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International Trade and the New York-New Jersey Metropolitan Economy

From Disruptive Decline to Gradual Recovery
2009 in Review

Introduction

The U.S. economy in all likelihood has begun to recover from the longest and worst recession since the Great Depression. During the downturn, the economy shed over 8.4 million jobs. Unemployment reached as high as 10.1 percent. In September 2008, a defining point in time for the global economic downturn, global credit markets seized up, which had a dramatic impact on world trade, contributing in many ways to the severity of the downturn. Global GDP declined 6.3 percent in the fourth quarter 2008 and 6.4 percent in the first quarter 2009. U.S. total two-way trade fell 7.2 percent in the fourth quarter and set the stage for steeper declines throughout most of 2009. The New York-New Jersey region was hit particularly hard. The value of two-way international trade through the New York-New Jersey region declined 23.5 percent in 2009.

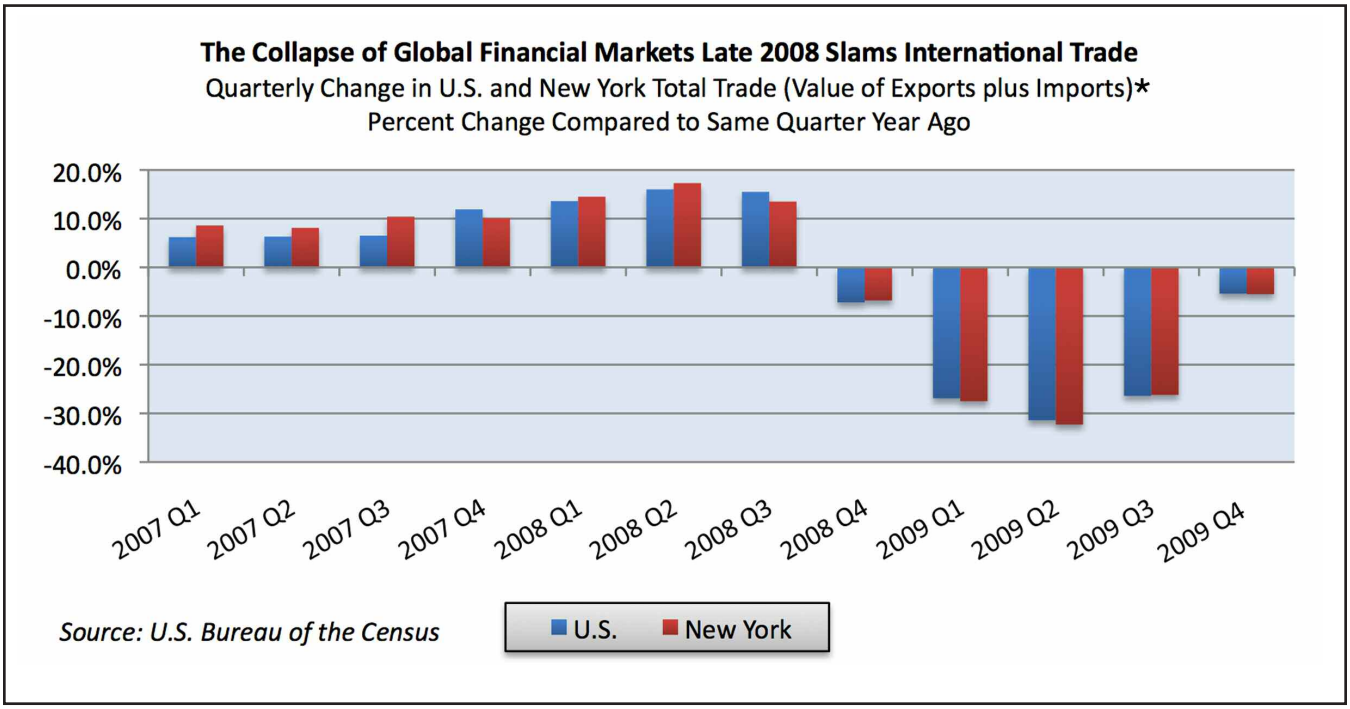

Exhibit 1

***Please note that most data in this report refers to the value of trade and not to the volume or size of imports and exports. Volume data is often cited when discussing issues related to transportation and cargo movement. The focus here, however, is on the decline in economic activity during the recent recession. The value of the goods traded is therefore the preferred metric.**

Now, however, with the global economy demonstrating clear signs of recovery, international trade is primed for a healthy rebound and should support economic growth here and around the world. The International Monetary Fund (IMF) has raised its projection of global GDP growth to 4.2 percent in 2010. In addition, the U.S. economy is poised for more robust growth. IHS Global Insight, a major economic forecasting company, is projecting 3.0 percent U.S. GDP growth in 2010, a turnaround from the 2.4 percent decline in economic activity in 2009. This increase in economic activity should result in the first year-over-year growth in international trade through the New York-New Jersey region since the first quarter of 2008.

