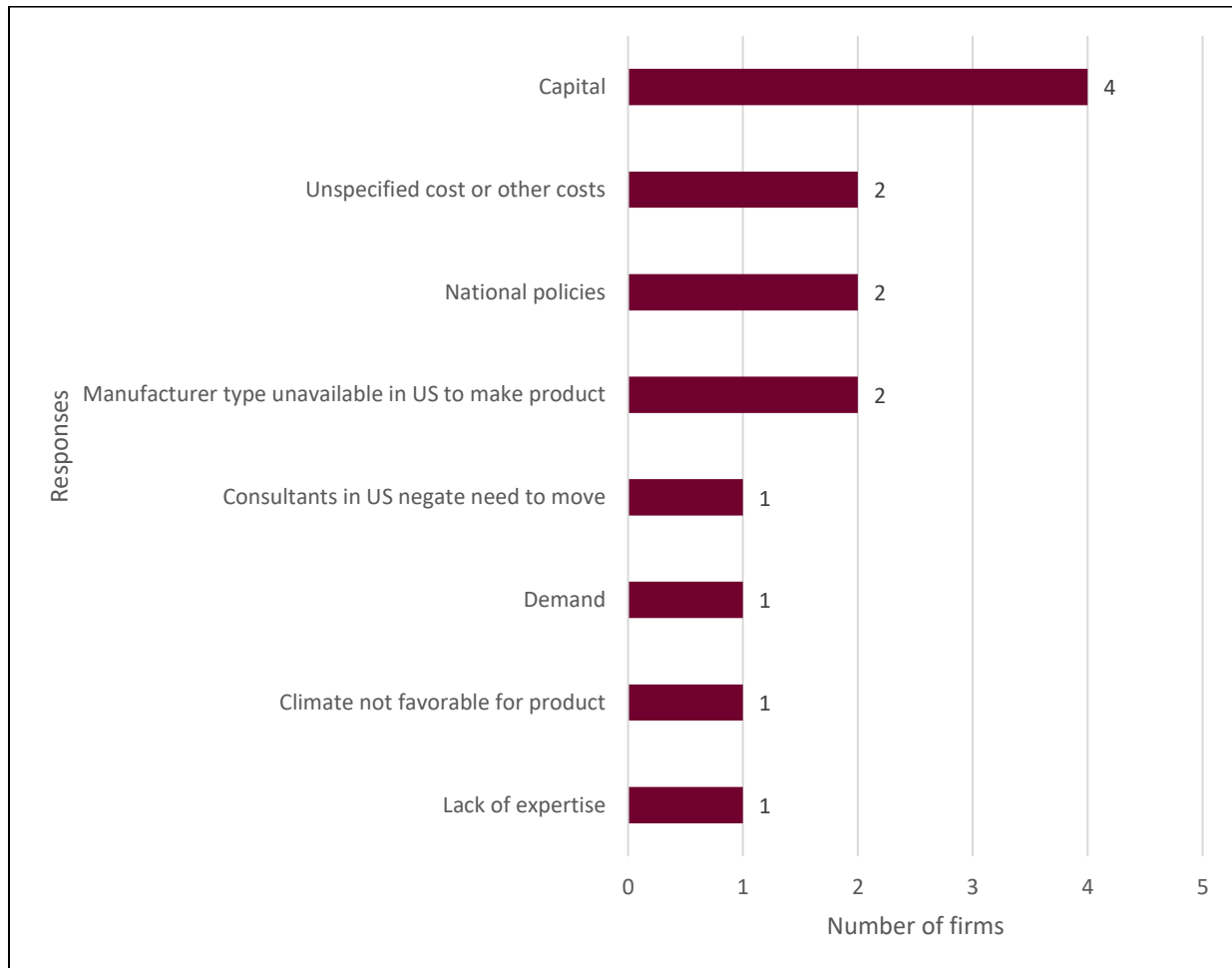
Only 10% of responding businesses reported knowing of any majority foreign-owned firms in their area, the remaining 90% reported not knowing of any. The companies that respondents named were:

1. Sibanye-Stillwater
2. Montana Instruments
3. Pasta Montana
4. RBR - Canada
5. REC Silicon
6. OBOZ Footwear

Q25. If your company has international operations, what prevents your company from moving your resources to the U.S. (specifically to Montana) and what would incent this investment?

About one in four responding companies (24%) provided an answer to question 25. Figure 13 below presents the responses to question 25 and the frequency of those responses.

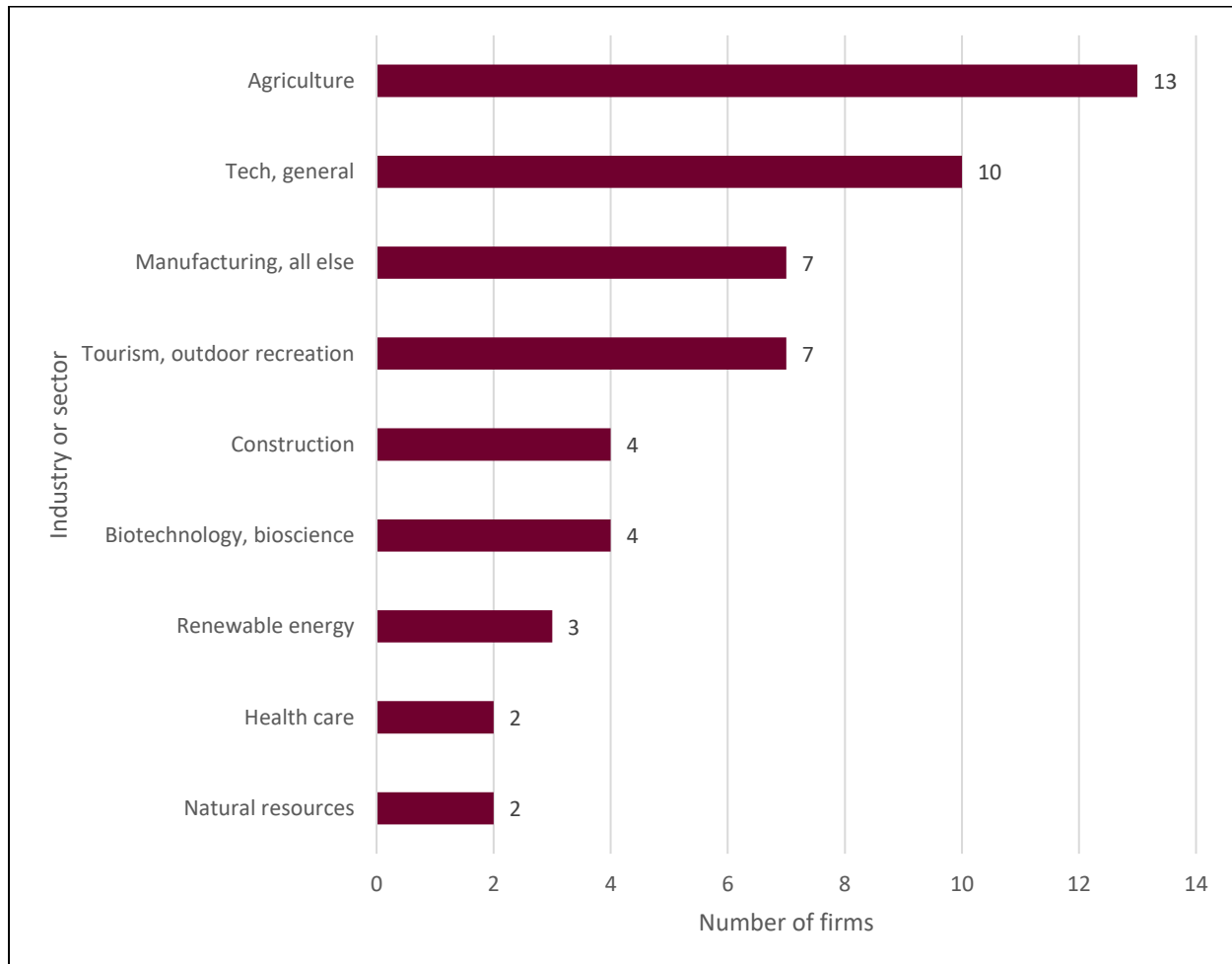
Figure 13: Factors that prevent moving international operations to Montana



