HOW NEW YORK'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 York 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 York. 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 York recover as well.

Trade Creates & Supports Jobs in New York

- **International trade, including exports and imports, supported 2,778,500 New York 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 York's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in New York. *(See New York Jobs Depend On Two-Way Trade)*

- **New York exported $59.2 billion in goods and $105 billion in services in 2019,** including miscellaneous manufactured commodities, nonferrous metal products, navigational and measurement instruments and financial management and advisory services. Of New York's 35,721 exporters, 93 percent are small- and medium-sized companies with less than 500 workers. *(See New York Businesses Grow With Exports)*

- **Customers in 210 countries and territories buy New York-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Hong Kong, and Switzerland. New York's exports have grown 0.6 percent per year since 2010. Policies that help New York 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 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 and Families Benefit from Imports)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from New York to partner countries.** In 2019, $21 billion of New York's goods exports, or 36 percent, went to FTA partners. *(See New York Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 531,300 workers in New York.** *(See Foreign Investment In New York Creates Jobs)*

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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 York. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in New York and help it recover faster.

Trade Creates & Supports Jobs in New York
- Export growth increases jobs by generating new business for New York’s manufacturers, services 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 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.”

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NEW YORK BUSINESSES GROW WITH EXPORTS

Overview

New York exported an estimated $59.2 billion in goods and $105 billion in services in 2019. Between 2010 and 2019, New York goods exports have remained constant and services exports increased by 48 percent. Large companies now account for 43 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 25 industries, including first in miscellaneous manufactured commodities ($20.3 billion) and clay and refractory products ($406 million) and second in printed matter and related products ($401 million) and timber and logs ($127 million).
- New York is America’s 33rd largest exporter of agricultural products. It is the third largest exporter of swine, the sixth largest exporter of poultry and eggs, the sixth largest exporter of miscellaneous animal products, and the 11th largest exporter of fruits and tree nuts.
- New York is the top state export of many services sectors, including financial management and advisory services, miscellaneous financial services, credit-related services, advertising, securities transactions, air freight and port services, legal services, and insurance services.
- One of New York’s fastest growing export categories is bakery and tortilla products, which increased by 86 percent since 2010. In 2019, exports of these products reached $147 million.

By the Numbers

35,721
Number of New York Businesses that Exported in 2018

93%
Share of New York Exporters that Are Small- & Medium-Sized Businesses

Top New York Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misc. Manufactured Commodities</td>
<td>$20.3 billion</td>
</tr>
<tr>
<td>Nonferrous Metal Products</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$1.8 billion</td>
</tr>
<tr>
<td>Scrap Products</td>
<td>$1.7 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Mgmt. &amp; Advisory Services</td>
<td>$18.4 billion</td>
</tr>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$10.5 billion</td>
</tr>
<tr>
<td>Misc. Financial Services</td>
<td>$7.9 billion</td>
</tr>
</tbody>
</table>

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In 2019, New York companies sold their products in 210 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $10.0 billion, Services Exports: $9.2 billion
- **United Kingdom**: Goods Exports: $2.9 billion, Services Exports: $12.9 billion
- **China**: Goods Exports: $2.8 billion, Services Exports: $5.9 billion
- **Switzerland**: Goods Exports: $4.7 billion, Services Exports: $2.8 billion
- **Hong Kong**: Goods Exports: $5.4 billion, Services Exports: $1.8 billion
- **Japan**: Goods Exports: $1.6 billion, Services Exports: $5.0 billion

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

- New York's annual exports grew 0.6 percent per year since 2010.
- New York's top export markets for goods are Canada, Hong Kong, and Switzerland. Its top market for services is the United Kingdom.
- New York's goods exports to Vietnam have grown by 12 percent per year since 2010, while New York's services exports to China have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help New York businesses, workers, and farmers reach the growing number of customers around the world.

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NEW YORK COMPANIES AND FAMILIES BENEFIT FROM IMPORTS

Overview

Imports provide a variety of benefit for New York companies and families. Imported consumer goods help keep prices down for New York families while increasing choices for foods and other products that are not available locally. Imported inputs help New York 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 York Families Benefit from Imports

- In 2019, 48 percent of New York's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving New York 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 York 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, 36,942 New York companies imported goods from 225 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 York Exports and Imports are Linked Through Global Value Chains

- In 2019, 52 percent of New York goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of New York's top imports are critical components for New York exports. Conversely, New York exports of raw materials and parts may return to the United States in imported finished goods.

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Imports: Engine parts ($95M in 2019)
Exports: Combustion engines ($1.1B in 2019)
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. New York 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 York and United States.

• In 2019, $21 billion of New York’s goods exports, or 36 percent, went to FTA partners.

• Since 2010, New York’s goods exports to countries with FTAs in effect with the United States in 2019 have decreased by 2 percent.

• New York’s exports to Canada and Mexico have increased by $5.0 billion (62 percent) since NAFTA went into effect in 1994.

• New York’s exports to Oman have increased by 225 percent – from $17 million to $55 million – since the FTA with Oman took effect in 2009.

• New York’s exports to Australia of communications equipment have increased from $4.4 million to $61 million since the FTA with Australia went into effect in 2005.

• Israel bought 43 percent – $74 million out of $172 million – of New York’s exports of miscellaneous transportation equipment in 2019.

• In 2019, $24.0 billion of New York’s services exports, or 23 percent, went to FTA partners.

• New York’s exports to Singapore of advertising services have increased from $22 million to $692 million, or by about 30 times, since 2006 (earliest year available).

By the Numbers

-2%

Change in New York Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of New York Goods, 2019

$45.23

$5.54

Non-FTA Countries

FTA Partner Countries

* U.S. FTAs in effect with countries in 2019.

In 2019, FTA partners purchased 8.2 times more goods per capita from New York 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 York is no exception. Foreign-owned companies make significant investments in New York 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 York in 2019, including:

- 105,400 workers employed by companies based in the United Kingdom;
- 61,200 workers employed by companies based in Canada;
- 53,800 workers employed by companies based in France;
- 48,600 workers employed by companies based in Germany;
- 44,700 workers employed by companies based in Japan.

Foreign-Owned Companies Employed 531,300 New York Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>147,400</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>94,200</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>84,300</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>79,900</td>
</tr>
<tr>
<td>Information</td>
<td>43,600</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>42,500</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>39,500</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>Bombardier</td>
<td>Transportation equipment manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Hill+Knowlton Strategies (HQ)</td>
<td>Business services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>HSBC Bank USA, N.A</td>
<td>Financial services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>KPMG LLP (HQ)</td>
<td>Business consulting services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>LexisNexis (HQ)</td>
<td>Information services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Penguin Random House LLC (HQ)</td>
<td>Information services</td>
<td>Germany</td>
</tr>
<tr>
<td>Republic Steel</td>
<td>Steel product manufacturing</td>
<td>Mexico</td>
</tr>
<tr>
<td>Tim Hortons Inc.</td>
<td>Food retailing</td>
<td>Canada</td>
</tr>
</tbody>
</table>

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NEW YORK JOBS DEPEND ON TWO-WAY TRADE

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


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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