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 Rhode Island 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 Rhode Island.

Trade Creates & Supports Jobs in Rhode Island

- **International trade, including exports and imports, supports 128,100 Rhode Island jobs – one in five.** These trade-related jobs grew eight 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 Rhode Island’s globally engaged firms. *(See Rhode Island Jobs Depend On Two-Way Trade)*

- **Rhode Island exported $2.4 billion in goods and $1.9 billion in services in 2017, including scrap products, furniture related products, marine products and travel services.** Of Rhode Island’s 1,640 exporters, 87 percent are small- and medium-sized companies with less than 500 workers. *(See Rhode Island Businesses Grow With Exports)*

- **Customers in 151 countries and territories buy Rhode Island-made goods and services, including billions of dollars in annual exports to top markets like Canada, China and Mexico.** Rhode Island’s exports have grown more than two times faster than state GDP since 2007. *(See Rhode Island Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Rhode Island to partner countries.** In 2017, $1.2 billion of Rhode Island's goods exports, or 50 percent, went to FTA partners. This represents an increase of 52 percent since 2007. *(See Rhode Island Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 26,500 workers in Rhode Island.** *(See Foreign Investment In Rhode Island Creates Jobs)*

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org  
www.brt.org/trade
RHODE ISLAND 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 Rhode Island

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

- One in five Rhode Island jobs depends upon international trade.

- Rhode Island's trade-related employment grew eight 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

128,100
Number of Jobs in Rhode Island Supported by Trade

Share of Jobs Tied to Trade
Increased 115 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>27,500</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>21,600</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>9,200</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>7,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,700</td>
</tr>
</tbody>
</table>

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Overview

Rhode Island exported an estimated $2.4 billion in goods and $1.9 billion in services in 2017. Between 2007 and 2017, Rhode Island goods exports have increased by 44 percent and services exports by 70 percent. Large companies now account for 37 percent of the value of Rhode Island'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 Rhode Island Exports

- Rhode Island ranks among the top half of state exporters in 10 industries, including tenth in scrap products ($489 million), 14th in furniture related products ($3.5 million), 14th in marine products ($34 million), and 14th in ships & boats ($39 million).
- Rhode Island is America’s 49th largest exporter of agricultural products. It is the 29th largest exporter of aquaculture, the 33rd largest exporter of fruits & tree nuts, the 46th largest exporter of sheep, goats & fine animal hair, and the 48th largest exporter of vegetables & melons.
- One of Rhode Island's fastest growing export categories is household appliances, which increased by 692 percent since 2007. In 2017, exports of these products reached $39 million.

By the Numbers

1,640
Number of Rhode Island Businesses that Exported in 2016

Share of Rhode Island Exporters that are Small- & Medium-Sized Businesses

Top Rhode Island Exports, 2017

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scrap Products</td>
<td>$489 million</td>
</tr>
<tr>
<td>Misc. Manufactured Commodities</td>
<td>$328 million</td>
</tr>
<tr>
<td>Nonferrous Metal Products</td>
<td>$218 million</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medicines</td>
<td>$147 million</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$105 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$689 million</td>
</tr>
<tr>
<td>Mgmt. &amp; Advisory Services</td>
<td>$195 million</td>
</tr>
<tr>
<td>Insurance Services</td>
<td>$131 million</td>
</tr>
</tbody>
</table>

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In 2017, Rhode Island companies sold their products in 151 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $491 million, Services Exports: $150 million
- **United Kingdom**: Goods Exports: $88 million, Services Exports: $177 million
- **China**: Goods Exports: $166 million, Services Exports: $166 million
- **Mexico**: Goods Exports: $220 million, Services Exports: $97 million
- **Dominican Republic**: Goods Exports: $230 million, Services Exports: $4.6 million
- **Germany**: Goods Exports: $119 million, Services Exports: $67 million

**Fast Facts: How Exports Help the Rhode Island Economy Grow**

- Goods and services exports accounted for 7.2 percent of Rhode Island’s state GDP in 2017.
- Rhode Island's exports have grown more than two times faster than state GDP since 2007. The average annual export growth during this period was 5.0 percent, while the average annual state GDP growth was 2.2 percent.
- Rhode Island’s top export markets for goods are Canada, the Dominican Republic, and Mexico. Its top market for services is the United Kingdom.
- Rhode Island’s goods exports to the Dominican Republic have grown by 24 percent per year since 2007, while Rhode Island's services exports to China have grown by 19 percent per year.