Q26. From your perspective, what industry/sectors are likely to make an investment in Montana?

More firms (13) said that the agriculture sector was likely to make an investment in Montana than any other industry or sector. Figure 14 list the top industries or sectors cited by firms as likely to invest in Montana.

Figure 14: Industries or sectors that are likely to invest in Montana



Tech firms were mentioned by 10 firms as being likely to invest in Montana. Manufacturing and tourism were tied as the 3rd most often cited industry (7 firms) that is likely to invest in Montana.

Q27. Has your firm been impacted by U.S. tariffs over the last four years?

Just over two-fifths of responding businesses (43%) said that their firm was negatively impacted by U.S. tariffs in the four years prior to the survey. Only 9% said their firm was positively impacted. The remaining 48% experienced no impact from U.S. tariffs over the past three years. Figure 15 describes the proportions of firms that report various impacts by business type and import / export activity.

Figure 15: Impact of U.S. tariffs over the last 3 years

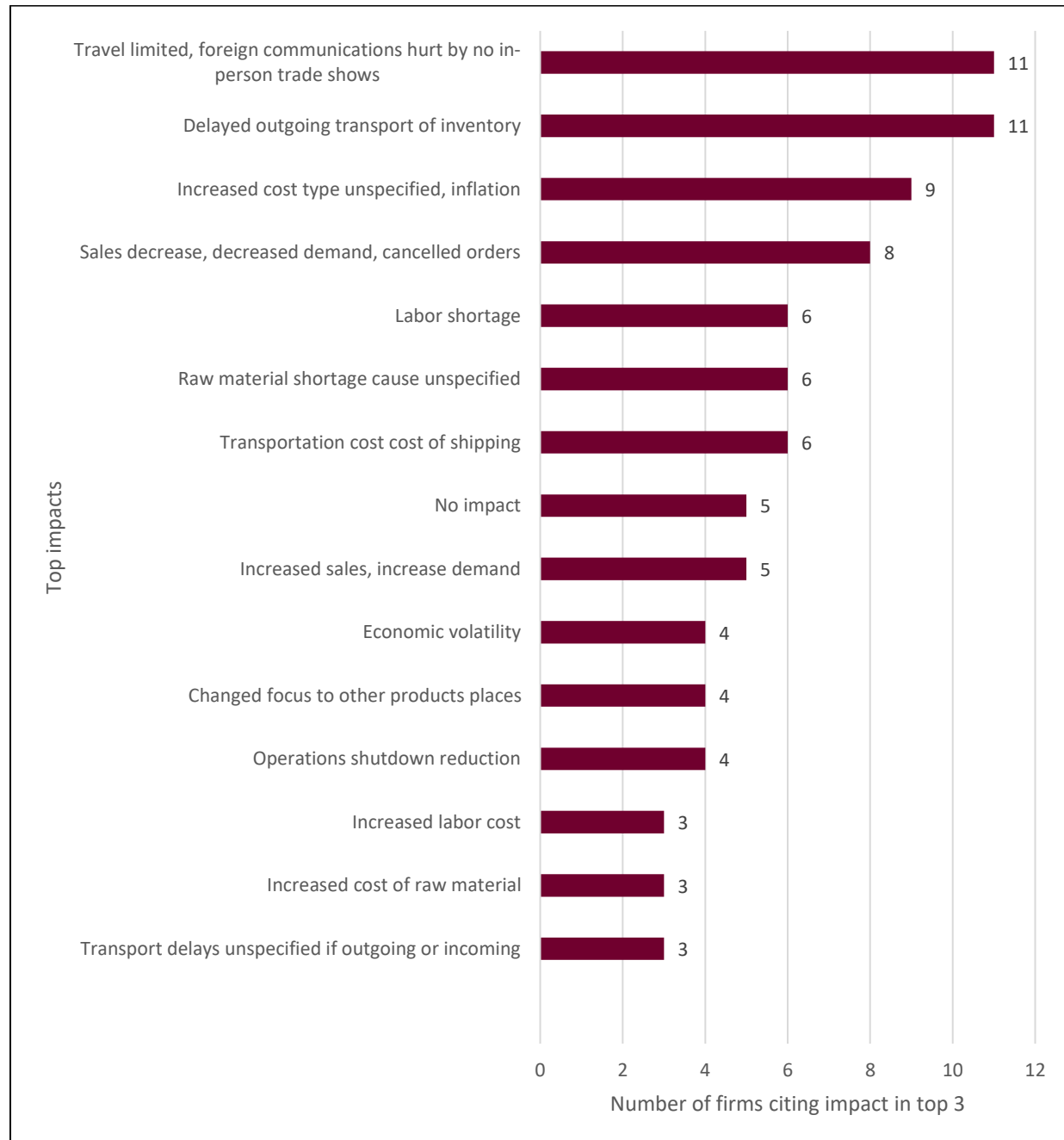
Type of business or import / export activity	Impact of U.S. tariffs over the last 3 years		
	Positive	Negative	No impact
Agriculture, Mining, Construction	9%	45%	45%
Manufacturing	8%	42%	50%
Wholesale, Retail, Transportation	8%	58%	33%
Information, Finance, Professional, Scientific, Technical, Admin Support	10%	30%	60%
Exporter	9%	40%	51%
Importer	8%	54%	38%
Service Provider	0%	23%	77%
Exporter / importer	13%	50%	38%

An large proportion (58%) of wholesale, retail or transportation companies and 54%% of importers reported being negatively impacted by U.S. tariffs.

