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 Rhode Island 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 Rhode Island. 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 Rhode Island recover as well.

Trade Creates & Supports Jobs in Rhode Island

- **International trade, including exports and imports, supported 137,300 Rhode Island jobs – more than one in five in 2019.** These trade-related jobs grew eight 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 Rhode Island’s globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Rhode Island. *(See Rhode Island Jobs Depend On Two-Way Trade)*

- **Rhode Island exported $2.6 billion in goods and $2.2 billion in services in 2019,** including scrap products, miscellaneous manufactured commodities, pharmaceuticals and medicines and personal travel and tourism services. Of Rhode Island’s 1,976 exporters, 88 percent are small- and medium-sized companies with less than 500 workers. *(See Rhode Island Businesses Grow With Exports)*

- **Customers in 166 countries and territories buy Rhode Island-made goods and services,** including billions of dollars in annual exports to top markets like Canada, the Dominican Republic and Italy. Rhode Island’s exports have grown 1.4 percent per year since 2010. Policies that help Rhode Island businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(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 and Families Benefit from Imports)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Rhode Island to partner countries.** In 2019, $1.2 billion of Rhode Island’s goods exports, or 46 percent, went to FTA partners. This represents an increase of 30 percent since 2010. *(See Rhode Island Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 28,200 workers in Rhode Island.** *(See Foreign Investment In Rhode Island Creates Jobs)*

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org www.brt.org/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 Rhode Island. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Rhode Island and help it recover faster.

Trade Creates & Supports Jobs in RI

- Export growth increases jobs by generating new business for Rhode Island’s manufacturers, services 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.
- More than 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 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

137,300
Number of Jobs in Rhode Island Supported by Trade

Share of Jobs Tied to Trade
Increased 125 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>1992</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.3%</td>
<td>20.9%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>28,000</td>
</tr>
<tr>
<td>Business and professional services</td>
<td>27,900</td>
</tr>
<tr>
<td>Education and health services</td>
<td>27,200</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>15,500</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>8,200</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview
Rhode Island exported an estimated $2.6 billion in goods and $2.2 billion in services in 2019. Between 2010 and 2019, Rhode Island goods exports have increased by 36 percent and services exports by 36 percent. Large companies now account for 46 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 seventh in scrap products ($782 million), 12th in furniture related products ($3.5 million), 14th in marine products ($33 million), and 16th in miscellaneous manufactured commodities ($335 million).
- Rhode Island ranks among the top half of state exporters in several services sectors, including 13th in securities transactions ($99 million), 17th in financial management and advisory services ($219 million), and 18th in ocean freight and port services ($89 million).
- One of Rhode Island's fastest growing export categories is pharmaceuticals and medicines, which increased by about 1,350 percent since 2010. In 2019, exports of these products reached $210 million.

By the Numbers

1,976
Number of Rhode Island Businesses that Exported in 2018

88%
Share of Rhode Island Exporters that Are Small- & Medium-Sized Businesses

Top Rhode Island Exports, 2019
Goods
- Scrap Products $782 million
- Misc. Manufactured Commodities $335 million
- Pharmaceuticals & Medicines $210 million
- Nonferrous Metal Products $163 million
- Basic Chemicals $134 million

Services
- Personal Travel & Tourism $471 million
- Education $260 million
- Financial Mgmt. & Advisory Services $219 million

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In 2019, Rhode Island companies sold their products in 166 countries and territories.

Top export markets include:

**CANADA**
- Goods Exports: $589 million
- Services Exports: $182 million

**UNITED KINGDOM**
- Goods Exports: $67 million
- Services Exports: $215 million

**CHINA**
- Goods Exports: $156 million
- Services Exports: $195 million

**MEXICO**
- Goods Exports: $188 million
- Services Exports: $108 million

**DOMINICAN REPUBLIC**
- Goods Exports: $229 million
- Services Exports: $5.8 million

**GERMANY**
- Goods Exports: $140 million
- Services Exports: $107 million

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

- Goods and services exports accounted for 7.8 percent of Rhode Island’s state GDP in 2019.
- Rhode Island’s annual exports grew 1.4 percent per year since 2010.
- Rhode Island’s top export markets for goods are Canada, the Dominican Republic, and Italy. Its top market for services is the United Kingdom.
- Rhode Island’s goods exports to Ireland have grown by 52 percent per year since 2010, while Rhode Island’s services exports to the United Kingdom have grown by 9 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Rhode Island businesses, workers, and farmers reach the growing number of customers around the world.

