



New York

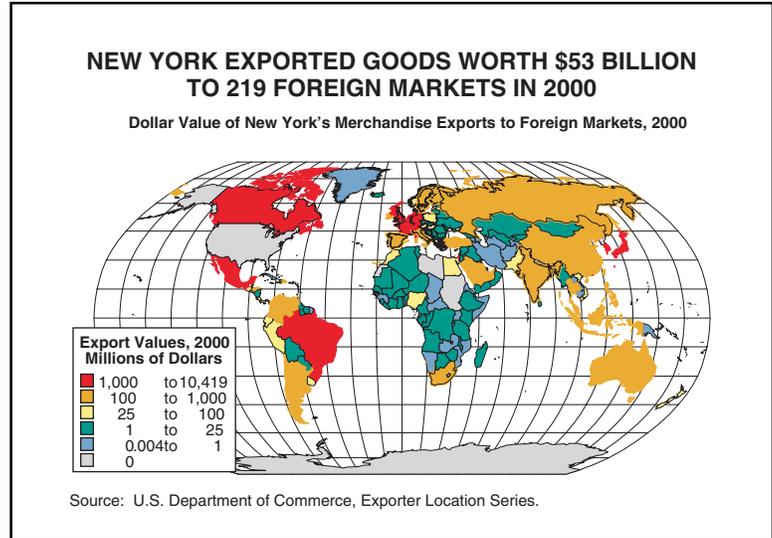
Benefits From Exports

New York state's export sales of merchandise in 2000 totaled \$53 billion, up 22 percent from 1999 and nearly double the 12.6 percent rise in total U.S. exports over the same period. In 2000, New York posted the third largest export total of any state.

New York exports goods globally to 219 foreign destinations. The state's leading market, by far, is Canada (20 percent of 2000 exports). Following Canada are Japan (10 percent), the United Kingdom (9 percent), Switzerland (8 percent), and Mexico (6 percent). Other leading markets include France, Germany, Israel, Hong Kong, and Belgium.

New York's biggest growth market, in dollar terms, is France. From 1997 to 2000, export sales to France increased from \$1.3 billion to \$2.8 billion. New York also posted big dollar gains in sales to Mexico, the United Kingdom, Switzerland, Belgium, and Israel.

The state's exports are highly diversified. Within the manufacturing sector, top export categories in 2000 were computers and electronic products (13 percent of total exports), transportation equipment (13 percent), chemicals (12 percent), and machinery (12 percent). Other significant export categories were miscellaneous manu-



factures; primary metal manufactures; and electrical equipment, appliances, and parts.

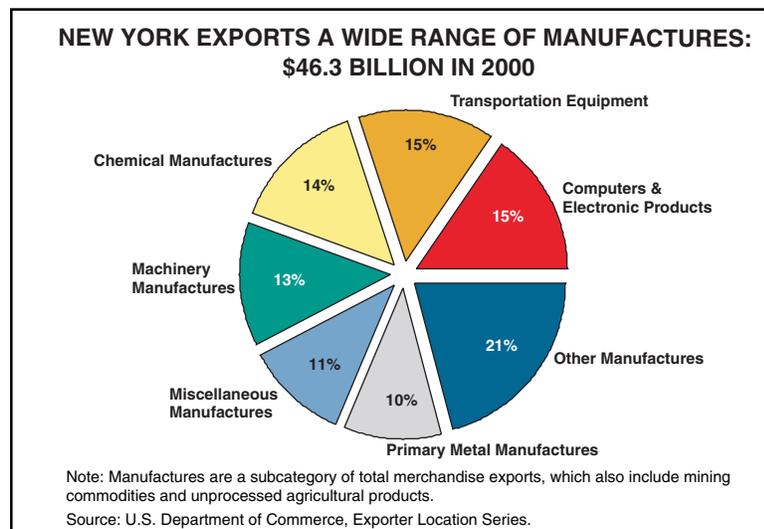
Within New York state, New York City posted 1999 export sales of \$24.5 billion—the most of any New York metropolitan area and nearly half the state total. New York City's 1999 export total was the fourth largest among all U.S. metropolitan areas for which data are available.

Other major exporting metro areas in New York state include Nassau-Suffolk, Rochester, Buffalo-Niagara Falls, Syracuse, and Albany-Schenectady-Troy. Metro areas that posted the fastest export growth during the 1993-99 period were Elmira, Buffalo-Niagara Falls, and Albany-Schenectady-Troy.