Q28. Please tell us the top three ways your firm's international operations are currently being impacted by COVID-19 pandemic.

The most frequently cited impact of the COVID-19 pandemic on responding firms was delayed outgoing transport of inventory and limited travel, which were both cited by 11 firms. Figure 16 lists the top impacts mentioned by the responding firms.

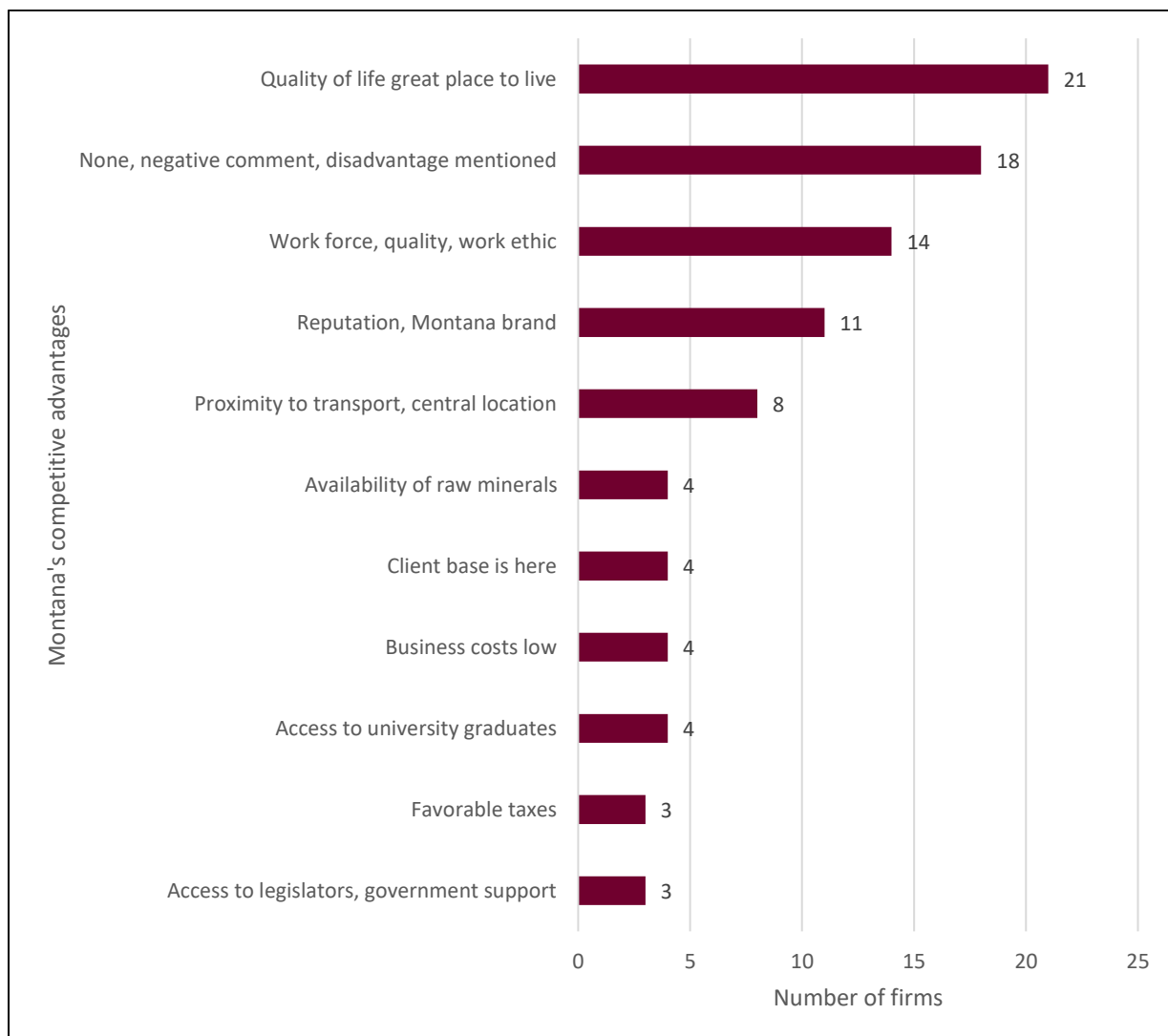
Figure 16: Top impacts of COVID-19 on businesses



Q29. What competitive advantage, if any, do you attribute to being located in Montana?

More responding businesses (21) cited Montana's quality of life than any other advantage. Figure 17 lists the top competitive advantages cited by responding businesses. Readers should keep in mind that respondents could give more than one answer to this question.

