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 Massachusetts 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 Massachusetts.

Trade Creates & Supports Jobs in Massachusetts

- **International trade, including exports and imports, supports 945,100 Massachusetts jobs – nearly one in five.** These trade-related jobs grew nearly five 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 Massachusetts' globally engaged firms. (See Massachusetts Jobs Depend On Two-Way Trade)

- **Massachusetts exported $27.3 billion in goods and $31.1 billion in services in 2017**, including marine products, navigational & measurement instruments, finished & coated textile fabrics and management & advisory services. Of Massachusetts' 10,085 exporters, 89 percent are small- and medium-sized companies with less than 500 workers. (See Massachusetts Businesses Grow With Exports)

- **Customers in 214 countries and territories buy Massachusetts-made goods and services**, including billions of dollars in annual exports to top markets like Canada, the United Kingdom and China. Massachusetts' exports have grown at an average annual rate of 3.3 percent since 2007. (See Massachusetts Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Massachusetts to partner countries.** In 2017, $8.4 billion of Massachusetts' goods exports, or 31 percent, went to FTA partners. This represents an increase of 28 percent since 2007. (See Massachusetts Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 213,700 workers in Massachusetts.** (See Foreign Investment In Massachusetts Creates Jobs)
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 Massachusetts

- Export growth increases jobs by generating new business for Massachusetts’ manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping Massachusetts businesses compete and saving Massachusetts families real dollars at the cash register.

- Nearly one in five Massachusetts jobs depends upon international trade.

- Massachusetts’ trade-related employment grew nearly five 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

945,100

Number of Jobs in Massachusetts Supported by Trade

Share of Jobs Tied to Trade
Increased 96 percent from 1992 to 2017

Jobs Tied to Trade
Top Sectors, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>188,800</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>176,200</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>67,900</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>57,500</td>
</tr>
<tr>
<td>Construction</td>
<td>30,200</td>
</tr>
</tbody>
</table>

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

Massachusetts exported an estimated $27.3 billion in goods and $31.1 billion in services in 2017. Between 2007 and 2017, Massachusetts goods exports have increased by 9 percent and services exports by 72 percent. Large companies now account for 64 percent of the value of Massachusetts' 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 Massachusetts Exports

- Massachusetts ranks among the top 10 state exporters in 23 industries, including third in marine products ($441 million), third in navigational & measurement instruments ($3.5 billion), fourth in finished & coated textile fabrics ($77 million), and fourth in industrial machinery ($1.6 billion).

- Massachusetts is America’s 42nd largest exporter of agricultural products. It is the tenth largest exporter of aquaculture, the tenth largest exporter of miscellaneous animal products, the 15th largest exporter of sheep, goats & fine animal hair, and the 17th largest exporter of fruits & tree nuts.

- One of Massachusetts' fastest growing export categories is electrical equipment, which increased by 105 percent since 2007. In 2017, exports of these products reached $272 million.

By the Numbers

10,085
Number of Massachusetts Businesses that Exported in 2016

Share of Massachusetts Exporters that are Small- & Medium-Sized Businesses

89%

Top Massachusetts Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$3.5 billion</td>
</tr>
<tr>
<td>Nonferrous Metal Products</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>Medical Equipment &amp; Supplies</td>
<td>$2.2 billion</td>
</tr>
<tr>
<td>Semiconductors &amp; Components</td>
<td>$2.2 billion</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$2.0 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgmt. &amp; Advisory Services</td>
<td>$5.9 billion</td>
</tr>
<tr>
<td>Travel</td>
<td>$5.6 billion</td>
</tr>
<tr>
<td>Computer Software</td>
<td>$3.8 billion</td>
</tr>
</tbody>
</table>

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In 2017, Massachusetts companies sold their products in 214 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $3.0 billion, Services Exports: $2.1 billion
- **United Kingdom**: Goods Exports: $2.1 billion, Services Exports: $2.7 billion
- **China**: Goods Exports: $2.3 billion, Services Exports: $2.0 billion
- **Mexico**: Goods Exports: $2.6 billion, Services Exports: $1.1 billion
- **Ireland**: Goods Exports: $914 million, Services Exports: $2.8 billion
- **Germany**: Goods Exports: $1.8 billion, Services Exports: $1.3 billion

**Fast Facts: How Exports Help the Massachusetts Economy Grow**

- Goods and services exports accounted for 10.8 percent of Massachusetts' state GDP in 2017.
- Massachusetts' exports have grown at an average annual rate of 3.3 percent since 2007.
- Massachusetts' top export markets for goods are Canada, Mexico, and China. Its top market for services is Ireland.
- Massachusetts' goods exports to Switzerland have grown by 35 percent per year since 2007, while Massachusetts' services exports to China have grown by 18 percent per year.

