HOW NEW JERSEY'S ECONOMY 
BENEFITS FROM TRADE & INVESTMENT

Overview

With more than 96 percent of the world’s population and 75 percent of its purchasing power outside the United States, economic recovery, jobs, and future growth for New Jersey and America will depend on trade and investment. That includes reaching those customers with American goods and services through exports and expanding buying power and options for American companies and families with imports.

New Business Roundtable research, U.S. government data, and other data sources demonstrate the benefits of international trade and investment to jobs and the economy in New Jersey. As the United States and the world continue efforts to defeat the COVID-19 pandemic and create jobs and economic opportunity – restoring trade and supporting trade-dependent jobs can help New Jersey recover as well.

Trade Creates & Supports Jobs in New Jersey

- **International trade, including exports and imports, supported 1,204,700 New Jersey jobs – more than one in five in 2019.** These trade-related jobs grew five times faster than total employment from 1992 to 2019 and are at large and small companies, on farms, in factories, and at the headquarters of New Jersey's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in New Jersey. *(See New Jersey Jobs Depend On Two-Way Trade)*

- **New Jersey exported $33.9 billion in goods and $24.9 billion in services in 2019,** including nonferrous metal products, basic chemicals, scrap products and business management and consulting services. Of New Jersey’s 20,619 exporters, 92 percent are small- and medium-sized companies with less than 500 workers. *(See New Jersey Businesses Grow With Exports)*

- **Customers in 217 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 0.7 percent per year since 2010. Policies that help New Jersey businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(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 and Families Benefit from Imports)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from New Jersey to partner countries.** In 2019, $14 billion of New Jersey’s goods exports, or 40 percent, went to FTA partners. This represents an increase of 14 percent since 2010. *(See New Jersey Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 294,700 workers in New Jersey.** *(See Foreign Investment In New Jersey Creates Jobs)*

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NEW JERSEY JOBS DEPEND ON TWO-WAY TRADE

Overview

Creating and preserving quality U.S. jobs is a goal shared by all Americans. With more than 96 percent of the world’s population and 75 percent of the world’s purchasing power outside of the United States, future American economic growth and job creation depend on open markets abroad. At the beginning of 2020, the COVID-19 global pandemic dramatically decreased trade, disrupted communities and economies, and ended millions of jobs across America, including in New Jersey. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in New Jersey and help it recover faster.

Trade Creates & Supports Jobs in New Jersey

- Export growth increases jobs by generating new business for New Jersey’s manufacturers, services 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.

- More than one in five New Jersey jobs depends upon international trade.

- New Jersey’s trade-related employment grew five times faster than total employment from 1992 to 2019.

- 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 supports more than 28 million U.S. jobs that provide middle class incomes.

About Trade & Jobs

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 not typically associated with “exports and imports.”

By the Numbers

1,204,700
Number of Jobs in New Jersey Supported by Trade

Share of Jobs Tied to Trade
Increased 99 percent from 1992 to 2019

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and professional services</td>
<td>283,600</td>
</tr>
<tr>
<td>Personal and recreational services</td>
<td>207,200</td>
</tr>
<tr>
<td>Education and health services</td>
<td>177,800</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>158,800</td>
</tr>
<tr>
<td>Transportation and utilities</td>
<td>84,100</td>
</tr>
</tbody>
</table>

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Overview

New Jersey exported an estimated $33.9 billion in goods and $24.9 billion in services in 2019. Between 2010 and 2019, New Jersey goods exports have increased by 7 percent and services exports by 34 percent. Large companies now account for 57 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 14 industries, including first in soaps, cleaning agents and toiletries ($2.3 billion), printed matter and related products ($449 million), and forestry products ($87 million), and second in nonferrous metal products ($3.1 billion).
- New Jersey is America’s 26th largest exporter of agricultural products. It is the fourth largest exporter of fruits and tree nuts, the eighth largest exporter of miscellaneous animal products, the 12th largest exporter of vegetables and melons, and the 13th largest exporter of greenhouse and nursery products.
- New Jersey is among the top 10 state exporters of most services sectors, including third in ocean freight and port services ($2.4 billion) and securities transactions ($566 million) and fourth in advertising services ($926 million).
- One of New Jersey’s fastest growing export categories is household appliances, which increased by 198 percent since 2010. In 2019, exports of these products reached $238 million.

By the Numbers

20,619
Number of New Jersey Businesses that Exported in 2018

Share of New Jersey Exporters that Are Small- & Medium-Sized Businesses

92%

Top New Jersey Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonferrous Metal Products</td>
<td>$3.1 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$2.8 billion</td>
</tr>
<tr>
<td>Scrap Products</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Soaps, Cleaning Agents &amp; Toiletries</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$1.8 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Mgmt. &amp; Consulting Services</td>
<td>$3.1 billion</td>
</tr>
<tr>
<td>Ocean Freight &amp; Port Services</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>R&amp;D &amp; Testing Services</td>
<td>$2.3 billion</td>
</tr>
</tbody>
</table>

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In 2019, New Jersey companies sold their products in 217 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $7.1 billion, Services Exports: $1.8 billion
- **United Kingdom**: Goods Exports: $2.4 billion, Services Exports: $2.1 billion
- **China**: Goods Exports: $1.8 billion, Services Exports: $1.3 billion
- **Mexico**: Goods Exports: $2.8 billion, Services Exports: $757 million
- **Switzerland**: Goods Exports: $591 million, Services Exports: $2.2 billion
- **Japan**: Goods Exports: $1.5 billion, Services Exports: $1.5 billion

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

- Goods and services exports accounted for 9.3 percent of New Jersey’s state GDP in 2019.
- New Jersey’s annual exports grew 0.7 percent per year since 2010.
- New Jersey’s top export markets for goods are Canada, Mexico, and the United Kingdom. Its top market for services is Switzerland.
- New Jersey’s goods exports to the Czech Republic have grown by 18 percent per year since 2010, while New Jersey’s services exports to Denmark have grown by 10 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help New Jersey businesses, workers, and farmers reach the growing number of customers around the world.

