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 Vermont 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 Vermont. 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 Vermont recover as well.

Trade Creates & Supports Jobs in Vermont

- **International trade, including exports and imports, supported 86,800 Vermont jobs – 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 Vermont's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Vermont. (See Vermont Jobs Depend On Two-Way Trade)

- **Vermont exported $3.0 billion in goods and $1.1 billion in services in 2019,** including semiconductors and components, navigational and measurement instruments, miscellaneous manufactured commodities and personal travel and tourism services. Of Vermont's 1,103 exporters, 86 percent are small- and medium-sized companies with less than 500 workers. (See Vermont Businesses Grow With Exports)

- **Customers in 147 countries and territories buy Vermont-made goods and services,** including billions of dollars in annual exports to top markets like Canada, Taiwan and Hong Kong. Policies that help Vermont businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. (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 and Families Benefit from Imports)

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Vermont to partner countries.** In 2019, $1.5 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 15,100 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 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 Vermont. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Vermont and help it recover faster.

Trade Creates & Supports Jobs in Vermont

- Export growth increases jobs by generating new business for Vermont’s manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Vermont businesses compete and saving Vermont families real dollars at the cash register.
- One in five Vermont jobs depends upon international trade.
- Vermont’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.”

By the Numbers

86,800
Number of Jobs in Vermont Supported by Trade

Share of Jobs Tied to Trade
Increased 87 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>Years</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.5%</td>
</tr>
<tr>
<td>2019</td>
<td>19.7%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and recreational services</td>
<td>18,700</td>
</tr>
<tr>
<td>Education and health services</td>
<td>17,200</td>
</tr>
<tr>
<td>Business and professional services</td>
<td>14,700</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>11,500</td>
</tr>
<tr>
<td>Construction</td>
<td>6,000</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Vermont exported an estimated $3.0 billion in goods and $1.1 billion in services in 2019. Between 2010 and 2019, Vermont goods exports have decreased by 30 percent, while services exports increased by 30 percent. Large companies now account for 82 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 9 industries, including sixth in semiconductors and components ($1.8 billion), 14th in sugar and confectionery products ($47 million), 20th in knit apparel ($2.3 million), and 21st in veneer, plywood and engineered wood ($16 million).

- Vermont is America’s 48th largest exporter of agricultural products. It is the 28th largest exporter of cattle, the 30th largest exporter of poultry and eggs, the 34th largest exporter of fruits and tree nuts, and the 38th largest exporter of greenhouse and nursery products.

- One of Vermont's fastest growing export categories is commercial and service industry machinery, which increased by 245 percent since 2010. In 2019, exports of these products reached $46 million.

By the Numbers

1,103
Number of Vermont Businesses that Exported in 2018

86%
Share of Vermont Exporters that Are Small- & Medium-Sized Businesses

Top Vermont Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductors &amp; Components</td>
<td>$1.8 billion</td>
</tr>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$115 million</td>
</tr>
<tr>
<td>Misc. Manufactured Commodities</td>
<td>$107 million</td>
</tr>
<tr>
<td>Pulp &amp; Paperboard Mill Products</td>
<td>$81 million</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$80 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$329 million</td>
</tr>
<tr>
<td>Business Mgmt. &amp; Consulting Services</td>
<td>$138 million</td>
</tr>
<tr>
<td>Business Travel</td>
<td>$107 million</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2019, Vermont companies sold their products in 147 countries and territories.

