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 Connecticut 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 Connecticut.

Why is International Trade & Investment Important to Connecticut?

- **International trade, including exports and imports, supports 507,118 Connecticut jobs – more than 1 in 5.** These trade-related jobs grew 5.7 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 Connecticut's globally engaged firms. *(See Connecticut Jobs Depend On Two-Way Trade)*

- **Connecticut exported $16.0 billion in goods and $9.0 billion in services in 2013**, including aerospace products & parts, navigational & meas. instruments, industrial machinery and financial mgmt. & advisory services. Of Connecticut's 5,895 exporters, 89 percent are small- and medium-sized companies with less than 500 workers. *(See Connecticut Businesses Grow With Exports)*

- **Customers in 199 countries buy Connecticut-made goods and services**, including billions of dollars in annual exports to markets like France, Canada and Germany. Connecticut's goods exports have grown two and a half times faster than GDP since 2003. *(See Connecticut Companies Export Throughout The World)*

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

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Connecticut to partner countries.** In 2013, $4.8 billion of Connecticut’s goods exports, or 30 percent, went to FTA partners. This represents a 70 percent increase since 2003. *(See Connecticut Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 100,200 workers in Connecticut.** *(See Foreign Investment In Connecticut Creates Jobs)*

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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 Connecticut

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

- More than one in five Connecticut jobs depend upon international trade.

- Connecticut’s trade-related employment grew 5.7 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

<table>
<thead>
<tr>
<th>Number of Jobs in Connecticut Supported by Trade</th>
<th>507,118</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Jobs Tied to Trade Increased 115% from 1992 to 2013</td>
<td>10.6% 22.8%</td>
</tr>
<tr>
<td>Jobs Tied to Trade Top Sectors, 2013</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>51,400</td>
</tr>
<tr>
<td>Finance, Insurance</td>
<td>42,100</td>
</tr>
<tr>
<td>Professional, Scientific, Tech Services</td>
<td>33,700</td>
</tr>
<tr>
<td>Management, Administrative Services</td>
<td>32,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>29,800</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
Connecticut Businesses Grow with Exports

Overview

Connecticut exported an estimated $16.0 billion in goods and $9.0 billion in services in 2013. Between 2009 and 2013, Connecticut goods exports have increased by 28 percent and services exports by 14 percent. Large companies now account for 77 percent of the value of Connecticut'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 Connecticut Exports

- Connecticut ranks among the top 15 state exporters in 17 industries, including third in aerospace products ($7.8 billion), eighth in industrial machinery ($468 million), 11th in cutlery & handtools ($89 million), and 12th in metalworking machinery ($155 million).

- Connecticut is America’s 45th largest exporter of agricultural products. It ranks among the top half of exporters of misc. live animals and greenhouse products.

- One of Connecticut's fastest growing export categories is industrial machinery, which have increased by 28 percent per year since 2003. In 2013, exports of these products reached $468 million.

By the Numbers

5,895

Number of Connecticut Businesses that Exported in 2012

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

89%

Top Connecticut Exports, 2013

Goods
Aerospace Products & Parts $7.8 billion
Navigational & Meas. Instruments $803 million
Industrial Machinery $468 million
Nonferrous Metals $460 million
Misc. Fabricated Metal Products $415 million

Services
Financial Mgmt. & Advisory Services $2.3 billion
Travel $950 million
Insurance Services $826 million
Connecticut Companies Export throughout the World

In 2013, Connecticut companies sold their products in 199 international markets.

Top export markets include:

- **CANADA**
  - Goods Exports: $1.8 billion
  - Services Exports: $776 million

- **FRANCE**
  - Goods Exports: $2.4 billion
  - Services Exports: $242 million

- **CHINA**
  - Goods Exports: $889 million
  - Services Exports: $418 million

- **MEXICO**
  - Goods Exports: $1.2 billion
  - Services Exports: $279 million

- **GERMANY**
  - Goods Exports: $1.4 billion
  - Services Exports: $338 million

- **UNITED ARAB EMIRATES**
  - Goods Exports: $1.2 billion
  - Services Exports: n.a.

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

- Connecticut's goods exports have grown two and a half times faster than state GDP since 2003. Average annual export growth during this period was 7.9 percent, while the average annual state GDP growth was 3.2 percent.
- Connecticut's top export markets for goods are France, Canada, and Germany. Its top market for services is the United Kingdom.
- Among major export markets for Connecticut's goods, the United Arab Emirates has grown the fastest at 76 percent per year since 2003. Exports to Colombia grew by 41 percent per year, while exports to China grew by 23 percent per year.

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Connecticut 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 Connecticut.

- Services, such as transportation, finance and insurance, marketing, and legal services, are needed to bring imported goods to Connecticut’s 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 Connecticut family of four more than $10,000 per year.
- Imports help keep prices down for Connecticut 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 3,904 in Connecticut) 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%**  
- **-41.9%**  
  Decrease in the Price of Toys Between 2003 and 2013.

Imports Increase Choices for Goods & Services

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Connecticut Needs Trade Agreements to Grow

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. Connecticut has increased its exports to FTA partners following implementation of the U.S. FTAs with those countries.

- In 2013, $4.8 billion of Connecticut's goods exports, or 30 percent, went to FTA partners.
- Since 2003 Connecticut's goods exports to countries with FTAs in effect with the United States in 2012 have increased by 70 percent.
- Connecticut's exports to Canada and Mexico have increased by $1.3 billion (79 percent) since NAFTA went into effect in 1994.
- Connecticut's exports to Colombia more than tripled in the two years since the FTA with Colombia went into effect.
- Connecticut's exports to Korea of industrial machinery nearly doubled in the two years since the FTA with Korea took effect.
- Canada and Mexico combined to buy 78 percent of Connecticut's exports of resins & synthetic fibers in 2013.
- Countries negotiating the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements purchased $10.5 billion, or 66 percent, of Connecticut's goods exports in 2013.

By the Numbers

<table>
<thead>
<tr>
<th>Increase in Connecticut Goods Exports to FTA Partners Between 2003 and 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Per Capita Purchases of U.S Goods, 2013</td>
</tr>
</tbody>
</table>

In 2013, FTA partners purchased 6.1 times more goods per capita from Connecticut than non-FTA partners.

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

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

- 21,200 workers employed by companies based in the Netherlands;
- 17,800 workers employed by companies based in the United Kingdom;
- 11,900 workers employed by companies based in Germany;
- 7,500 workers employed by companies based in Japan;
- 7,100 workers employed by companies based in Switzerland.

### Foreign-Owned Companies Employ 100,200 Connecticut Workers Across Many Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>31,900</td>
</tr>
<tr>
<td>Other</td>
<td>20,500</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>17,900</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>13,000</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>10,000</td>
</tr>
<tr>
<td>Prof., Sci. &amp;...</td>
<td>4,100</td>
</tr>
<tr>
<td>Information</td>
<td>2,800</td>
</tr>
</tbody>
</table>

### Selected Foreign-Owned Companies Employing Workers in Connecticut

<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>Alstom Power</td>
<td>Electrical Equipment Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>BASF Catalysts</td>
<td>Chemical Manufacturing</td>
<td>Germany</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Consulting Services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>KPMG LLP</td>
<td>Consulting Services</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Lego Systems, Inc.</td>
<td>Toy Manufacturing</td>
<td>Denmark</td>
</tr>
<tr>
<td>Nestle Waters North America</td>
<td>Beverages Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>RBC Capital Markets</td>
<td>Financial Services</td>
<td>Canada</td>
</tr>
<tr>
<td>Rexel</td>
<td>Electrical Equipment Manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>SAP America</td>
<td>Business Management Software</td>
<td>Germany</td>
</tr>
<tr>
<td>Sims Metal Management</td>
<td>Metal Recycling Services</td>
<td>Australia</td>
</tr>
<tr>
<td>UBS Financial Services</td>
<td>Financial Services</td>
<td>Switzerland</td>
</tr>
</tbody>
</table>
**Data Sources**

**CONNECTICUT JOBS DEPEND ON TWO-WAY TRADE**


**CONNECTICUT BUSINESSES GROW WITH EXPORTS**


**CONNECTICUT COMPANIES EXPORT THROUGHOUT THE WORLD**


**CONNECTICUT COMPANIES & WORKERS USE IMPORTS TO COMPETE IN INTERNATIONAL MARKETS**


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


**CONNECTICUT NEEDS TRADE AGREEMENTS TO GROW**


**FOREIGN INVESTMENT IN CONNECTICUT 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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