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[www.brt.org/trade](http://www.brt.org/trade)
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 Rhode Island.

- Services, especially transportation from Rhode Island’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 Rhode Island family of four more than $10,000 per year.
- Imports help keep prices down for Rhode Island 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 1,497 in Rhode Island) imported products...

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

<table>
<thead>
<tr>
<th>Imports Decrease Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>-87.9%</td>
</tr>
<tr>
<td>-63.3%</td>
</tr>
<tr>
<td>-44.7%</td>
</tr>
</tbody>
</table>

- Decrease in the Price of Toys Between 2007 and 2017.

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, $1.2 billion of Rhode Island's goods exports, or 50 percent, went to FTA partners.

- Since 2007, Rhode Island's goods exports to countries with FTAs in effect with the United States in 2017 have increased by 52 percent.

- Rhode Island's goods exports to Canada and Mexico have increased by $383 million (116 percent) since NAFTA went into effect in 1994.

- Rhode Island’s goods exports to Korea have increased by 96 percent since the FTA took effect in 2012.

- Rhode Island’s exports to the Dominican Republic of miscellaneous manufactured commodities have increased from $29 million to $221 million since DR-CAFTA went into effect for the Dominican Republic in 2007.

- Singapore bought 22 percent of Rhode Island's exports of basic chemicals in 2017.

- In 2017, $475 million of Rhode Island’s services exports, or 25 percent, went to FTA partners.

- Rhode Island’s exports to Australia of travel services have increased from $12 million to $31 million, or by 153 percent, since 2006 (earliest year available).

By the Numbers

52%

Increase in Rhode Island Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Rhode Island Goods, 2017

$2.52

$0.18

Non-FTA Countries  FTA Partner Countries*

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

In 2017, FTA partners purchased 14.3 times more goods per capita from Rhode Island than non-FTA partners.
Overview

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

- 4,700 workers employed by companies based in the United Kingdom;
- 4,300 workers employed by companies based in France;
- 1,500 workers employed by companies based in Canada;
- 1,400 workers employed by companies based in Japan;
- 1,000 workers employed by companies based in Germany.

Selected Foreign-Owned Companies Employing Workers in Rhode Island

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammeraal Beltech</td>
<td>Conveyer Belt Manufacturing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Biowater Technology</td>
<td>Water Treatment Consulting</td>
<td>Norway</td>
</tr>
<tr>
<td>Downpour</td>
<td>Broadcasting/Audio Book Publishing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Fujifilm Electronic Materials</td>
<td>Electronic Components Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Glencore Recycling</td>
<td>Recycling Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Harris Rebar, Inc.</td>
<td>Steel Product Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Hexagon Metrology</td>
<td>Measuring Instrument Manufacturing</td>
<td>Sweden</td>
</tr>
<tr>
<td>National Grid</td>
<td>Energy Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Swarovski U.S. Limited</td>
<td>Crystal Manufacturing</td>
<td>Austria</td>
</tr>
<tr>
<td>Toray Plastics America</td>
<td>Plastics Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>Umicore USA Inc.</td>
<td>Metal Manufacturing</td>
<td>Belgium</td>
</tr>
<tr>
<td>Unetixs Vascular Inc.</td>
<td>Medical Device Manufacturing</td>
<td>India</td>
</tr>
</tbody>
</table>

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RHODE ISLAND 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)


RHODE ISLAND COMPANIES EXPORT THROUGHOUT THE WORLD


RHODE ISLAND 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/)

RHODE ISLAND NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN RHODE ISLAND 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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