Top export markets include:

- **Canada**
  - Goods Exports: $1.2 billion
  - Services Exports: $151 million

- **United Kingdom**
  - Goods Exports: $92 million
  - Services Exports: $92 million

- **China**
  - Goods Exports: $187 million
  - Services Exports: $86 million

- **Hong Kong**
  - Goods Exports: $198 million
  - Services Exports: $13 million

- **Korea**
  - Goods Exports: $195 million
  - Services Exports: $32 million

- **Taiwan**
  - Goods Exports: $374 million
  - Services Exports: $12 million

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

- Goods and services exports accounted for 12.1 percent of Vermont's state GDP in 2019.
- Vermont's top export markets for goods are Canada, Taiwan, and Hong Kong. Its top market for services is Canada.
- Vermont's goods exports to the United Kingdom have grown by 10 percent per year since 2010, while Vermont's services exports to India have grown by 10 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Vermont businesses, workers, and farmers reach the growing number of customers around the world.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview
Imports provide a variety of benefit for Vermont companies and families. Imported consumer goods help keep prices down for Vermont families while increasing choices for foods and other products that are not available locally. Imported inputs help Vermont 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.

Vermont Families Benefit from Imports
- In 2019, 32 percent of Vermont’s imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Vermont 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 Vermont 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, 1,074 Vermont companies imported goods from 115 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.

Vermont Exports and Imports are Linked Through Global Value Chains
- In 2019, 68 percent of Vermont goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Vermont’s top imports are critical components for Vermont exports. Conversely, Vermont exports of raw materials and parts may return to the United States in imported finished goods.

Imports: Turbojets and parts ($45M in 2019)
Exports: Aerospace products ($78M in 2019)

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
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. Vermont 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 Vermont and United States.

- In 2019, $1.5 billion of Vermont's goods exports, or 51 percent, went to FTA partners.
- Since 2010, Vermont's goods exports to countries with FTAs in effect with the United States in 2019 have decreased by 36 percent.
- Vermont's exports to Canada and Mexico have decreased by $868 million (-41 percent) since NAFTA went into effect in 1994.
- Vermont's exports to the Dominican Republic have increased by over 1,900 percent – from $516,000 to $11 million – since the FTA with the Dominican Republic took effect in 2007.
- Vermont's exports to Korea of semiconductors and parts have increased from $137 million to $169 million since the FTA with Korea went into effect in 2012.
- Canada bought 99 percent of Vermont's $47 million in exports of sugar and confectionery products in 2019.
- In 2019, $342 million of Vermont's services exports, or 31 percent, went to FTA partners.
- Vermont's exports to Australia of personal travel have increased from $4.4 million to $19 million, or by 319 percent, since 2006 (earliest year available).

By the Numbers

<table>
<thead>
<tr>
<th>Change in Vermont Goods Exports to FTA Partners Between 2010 and 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Purchases of Vermont Goods, 2019</td>
</tr>
</tbody>
</table>

-36%

- $3.26
- $0.21

Non-FTA Countries  FTA Partner Countries

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

In 2019, FTA partners purchased 15.3 times more goods per capita from Vermont than non-FTA partners.

Contact: Paul DeLANey, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
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.

Vermont is no exception. Foreign-owned companies make significant investments in Vermont to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed about 15,000 workers in Vermont in 2019, including:

- 2,200 workers employed by companies based in France;
- 1,700 workers employed by companies based in Canada;
- 800 workers employed by companies based in Switzerland;
- 700 workers employed by companies based in Germany;
- 600 workers employed by companies based in Japan.

Foreign-Owned Companies Employed 15,100 Vermont Workers Across Many Industries, 2019

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>6,000</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3,900</td>
</tr>
<tr>
<td>Other</td>
<td>3,800</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>500</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>400</td>
</tr>
<tr>
<td>Information</td>
<td>200</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>200</td>
</tr>
</tbody>
</table>

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>Barry Callebaut USA LLC</td>
<td>Food product manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Ben &amp; Jerry's Inc. (HQ)</td>
<td>Food product manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Green Mountain Power Corporation (HQ)</td>
<td>Energy services</td>
<td>Canada</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Business services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Swift Prepared Foods/Plumrose</td>
<td>Food product manufacturing</td>
<td>Denmark</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>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
VERMONT JOBS DEPEND ON TWO-WAY TRADE

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


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)

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade