How New York's Economy Benefits from International Trade & Investment

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 York 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 York.

Why is International Trade & Investment Important to New York?

• International trade, including exports and imports, supports 2,709,200 New York jobs – nearly 1 in 4. These trade-related jobs grew 2.3 times faster than total employment from 2004 to 2014 and are at large and small companies, on farms, in factories, and at the headquarters of New York's globally engaged firms. (See New York Jobs Depend On Two-Way Trade)

• New York exported $71.9 billion in goods and $75.6 billion in services in 2014, including misc. manufactured commodities, nonferrous metals, aerospace products & parts and travel services. Of New York's 40,293 exporters, 94 percent are small- and medium-sized companies with less than 500 workers. (See New York Businesses Grow With Exports)

• Customers in 217 countries and territories buy New York-made goods and services, including billions of dollars in annual exports to top markets like Canada, Hong Kong and Switzerland. New York's goods exports have grown more than 80 percent faster than state GDP since 2004. (See New York Companies Export Throughout The World)

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

• Free trade agreements (FTAs) have helped fuel rapid export growth from New York to partner countries. In 2014, $24.0 billion of New York's goods exports, or 33 percent, went to FTA partners. This represents a 39 percent increase since 2004. (See New York Needs Trade Agreements To Grow)

• Foreign-owned companies invest and build facilities and employ 411,700 workers in New York. (See Foreign Investment In New York Creates Jobs)

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www.brt.org/trade
New York 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 Creates & Supports Jobs in New York

- Export growth increases jobs by generating new business for New York’s manufacturers, service providers and farmers. Imports support jobs and keep costs low, helping New York businesses compete and saving New York families real dollars at the cash register.
- Nearly one in four New York jobs depends upon international trade.
- New York’s trade-related employment grew 2.3 times faster than total employment from 2004 to 2014.
- Jobs in more export-intensive 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

2,709,200
Number of Jobs in New York Supported by Trade

Share of Jobs Tied to Trade
Increased 120 percent from 1992 to 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10.4%</td>
</tr>
<tr>
<td>2014</td>
<td>22.9%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>262,000</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>206,500</td>
</tr>
<tr>
<td>Professional, Scientific, Tech. Services</td>
<td>205,400</td>
</tr>
<tr>
<td>Management, Administrative Services</td>
<td>166,300</td>
</tr>
<tr>
<td>Real Estate, Rental Services</td>
<td>116,300</td>
</tr>
</tbody>
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New York Businesses Grow with Exports

Overview

New York exported an estimated $71.9 billion in goods and $75.6 billion in services in 2014. Between 2009 and 2014, New York goods exports have increased by 47 percent and services exports by 42 percent. Large companies now account for 37 percent of the value of New York'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 York Exports

- New York ranks among the top five state exporters in 23 industries, including first in misc. manufactured commodities ($24.4 billion), nonferrous metals ($9.5 billion), printed matter & related products ($623 million), and clay & refractory products ($305 million).
- New York is the second largest exporter of total services and the largest exporter of financial mgmt. & advisory services, securities transactions, misc. financial services, credit-related services, advertising, and others.
- New York is America’s 37th largest agricultural product exporter. It is the second largest exporter of apples and the 12th largest exporter of vegetables and melons.
- One of New York's fastest growing export categories is leather & hides, which have increased by 17 percent per year since 2004. In 2014, exports of these products reached $146 million.

By the Numbers

40,293
Number of New York Businesses that Exported in 2013

94%
Share of New York Exporters that are Small- & Medium-Sized Businesses

Top New York Exports, 2014

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misc. Manufactured Commodities</td>
<td>$24.4 billion</td>
</tr>
<tr>
<td>Nonferrous Metals</td>
<td>$9.5 billion</td>
</tr>
<tr>
<td>Aerospace Products &amp; Parts</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Scrap Products</td>
<td>$2.0 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$14.3 billion</td>
</tr>
<tr>
<td>Financial Mgmt. &amp; Advisory Services</td>
<td>$12.1 billion</td>
</tr>
<tr>
<td>Securities Transactions</td>
<td>$7.5 billion</td>
</tr>
</tbody>
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In 2014, New York companies sold their products in 217 countries and territories. Top export markets include:

- **Canada**
  - Goods Exports: $10.5 billion
  - Services Exports: $6.9 billion

- **United Kingdom**
  - Goods Exports: $3.7 billion
  - Services Exports: $9.4 billion

- **China**
  - Goods Exports: $3.9 billion
  - Services Exports: $4.2 billion

- **Switzerland**
  - Goods Exports: $7.0 billion
  - Services Exports: $2.0 billion

- **Israel**
  - Goods Exports: $6.3 billion
  - Services Exports: $437 million

- **Hong Kong**
  - Goods Exports: $9.6 billion
  - Services Exports: $856 million

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

- Goods exports accounted for 5.1 percent of New York's state GDP in 2014.
- New York's goods exports have grown more than 80 percent faster than state GDP since 2004. The average annual export growth during this period was 7.3 percent, while the average annual state GDP growth was 4.0 percent.
- New York's top export markets for goods are Canada, Hong Kong, and Switzerland. Its top market for services is the United Kingdom.
- New York's goods exports to Hong Kong have grown by 21 percent per year since 2004. Exports to India grew by 14 percent per year, while exports to Belgium grew by 11 percent per year.