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www.brt.org/trade
Overview

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

Rhode Island Families Benefit from Imports

- In 2019, 18 percent of Rhode Island’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Rhode Island 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 Rhode Island 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, 1,500 Rhode Island companies imported goods from 124 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.

Rhode Island Exports and Imports are Linked Through Global Value Chains

- In 2019, 82 percent of Rhode Island goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Rhode Island’s top imports are critical components for Rhode Island exports. Conversely, Rhode Island exports of raw materials and parts may return to the United States in imported finished goods.

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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. Rhode Island 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 Rhode Island and United States.

- In 2019, $1.2 billion of Rhode Island's goods exports, or 46 percent, went to FTA partners.
- Since 2010, Rhode Island's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 30 percent.
- Rhode Island's exports to Canada and Mexico have increased by $448 million (136 percent) since NAFTA went into effect in 1994.
- Rhode Island's exports to the Dominican Republic have increased by 591 percent – from $33 million to $229 million – since the FTA with the Dominican Republic took effect in 2007.
- Rhode Island's exports to Korea of pharmaceuticals and medicines have increased from $18,000 to $20 million since the FTA with Korea went into effect in 2012.
- The Dominican Republic bought 65 percent – $219 million out of $335 million – of Rhode Island's exports of miscellaneous manufactured commodities (e.g., jewelry) in 2019.
- In 2019, $534 million of Rhode Island's services exports, or 24 percent, went to FTA partners.
- Rhode Island's exports to Australia of personal travel have increased from $6.5 million to $27 million, or by 309 percent, since 2006 (earliest year available).

By the Numbers

30%  
Increase in Rhode Island Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Rhode Island Goods, 2019

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Per Capita</td>
<td>$0.21</td>
<td>$2.59</td>
</tr>
</tbody>
</table>

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

In 2019, FTA partners purchased 12.5 times more goods per capita from Rhode Island than non-FTA partners.

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FOREIGN INVESTMENT IN RHODE ISLAND CREATES JOBS

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.

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

• 4,800 workers employed by companies based in France;
• 4,600 workers employed by companies based in the United Kingdom;
• 2,600 workers employed by companies based in Canada;
• 2,100 workers employed by companies based in Japan;
• 1,400 workers employed by companies based in Germany.

Foreign-Owned Companies Employed 28,200 Rhode Island Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>7,600</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>6,800</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6,700</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>3,100</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,700</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>1,600</td>
</tr>
<tr>
<td>Information</td>
<td>700</td>
</tr>
</tbody>
</table>

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>Dewetron, Inc. (HQ)</td>
<td>Testing services</td>
<td>Austria</td>
</tr>
<tr>
<td>East Side Clinical Laboratory</td>
<td>Medical services</td>
<td>Australia</td>
</tr>
<tr>
<td>Hexagon Manufacturing Intelligence Inc. (HQ)</td>
<td>Business advisory services</td>
<td>Sweden</td>
</tr>
<tr>
<td>Holcim US Inc.</td>
<td>Cement manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Irving Oil Corporation</td>
<td>Fuel distribution services</td>
<td>Canada</td>
</tr>
<tr>
<td>Santander Bank, N. A.</td>
<td>Financial services</td>
<td>Spain</td>
</tr>
<tr>
<td>Sihl Inc. (HQ)</td>
<td>Print media manufacturing</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>

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RHODE ISLAND JOBS DEPEND ON TWO-WAY TRADE

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


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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