HOW NEW JERSEY'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 Jersey 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 Jersey.

Trade Creates & Supports Jobs in New Jersey

- **International trade, including exports and imports, supports 1,091,800 New Jersey jobs – one in five.** These trade-related jobs grew 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 New Jersey's globally engaged firms. *(See New Jersey Jobs Depend On Two-Way Trade)*

- **New Jersey exported $33.1 billion in goods and $22.3 billion in services in 2017**, including forestry products, printed matter & related products, soaps, cleaning agents & toiletries and travel services. Of New Jersey's 20,281 exporters, 92 percent are small- and medium-sized companies with less than 500 workers. *(See New Jersey Businesses Grow With Exports)*

- **Customers in 211 countries and territories buy New Jersey-made goods and services**, including billions of dollars in annual exports to top markets like Canada, United Kingdom and Mexico. New Jersey's exports have grown at an average annual rate of 2.3 percent since 2007. *(See New Jersey Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from New Jersey to partner countries.** In 2017, $13.6 billion of New Jersey's goods exports, or 41 percent, went to FTA partners. This represents an increase of 18 percent since 2007. *(See New Jersey Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 283,600 workers in New Jersey.** *(See Foreign Investment In New Jersey Creates Jobs)*

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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 Jersey

- Export growth increases jobs by generating new business for New Jersey’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping New Jersey businesses compete and saving New Jersey families real dollars at the cash register.
- One in five New Jersey jobs depends upon international trade.
- New Jersey’s 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

1,091,800

Number of Jobs in New Jersey Supported by Trade

Share of Jobs Tied to Trade Increased 86 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>241,200</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>217,400</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>76,600</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>70,100</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>51,300</td>
</tr>
</tbody>
</table>

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NEW JERSEY BUSINESSES
GROW WITH EXPORTS

Overview
New Jersey exported an estimated $33.1 billion in goods and $22.3 billion in services in 2017. Between 2007 and 2017, New Jersey goods exports have increased by 9 percent and services exports by 36 percent. Large companies now account for 59 percent of the value of New Jersey'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 Jersey Exports

- New Jersey ranks among the top 5 state exporters in 13 industries, including first in forestry products ($112 million), first in printed matter & related products ($445 million), first in soaps, cleaning agents & toiletries ($2.1 billion), and second in miscellaneous chemical preparations ($784 million).
- New Jersey is America's 27th largest exporter of agricultural products. It is the fifth largest exporter of fruits & tree nuts, the 11th largest exporter of greenhouse & nursery products, the 11th largest exporter of miscellaneous animal products, and the 13th largest exporter of vegetables & melons.
- One of New Jersey's fastest growing export categories is communications equipment, which increased by 148 percent since 2007. In 2017, exports of these products reached $1.4 billion.

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In 2017, New Jersey companies sold their products in 211 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $6.7 billion, Services Exports: $1.7 billion
- **Germany**: Goods Exports: $1.4 billion, Services Exports: $1.0 billion
- **China**: Goods Exports: $1.6 billion, Services Exports: $1.3 billion
- **Mexico**: Goods Exports: $2.8 billion, Services Exports: $853 million
- **United Kingdom**: Goods Exports: $2.1 billion, Services Exports: $1.9 billion
- **Japan**: Goods Exports: $1.6 billion, Services Exports: $1.5 billion

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

- New Jersey's exports have grown at an average annual rate of 2.3 percent since 2007.
- New Jersey's top export markets for goods are Canada, Mexico, and the United Kingdom. Its top market for services is the United Kingdom.
- New Jersey's goods exports to the Netherlands have grown by 15 percent per year since 2007, while New Jersey's services exports to Singapore have grown by 12 percent per year.

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NEW JERSEY 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 New Jersey.

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

Imports Decrease Prices

<table>
<thead>
<tr>
<th>Decrease in Price</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Televisions</td>
<td>-87.9%</td>
</tr>
<tr>
<td>Computers</td>
<td>-63.3%</td>
</tr>
<tr>
<td>Toys</td>
<td>-44.7%</td>
</tr>
</tbody>
</table>

In 2016, about 211,000 U.S. companies (including 19,780 in New Jersey) imported products...

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

Imports Increase Choices

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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, $13.6 billion of New Jersey's goods exports, or 41 percent, went to FTA partners.
- Since 2007, New Jersey's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 18 percent.
- New Jersey's goods exports to Canada and Mexico have increased by $6.6 billion (225 percent) since NAFTA went into effect in 1994.
- New Jersey’s goods exports to Guatemala have increased by 582 percent since DR-CAFTA went into effect for Guatemala in 2006.
- New Jersey's exports to Singapore of soaps, cleaning agents & toiletries have increased from $14 million to $152 million since the FTA went into effect in 2004.
- In 2017, $5.3 billion of New Jersey's services exports, or 24 percent, went to FTA partners.
- New Jersey's exports to Australia of computer & data services have increased from $13 million to $57 million, or by 325 percent, since 2006 (earliest year available).

By the Numbers

18%
Increase in New Jersey Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of New Jersey Goods, 2017

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.90</td>
<td>$29.27</td>
</tr>
</tbody>
</table>

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

In 2017, FTA partners purchased 10.1 times more goods per capita from New Jersey than non-FTA partners.

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Overview

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

- 46,400 workers employed by companies based in the United Kingdom;
- 45,500 workers employed by companies based in France;
- 31,000 workers employed by companies based in Switzerland;
- 27,100 workers employed by companies based in Canada;
- 26,100 workers employed by companies based in Japan.

Selected Foreign-Owned Companies Employing Workers in New Jersey

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>3I Infotech</td>
<td>Software and Services</td>
<td>India</td>
</tr>
<tr>
<td>ABB Inc.</td>
<td>Electrical Equipment Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>BASF Corp.</td>
<td>Chemicals Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Canon Business Solutions, Inc.</td>
<td>Office Equipment Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>DRS Technologies</td>
<td>Aerospace Manufacturing</td>
<td>Italy</td>
</tr>
<tr>
<td>Gerresheimer Glass Inc.</td>
<td>Glass Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>LexisNexis</td>
<td>Information Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Maersk Logistics USA Inc.</td>
<td>Freight Services</td>
<td>Denmark</td>
</tr>
<tr>
<td>Panasonic Corporation of N.A.</td>
<td>Electronics Products Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Trader Joe's</td>
<td>Food Retailing</td>
<td>Germany</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 283,600 New Jersey Workers Across Many Industries, 2016

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NEW JERSEY JOBS DEPEND ON TWO-WAY TRADE


NEW JERSEY BUSINESSES GROW WITH EXPORTS


NEW JERSEY COMPANIES EXPORT THROUGHOUT THE WORLD


NEW JERSEY 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/)

NEW JERSEY NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN NEW JERSEY 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)