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 New Jersey 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 New Jersey.

Why is International Trade & Investment Important to New Jersey?

- **International trade, including exports and imports, supports 1.2 million New Jersey jobs – more than 1 in 5.** These trade-related jobs grew 6.3 times faster than total employment from 2004 to 2013 and are at large and small companies, on farms, in factories, and at the headquarters of New Jersey's globally engaged firms. *(See New Jersey Jobs Depend On Two-Way Trade)*

- **New Jersey exported $35.4 billion in goods and $21.5 billion in services in 2013,** including nonferrous metals, basic chemicals, scrap products and travel services. Of New Jersey's 21,051 exporters, 92 percent are small- and medium-sized companies with less than 500 workers. *(See New Jersey Businesses Grow With Exports)*

- **Customers in 214 countries buy New Jersey-made goods and services,** including billions of dollars in annual exports to markets like Canada, Mexico and the Netherlands. Goods exports have grown three times faster than state GDP since 2003. *(See New Jersey Companies Export Throughout The World)*

- **Imports lower prices and increase choices for New Jersey companies and families.** Lower raw material and input costs help New Jersey 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 Jersey Companies And Workers Use Imports To Compete)*

- **Free trade agreements (FTAs) have helped fuel rapid export growth from New Jersey to partner countries.** In 2013, $13.3 billion of New Jersey's goods exports, or 38 percent, went to FTA partners. This represents a 95 percent increase since 2003. *(See New Jersey Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 225,100 workers in New Jersey.** *(See Foreign Investment In New Jersey Creates Jobs)*

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@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 Creates & Supports Jobs in New Jersey

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

- More than one in Five New Jersey jobs depend upon international trade.

- New Jersey's trade-related employment grew 6.3 times faster than total employment from 2004 to 2013.

- Jobs in U.S. exporting plants pay on average up to 18 percent more than similar jobs in non-exporting plants.

- 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

1.2 million

Number of Jobs in New Jersey Supported by Trade

Share of Jobs Tied to Trade
Increased 112% from 1992 to 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Jobs Tied to Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.7%</td>
</tr>
<tr>
<td>2013</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>123,800</td>
</tr>
<tr>
<td>Professional, Scientific, Tech Services</td>
<td>94,100</td>
</tr>
<tr>
<td>Management, Administrative Services</td>
<td>90,800</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>72,600</td>
</tr>
<tr>
<td>Real Estate, Rental Services</td>
<td>56,000</td>
</tr>
</tbody>
</table>

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org

www.brt.org/trade
New Jersey Businesses Grow with Exports

Overview

New Jersey exported an estimated $35.4 billion in goods and $21.5 billion in services in 2013. Between 2009 and 2013, New Jersey goods exports have increased by 34 percent and services exports by 25 percent. Large companies now account for 58 percent of the value of New Jersey'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 Jersey Exports

- New Jersey ranks among the top 5 state exporters in 10 industries, including first in soaps & cleaning products ($1.9 billion) and forestry products ($102 million) and second in misc. chemical preparations ($876 million) and printed matter ($575 million).

- New Jersey is America’s 39th largest exporter of agricultural products. It ranks among the top 10 exporters of horses, berries, and greenhouse products.

- One of New Jersey's fastest growing export categories is grain & oilseed milling products, which have increased by 32 percent per year since 2003. In 2013, exports of these products reached $361 million.

By the Numbers

21,051

Number of New Jersey Businesses that Exported in 2012

Share of New Jersey Exporters that are Small- & Medium-Sized Businesses

92%

Top New Jersey Exports, 2013

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum &amp; Coal Products</td>
<td>$4.0 billion</td>
</tr>
<tr>
<td>Nonferrous Metals</td>
<td>$2.6 billion</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>$2.6 billion</td>
</tr>
<tr>
<td>Scrap Products</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td>Soaps, Cleaning Agents &amp; Toiletries</td>
<td>$1.9 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$3.5 billion</td>
</tr>
<tr>
<td>Industrial Processes Royalties</td>
<td>$1.9 billion</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$1.8 billion</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
In 2013, New Jersey companies sold their products in 214 international markets. Top export markets include:

- **Canada**: Goods Exports: $6.5 billion, Services Exports: $2.0 billion
- **United Kingdom**: Goods Exports: $2.1 billion, Services Exports: $1.9 billion
- **Japan**: Goods Exports: $1.6 billion, Services Exports: $1.5 billion
- **Mexico**: Goods Exports: $2.2 billion, Services Exports: $880 million
- **Netherlands**: Goods Exports: $2.1 billion, Services Exports: $573 million
- **China**: Goods Exports: $1.5 billion, Services Exports: $1.1 billion

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

- Goods exports accounted for 6.5 percent of New Jersey's state GDP in 2013.
- New Jersey's goods exports have grown three times faster than state GDP since 2003. The average annual export growth during this period was 9.1 percent, while the average annual state GDP growth was 3.0 percent.
- New Jersey's top export markets for goods are Canada, Mexico, and Netherlands. Its top market for services is Canada.
- Among major export markets for New Jersey's goods, the United Arab Emirates has grown the fastest at 25 percent per year since 2003. Exports to the Netherlands grew by 20 percent per year, while exports to Mexico grew by 12 percent per year.