Figure 17: Competitive advantage from being located in Montana

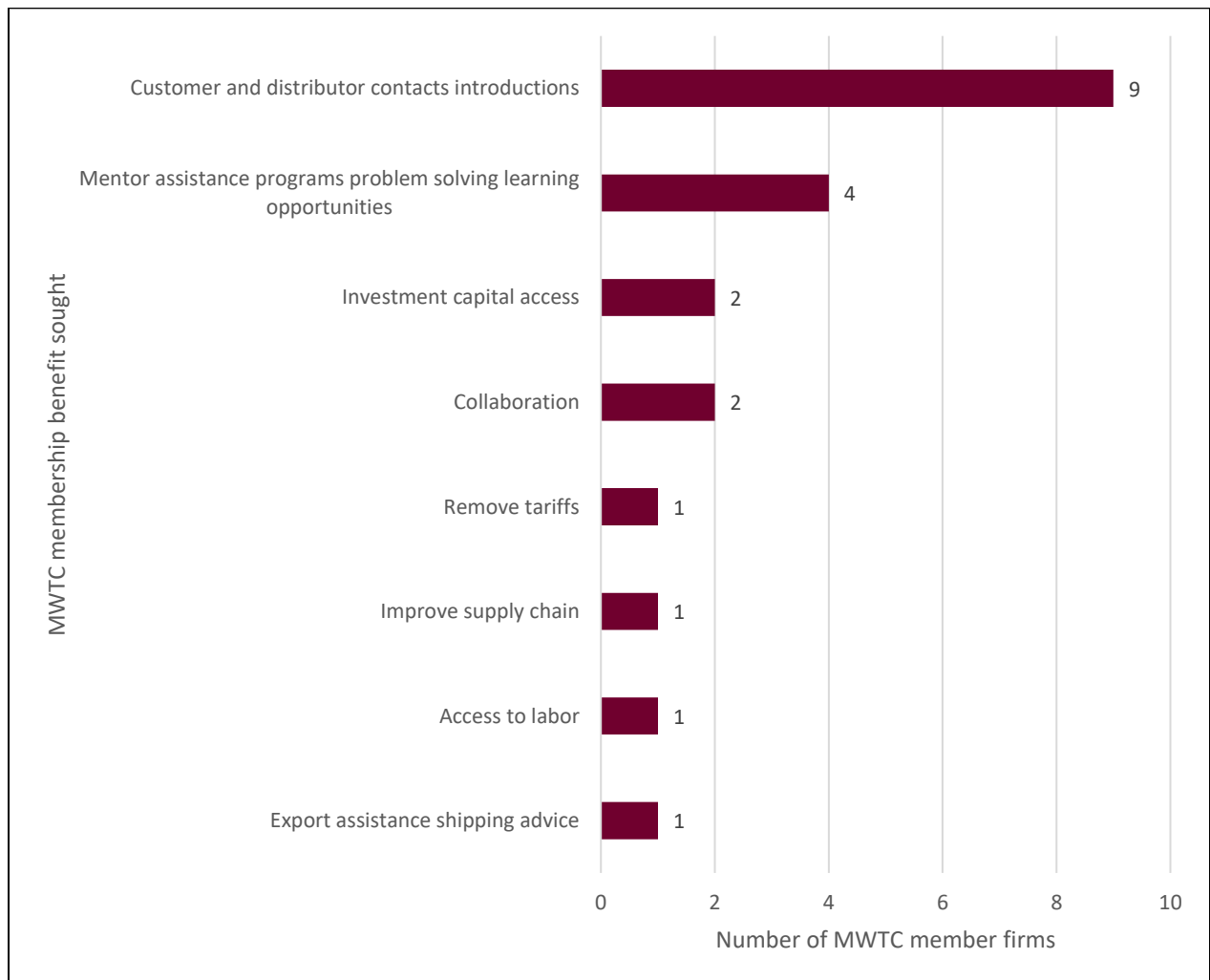


It is important to note that 18 firms said that Montana either conferred no advantage or was a disadvantage. Overall, 86% percent of the items cited were positive competitive advantages while 14% of the items cited were either none or a disadvantage.

Q30. If you are a MWTC member, what is the one most important thing you would like to get out of your Montana World Trade Center® membership?

According to Montana World Trade Center® (MWTC) member businesses, the most important things they seek out of membership is customer and distributor contacts and introductions. These benefits were mentioned by 9 MWTC member firms. Four firms are seeking mentorship, assistance programs, problem solving or learning opportunities. Figure 18 below lists the most important things MWTC member firms want out of membership.

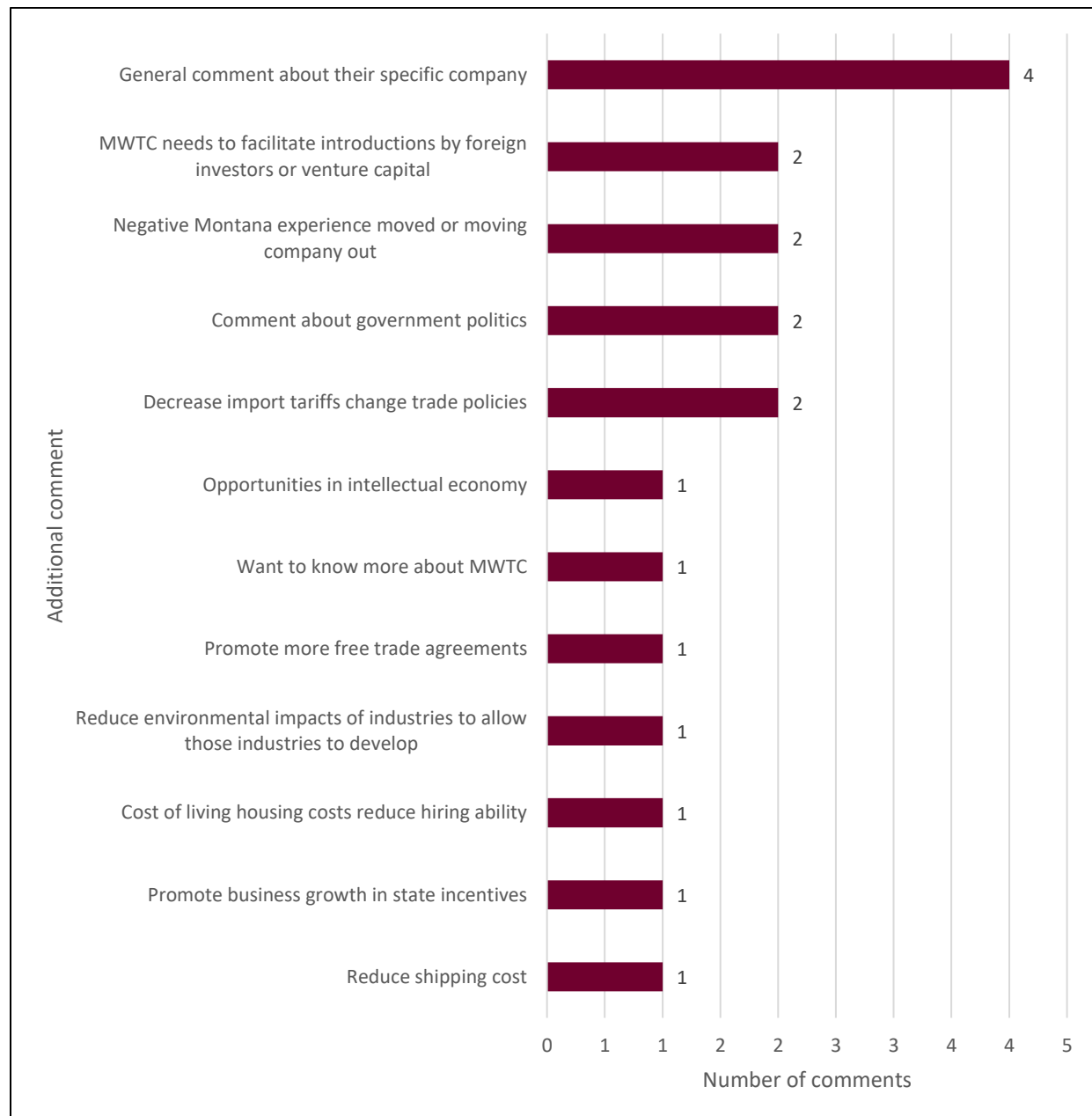
Figure 18: MWTC membership benefits sought



Q31. What additional comments do you have? MWTC is particularly interested in your observations about creating new, high-paying Montana jobs tied to international trade.

Two firms said that MWTC needs to facilitate introductions to foreign investors or venture capital. Figure 19 describes all of the additional observations received.