With the U.S. and its major trading partners primed for recovery, this paper will focus on the economic impact of the recession on the New York-New Jersey metropolitan region, with a special concentration on trade moving through the region's gateways. International trade through the region's seaports and airports, and the industries and infrastructure that supports trade, generate a significant number of jobs for the region's labor force and will assist the region's economic recovery by employing regional residents at all skill levels.

The Regional Economy in Review

The 17-County New York-New Jersey region[1] lost 237 thousand jobs in 2009, or 2.9 percent of the region's more than 8 million job base. The loss in jobs was much steeper in the U.S. economy which sustained a 4.3 percent decline in employment over the same time period. Job losses were experienced by all sectors of the regional economy with the exception of Education and Health Services and Leisure and Hospitality. The largest percentage decline in employment was in the Construction Sector, losing 10.4 percent of its jobs, or 34,400. The greatest absolute job losses occurred in the important Professional and Business Services industry, which shed 69,000 jobs, a 5.5 percent decline. The next largest declining industry was Financial Activities, losing 41,300 jobs, a 5.4 percent decline. The region's signature Financial and Professional and Business Services sectors together shed over 110,000 jobs, almost half of the region's total job loss. Clearly, the stabilization of these industries is paramount for the economic recovery of the region to take hold. Other significant declines in jobs were felt by Manufacturing, Retail Trade, Wholesale Trade, Transportation Warehousing and Utilities, Information, and Miscellaneous Services. On a positive note, Education and Health Services grew by 1.9 percent, or 26,600 jobs, and Leisure and Hospitality expanded by 0.6 percent, or 3,500 jobs. The Government component of the economy, which accounts for 15.4 percent of total regional jobs, lost only 1,200 jobs.