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Overview

Imports provide a variety of benefit for New Jersey companies and families. Imported consumer goods help keep prices down for New Jersey families while increasing choices for foods and other products that are not available locally. Imported inputs help New Jersey manufacturers compete in both the United States and international markets, while exported goods (e.g., components) and services (e.g., design) often return to the United States as imports. To best meet the COVID-19 challenges, trade policies should ensure that American families and businesses retain access to both domestic and international inputs, supplies and services they need at prices they can afford.

New Jersey Families Benefit from Imports

- In 2019, 52 percent of New Jersey's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving New Jersey families more money to spend on locally provided goods and services, such as housing, education, and health care.
- Trade and investment liberalization policies save the average New Jersey family of four more than $10,000 per year through lower prices and increased specialization.

2010-2019 Price Decrease

-85% for Televisions
-52% for Computers
-51% for Toys

Most Importers are Small Businesses

- In 2019, 21,060 New Jersey companies imported goods from 212 countries around the world.
- Nationally, 77 percent of importers were very small businesses with less than 20 employees, while less than 3 percent had over 500 employees.

New Jersey Exports and Imports are Linked Through Global Value Chains

- In 2019, 48 percent of New Jersey goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of New Jersey's top imports are critical components for New Jersey exports. Conversely, New Jersey exports of raw materials and parts may return to the United States in imported finished goods.

Exports: Aerospace products ($724M in 2019)
Imports: Jet engines and parts ($51M in 2019)

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NEW JERSEY 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. New Jersey businesses, workers and farmers benefit from market-opening agreements, and would be harmed from new barriers to trade that limit exports, competitiveness, and jobs in New Jersey and United States.

- In 2019, $14 billion of New Jersey’s goods exports, or 40 percent, went to FTA partners.
- Since 2010, New Jersey's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 14 percent.
- New Jersey’s exports to Canada and Mexico have increased by $7.1 billion (241 percent) since NAFTA went into effect in 1994.
- New Jersey’s exports to Bahrain have increased by over 1,000 percent – from $4.5 million to $50 million – since the FTA with Bahrain took effect in 2006.
- New Jersey’s exports to Singapore of computer equipment have increased from $18 million to $121 million since the FTA with Singapore went into effect in 2004.
- In 2019, $5.6 billion of New Jersey’s services exports, or 22 percent, went to FTA partners.
- New Jersey’s exports to Korea of air freight and port services have increased from $1.0 million to $79 million, or by about 77 times, since 2011.

By the Numbers

14%
Increase in New Jersey Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of New Jersey Goods, 2019

In 2019, FTA partners purchased 9.8 times more goods per capita from New Jersey than non-FTA partners.

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Overview

Foreign-owned companies help grow the U.S. economy and jobs. In 2019, foreign-owned companies added over $1 trillion to U.S. GDP, including goods exports of $380 billion and R&D spending of over $60 billion. They employed 7.4 million workers in the United States, including 2 million workers – or 1 out of every 6 – in the manufacturing sector.

New Jersey is no exception. Foreign-owned companies make significant investments in New Jersey to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed hundreds of thousands of workers in New Jersey in 2019, including:

- 44,500 workers employed by companies based in France;
- 40,800 workers employed by companies based in the United Kingdom;
- 32,100 workers employed by companies based in Canada;
- 31,900 workers employed by companies based in Switzerland;
- 30,600 workers employed by companies based in Germany.

**Foreign-Owned Companies Employed 294,700 New Jersey Workers Across Many Industries, 2019**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>103,800</td>
</tr>
<tr>
<td>Other</td>
<td>68,100</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>33,600</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>32,700</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>31,100</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>14,900</td>
</tr>
<tr>
<td>Information</td>
<td>10,400</td>
</tr>
</tbody>
</table>

**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>ABB Inc.</td>
<td>Electronic products parts manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Amcor Flexibles</td>
<td>Packaging manufacturing</td>
<td>Australia</td>
</tr>
<tr>
<td>BASF Corporation (HQ)</td>
<td>Chemical products manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Bayer Corporation (HQ)</td>
<td>Pharmaceutical manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Corbion USA Inc.</td>
<td>Food product manufacturing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Evonik Corporation (HQ)</td>
<td>Chemical product manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Sappi Fine Paper North America</td>
<td>Paper products manufacturing</td>
<td>South Africa</td>
</tr>
<tr>
<td>Siemens Industry, Inc.</td>
<td>Research and development services</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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Population and Purchasing Power: Derived from World Bank population and GDP estimates


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/cdexports-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)

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