Figure 19: Additional comments



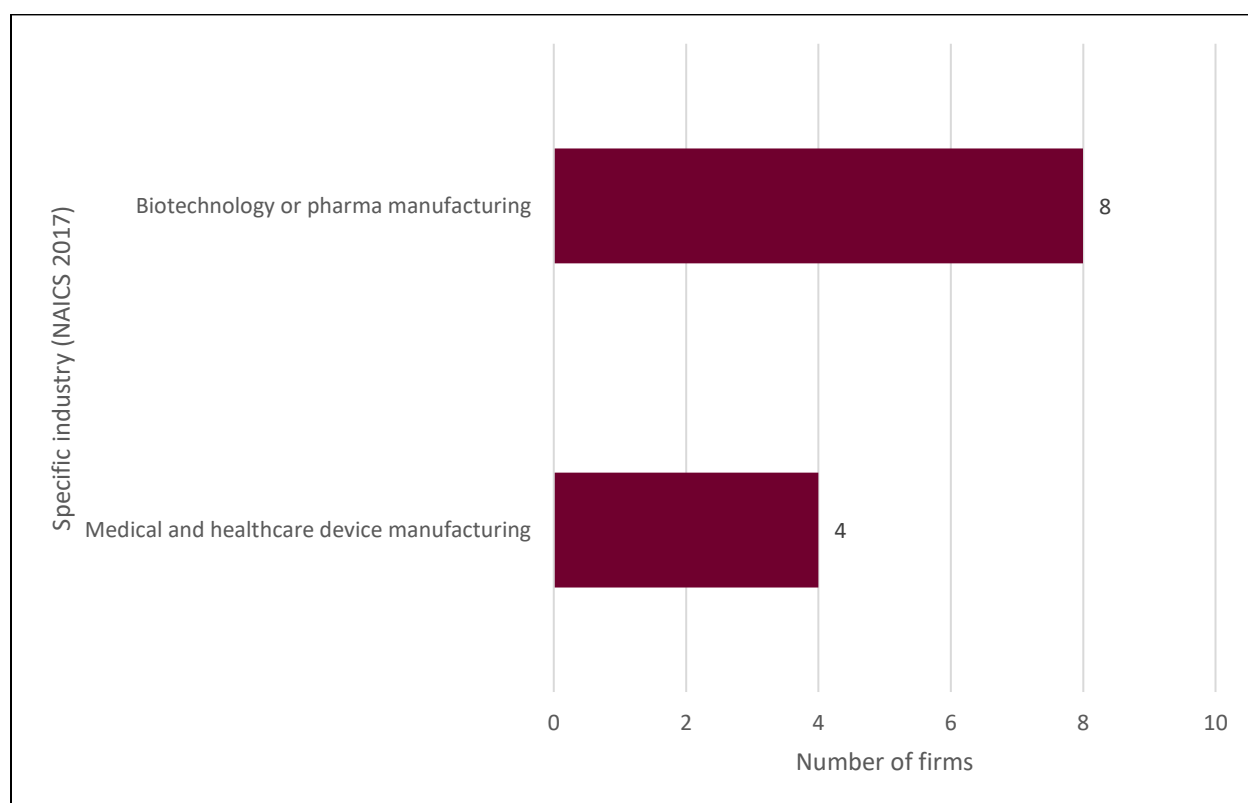
Bioscience Business Focus

Montana World Trade Center® is an integral partner on a federal contract from the U.S. Small Business Administration, the Montana Bioscience Cluster Initiative (MTBSCI), that works to grow the bioscience cluster across Montana. MWTC plays a key role in working to implement MTBSCI training and outreach activities that tie into our mission to grow Montana's international trade portfolio one business deal, one connection at a time. To further this mission, this report presents key information collected from Montana bioscience businesses.

Specific bioscience industries

The Montana World Trade Center® International Trade and Investment Survey data included responses from 12 bioscience firms. The most common specific industry type among the firms is biological product manufacturing (8 firms). Figure 20 below describes the specific industries in which the responding bioscience firms operate.

Figure 20: Specific industry of bioscience firms (NAICS 2022)

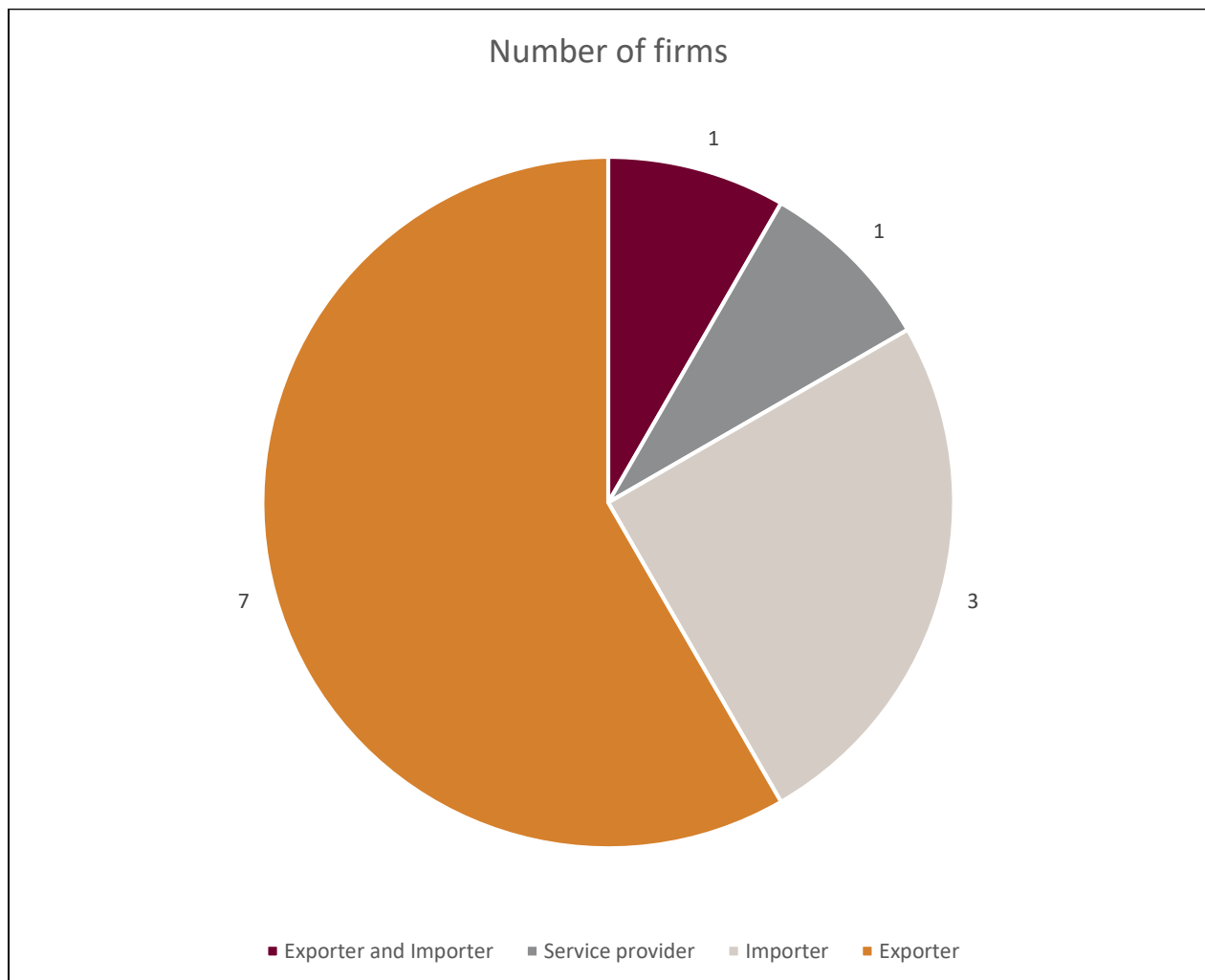


The 2nd ranked industry type is surgical and medical instrument manufacturing (4 firms).

