HOW NEW HAMPSHIRE'S ECONOMY BENEFITS FROM TRADE & INVESTMENT

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 New Hampshire 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 New Hampshire.

Trade Creates & Supports Jobs in New Hampshire

• **International trade, including exports and imports, supports 170,400 New Hampshire jobs – nearly one in five.** These trade-related jobs grew four 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 New Hampshire’s globally engaged firms. *(See New Hampshire Jobs Depend On Two-Way Trade)*

• **New Hampshire exported $5.1 billion in goods and $3.0 billion in services in 2017,** including metalworking machinery, prepared seafood products, communications equipment and travel services. Of New Hampshire’s 2,457 exporters, 85 percent are small- and medium-sized companies with less than 500 workers. *(See New Hampshire Businesses Grow With Exports)*

• **Customers in 179 countries and territories buy New Hampshire-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Ireland and China. New Hampshire’s exports have grown more than two times faster than state GDP since 2007. *(See New Hampshire Companies Export Throughout The World)*

• **Imports lower prices and increase choices for New Hampshire companies and families.** Lower raw material and input costs help New Hampshire 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 New Hampshire Companies Use Imports to Make Competitive Products)*

• **Free trade agreements (FTAs) have helped fuel rapid export growth from New Hampshire to partner countries.** In 2017, $1.6 billion of New Hampshire’s goods exports, or 31 percent, went to FTA partners. This represents an increase of 57 percent since 2007. *(See New Hampshire Needs Trade Agreements To Grow)*

• **Foreign-owned companies invest and build facilities and employ 43,300 workers in New Hampshire.** *(See Foreign Investment In New Hampshire Creates Jobs)*

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NEW HAMPSHIRE JOBS DEPEND ON TWO-WAY 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 New Hampshire

- Export growth increases jobs by generating new business for New Hampshire's manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping New Hampshire businesses compete and saving New Hampshire families real dollars at the cash register.
- Nearly one in five New Hampshire jobs depends upon international trade.
- New Hampshire's trade-related employment grew four 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

**170,400**
Number of Jobs in New Hampshire Supported by Trade

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>9.9%</td>
</tr>
<tr>
<td>2017</td>
<td>19.3%</td>
</tr>
</tbody>
</table>

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>44,800</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>28,200</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>11,700</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>8,700</td>
</tr>
<tr>
<td>Construction</td>
<td>6,400</td>
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NEW HAMPSHIRE BUSINESSES GROW WITH EXPORTS

Overview

New Hampshire exported an estimated $5.1 billion in goods and $3.0 billion in services in 2017. Between 2007 and 2017, New Hampshire goods exports have increased by 81 percent and services exports by 50 percent. Large companies now account for 65 percent of the value of New Hampshire’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 New Hampshire Exports

- New Hampshire ranks among the top half of state exporters in 17 industries, including seventh in metalworking machinery ($262 million), 11th in prepared seafood products ($1.9 million), 12th in communications equipment ($608 million), and 13th in electric lighting equipment ($49 million).

- New Hampshire is America’s 48th largest exporter of agricultural products. It is the 31st largest exporter of miscellaneous crops, the 36th largest exporter of cattle, the 37th largest exporter of greenhouse & nursery products, and the 40th largest exporter of poultry & eggs.

- One of New Hampshire’s fastest growing export categories is pharmaceuticals & medicines, which increased by 3,717 percent since 2007. In 2017, exports of these products reached $353 million.

By the Numbers

2,457
Number of New Hampshire Businesses that Exported in 2016

Share of New Hampshire Exporters that are Small- & Medium-Sized Businesses 85%

Top New Hampshire Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications Equipment</td>
<td>$608 million</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$546 million</td>
</tr>
<tr>
<td>Electrical Equipment &amp; Components</td>
<td>$484 million</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>$431 million</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$353 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$702 million</td>
</tr>
<tr>
<td>Computer Software</td>
<td>$318 million</td>
</tr>
<tr>
<td>Mgmt. &amp; Consulting Services</td>
<td>$302 million</td>
</tr>
</tbody>
</table>

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In 2017, New Hampshire companies sold their products in 179 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $570 million
  - Services Exports: $220 million

- **United Kingdom**
  - Goods Exports: $199 million
  - Services Exports: $254 million