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Overview

In 2014, 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 York.

- Services, especially transportation from New York's ports, finance and insurance, marketing and legal services are needed to bring imported goods to American manufacturers and households.
- In 2013, 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 York family of four more than $10,000 per year.
- Imports help keep prices down for New York families while increasing their choices for goods and services. Prices for imported consumer goods tend to drop year after year.

In 2013, about 184,000 U.S. companies (including 30,342 in New York) imported products...

In 2013, about 184,000 U.S. companies (including 30,342 in New York) 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

-87.0% Decrease in the Price of Televisions Between 2004 and 2014.

-69.2% Decrease in the Price of Computers Between 2004 and 2014.

-42.9% Decrease in the Price of Toys Between 2004 and 2014.

Imports Increase Choices for Goods & Services

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Overview

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

- In 2014, $24.0 billion of New York's goods exports, or 33 percent, went to FTA partners.
- Since 2004 New York's goods exports to countries with FTAs in effect with the United States in 2014 have increased by 39 percent.
- New York's exports to Canada and Mexico have increased by $5.2 billion (65 percent) since NAFTA went into effect in 1994.
- New York's exports to Oman have increased by 413 percent since the U.S.-Oman FTA took effect in 2009.
- New York's exports to Australia of engines & turbines have increased from $5.7 million to $78 million since the FTA with Australia went into effect in 2005.
- Israel bought 54 percent of New York's exports of petroleum & coal products in 2014.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $32.0 billion, or 45 percent, of New York's goods exports in 2014.

By the Numbers

<table>
<thead>
<tr>
<th></th>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Purchases</td>
<td>$7.37</td>
<td>$53.76</td>
</tr>
<tr>
<td>of New York Goods, 2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* U.S. FTAs in effect with countries in 2014.

In 2014, FTA partners purchased 7.3 times more goods per capita from New York than non-FTA partners.
Overview

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

- 86,700 workers employed by companies based in the United Kingdom;
- 49,300 workers employed by companies based in France;
- 38,100 workers employed by companies based in Switzerland;
- 35,500 workers employed by companies based in Canada;
- 34,700 workers employed by companies based in Japan.

Selected Foreign-Owned Companies Employing Workers in New York

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB</td>
<td>Machinery Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>BAE Electronic Systems</td>
<td>Defense Products Manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Daimler Buses North America, Inc.</td>
<td>Vehicle Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Konica Minolta Business Solutions</td>
<td>Office Equipment Manufacture</td>
<td>Japan</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Accounting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>National Grid USA Service Co.</td>
<td>Energy Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Random House</td>
<td>Publishing Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Schindler Elevator Corporation</td>
<td>Elevator Manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Siemens Energy &amp; Automation</td>
<td>Electronics and Engineering Services</td>
<td>Germany</td>
</tr>
<tr>
<td>Suntory International Corporation</td>
<td>Beverage Manufacturing</td>
<td>Japan</td>
</tr>
<tr>
<td>TD Bank</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Turner Construction Co.</td>
<td>Construction Services</td>
<td>Germany</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employ 411,700 New York Workers Across Many Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>120,300</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>84,500</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>64,800</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>45,500</td>
</tr>
<tr>
<td>Prof., Sci. &amp; Tech. Services</td>
<td>34,900</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>33,800</td>
</tr>
<tr>
<td>Information</td>
<td>27,900</td>
</tr>
</tbody>
</table>
NEW YORK JOBS DEPEND ON TWO-WAY TRADE


NEW YORK BUSINESSES GROW WITH EXports


NEW YORK COMPANIES EXPORT THROUGHOUT THE WORLD


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


**Imports as Components**: Derived from Census end-use import data


NEW YORK NEEDS TRADE AGREEMENTS TO GROW


FOREIGN INVESTMENT IN NEW YORK CREATES JOBS

**Employment Data**: BEA “Direct Investment & Multinational Companies” database [http://bea.gov/ITable/index_MNC.cfm](http://bea.gov/ITable/index_MNC.cfm)

**Foreign Investors**: Uniworld BP database of “Foreign Firms Operating in the United States” [http://www.uniworldbp.com](http://www.uniworldbp.com)

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