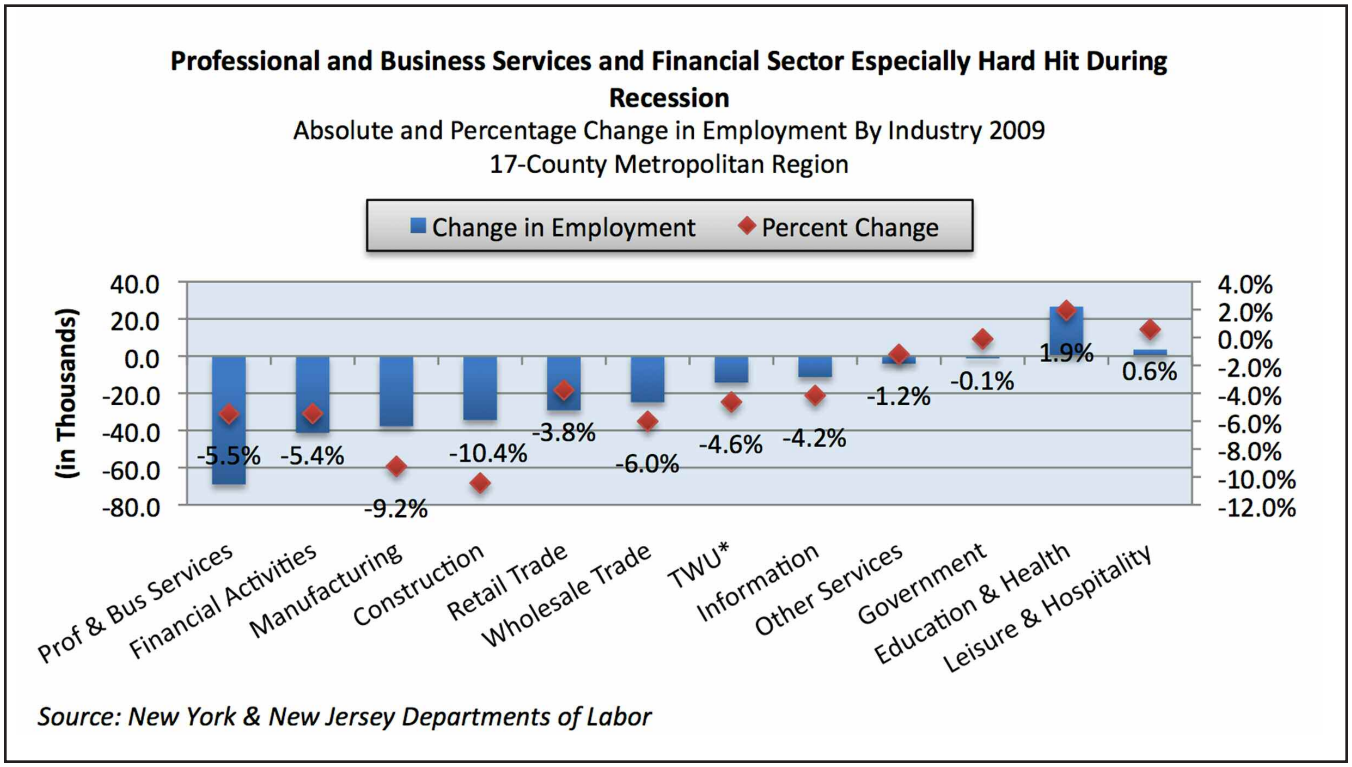

Exhibit 2

[1] The 17-County region includes New York City, Long Island, Westchester and Rockland Counties in New York and Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset, and Union Counties in New Jersey.

Recession Affects All Parts of the Region

Unlike the 2001-2003 regional recession, where the employment losses were concentrated primarily in New York City, all parts of the region experienced similar percentage declines in employment in 2009. New York City lost 106,100 jobs in 2009, or 2.8 percent of its job base, compared to 2008 employment levels. New York City job losses were more highly concentrated in Finance and Professional and Business Services which together accounted for the decline of 62,900 jobs, or 59 percent of New York City's total employment loss. The New York Suburbs[2] declined by 3.2 percent in 2009, resulting in 58,900 fewer jobs. The sectors of the economy contributing to the losses included Construction (-13,700 jobs), Professional and Business Services (-13,600 jobs), Retail Trade (-11,800 jobs), Financial Activities (-7,000 jobs), and Wholesale Trade (-6,200 jobs). The 8-County Northern New Jersey subregion declined by 72,000 jobs, or 3.0 percent in 2009. Job losses were concentrated in Professional and Business Services (-22,600 jobs), Manufacturing (-16,300 jobs), Wholesale Trade (-8,800 jobs), Construction (-8,500 jobs), Transportation Warehousing and Utilities (-7,100 jobs) and Retail Trade (-6,900 jobs).

New York City Employment by Major Industry Sector
(in Thousands)

Industry	2009	2008	Change In Employment	Percent Change
Total Employment	3687.5	3793.6	-106.1	-2.8%
Construction	120.5	132.7	-12.2	-9.2%
Manufacturing	82.6	95.6	-13.0	-13.6%
TWU	120.7	125.5	-4.9	-3.9%
Wholesale Trade	138.8	148.7	-9.8	-6.6%
Retail Trade	289.1	299.6	-10.4	-3.5%
Financial Activities	434.9	465.0	-30.1	-6.5%
Information	161.1	167.1	-6.0	-3.6%
Prof & Bus Services	572.6	605.4	-32.8	-5.4%
Education & Health	734.6	719.0	15.6	2.2%
Leisure & Hospitality	307.9	310.2	-2.3	-0.8%
Other Services	159.7	160.8	-1.1	-0.7%
Total Private	3122.5	3229.5	-107.0	-3.3%
Government	565.0	564.1	1.0	0.2%

**source: New York State Department of Labor*

Exhibit 3

[2] The New York Suburbs is comprised of Long Island (Nassau and Suffolk counties), Westchester and Rockland.

New York Suburbs Employment by Major Industry Sector
(in Thousands)

Industry	2009	2008	Change In Employment	Percent Change
Total Employment	1759.0	1818.0	-58.9	-3.2%
Construction	94.0	107.7	-13.7	-12.7%
Manufacturing	101.5	110.0	-8.4	-7.7%
TWU	53.5	55.7	-2.2	-4.0%
Wholesale Trade	89.4	95.7	-6.2	-6.5%
Retail Trade	214.0	225.8	-11.8	-5.2%
Financial Activities	103.0	110.0	-7.0	-6.4%
Information	41.6	42.3	-0.8	-1.8%
Prof & Bus Services	220.6	234.1	-13.6	-5.8%
Education & Health	329.2	322.9	6.3	1.9%
Leisure & Hospitality	139.1	140.8	-1.7	-1.2%
Other Services	75.6	77.0	-1.4	-1.8%
Total Private	1461.5	1522.0	-60.5	-4.0%
Government	297.6	296.0	1.6	0.5%

**source: New York State Department of Labor*

Exhibit 4

Northern New Jersey Employment by Major Industry Sector
(in Thousands)