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
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New Jersey Companies & Workers Use Imports to Make Products and Compete in International Markets

Overview

In 2013, 60 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 New Jersey.

- Services, especially transportation from New Jersey's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2012, 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 New Jersey family of four more than $10,000 per year.
- Imports help keep prices down for New Jersey families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2012, nearly 186,000 U.S. companies (including 16,438 in New Jersey) imported products...

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

Imports Decrease Prices for Goods & Services

- **-86.9%** Decrease in the Price of Televisions Between 2003 and 2013.

- **-71.2%** Decrease in the Price of Computers Between 2003 and 2013.

- **-41.9%** Decrease in the Price of Toys Between 2003 and 2013.

Imports Increase Choices for Goods & Services

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www.brt.org/trade
Overview

The United States has some of the lowest trade barriers in the world. Overall U.S. trade with our 20 free trade agreement (FTA) partner countries supports 17.7 million 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 Jersey has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2013, $13.3 billion of New Jersey's goods exports, or 38 percent, went to FTA partners.
- Since 2003 New Jersey's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 95 percent.
- New Jersey's exports to Canada and Mexico have increased by $5.7 billion (196 percent) since NAFTA went into effect in 1994.
- New Jersey's exports to Chile have increased by 472 percent since the FTA with Chile took effect in 2004.
- New Jersey's exports to Singapore of soap and cleaning agents have increased by 646 percent since 2004 when the FTA with Singapore went into effect.
- Canada and Mexico combined to buy 86 percent of New Jersey's exports of specialty foods in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $21.3 billion, or 60 percent, of New Jersey's goods exports in 2013.

By the Numbers

95%
Increase in New Jersey Goods Exports to FTA Partners Between 2003 and 2013

Per Capita Purchases of U.S Goods, 2013

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$3.47</td>
<td>$30.21</td>
</tr>
</tbody>
</table>

* U.S. FTAs in effect with countries in 2013.

In 2013, FTA partners purchased 8.7 times more goods per capita from New Jersey than non-FTA partners.

Contact: David Thomas, Business Roundtable, 202-496-3262, dthomas@brt.org
www.brt.org/trade
Foreign Investment in New Jersey Creates Jobs

Overview

Foreign-owned companies invest significant amounts of capital to open or expand facilities in New Jersey every year. Foreign-owned companies from around the world employ hundreds of thousands of workers in New Jersey, including:

- 36,100 workers employed by companies based in the United Kingdom;
- 35,200 workers employed by companies based in Switzerland;
- 29,800 workers employed by companies based in France;
- 23,700 workers employed by companies based in Japan;
- 23,200 workers employed by companies based in Germany.

Foreign-Owned Companies Employ 225,100 New Jersey Workers Across Many Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>70,800</td>
</tr>
<tr>
<td>Other</td>
<td>52,600</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>30,900</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>28,400</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>20,200</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>11,800</td>
</tr>
<tr>
<td>Information</td>
<td>10,400</td>
</tr>
</tbody>
</table>

Selected Foreign-Owned Companies Employing Workers in New Jersey

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>3I Infotech</td>
<td>Software and Services</td>
<td>India</td>
</tr>
<tr>
<td>ABB</td>
<td>Machinery Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>BASF Corp.</td>
<td>Chemicals Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Canon Business Solutions, Inc.</td>
<td>Office Equipment Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>DRS C3 &amp; Aviation Co.</td>
<td>Aerospace Manufacturing</td>
<td>Italy</td>
</tr>
<tr>
<td>Gerresheimer Glass Inc.</td>
<td>Glass Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>LexisNexis</td>
<td>Information Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Maersk Logistics USA Inc.</td>
<td>Freight Services</td>
<td>Denmark</td>
</tr>
<tr>
<td>Panasonic Corporation of N.A.</td>
<td>Electronics Products Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Trader Joe's</td>
<td>Food Retailing</td>
<td>Germany</td>
</tr>
</tbody>
</table>

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Data Sources

NEW JERSEY JOBS DEPEND ON TWO-WAY TRADE


NEW JERSEY BUSINESSES GROW WITH EXPORTS

Small and Large Firms Partnering to Export (for 2007, 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 JERSEY COMPANIES EXPORT THROUGHOUT THE WORLD


NEW JERSEY COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS


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 JERSEY NEEDS TRADE AGREEMENTS TO GROW


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


FOREIGN INVESTMENT IN NEW JERSEY 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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