



THE NEW JERSEY GLOBAL ECONOMIC INDEX

Understanding and assessing international investment into New Jersey



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INTRODUCTION

The New Jersey Economic Development Authority's (NJEDA) Office of International Innovation and Partnerships, in collaboration with the Chief Economist's Office, has created the "New Jersey Global Economic Index" to highlight, rank, and analyze the sources of foreign direct investment (FDI) into New Jersey, which has historically stood as an international business destination and an important player in the global economy. This statewide index, which will be published annually, aims to guide and further develop international business relationships with the state, all while furthering the priorities and goals set forth by Governor Murphy's administration on the international stage.

As part of its commitment to support Governor Phil Murphy's vision for a stronger, fairer New Jersey economy, the NJEDA maintains a mission, within its broad economic mandate, to strengthen economic opportunities abroad. Leveraging international partners and investment plays a crucial role in the State's economy, leading to new jobs, increased visibility in foreign markets, and more innovation which capitalizes on New Jersey's role as a center of global business.

The newly created New Jersey Global Economic Index is built on several layers of data showing the strength of the State's top international economic relationships. The index clarifies that New Jersey is receiving substantial investment from virtually every corner of the globe, and serves as a new lens in which we can view our partnerships by looking to the past and the future, allowing New Jersey companies, government agencies, and organizations to better understand our sources of foreign investment.

Creating this index brought several challenges, namely, how to fairly measure and weigh New Jersey's international partnerships across several factors. Thanks to the research methodology created by the NJEDA's Economics and Data Analytics department, multiple factors were considered and are discussed further in the methodology section of this report. Importantly, when ranking the countries, both current investment levels and forecasts were blended along with other inputs to give a more clear and comprehensive understanding of our global economic relations. This data also accounts for New Jersey's competitive advantages as reflected through the nine Strategic Sectors established under Governor Murphy's Economic Recovery Act of 2020. The strategic sectors consist of advanced manufacturing, clean energy, film and digital media, finance and professional services, life sciences, non-retail food and beverage, offshore wind, transportation and logistics, and technology.

New Jersey deeply values all of its international partners as well as every community of national origin which calls the Garden State home. However, indexing the State's sources of global investment is a critical step towards better understanding our world, planning engagement, and encouraging development in regions where we see less economic activity.

KEY FINDINGS

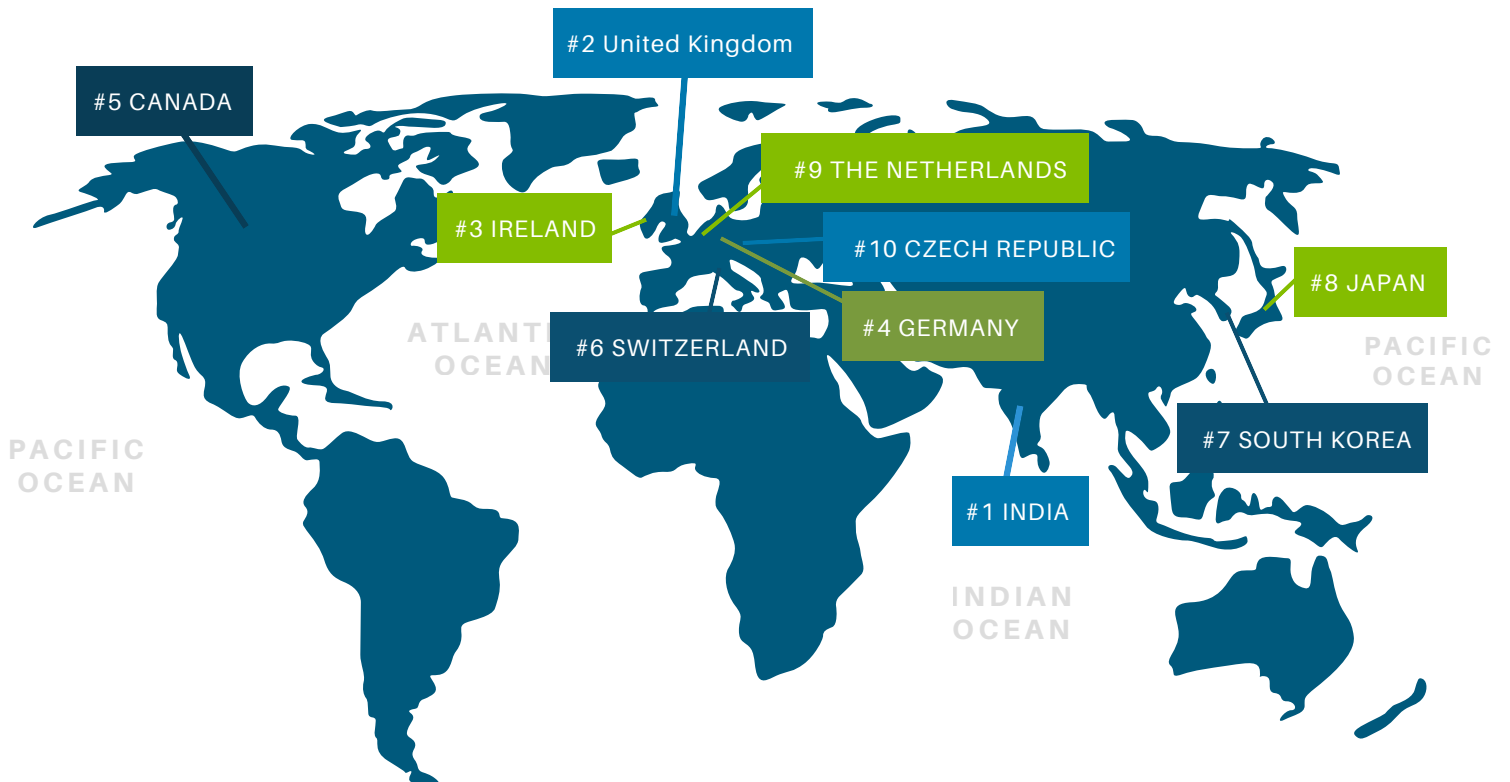
The following countries ranked within the top 10 for this year out of the entire set of 37 countries which are included later on in this report. Alone, the top ranked countries stretch across three continents showing the strong global connectedness of New Jersey before evaluating the entire set of data.