Exports Support Good Jobs

Export-related jobs tend to be good, high-paying jobs. Wages of workers in jobs supported by goods exports range 13-18 percent higher than the national average. Export-related jobs are more secure: Exporting plants are 9 percent less likely to shut down than comparable nonexporting plants.

In 1997 (latest available data), New York state depended on manufactured exports for nearly 310,000 jobs—the sixth-highest total



of any state. Export-supported jobs accounted for an estimated 4.5 percent of New York's total private sector employment.

Manufactured exports supported 155,200 jobs—roughly one out of every five workers—in New York state's manufacturing industries. Manufacturing sectors with the most export-related jobs were computers and electronic products, machinery, chemicals, and fabricated metal products.

Exports of manufactured goods also indirectly supported 154,400 jobs in the state's nonmanufacturing industries. These industries supply manufacturers with a wide range of inputs needed to produce goods for export.

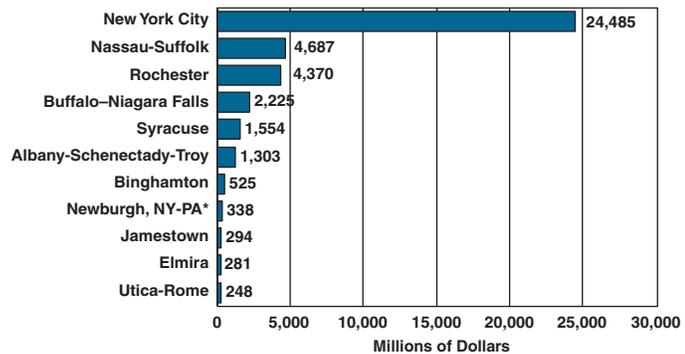
Exports Help Small Business

Exports have broadly benefited New York businesses—both large and small. A total of 25,662 companies exported from New York state in 1998. Just under 91 percent of these companies, accounting for more than 46 percent of the state's total exports, were small and medium-sized firms that had fewer than 500 employees. In fact, 81 percent of all New York exporters were small firms with fewer than 100 workers.

Foreign Competitors Are Not Standing Still

While previous rounds of trade negotiations were highly successful in reducing trade barriers, much work remains to be done to level the playing field for U.S. businesses. In fact, the United States has fallen

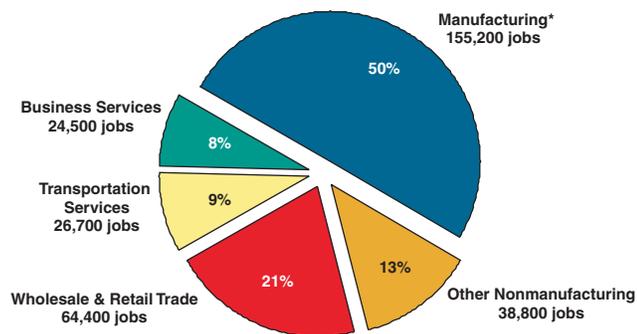
SIX NEW YORK METRO AREAS POSTED EXPORTS OF \$1 BILLION OR MORE IN 1999



*This metro area partially overlaps into an adjacent state.

Source: U.S. Department of Commerce, Exporter Location Series.

309,600 NEW YORK JOBS DEPENDED ON MANUFACTURED EXPORTS IN 1997



*Includes 1,200 jobs tied to exports of processed foods.

Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

TRADE PROMOTION AUTHORITY—KEY TO OPENING WORLD MARKETS

U.S. Trade Promotion Authority (also known as TPA or "fast track") is essentially an agreement between the President and Congress on how market-opening trade negotiations will be conducted and agreements approved.

Under TPA, the President involves Congress in trade negotiations from the start; Congress, in exchange, agrees to vote yes or no on any resulting agreement in its entirety, without amendments. The two branches set negotiating objectives and consult during trade talks while inviting public comment. This open process allows problems to be identified and resolved during negotiations, when agreement is most easily achieved.

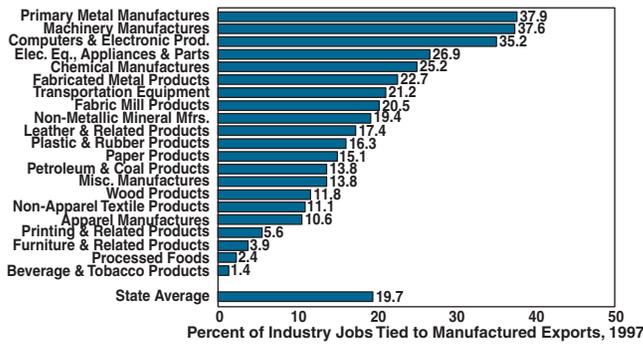
TPA preserves the ability of the United States to protect public health, safety, and the environment.

behind our trading partners in combating market barriers through free trade agreements. The United States is a party to just two of the estimated 130 free trade agreements in force worldwide. In comparison, the European Union has FTAs with 27 countries. Since U.S. tariffs are already low compared to those of our trading partners, the United States has a great deal to gain from future negotiations aimed at prying open foreign markets.