Import / export activity

Over half (8) of the bioscience firms identified themselves as exporting firms, either exclusively exporting (7) or exporting and importing (1). Figure 21 presents the number of bioscience firms by their import / export activity. Two firms said they are importers.

Figure 21: Import / export activity of bioscience companies



Key business characteristics

The bioscience businesses that responded to this survey were smaller than were all the responding businesses, based on the average number of employees and annual revenue displayed in Table 16 below.

Table 16: Key bioscience business characteristics

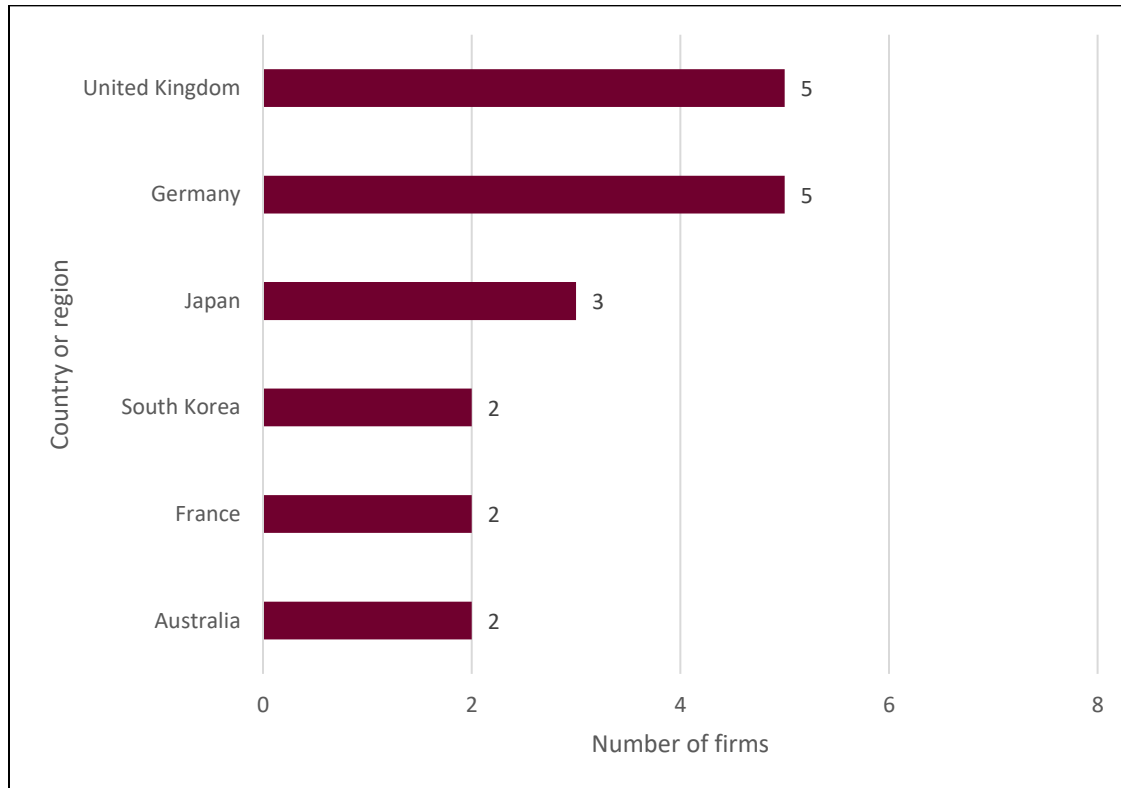
Annual average per firm	Bioscience businesses	All businesses
Employees	37	53
Wage	\$79,000	\$68,000
Revenue	\$8,800,000	\$77,900,000
Value of export sales	\$8,200,000	\$8,900,000
Value of imports	\$7,700,000	\$3,600,000
Anticipated 2023 wage growth rate	4%	13%
Anticipated 2023 revenue growth rate	31%	24%

Average annual wages for 2022 among bioscience businesses (\$79,000) were also considerably higher than average annual wages among all responding businesses (\$68,000). Bioscience businesses anticipate 2023 revenue growth at a rate (31%) that is substantially higher than that found for all businesses.

Export destinations

More Montana bioscience businesses export products or services to the United Kingdom, Germany or Japan in general than any other country or region. Figure 22 displays the range and frequency of countries to which Montana bioscience firms export.