Industry	2009	2008	Change In Employment	Percent Change
Total Employment	2361.0	2433.0	-72.0	-3.0%
Construction	80.2	88.7	-8.5	-9.5%
Manufacturing	186.4	202.7	-16.3	-8.0%
TWU	119.1	126.2	-7.1	-5.7%
Wholesale Trade	159.6	168.4	-8.8	-5.2%
Retail Trade	241.6	248.4	-6.9	-2.8%
Financial Activities	178.8	183.0	-4.2	-2.3%
Information	56.9	61.4	-4.5	-7.3%
Prof & Bus Services	398.3	420.9	-22.6	-5.4%
Education & Health	334.6	329.9	4.7	1.4%
Leisure & Hospitality	163.8	156.2	7.6	4.8%
Other Services	100.3	101.9	-1.6	-1.6%
Total Private	2019.5	2087.7	-68.2	-3.3%
Government	341.6	345.4	-3.8	-1.1%

Geography--8 counties including Bergen, Essex, Morris, Middlesex, Passaic, Union, Hudson, Somerset
**source: New Jersey Department of Labor*

Exhibit 5

One of the major differences among the geographic components of the region was the timing of the downturn. The Northern New Jersey economy began to decline in concert with the drop in national economic activity. Jobs in Northern New Jersey fell for the majority of months in 2008 leading to a loss of 11,900 jobs, a 0.5 percent decline. The New York Suburbs only experienced job losses in the latter third of the year as the economy worsened. Employment was basically flat in 2008 with a decline of only 500 jobs. In New York City, jobs increased by a healthy 1.1 percent in 2008, resulting in an increase of almost 50,000 jobs. Based on Bureau of Labor Statistics seasonally adjusted data for New York City, employment reached its peak in August 2008 and bottomed out December 2009. The effect of the current recession on New York City's economy has been less severe than the 2001-2003 recession. New York City has lost 4.6 percent of its job base, or 173,400 jobs, as measured from peak to trough employment. In the downturn caused by the dot.com bubble combined with the effects of the September 11 attacks, New York City shed 6.3 percent of its employment base, or 235,000 jobs. The importance of Wall Street to the recovery of the region's economy cannot be overstated. The average wage in the Securities component of the Financial Sector is six times the average nonfinancial wage in New York City. Thus, while the Securities Industry accounts for only 5 percent of New York City employment, it generates 25 percent of the City's earnings. From a fiscal perspective, the Securities Industry generates 20 percent of New York State taxes and 12 percent of New York City taxes. The New York State Comptroller's office estimates that every job on Wall Street generates 2 additional jobs in New York City and one additional job in the suburbs[3]. Therefore, new tighter legislative regulation of the financial industry could have implications for the region's economic recovery and the future role of the industry in the region.

International Trade Falls Off Cliff in 2009

The value of international trade through this region's seaports and airports (both exports and imports) fell by 23.5 percent in 2009 to $289 billion. The decline for the New York region mirrored the 23.1 percent decline in U.S. international trade. As illustrated by Exhibit 1, trade fell sharply in the first three quarters of 2009 but improved dramatically in the fourth quarter as the global economy began to recover. Imports into the New York Customs District[4] fell 23.9 percent to $178 billion while exports declined 22.8 percent to $111 billion. The New York region handles 11 percent of the more than $2.6 trillion of trade of the U.S. economy, second only to the Los Angeles region which handled $340 billion of international trade.

[3] Federal Reserve Bank Press Briefing April 14, 2010 on regional economy.

[4] The New York Customs District for these purposes includes the seaports and airports in the metropolitan region and the Port of Albany. On the Census Bureau's USA Trade Online, the source of data for this report, the district of New York includes not just district 10, but also 46 and 47. The ports from 46 and 47 that are not listed are rolled up into the largest port in that district for disclosure purposes. For example, all of district 47 has been rolled into the port 4701, John F Kennedy Airport.

The Slowdown in Trade Reduces Trade Deficit—Imports Account for 60 Percent of Trade

Like most regions of the country, the New York-New Metropolitan region imports more goods than it exports. In fact, the region has one of the largest trade deficits in the nation, $66.7 billion. This is not unexpected for a region with a large consumer base that is driven by a service-based economy and is surrounded by service-driven economies. Total international imports into this region (by all modes) totaled nearly $178 billion in 2009, accounting for over 61 percent of total trade. This region's largest market for imported goods, needless to say, is China, accounting for 17.1 percent of total import value. In 2009, imports from China fell 8.3 percent, to $30.4 billion. Other major exporters to the New York and New Jersey region include Germany, Israel, Japan, and Italy. For the U.S., China accounted for 19.1 percent of imports in 2009, followed by Canada at 14.4 percent, and Mexico at 11.3 percent. Imports from Canada and Mexico, are transported primarily overland.