New York Industries Can Gain From Trade Negotiations

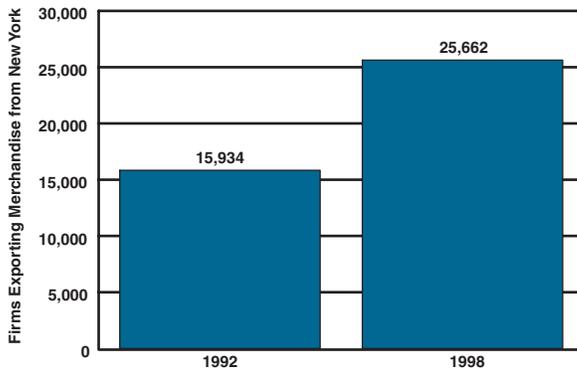
New York exporters still face many tariff and nontariff barriers abroad, especially in developing countries. While developing nations are among the most promising markets, they also tend to have high levels of import protection. Trade negotiations aimed at reducing these barriers will significantly benefit New York businesses across many industrial sectors.

ABOUT ONE-FIFTH OF MANUFACTURING JOBS IN NEW YORK WERE TIED TO EXPORTS IN 1997



Note: In 1997, 19.7 percent of the 785,900 manufacturing jobs in New York were tied to manufactured exports—some 155,200 jobs. For any given manufacturing sector, export-related employment includes all workers producing goods for export or of inputs to the export manufacturing process.
Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

THE NUMBER OF COMPANIES EXPORTING FROM NEW YORK ROSE 61 PERCENT FROM 1992 TO 1998



Source: U.S. Department of Commerce, Exporter Data Base.

Information technology. New York is the home of many high-tech industries and benefits from the Information Technology Agreement. The agreement eliminates duties on the entire IT sector in major markets throughout the world, with the exception of the larger markets of Latin America. Tariffs on IT products in key Latin American markets remain as high as 30 percent. Beyond tariffs, IT products also face such nontariff restrictions as redundant testing and certification requirements. U.S. suppliers, including those in New York, would likely see sales rise if the remaining barriers on IT products were eliminated. Heavy investment in research and development, which drives IT growth and employment, can only be sustained with expanding markets that spread R&D investments over a greater sales volume. Foreign markets are thus increasingly important to any R&D-based products, given the limits of domestic demand.

Civil aircraft and parts. The U.S. civil aircraft industry is the largest in the world. In 2000, total

exports of U.S. civil aircraft, engines, and parts were \$45 billion. Over the last five years, three out of every five large civil aircraft produced in the United States were exported. The World Trade Organization (WTO) Agreement on Trade in Civil Aircraft provides for duty-free import of civil aircraft and their components by the 26 signatories to this agreement. However, import tariffs in nonsignatory countries remain as high as 30 percent. Also, a number of nontariff barriers impede New York's exports of civil aircraft and parts. For example, some countries do not promptly or fully recognize the safety and international noise certification compliance of all U.S. civil aircraft.

Chemicals. New York exports a variety of chemical products. TPA would allow the United States to build on duty reductions established under the Uruguay Round Chemical Tariff Harmonization Agreement (CTHA), which reduced tariffs to harmonized low levels on a range of products from fertilizers to plastics. Since the end of the Uruguay Round, more advanced developing countries, most of which do not participate in the CTHA, have become increasingly important chemical producers. Tariffs in Asian countries outside the CTHA range up to 60 percent. New negotiations would offer the opportunity to address tariff disparities and the many nontariff barriers facing the chemical industry, including discriminatory prod-

uct registration, testing/certification, and import licensing requirements.

NEW YORK: WHY TRADE PROMOTION AUTHORITY?

Trade Promotion Authority is critical for removing remaining barriers to exports of New York goods and services.

New York exporters still face major trade barriers in such sectors as information technology, civil aircraft and parts, chemicals, and industrial machinery.