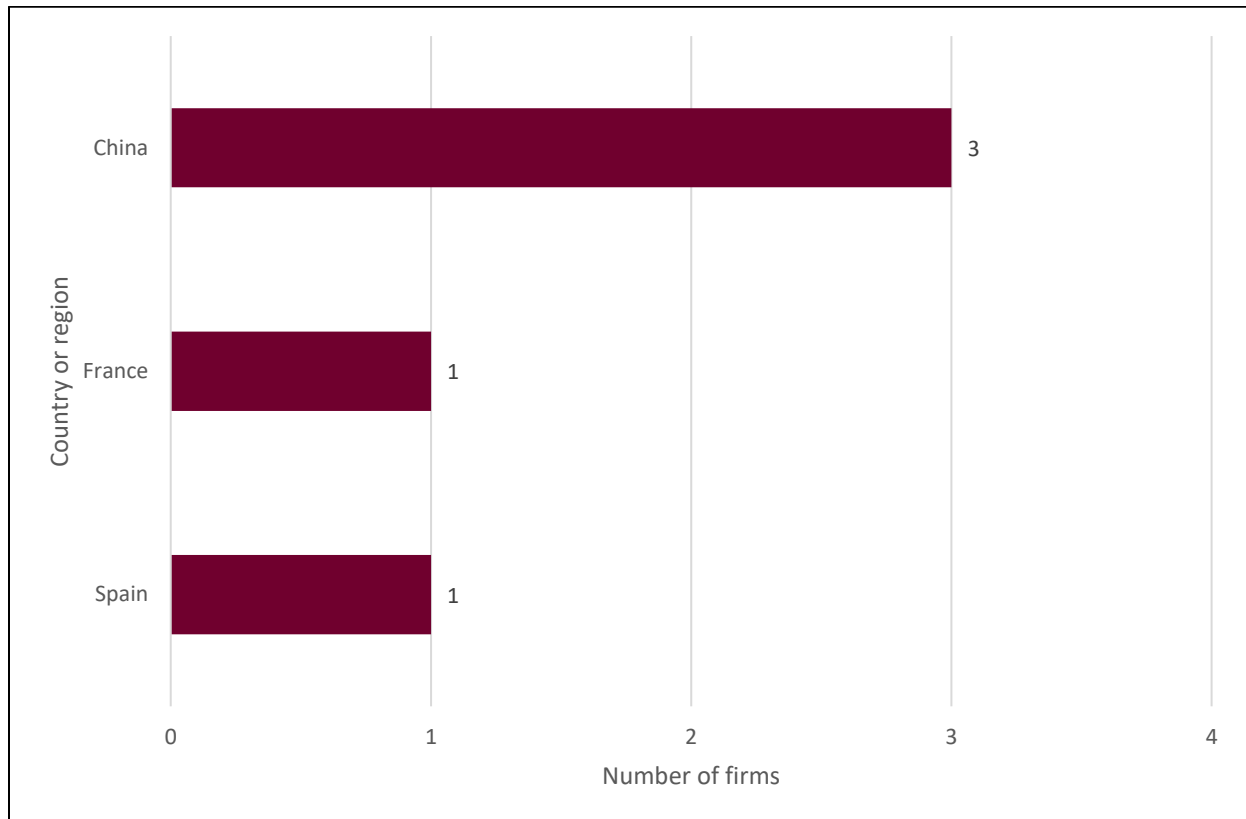
Figure 22: Bioscience export destinations



Difficult export markets

China, France and Spain are the three countries most likely to be cited by bioscience businesses as export markets in which they are interested but are difficult for them to crack (see Figure 23).

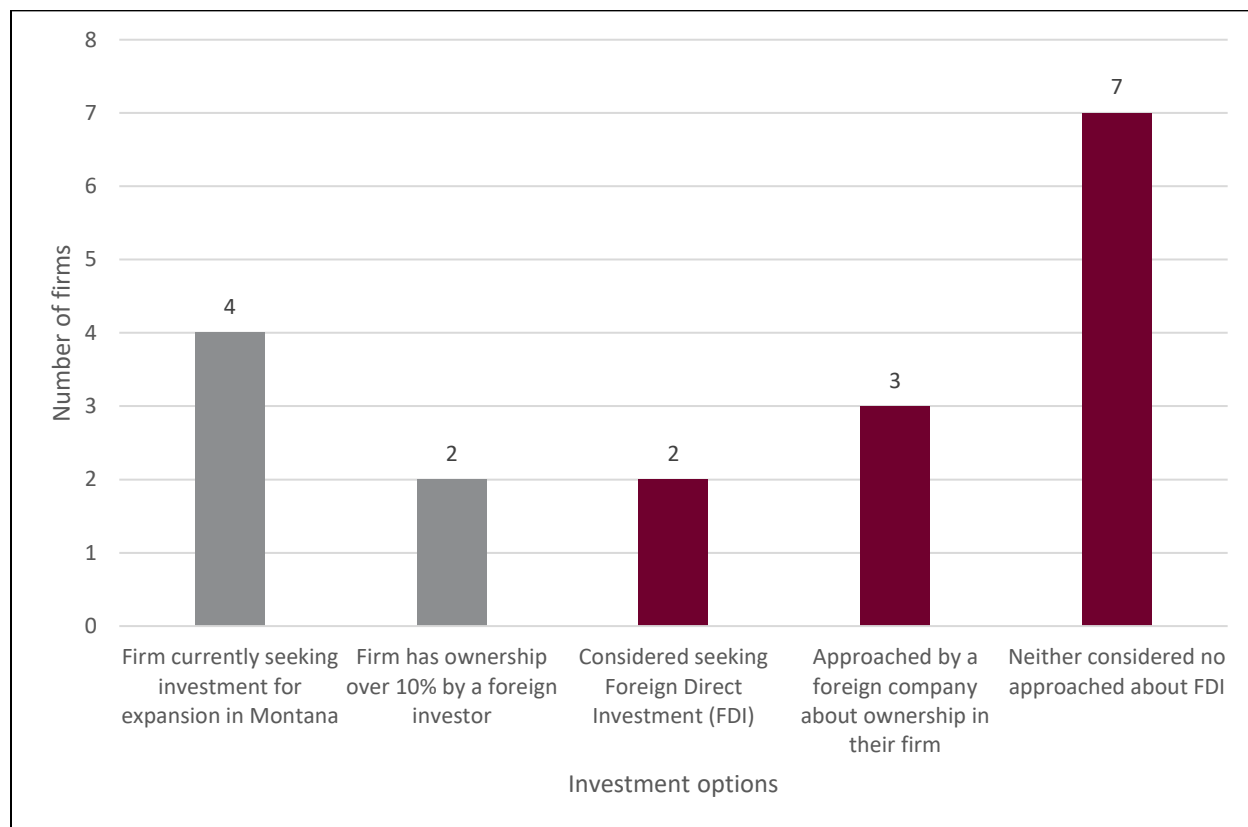
Figure 23: Difficult export markets for bioscience businesses to crack



Investment options sought

Four out of twelve bioscience companies are currently seeking investment for expansion of operations in Montana. Figure 24 presents the results of questions that ask about various options for bioscience companies seeking investment in their company.

Figure 24: % of companies that have interest in various options to obtain investment in their bioscience company

