Overview

With more than 95 percent of the world’s population and 80 percent of the world’s purchasing power outside the United States, future economic growth and jobs for Connecticut and America increasingly depend on expanding U.S. trade and investment opportunities in the global marketplace.

The following pages feature key facts and figures drawn from new Business Roundtable research, U.S. government data, and other data sources that demonstrate the benefits of international trade and investment to economic growth and jobs in Connecticut.

Trade Creates & Supports Jobs in Connecticut

• **International trade, including exports and imports, supports 467,800 Connecticut jobs – more than one in five.** These trade-related jobs grew six times faster than total employment from 1992 to 2017 and are at large and small companies, on farms, in factories, and at the headquarters of Connecticut's globally engaged firms. (See Connecticut Jobs Depend On Two-Way Trade)

• **Connecticut exported $14.0 billion in goods and $10.6 billion in services in 2017,** including industrial machinery, aerospace products & parts, crowns, closures & seals and management & advisory services. Of Connecticut's 5,656 exporters, 88 percent are small- and medium-sized companies with less than 500 workers. (See Connecticut Businesses Grow With Exports)

• **Customers in 202 countries and territories buy Connecticut-made goods and services,** including billions of dollars in annual exports to top markets like Canada, the United Kingdom and France. Connecticut's exports have grown more than ten percent faster than state GDP since 2007. (See Connecticut Companies Export Throughout The World)

• **Imports lower prices and increase choices for Connecticut companies and families.** Lower raw material and input costs help Connecticut companies stay competitive in global markets, while families can stretch paychecks further as trade agreements reduce the cost of products by eliminating costly barriers to trade. (See Connecticut Companies Use Imports to Make Competitive Products)

• **Free trade agreements (FTAs) have helped fuel rapid export growth from Connecticut to partner countries.** In 2017, $4.2 billion of Connecticut's goods exports, or 30 percent, went to FTA partners. (See Connecticut Needs Trade Agreements To Grow)

• **Foreign-owned companies invest and build facilities and employ 105,300 workers in Connecticut.** (See Foreign Investment In Connecticut Creates Jobs)

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Creating and preserving quality U.S. jobs is a goal shared by all Americans. With more than 95 percent of the world’s population and 80 percent of the world’s purchasing power outside of the United States, future American economic growth and job creation depend on open markets abroad.

Trade Supports Jobs in Connecticut

- Export growth increases jobs by generating new business for Connecticut’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Connecticut businesses compete and saving Connecticut families real dollars at the cash register.
- More than one in five Connecticut jobs depends upon international trade.
- Connecticut's trade-related employment grew six times faster than total employment from 1992 to 2017.
- Jobs in export-dependent industries pay about 16 percent more than jobs in less export-intensive industries.
- U.S. exporting plants increase employment 2 to 4 percent faster annually than plants that do not export. Exporting plants also are less likely to go out of business.
- Trade-supported jobs are not just at companies that export and import. Trade supports higher wages for workers and lower costs for companies and consumers, providing them with more money to spend on other things. This spending supports additional jobs throughout the U.S. economy in sectors like entertainment, education and construction.

By the Numbers

467,800
Number of Jobs in Connecticut Supported by Trade

Share of Jobs Tied to Trade
Increased 90 percent from 1992 to 2017

10.6% 20.2%
1992 2017

Jobs Tied to Trade
Top Sectors, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>92,700</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>77,900</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>39,500</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>32,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>28,400</td>
</tr>
</tbody>
</table>

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CONNECTICUT BUSINESSES GROW WITH EXPORTS

Overview
Connecticut exported an estimated $14.0 billion in goods and $10.6 billion in services in 2017. Between 2007 and 2017, Connecticut goods exports have increased by 4 percent and services exports by 21 percent. Large companies now account for 67 percent of the value of Connecticut’s goods exports, with the rest provided by small- and medium-sized enterprises (SMEs).

Small & Large Employers Partner to Export
In addition to exporting directly themselves, thousands of American SMEs export indirectly when they sell goods and services to large U.S. exporters. Based on their direct and indirect export activity combined, SMEs represent more than 40 percent of the value of U.S. exports.

Top Connecticut Exports
- Connecticut ranks among the top 15 state exporters in 13 industries, including seventh in industrial machinery ($561 million), eighth in aerospace products & parts ($5.9 billion), ninth in crowns, closures & seals ($20 million), and ninth in cutlery & handtools ($104 million).
- Connecticut is America’s 41st largest exporter of agricultural products. It is the 18th largest exporter of poultry & eggs, the 19th largest exporter of miscellaneous crops, the 20th largest exporter of swine, and the 25th largest exporter of vegetables & melons.
- One of Connecticut’s fastest growing export categories is HVAC & refrigeration equipment, which increased by 236 percent since 2007. In 2017, exports of these products reached $217 million.