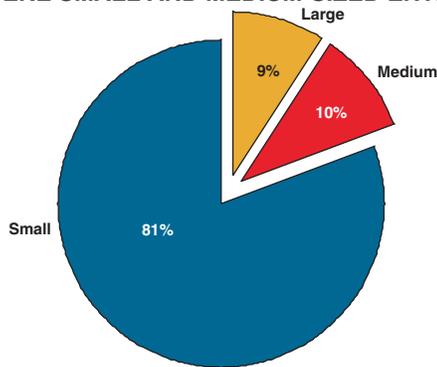
With the United States on the sidelines, foreign competitors are forging ahead and pursuing their own market-opening agreements.

New York's economy is export-dependent, with export sales of \$2,793 for every state resident.

Nearly 310,000 New York jobs depend on exports of manufactured goods.

25,662 companies—including 23,308 small and medium-sized businesses—export from New York.

91 PERCENT OF NEW YORK'S 25,662 EXPORTING FIRMS IN 1998 WERE SMALL AND MEDIUM-SIZED ENTERPRISES



Small = less than 100 employees; medium = 100–499 employees; large = 500 or more employees.
Source: U.S. Department of Commerce, Exporter Data Base.

Industrial machinery. Further reductions in tariff and nontariff barriers through new negotiations would greatly expand opportunities for New York’s machinery exports. While New York’s industrial machinery manufacturers have benefited from tariff reductions in previous trade agreements, the industry continues to face barriers in many markets throughout the world. For example, tariffs on industrial machinery are as high as 30 percent in Brazil and India. This sector also suffers from the many import restrictions maintained in potentially lucrative markets, including non-transparent and preferential government procurement practices, deficiencies in intellectual property protection, investment barriers, and the increasing use of standards as nontariff barriers to trade. In addition, restrictions on the ability to provide after-sales service greatly inhibit market access for U.S. manufacturers of complex machinery.

Agriculture. New York produces and exports agricultural products. According to the U.S. Department of Agriculture, New York’s agricultural exports totaled \$368 million in 1999. Since 1991, the state’s reliance on agricultural exports has ranged from 9 percent to 14 percent as measured by export’s share of farm cash receipts. New York’s top agricultural exports are vegetables and products, fruits and products, dairy products, feed grains and products, and live animals and red meats. New York already benefits from past trade agreements; however, U.S. agricultural exports still face high tariffs and nontariff barriers worldwide.

Services. Services are the biggest component of the U.S. economy and now account for more than one-fourth (28 percent) of

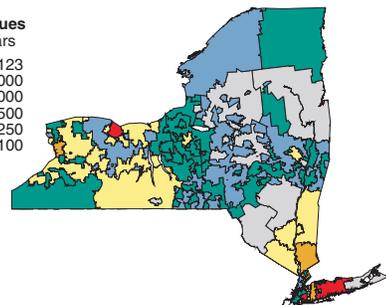
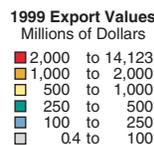
U.S. exports to the world. Service exports in 2000 totaled \$296 billion; the United States ran a surplus of nearly \$80 billion in services trade with the world. Exportable services include transportation services (e.g., air freight), financial services (e.g., banking, insurance) and business services (e.g., engineering, architecture). Service industries confront a wide range of barriers abroad. Trade Promotion Authority will provide added impetus to the new round of global services trade negotiations now under way to dismantle these barriers.

Imports Also Important to New York

While exports generate clear benefits for the New York economy (jobs, wages, expanded tax base, etc.), the role of imports is less clear—especially since no import statistics are available for states on an end-user basis. Although many often equate imports with “lost” jobs, the reality is usually much more complex. For example, there is no doubt that imports supply critical inputs for many of the goods and services produced in New York, including products destined for export. Imports often play a key role in ensuring supplies of vital materials that are either scarce or simply not available domestically. More generally, imports provide consumers and businesses in New York with wider choice in the marketplace, thereby enhancing living standards and contributing to competitiveness.

EXPORTS ARE SOLD FROM ALL OVER NEW YORK

New York’s Merchandise Exports by Three-Digit Zip Code, 1999



Note: New York’s total merchandise exports in 1999 were \$43.3 billion. Due to federal disclosure regulations, shading of zip codes 125 & 126 refers to combined exports from these areas. Unshaded areas represent national forests and parks, federal and military reservations, localities without exports, and areas where export data are suppressed due to federal disclosure regulations.

Source: U.S. Department of Commerce, Exporter Location Series.