The New York Region's Balance of Trade Deficit is Second Only to the Los Angeles Region
Billions of U.S. Dollars

Rank	District	2007	2008	2009	% Change	
					- 08/07 -	- 09/08 -
0	- All Districts -	-791.0	-800.0	-500.9	1.1	-37.4
1	Los Angeles, CA	-220.8	-211.4	-168.0	-4.3	-20.5
2	New York, NY	-97.8	-89.8	-66.7	-8.3	-25.6
3	Chicago, IL	-40.3	-57.2	-49.2	41.9	-14.1
4	Philadelphia, PA	-42.8	-50.5	-28.8	18.2	-43.0
5	New Orleans, LA	-59.2	-73.8	-28.0	24.7	-62.1
6	Miami, FL	11.1	19.4	19.8	74.4	2.4
7	Savannah, GA	-25.7	-23.4	-19.1	-8.7	-18.6
8	San Diego, CA	-21.7	-20.2	-15.9	-6.9	-21.1
9	Port Arthur, TX	-22.2	-28.1	-15.6	26.8	-44.5
10	Anchorage, AK	-21.7	-19.0	-15.4	-12.6	-18.8

**Source: U.S. Bureau of the Census*

Exhibit 6

Ocean Vessels Handle the Majority of the Region's Imports

In the New York-New Jersey region, the value of imports transported by vessel is approximately 50 percent greater in value than imports arriving by air. Vessel imports into the New York region totaled $106.8 billion, down 23.1 percent in 2009. The New York Customs District accounts for 13.4 percent of U.S. waterborne imports and is the nation's third largest port. The two largest ports, Los Angeles and Long Beach combined, handled more than one-quarter of U.S. import trade. Major commodities by value entering this region include Petroleum, Vehicles, Machinery, Apparel, Electrical Machinery, Pharmaceuticals and Beverages. Of these leading commodities, all experienced significant declines except for the importation of Pharmaceuticals, which increased by two-thirds. New York's leading supplier of imported goods transported by vessels is China, which accounts for one out of every five dollars of goods crossing the port facilities. Imports from China declined, but the reduction in trade was far less compared to other major trading partners. To illustrate, imports from China declined by 8.4 percent, to $21.4 billion, while imports from Germany and Japan fell more steeply, by 27.7 percent and 33.7 percent respectively. On a volume basis, New York's containerized imports fell 13.8 percent in 2009, to 19.5 million metric tons. Containerized imports in this region fell less than the 18.1 percent decline for all U.S. ports since imports from China declined more slowly here, compared to the declines experienced by the West Coast ports.