- **China**
  - Goods Exports: $423 million
  - Services Exports: $187 million

- **Mexico**
  - Goods Exports: $480 million
  - Services Exports: $123 million

- **Ireland**
  - Goods Exports: $369 million
  - Services Exports: $130 million

- **Germany**
  - Goods Exports: $324 million
  - Services Exports: $130 million

**Fast Facts: How Exports Help the New Hampshire Economy Grow**

- Goods and services exports accounted for 9.9 percent of New Hampshire’s state GDP in 2017.
- New Hampshire’s exports have grown more than two times faster than state GDP since 2007. The average annual export growth during this period was 6.2 percent, while the average annual state GDP growth was 3.0 percent.
- New Hampshire’s top export markets for goods are Canada, Mexico, and China. Its top market for services is Ireland.
- New Hampshire’s goods exports to Saudi Arabia have grown by 82 percent per year since 2007, while New Hampshire’s services exports to China have grown by 16 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 New Hampshire.

- Services, especially transportation from New Hampshire’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 New Hampshire family of four more than $10,000 per year.
- Imports help keep prices down for New Hampshire 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 1,884 in New Hampshire) imported products...

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

Imports Decrease Prices

<table>
<thead>
<tr>
<th>Category</th>
<th>Decrease</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers</td>
<td>-87.9%</td>
<td>Decrease in the Price of Televisions Between 2007 and 2017.</td>
</tr>
<tr>
<td>Toys</td>
<td>-44.7%</td>
<td>Decrease in the Price of Toys Between 2007 and 2017.</td>
</tr>
</tbody>
</table>

Imports Increase Choices

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NEW HAMPSHIRE NEEDS TRADE AGREEMENTS TO GROW

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, $1.6 billion of New Hampshire's goods exports, or 31 percent, went to FTA partners.
- Since 2007, New Hampshire's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 57 percent.
- New Hampshire's goods exports to Canada and Mexico have increased by $642 million (157 percent) since NAFTA went into effect in 1994.
- New Hampshire's goods exports to Australia have increased by 170 percent since the FTA took effect in 2005.
- New Hampshire's exports to Korea of electrical equipment & components have increased from $1.1 million to $33 million since the FTA went into effect in 2012.
- In 2017, $707 million of New Hampshire's services exports, or 24 percent, went to FTA partners.
- New Hampshire's exports to Canada of computer & data services have increased from $3.9 million to $17 million, or by 344 percent, since 2006 (earliest year available).

By the Numbers

57%
Increase in New Hampshire Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of New Hampshire Goods, 2017

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.52</td>
<td>$3.40</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 New Hampshire than non-FTA partners.

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Overview

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

- 10,600 workers employed by companies based in the United Kingdom;
- 6,300 workers employed by companies based in Canada;
- 4,200 workers employed by companies based in Switzerland;
- 3,900 workers employed by companies based in Japan;
- 3,800 workers employed by companies based in France.


<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>20,000</td>
</tr>
<tr>
<td>Other</td>
<td>8,500</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>8,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3,200</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>2,100</td>
</tr>
<tr>
<td>Information</td>
<td>700</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>700</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in New Hampshire

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adecco Staffing</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>BAE Systems Inc.</td>
<td>Defense/Security/Aerospace Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Bosch Thermotechnology Corp.</td>
<td>HVAC Systems Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Finetech Inc.</td>
<td>Industrial Equipment Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Harris Rebar, Inc.</td>
<td>Steel Product Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>New Hampshire Ball Bearings Inc.</td>
<td>Steel Product Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Osram Sylvania Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Portland Natural Gas Transmission</td>
<td>Energy Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Rexel Inc.</td>
<td>Electrical Components Distributor</td>
<td>France</td>
</tr>
<tr>
<td>Semikron</td>
<td>Semiconductor Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Stonyfield Farm</td>
<td>Food Products</td>
<td>France</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
</tbody>
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NEW HAMPSHIRE 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](http://www.usitc.gov/publications/332/pub4189.pdf))


NEW HAMPSHIRE COMPANIES EXPORT THROUGHOUT THE WORLD


NEW HAMPSHIRE COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


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


NEW HAMPSHIRE NEEDS TRADE AGREEMENTS TO GROW


FOREIGN INVESTMENT IN NEW HAMPSHIRE 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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