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MASSACHUSETTS COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

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 Massachusetts.

- Services, especially transportation from Massachusetts' 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 Massachusetts family of four more than $10,000 per year.
- Imports help keep prices down for Massachusetts families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2016, about 211,000 U.S. companies (including 8,514 in Massachusetts) imported products...

And roughly three-quarters of U.S. importers were very small businesses with less than 20 employees.

Imports Decrease Prices

-87.9% Decrease in the Price of Televisions Between 2007 and 2017.

-63.3% Decrease in the Price of Computers Between 2007 and 2017.

-44.7% Decrease in the Price of Toys Between 2007 and 2017.

Imports Increase Choices

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www.brt.org/trade
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, $8.4 billion of Massachusetts’ goods exports, or 31 percent, went to FTA partners.
- Since 2007, Massachusetts’ goods exports to countries with FTAs in effect with the United States in 2017 have increased by 28 percent.
- Massachusetts’ goods exports to Canada and Mexico have increased by $2.7 billion (93 percent) since NAFTA went into effect in 1994.
- Massachusetts’ goods exports to the Dominican Republic have increased by 214 percent since DR-CAFTA went into effect for the Dominican Republic in 2007.
- Massachusetts’ exports to Singapore of industrial machinery have increased from $35 million to $131 million since the FTA went into effect in 2004.
- Oman bought 39 percent of Massachusetts' exports of miscellaneous transportation equipment in 2017.
- In 2017, $6.8 billion of Massachusetts’ services exports, or 22 percent, went to FTA partners.
- Massachusetts’ exports to Singapore of R&D & testing services have increased from $12 million to $468 million, or by 3,745 percent, since 2006 (earliest year available).

By the Numbers

28%

Increase in Massachusetts Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Massachusetts Goods, 2017

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18.11</td>
<td>$2.81</td>
<td></td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 6.5 times more goods per capita from Massachusetts than non-FTA partners.

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

Foreign-owned companies invest significant amounts of capital to open or expand facilities in Massachusetts every year. Foreign-owned companies from around the world employed hundreds of thousands of workers in Massachusetts, including:

- 40,700 workers employed by companies based in the United Kingdom;
- 36,200 workers employed by companies based in the Netherlands;
- 22,700 workers employed by companies based in France;
- 22,600 workers employed by companies based in Canada;
- 17,700 workers employed by companies based in Germany.

Foreign-Owned Companies Employed 213,700 Massachusetts Workers Across Many Industries, 2016

Selected Foreign-Owned Companies Employing Workers in Massachusetts

<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>BAE Electronic Systems Inc.</td>
<td>Defense/Security/Aerospace Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Clicksoftware, Inc.</td>
<td>Software Development</td>
<td>Israel</td>
</tr>
<tr>
<td>Dalkia North America</td>
<td>Energy Services</td>
<td>France</td>
</tr>
<tr>
<td>Einfochips</td>
<td>IT Services</td>
<td>India</td>
</tr>
<tr>
<td>GHD</td>
<td>Engineering, Architectural Services</td>
<td>Australia</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Munksjo Paper LLC</td>
<td>Paper Manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>Qinetiq North America, Inc.</td>
<td>Scientific Research</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Sophos Inc.</td>
<td>Software Development</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Stop &amp; Shop Supermarket Co.</td>
<td>Retailing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Banking Services</td>
<td>Canada</td>
</tr>
</tbody>
</table>

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MASSACHUSETTS JOBS DEPEND ON TWO-WAY TRADE


MASSACHUSETTS BUSINESSES GROW WITH EXPORTS


MASSACHUSETTS COMPANIES EXPORT THROUGHOUT THE WORLD


MASSACHUSETTS 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/](http://www.bls.gov/cpi/))

MASSACHUSETTS NEEDS TRADE AGREEMENTS TO GROW

**Exports and Trends:** The Trade Partnership ([http://tradepartnership.com/data/cdxports-and-cdxjobs](http://tradepartnership.com/data/cdxports-and-cdxjobs))

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

FOREIGN INVESTMENT IN MASSACHUSETTS CREATES JOBS

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

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

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