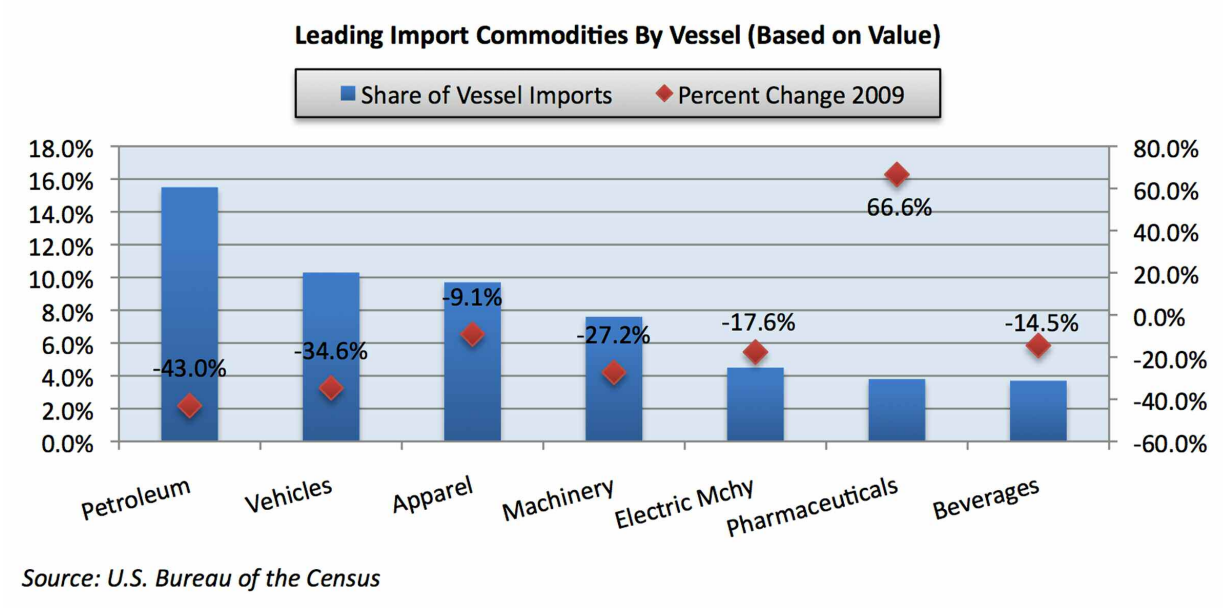

Exhibit 7

New York's Leading Trading Partners
Vessel Imports
Billions of U.S. Dollars

Rank	Country	2007	2008	2009	% Share			% Change
					2007	2008	2009	- 09/08 -
0	-- World --	124.9	138.8	106.8	100	100	100	-23.1
1	China	20.0	23.4	21.4	16.1	16.9	20.1	-8.4
2	Germany	9.2	11.2	8.2	7.4	8.1	7.6	-27.1
3	Japan	10.6	10.6	7.0	8.5	7.7	6.6	-33.7
4	Italy	7.6	7.8	5.7	6.1	5.6	5.4	-26.1
5	India	4.7	5.4	4.7	3.8	3.9	4.4	-13.9
6	United Kingdom	6.8	6.8	4.3	5.5	4.9	4.0	-36.7
7	France	5.0	6.0	4.2	4.0	4.3	3.9	-30.3
8	Israel	1.9	2.7	3.5	1.6	1.9	3.3	32.1
9	Canada	3.5	5.0	2.6	2.8	3.6	2.5	-46.9
10	Korea, South	2.3	2.6	2.4	1.8	1.9	2.2	-10.0

Source: U.S. Bureau of the Census

Exhibit 8

New York Region Remains Leading U.S Air Cargo Import Center

The value of imports by air through the region's airport system fell 25 percent in 2009, to $69.4 billion. The region's international air gateways now account for 18.9 percent of U.S. air cargo imports. Chicago is the second ranked gateway for air cargo imports handling 16.3 percent of the nation's imports, valued at $59.8 billion. Precious Stones and Metals account for 30 percent of the value of New York's air cargo imports. This commodity group, high in value and low in volume, declined by 32 percent in 2009. Other leading commodities such as Machinery, Pharmaceutical products and Optical Instruments all declined last year. On a volume measurement, the New York region handled 584,000 metric tons of air imports, 18.3 percent of the U.S market. The volume of air imports through New York fell 18.6 percent, less than the decline in value. The leading import commodities by volume include Machinery, Apparel, Seafood, Optical and Medical Instruments, Footwear and Plastic products. Of the leading commodities, only the import of Seafood rose, up 22.7 percent to more than 37,000 metric tons. The increase was almost entirely accounted for by fresh fish imports from the Faroe Islands, which registered a dramatic increase last year. Miami ranks second with 470,000 tons of imports, slightly more than the 459,000 tons handled by Chicago. For Miami, more than half of its air cargo imports are comprised of fresh flowers and seafood.

Air Cargo Imports into the New York Customs District
Leading Commodities – Billions of U.S. Dollars

HS*	Description	2007	2008	2009	% Share			% Change
					2007	2008	2009	- 09/08 -
	-- World --	$ 94.6	$ 92.6	$ 69.4	100	100	100	-25.0
71	Precious Stones, Metals	$ 31.0	$ 30.5	$ 20.7	32.8	33.0	29.9	-32.0
84	Machinery	$ 10.7	$ 10.7	$ 9.9	11.4	11.6	14.3	-7.5
85	Electrical Machinery	$ 7.8	$ 7.7	$ 6.4	8.2	8.4	9.2	-17.4
30	Pharmaceutical Products	$ 7.9	$ 8.6	$ 6.1	8.4	9.3	8.7	-29.9
90	Optical & Medical Instruments	$ 6.0	$ 6.1	$ 5.4	6.4	6.6	7.7	-11.6
98	Special Other	$ 4.3	$ 4.4	$ 3.2	4.6	4.7	4.6	-26.7
97	Art And Antiques	$ 5.4	$ 4.8	$ 3.1	5.7	5.2	4.5	-35.8
29	Organic Chemicals	$ 4.2	$ 3.3	$ 2.5	4.5	3.5	3.6	-24.1
62	Woven Apparel	$ 3.7	$ 3.4	$ 2.5	3.9	3.7	3.6	-26.8
61	Knit Apparel	$ 2.1	$ 1.8	$ 1.4	2.2	2.0	2.0	-26.1

Source: U.S. Bureau of the Census

Exhibit 9

***According to the World Customs Organization (http://www.wcoomd.org/home.htm), the Harmonized Commodity Description and Coding Systems generally referred to as "Harmonized System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).**
The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS. In the United States, the USITC (Office of Tariff Affairs and Trade Agreements) is responsible for publishing the Harmonized Tariff Schedule of the United States Annotated (HTSA). The HTSA provides the applicable tariff rates and statistical categories for all merchandise imported into the United States.

