HOW NEW YORK'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 York 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 York.

Trade Creates & Supports Jobs in New York

- **International trade, including exports and imports, supports 2,512,800 New York jobs – more than 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 York’s globally engaged firms. (See New York Jobs Depend On Two-Way Trade)

- **New York exported $62.0 billion in goods and $85.7 billion in services in 2017, including miscellaneous manufactured commodities, apparel accessories, clay & refractory products and management & advisory services.** Of New York’s 36,739 exporters, 94 percent are small- and medium-sized companies with less than 500 workers. (See New York Businesses Grow With Exports)

- **Customers in 215 countries and territories buy New York-made goods and services, including billions of dollars in annual exports to top markets like Canada, the United Kingdom and Hong Kong. New York’s exports have grown at an average annual rate of 3.4 percent since 2007.** (See New York Companies Export Throughout The World)

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from New York to partner countries.** In 2017, $21.1 billion of New York’s goods exports, or 34 percent, went to FTA partners. (See New York Needs Trade Agreements To Grow)

- **Foreign-owned companies invest and build facilities and employ 499,100 workers in New York.** (See Foreign Investment In New York Creates Jobs)

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NEW YORK 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 York

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

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

- New York’s trade-related employment grew 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

2,512,800
Number of Jobs in New York Supported by Trade

Share of Jobs Tied to Trade
Increased 94 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>494,400</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>439,700</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>204,800</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>186,100</td>
</tr>
<tr>
<td>Communications</td>
<td>86,100</td>
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</tbody>
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Overview

New York exported an estimated $62.0 billion in goods and $85.7 billion in services in 2017. Between 2007 and 2017, New York goods exports have increased by 2 percent and services exports by 69 percent. Large companies now account for 45 percent of the value of New York'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 York Exports

- New York ranks among the top 5 state exporters in 21 industries, including first in miscellaneous manufactured commodities ($22.1 billion), second in apparel accessories ($32 million), second in clay & refractory products ($281 million), and second in footwear ($64 million).
- New York is America’s 31st largest exporter of agricultural products. It is the fifth largest exporter of poultry & eggs, the seventh largest exporter of miscellaneous animal products, the eighth largest exporter of cattle, and the tenth largest exporter of fruits & tree nuts.
- One of New York’s fastest growing export categories is communications equipment, which increased by 127 percent since 2007. In 2017, exports of these products reached $1.9 billion.

By the Numbers

36,739
Number of New York Businesses that Exported in 2016

94%
Share of New York Exporters that are Small- & Medium-Sized Businesses

Top New York Exports, 2017
Goods
- Misc. Manufactured Commodities $22.1 billion
- Nonferrous Metal Products $4.7 billion
- Aerospace Products & Parts $2.2 billion
- Navigational & Meas. Instruments $1.9 billion
- Communications Equipment $1.9 billion

Services
- Mgmt. & Advisory Services $18.3 billion
- Travel $15.8 billion
- Misc. Financial Services $7.1 billion

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In 2017, New York companies sold their products in 215 countries and territories.

**Top export markets include:**

- **Canada**
  - Goods Exports: $9.5 billion
  - Services Exports: $7.1 billion

- **Switzerland**
  - Goods Exports: $4.1 billion
  - Services Exports: $2.1 billion

- **China**
  - Goods Exports: $3.1 billion
  - Services Exports: $5.0 billion

- **Mexico**
  - Goods Exports: $3.1 billion
  - Services Exports: $3.0 billion

- **United Kingdom**
  - Goods Exports: $4.2 billion
  - Services Exports: $10.3 billion

- **Hong Kong**
  - Goods Exports: $7.4 billion
  - Services Exports: $1.1 billion

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

- New York's exports have grown at an average annual rate of 3.4 percent since 2007.
- New York's top export markets for goods are Canada, Hong Kong, and Israel. Its top market for services is the United Kingdom.
- New York's goods exports to Hong Kong have grown by 12 percent per year since 2007, while New York's services exports to China have grown by 18 percent per year.

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NEW YORK 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 York.

- Services, especially transportation from New York’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 York family of four more than $10,000 per year.
- Imports help keep prices down for New York 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 34,878 in New York) imported products...

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NEW YORK 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, $21.1 billion of New York’s goods exports, or 34 percent, went to FTA partners.
- Since 2007, New York’s goods exports to countries with FTAs in effect with the United States in 2017 have dropped by 4 percent.
- But New York’s goods exports to Canada and Mexico have increased by $4.5 billion (55 percent) since NAFTA went into effect in 1994.
- New York’s goods exports to Bahrain have increased by 440 percent since the FTA took effect in 2006.
- New York’s exports to Korea of semiconductors & components have increased from $36 million to $221 million since the FTA went into effect in 2012.
- The Dominican Republic bought 48 percent of New York’s exports of miscellaneous crops in 2017.
- In 2017, $19.2 billion of New York’s services exports, or 22 percent, went to FTA partners.
- New York’s exports to Australia of credit-related services have increased from $22 million to $175 million, or by 680 percent, since 2006 (earliest year available).

By the Numbers

-4%
Change in New York Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of New York Goods, 2017

$45.26

$6.07

Non-FTA Countries

FTA Partner Countries*

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

In 2017, FTA partners purchased 7.5 times more goods per capita from New York than non-FTA partners.

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Overview

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

- 112,400 workers employed by companies based in the United Kingdom;
- 56,700 workers employed by companies based in France;
- 53,700 workers employed by companies based in Canada;
- 42,500 workers employed by companies based in Japan;
- 42,200 workers employed by companies based in Germany.

**Foreign-Owned Companies Employed 499,100 New York Workers Across Many Industries, 2016**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance &amp; Insurance</td>
<td>85,600</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>72,600</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>69,300</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>51,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>39,600</td>
</tr>
<tr>
<td>Information</td>
<td>35,700</td>
</tr>
<tr>
<td>Other</td>
<td>145,400</td>
</tr>
</tbody>
</table>

**Selected Foreign-Owned Companies Employing Workers in New York**

<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</td>
<td>Defense Products Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Konica Minolta Business Solutions</td>
<td>Office Equipment Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>National Grid USA Service Co.</td>
<td>Energy Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Random House</td>
<td>Publishing Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Schindler Elevator Corporation</td>
<td>Elevator Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electronics and Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Suntory International Corporation</td>
<td>Beverage Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td>Research Services</td>
<td>Japan</td>
</tr>
<tr>
<td>Turner Construction Co.</td>
<td>Construction Services</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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[www.brt.org/trade](http://www.brt.org/trade)
DATA SOURCES

NEW YORK JOBS DEPEND ON TWO-WAY TRADE


NEW YORK 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)


NEW YORK COMPANIES EXPORT THROUGHOUT THE WORLD


NEW YORK 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 YORK NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN NEW YORK 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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