By the Numbers
- 5,656
  Number of Connecticut Businesses that Exported in 2016

Share of Connecticut Exporters that are Small- & Medium-Sized Businesses
- 88%

Top Connecticut Exports, 2017
Goods
- Aerospace Products & Parts $5.9 billion
- Navigational & Meas. Instruments $746 million
- Industrial Machinery $561 million
- Misc. Fabricated Metal Products $500 million
- Misc. General Purpose Machinery $491 million

Services
- Mgmt. & Advisory Services $3.5 billion
- Travel $1.3 billion
- R&D & Testing Services $715 million

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In 2017, Connecticut companies sold their products in 202 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $1.9 billion, Services Exports: $770 million
- **United Kingdom**: Goods Exports: $1.2 billion, Services Exports: $1.2 billion
- **China**: Goods Exports: $759 million, Services Exports: $569 million
- **Mexico**: Goods Exports: $1.0 billion, Services Exports: $304 million
- **France**: Goods Exports: $2.1 billion, Services Exports: $209 million
- **Germany**: Goods Exports: $1.8 billion, Services Exports: $381 million

Fast Facts: How Exports Help the Connecticut Economy Grow

- Connecticut's exports have grown more than ten percent faster than state GDP since 2007. The average annual export growth during this period was 1.2 percent, while the average annual state GDP growth was 1.1 percent.
- Connecticut's top export markets for goods are France, Canada, and Germany. Its top market for services is the United Kingdom.
- Connecticut's goods exports to the Netherlands have grown by 9 percent per year since 2007, while Connecticut's services exports to China have grown by 11 percent per year.

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Overview

In 2017, 58 percent ($1.3 trillion) of the products imported into the United States were inputs and components used by American producers. Lower cost inputs keep U.S. manufacturing competitive in international markets. Imports frequently contain components (like cotton or semiconductors) and services inputs (like design) provided by U.S. companies and farmers, including companies and farmers in Connecticut.

- Services, especially transportation from Connecticut’s ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2016, about 75 percent of identified U.S. importers were very small businesses with less than 20 employees.
- Trade and investment liberalization policies save the average Connecticut family of four more than $10,000 per year.
- Imports help keep prices down for Connecticut families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

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Overview

Trade with our free trade agreement (FTA) partner countries supports millions of American jobs. Trade agreements level the playing field by lowering other nations’ trade barriers, opening up foreign markets to U.S. exports and setting strong, enforceable rules for trade between the United States and those other countries.

- In 2017, $4.2 billion of Connecticut's goods exports, or 30 percent, went to FTA partners.

- Since 2007, Connecticut’s goods exports to countries with FTAs in effect with the United States in 2017 have dropped by 9 percent.

- But Connecticut's goods exports to Canada and Mexico have increased by $1.2 billion (73 percent) since NAFTA went into effect in 1994.

- Connecticut's goods exports to Chile have increased by 136 percent since the FTA took effect in 2004.

- Connecticut's exports to Korea of electrical equipment have increased from $29 million to $161 million since the FTA went into effect in 2012.


- In 2017, $2.2 billion of Connecticut's services exports, or 21 percent, went to FTA partners.

- Connecticut's exports to Australia of insurance services have increased from $9.1 million to $53 million, or by 489 percent, since 2006 (earliest year available).

By the Numbers

Change in Connecticut Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Connecticut Goods, 2017

-9%

In 2017, FTA partners purchased 6.2 times more goods per capita from Connecticut than non-FTA partners.

* U.S. FTAs in effect with countries in 2017.

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Overview
Foreign-owned companies invest significant amounts of capital to open or expand facilities in Connecticut every year. Foreign-owned companies from around the world employed more than 100,000 workers in Connecticut, including:

- 19,100 workers employed by companies based in the Netherlands;
- 18,500 workers employed by companies based in the United Kingdom;
- 12,400 workers employed by companies based in Germany;
- 8,100 workers employed by companies based in Switzerland;
- 7,400 workers employed by companies based in France.

Selected Foreign-Owned Companies Employing Workers in Connecticut

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Acuren Group</td>
<td>Inspecting &amp; Testing Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Consulting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Infosys Technology Ltd.</td>
<td>IT/Business Services</td>
<td>India</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Consulting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Lego Systems, Inc.</td>
<td>Toy Manufacturing</td>
<td>Denmark</td>
</tr>
<tr>
<td>Nestle Waters North America</td>
<td>Beverages Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Rexel</td>
<td>Electrical Equipment Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Sims Metal Management</td>
<td>Metal Recycling Services</td>
<td>Australia</td>
</tr>
<tr>
<td>Solvay Chemicals</td>
<td>Chemicals Manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Stantec, Inc.</td>
<td>Architecture &amp; Engineering Services</td>
<td>Canada</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Financial Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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DATA SOURCES

CONNECTICUT JOBS DEPEND ON TWO-WAY TRADE


CONNECTICUT BUSINESSES GROW WITH EXPORTS

Small and Large Firms Partnering to Export (for 2006, the most recent year for which data were available): U.S. International Trade Commission, Small and Medium-Sized Enterprises: Characteristics and Performance, November 2010, (http://www.usitc.gov/publications/332/pub4189.pdf)


CONNECTICUT COMPANIES EXPORT THROUGHOUT THE WORLD


CONNECTICUT COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


Imports as Components: Derived from Census end-use import data


Price Changes: Derived from BLS Consumer Price Index database (http://www.bls.gov/cpi/)

CONNECTICUT NEEDS TRADE AGREEMENTS TO GROW


Per Capita Purchases of Connecticut Goods: Derived from The Trade Partnership (http://tradepartnership.com/data/cdxports-and-cdxjobs) and World Bank population estimates

FOREIGN INVESTMENT IN CONNECTICUT CREATES JOBS

Employment Data: BEA “Direct Investment & Multinational Companies” database (http://bea.gov/iTable/index_MNC.cfm)

Foreign Investors: Uniworld BP database of “Foreign Firms Operating in the United States” (http://www.uniworldbp.com)

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