Air Cargo Imports into the New York Customs District
Leading Commodities – Weight (1000 Metric Tons)

HS	Description	2007	2008	2009	% Share			% Change
					2007	2008	2009	- 09/08 -
	-- World --	820.3	716.5	583.6	100.0	100.0	100.0	-18.6
84	Machinery	108.0	105.2	86.2	13.2	14.7	14.8	-18.0
62	Woven Apparel	92.2	82.9	65.5	11.2	11.6	11.2	-21.1
61	Knit Apparel	75.0	59.3	48.1	9.2	8.3	8.2	-18.9
85	Electrical Machinery	81.7	68.4	47.7	10.0	9.6	8.2	-30.3
03	Fish And Seafood	32.1	30.3	37.2	3.9	4.2	6.4	22.7
90	Optical & Medical Instruments	41.9	38.6	30.3	5.1	5.4	5.2	-21.3
64	Footwear	29.7	24.7	19.9	3.6	3.4	3.4	-19.5
39	Plastic	25.2	19.9	17.2	3.1	2.8	2.9	-13.6
07	Vegetables	16.2	13.8	16.3	2.0	1.9	2.8	18.5
87	Vehicles, Not Railway	17.2	17.0	16.0	2.1	2.4	2.8	-5.8

**Source: U.S. Bureau of the Census*

Exhibit 10

New York Customs District Ranks First in Exports

The New York and New Jersey region is the largest export gateway in the U.S., even though the local economy is not driven by the production of goods. The region's gateway facilities serve large hinterland markets beyond the boundaries of the metropolitan region. The region's exports are especially aided by the global reach provided by JFK and Newark Liberty International Airports. The airport system handled 33.5 million international air passengers in 2009, more than any other airport system in the nation. JFK alone has more than 100 scheduled and nonscheduled carriers with over 1,000 daily plane movements reaching hundreds of cities worldwide. The New York Customs District ranks first in the value of U.S. exports moving through its airports and seaports, handling 10.5 percent of total U.S exports. In 2009, the value of exports moving through the region's seaports and airports totaled $111 billion, down 22.8 percent, compared to 2008. The value of U.S exports by all modes of transportation totaled almost $1.1trillion in 2009, down 18.7 percent compared to 2008. This export figure includes overland trade with Canada and Mexico, which is credited primarily to border customs districts.

New York's Leading Trading Partners – Exports
All Modes – Billions of U.S. Dollars

Rank	Country	2007	2008	2009	% Share			% Change
					2007	2008	2009	- 09/08 -
0	-- World --	$ 123.7	$ 143.8	$ 111.1	100	100	100	-22.8
1	United Kingdom	$ 12.3	$ 13.2	$ 11.7	10.0	9.2	10.5	-11.2
2	Germany	$ 7.7	$ 9.1	$ 7.2	6.2	6.4	6.5	-21.6
3	Israel	$ 8.5	$ 9.6	$ 6.3	6.9	6.7	5.7	-34.2
4	China	$ 5.7	$ 6.5	$ 6.1	4.6	4.5	5.5	-6.3
5	Switzerland	$ 8.0	$ 10.6	$ 5.8	6.4	7.4	5.2	-45.8
6	France	$ 5.0	$ 6.6	$ 5.7	4.0	4.6	5.1	-13.8
7	Hong Kong	$ 5.0	$ 5.5	$ 5.0	4.1	3.8	4.5	-9.7
8	Netherlands	$ 4.8	$ 5.2	$ 4.9	3.9	3.6	4.4	-5.7
9	India	$ 4.0	$ 5.0	$ 4.7	3.3	3.5	4.3	-5.2
10	Japan	$ 8.7	$ 7.8	$ 4.5	7.0	5.4	4.1	-41.9

**Source: U.S. Bureau of the Census*

Exhibit 11

Ocean Vessels Carry More Than One-Third of the Region's Exports

The value of vessel exports through New York declined 24.1 percent to $39.2 billion. For the U.S., vessel exports declined 22.1 percent, to $368 billion. All of the leading commodities, except Optical and Medical Instruments, registered declines. Exports of Vehicles, a major commodity handled by the Port, fell by more than half to $3.0 billion, down from $6.5 billion in 2008. Obviously, vessel exports to most markets declined last year. The two exceptions were India and the United Arab Emirates. Ocean exports to India, the fifth largest market, increased by 7.8 percent to $1.8 billion. Similarly, vessel exports to the UAE increased 5 percent to almost $1.1 billion. Exports to the United Kingdom, New York's second largest market, fell by only 1.1 percent to $2.9 billion. China, the largest purchaser of goods, imported 11.5 percent fewer goods, to more than $3.4 billion. The Port Authority of New York and New Jersey reported that general cargo exports through the Port declined 14.8 percent to 9,829, 290 metric tons.

