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 Vermont 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 Vermont.

Trade Creates & Supports Jobs in Vermont

- **International trade, including exports and imports, supports 89,300 Vermont jobs – more than one in five.** These trade-related jobs grew more than 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 Vermont's globally engaged firms. *(See Vermont Jobs Depend On Two-Way Trade)*

- **Vermont exported $2.8 billion in goods and $998 million in services in 2017, including semiconductors & components, sugar & confectionery products, cattle and travel services.** Of Vermont's 1,086 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. *(See Vermont Businesses Grow With Exports)*

- **Customers in 139 countries and territories buy Vermont-made goods and services,** including billions of dollars in annual exports to top markets like Canada, China and Hong Kong. *(See Vermont Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Vermont to partner countries.** In 2017, $1.4 billion of Vermont's goods exports, or 51 percent, went to FTA partners. *(See Vermont Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 11,100 workers in Vermont.** *(See Foreign Investment In Vermont 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 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 Vermont

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

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

- Vermont’s trade-related employment grew more than 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

89,300
Number of Jobs in Vermont 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 Tied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; Distribution</td>
<td>20,100</td>
</tr>
<tr>
<td>Prof., Scient. &amp; Tech. Services</td>
<td>11,200</td>
</tr>
<tr>
<td>Personal &amp; Rec. Services</td>
<td>6,100</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4,400</td>
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Overview

Vermont exported an estimated $2.8 billion in goods and $998 million in services in 2017. Between 2007 and 2017, Vermont goods exports have decreased by 25 percent, but services exports increased by 65 percent. Large companies now account for 77 percent of the value of Vermont'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 Vermont Exports

- Vermont ranks among the top half of state exporters in eight industries, including seventh in semiconductors & components ($1.6 billion), 11th in sugar & confectionery products ($62 million), 16th in cattle ($4.0 million), and 19th in dairy products ($63 million).
- Vermont is America’s 47th largest exporter of agricultural products. It is the 16th largest exporter of cattle, the 26th largest exporter of aquaculture, the 29th largest exporter of poultry & eggs, and the 34th largest exporter of fruits & tree nuts.
- One of Vermont's fastest growing export categories is pharmaceuticals & medicines, which increased by 179 percent since 2007. In 2017, exports of these products reached $26 million.

By the Numbers

**1,086**

Number of Vermont Businesses that Exported in 2016

**86%**

Share of Vermont Exporters that are Small- & Medium-Sized Businesses

<table>
<thead>
<tr>
<th>Top Vermont Exports, 2017</th>
<th>Goods</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Semiconductors &amp; Components</td>
<td>Travel</td>
</tr>
<tr>
<td></td>
<td>$1.6 billion</td>
<td>$471 million</td>
</tr>
<tr>
<td></td>
<td>Navigational &amp; Meas. Instruments</td>
<td>$121 million</td>
</tr>
<tr>
<td></td>
<td>$80 million</td>
<td>Mgmt. &amp; Consulting Services</td>
</tr>
<tr>
<td></td>
<td>$71 million</td>
<td>$112 million</td>
</tr>
<tr>
<td></td>
<td>Dairy Products</td>
<td>Equip. Install., Maint., &amp; Repair</td>
</tr>
<tr>
<td></td>
<td>$63 million</td>
<td>$44 million</td>
</tr>
</tbody>
</table>

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In 2017, Vermont companies sold their products in 139 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $1.1 billion
  - Services Exports: $82 million

- **China**
  - Goods Exports: $202 million
  - Services Exports: $85 million

- **Korea**
  - Goods Exports: $174 million
  - Services Exports: $36 million

- **United Kingdom**
  - Goods Exports: $77 million
  - Services Exports: $81 million

- **Malaysia**
  - Goods Exports: $173 million
  - Services Exports: $4.4 million

- **Hong Kong**
  - Goods Exports: $258 million
  - Services Exports: $11 million

**Fast Facts: How Exports Help the Vermont Economy Grow**

- Goods and services exports accounted for 11.5 percent of Vermont's state GDP in 2017.
- Vermont's top export markets for goods are Canada, Hong Kong, and China. Its top market for services is China.
- Vermont's goods exports to the Netherlands have grown by 31 percent per year since 2007, while Vermont's services exports to China have grown by 20 percent per year.

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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 Vermont.

- Services such as transportation, 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 Vermont family of four more than $10,000 per year.
- Imports help keep prices down for Vermont families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

Imports Decrease Prices

- **-87.9%** Decrease in the Price of Televisions Between 2007 and 2017.
- **-44.7%** 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, $1.4 billion of Vermont’s goods exports, or 51 percent, went to FTA partners.

- Since 2007, Vermont’s goods exports to countries with FTAs in effect with the United States in 2017 have declined by 33 percent.

- But Vermont’s goods exports to Australia have increased by 125 percent since the FTA took effect in 2005.

- Vermont’s exports to Peru of dairy products have increased from $556,000 to $5.7 million since the FTA went into effect in 2009.

- Korea bought 47 percent of Vermont’s exports of motor vehicle parts in 2017.

- In 2017, $271 million of Vermont’s services exports, or 27 percent, went to FTA partners.

- Vermont's exports to Korea of travel services have increased from $10 million to $22 million, or by 115 percent, since the FTA went into effect in 2012.

By the Numbers

-33%

Change in Vermont Goods Exports to FTA Partners Between 2007 and 2017

Per Capita Purchases of Vermont Goods, 2017

$3.03

$0.20

Non-FTA Countries  FTA Partner Countries*

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

In 2017, FTA partners purchased 15.2 times more goods per capita from Vermont than non-FTA partners.

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Overview
Foreign-owned companies invest significant amounts of capital to open or expand facilities in Vermont every year. Foreign-owned companies from around the world employed about 11,000 workers in Vermont, including:

- 2,100 workers employed by companies based in Canada;
- 1,200 workers employed by companies based in France;
- 1,000 workers employed by companies based in Switzerland;
- 800 workers employed by companies based in the Netherlands;
- 700 workers employed by companies based in Japan.

Foreign-Owned Companies Employed 11,100 Vermont Workers Across Many Industries, 2016

Selected Foreign-Owned Companies Employing Workers in Vermont

<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>Adecco Staffing</td>
<td>Employment Services</td>
<td>Switzerland</td>
</tr>
<tr>
<td>AirBoss Defense, Inc.</td>
<td>Rubber Products Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>Ben &amp; Jerry’s Homemade Inc.</td>
<td>Food Product Manufacturing</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Great-West Retirement Services</td>
<td>Insurance Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Husky Injection Molding Systems</td>
<td>Machinery Manufacturing</td>
<td>Canada</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>NSK Steering Systems America, Inc.</td>
<td>Motor Vehicle Parts Manufacturer</td>
<td>Japan</td>
</tr>
<tr>
<td>Omya Inc.</td>
<td>Mineral Manufacturer</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Phytron Inc.</td>
<td>Motor Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Velan Valve Corp.</td>
<td>Valve Manufacturing</td>
<td>Canada</td>
</tr>
</tbody>
</table>

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VERMONT JOBS DEPEND ON TWO-WAY TRADE


VERMONT 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)


VERMONT COMPANIES EXPORT THROUGHOUT THE WORLD


VERMONT 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/)

VERMONT NEEDS TRADE AGREEMENTS TO GROW


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

FOREIGN INVESTMENT IN VERMONT 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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