Global Value Chains—An Economic Driver

The promotional products industry plays an important role in the national economy—collectively, the industry provides over 500,000 jobs and generates revenues exceeding $24 billion annually. Promotional products are any tangible item with an imprinted message and are one of the most effective, cost-efficient and longest-lasting media used by advertisers and marketers. The industry as a whole is made up of 98% small businesses, many of which record less than $250,000 in annual sales.

The promotional products industry relies on global supply chains. Although most promotional products are manufactured overseas, once in the U.S., these products are decorated by U.S. workers. They are sold by U.S. workers. They are used to promote U.S. goods and services. Global value chains operate more broadly than supply chains. Global value chains encompass the full range of activities that firms and workers are involved in to bring a product or service from its conception to its end use and beyond. The shift among many globally competitive companies to focus on core competencies and outsource other activities has led to the creation of global value chains that cross professional and national boundaries.

The U.S. Global Value Chain Coalition is on a mission to educate policymakers and the public about the American jobs and the domestic economic growth their companies generate through their value chains. The various components of a global value chain include a variety of domestic participants, for example U.S. workers who are hired to manage production abroad, U.S. carriers who handle international transport, and professionals in the U.S. who are hired to address compliance issues and customs clearance. Some of the other job fields found in the global value chains include design, manufacturing, supply chain, sales support, marketing, and more.

Finished promotional products cannot be pigeon-holed into either “imported” or “grouped into one of two categories, consisting of products which are either imported or made in the United States”. Global value chains have rendered that binary description outdated and disingenuous to the hundreds of thousands of U.S. workers in this industry. All the diverse elements in a global value chain generate an added value through the variety of inputs that contribute to each product throughout the product life cycle, from its conception to the consumer.

Indeed, the promotional products industry contributes significant economic benefit throughout the U.S. economy. In doing so, this industry also contributes to a vibrant and diverse ecosystem of international coalitions that serve the United States well.