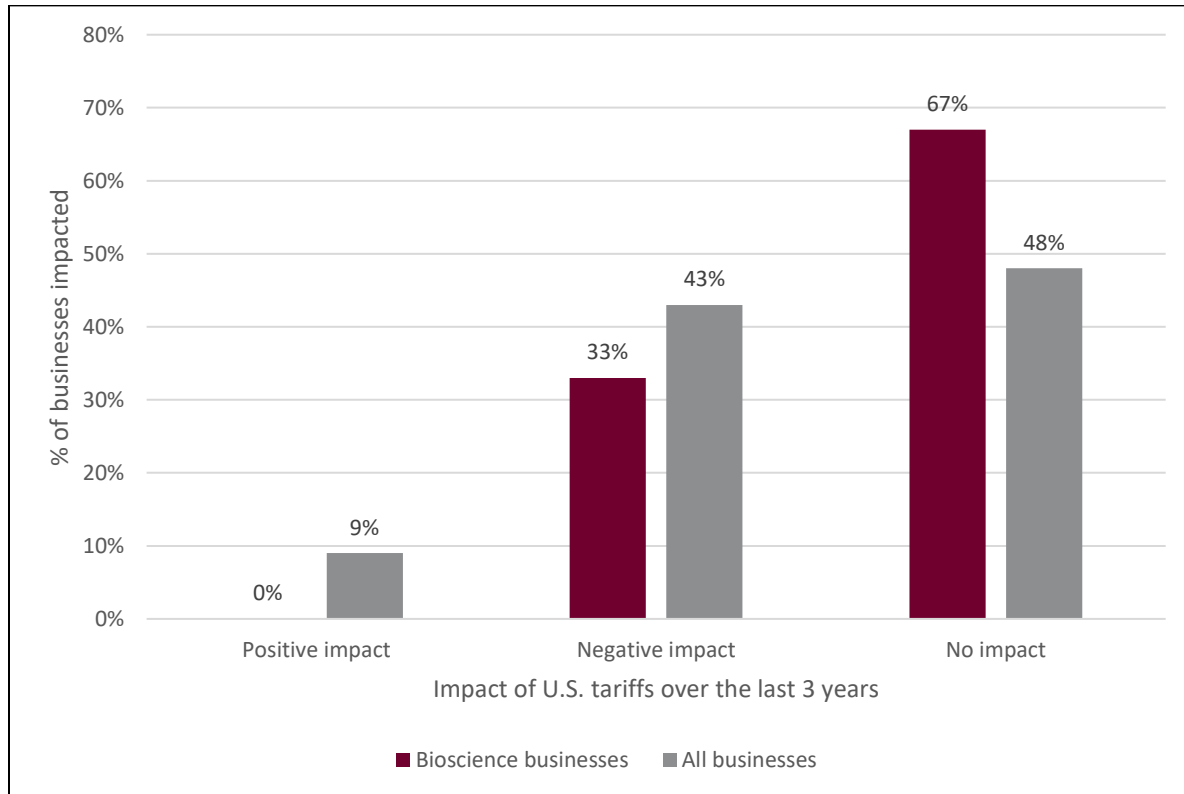


Two bioscience firms have more than 10% ownership by a foreign entity. Two bioscience firms have considered seeking Foreign Direct Investment and three have been approached by a foreign entity about an ownership interest in their firm.

Impacts of U.S. tariffs

Fewer bioscience businesses (33%) reported experiencing any impact from U.S. tariffs over the last three years when compared to all responding businesses (52%). Figure 25 compares the reported experiences of bioscience businesses with those of all businesses.

Figure 25: Bioscience business experiences with U.S. tariffs over the last 3 years

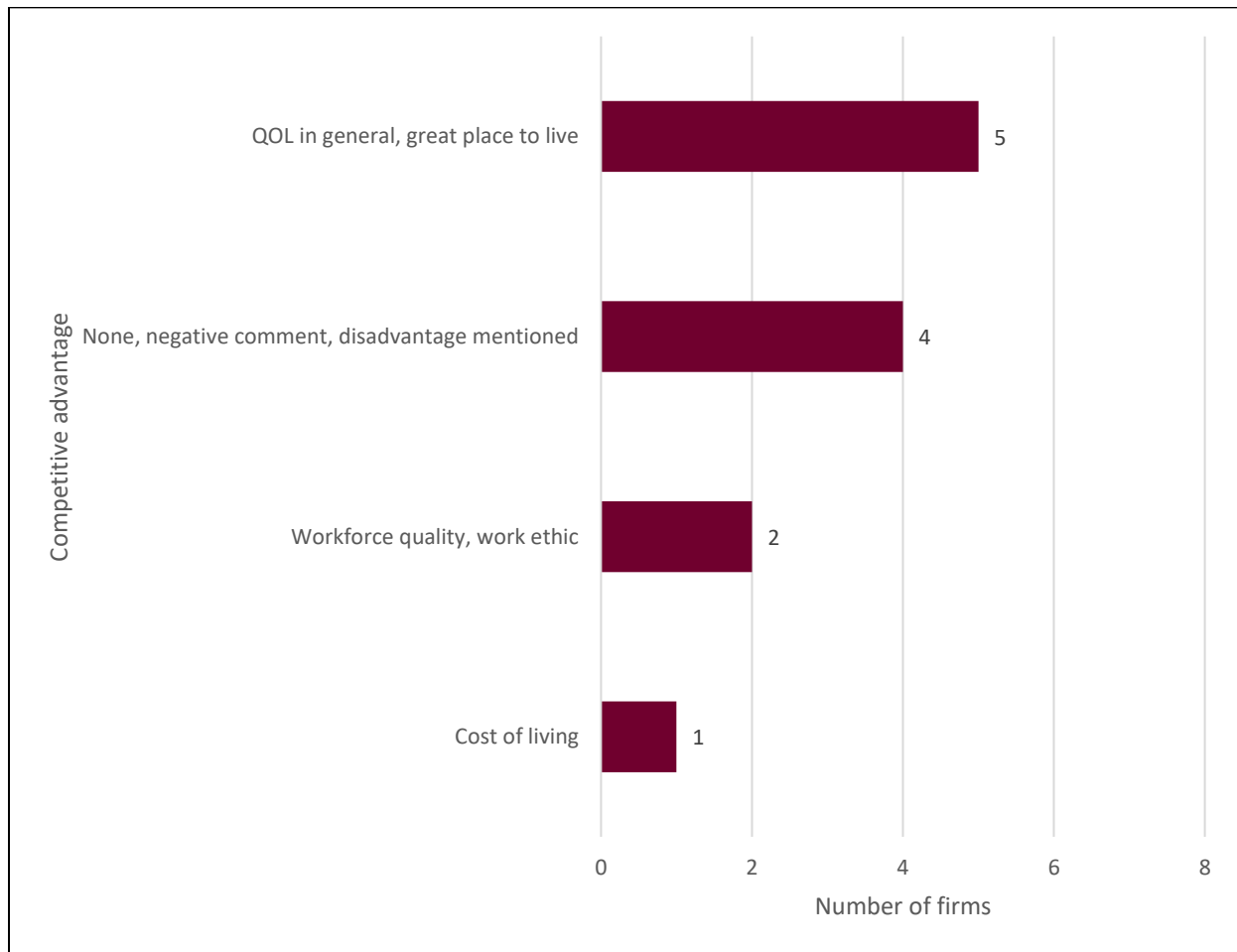


One-third (33%) of bioscience businesses cited a negative impact from U.S. tariffs compared with 43% of all businesses. The fraction of bioscience businesses that reported a positive impact (0%) was very similar to that of all businesses (9%).

Competitive advantages of location in Montana

Montana's quality of life was cited most frequently (5 firms) by bioscience companies as a competitive advantage of being based in Montana. The various competitive advantages of being based in Montana that were mentioned by bioscience firms are presented in Figure 26.

Figure 26: Competitive advantages conferred by being based in Montana cited by bioscience firms



The quality of Montana's work force was the 2nd ranked competitive advantage cited by bioscience firms.

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