Vessel Exports from the New York Customs District
Leading Commodities – Billions of U.S. Dollars

HS	Description	2007	2008	2009	% Share			% Change
					2007	2008	2009	- 09/08 -
	-- World --	$ 41.2	$ 51.7	$ 39.2	100	100	100	-23.1
84	Machinery	$ 7.0	$ 9.0	$ 7.2	17.0	17.5	18.4	-20.2
87	Vehicles, Not Railway	$ 4.9	$ 6.5	$ 3.0	11.8	12.6	7.7	-53.4
39	Plastic	$ 2.9	$ 3.2	$ 2.9	7.1	6.2	7.4	-8.5
27	Mineral Fuel, Oil Etc	$ 1.7	$ 4.0	$ 2.4	4.0	7.7	6.2	-38.5
85	Electrical Machinery	$ 2.4	$ 2.8	$ 2.4	5.7	5.5	6.0	-16.9
90	Optical & Medical Instruments	$ 1.2	$ 1.5	$ 1.6	2.9	3.0	4.2	5.7
72	Iron And Steel	$ 1.6	$ 2.2	$ 1.3	3.9	4.3	3.4	-39.4
33	Perfumery, Cosmetic, Etc	$ 1.3	$ 1.4	$ 1.3	3.1	2.7	3.4	-4.7
38	Misc. Chemical Products	$ 1.2	$ 1.6	$ 1.3	3.0	3.1	3.3	-18.1
29	Organic Chemicals	$ 1.2	$ 1.4	$ 1.1	2.9	2.8	2.9	-21.6

**Source: U.S. Bureau of the Census*

Exhibit 12

Air Exports Declined by More Than 20 Percent

The air mode of transportation handles two-thirds of the exports handled by the region. In 2009, the value of air cargo declined 22.2 percent to $70.1 billion. The decline would have been worse without a significant increase in two leading commodities. The export of aircraft jumped 91.9 percent, to almost $9.8 billion. This propelled aircraft up the rank to become the second largest export commodity. Pharmaceutical exports increased 28.8 percent to reach almost $4.4 billion. The volume of air cargo exports declined 17.8 percent, to 499,000 metric tons.

Air Cargo Exports from the New York Customs District
Leading Commodities - Billions of U.S. Dollars

HS	Description	2007	2008	2009	% Share			% Change
					2007	2008	2009	- 09/08 -
	-- New York, NY --	$ 80.9	$ 90.1	$ 70.1	100	100	100	-22.2
71	Precious Stones, Metals	$ 26.3	$ 32.1	$ 20.4	32.5	35.6	29.2	-36.3
88	Aircraft, Spacecraft	$ 4.7	$ 5.1	$ 9.8	5.8	5.7	14.0	91.9
85	Electrical Machinery	$ 10.0	$ 10.6	$ 7.6	12.3	11.8	10.9	-27.9
84	Machinery	$ 13.5	$ 14.8	$ 7.6	16.7	16.4	10.8	-48.7
90	Optical & Medical Instruments	$ 8.2	$ 7.8	$ 6.9	10.1	8.7	9.8	-12.4
97	Art And Antiques	$ 5.4	$ 6.3	$ 5.2	6.7	7.0	7.4	-18.0
30	Pharmaceutical Products	$ 3.3	$ 3.4	$ 4.4	4.0	3.8	6.2	28.1
39	Plastic	$ 0.9	$ 0.9	$ 0.8	1.1	1.0	1.1	-10.6
29	Organic Chemicals	$ 0.9	$ 0.9	$ 0.8	1.2	1.0	1.1	-11.4
38	Misc. Chemical Products	$ 0.8	$ 0.7	$ 0.7	0.9	0.8	0.9	-3.4

**Source: U.S. Bureau of the Census*

Exhibit 13

International Trade Generates Jobs

The handling of international trade creates jobs across a wide array of industries and occupations. In addition to the direct handling of cargo at the airports and seaports, the flow of international cargo creates jobs for stevedores and air cargo handlers, truckers, warehouse and distribution center workers, custom house brokers and freight forwarders, importers and exporters, trade financing, security, government inspectors. Studies analyzing the economic impact of the port and aviation industries have demonstrated the significant economic impact that the flow of cargo has on the regional economy including the effect on supplying industries. Based on these studies, the handling of international ocean and air cargo is estimated to support almost 350,000 jobs in the metropolitan region[5]. These jobs cut across many segments of the economy and include executive, managerial, professional, marketing and sales, transportation, administrative, and government positions in addition to the thousands of lesser skilled well paying jobs. As the volume of trade recovers in 2010, it will contribute to job growth as the region begins to turn the corner from recession.

[5] See *The Economic Impact of the New York-New Jersey Port Industry* 2008, by A.Strauss-Wieder, Inc In association with Jacobs for the New York Shipping Association, September 2009 and The Economic Impact of the Aviation Industry in the New York-New Jersey Metropolitan Region, October 2005, by Port Authority of New York and New Jersey.

Credits

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