Location	Rank
India	1
United Kingdom	2
Ireland	3
Germany	4
Canada	5
Switzerland	6
South Korea	7
Japan	8
The Netherlands	9
Czech Republic	10

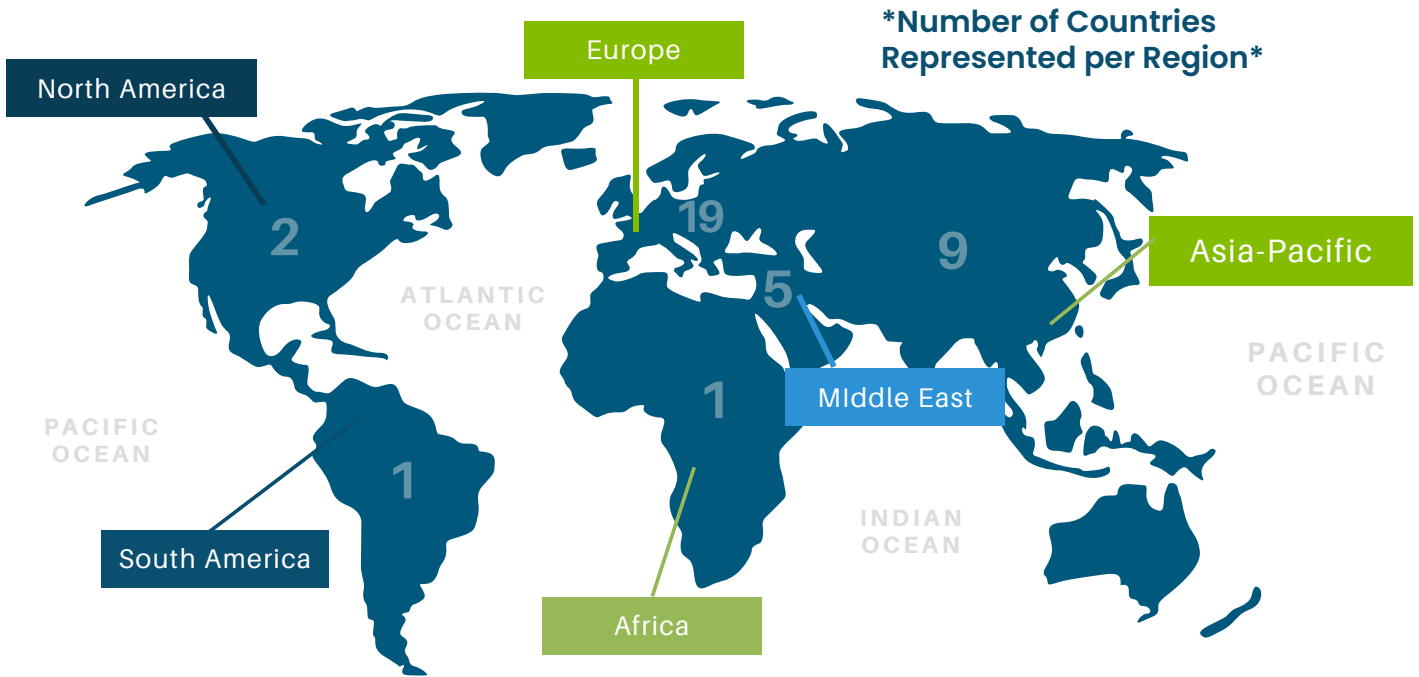
KEY FINDINGS

THE 2024 TOP TEN GLOBAL ECONOMIC PARTNERS OF NEW JERSEY

Regionally, New Jersey has the strongest relationships with Europe, the Asia Pacific, and North America.



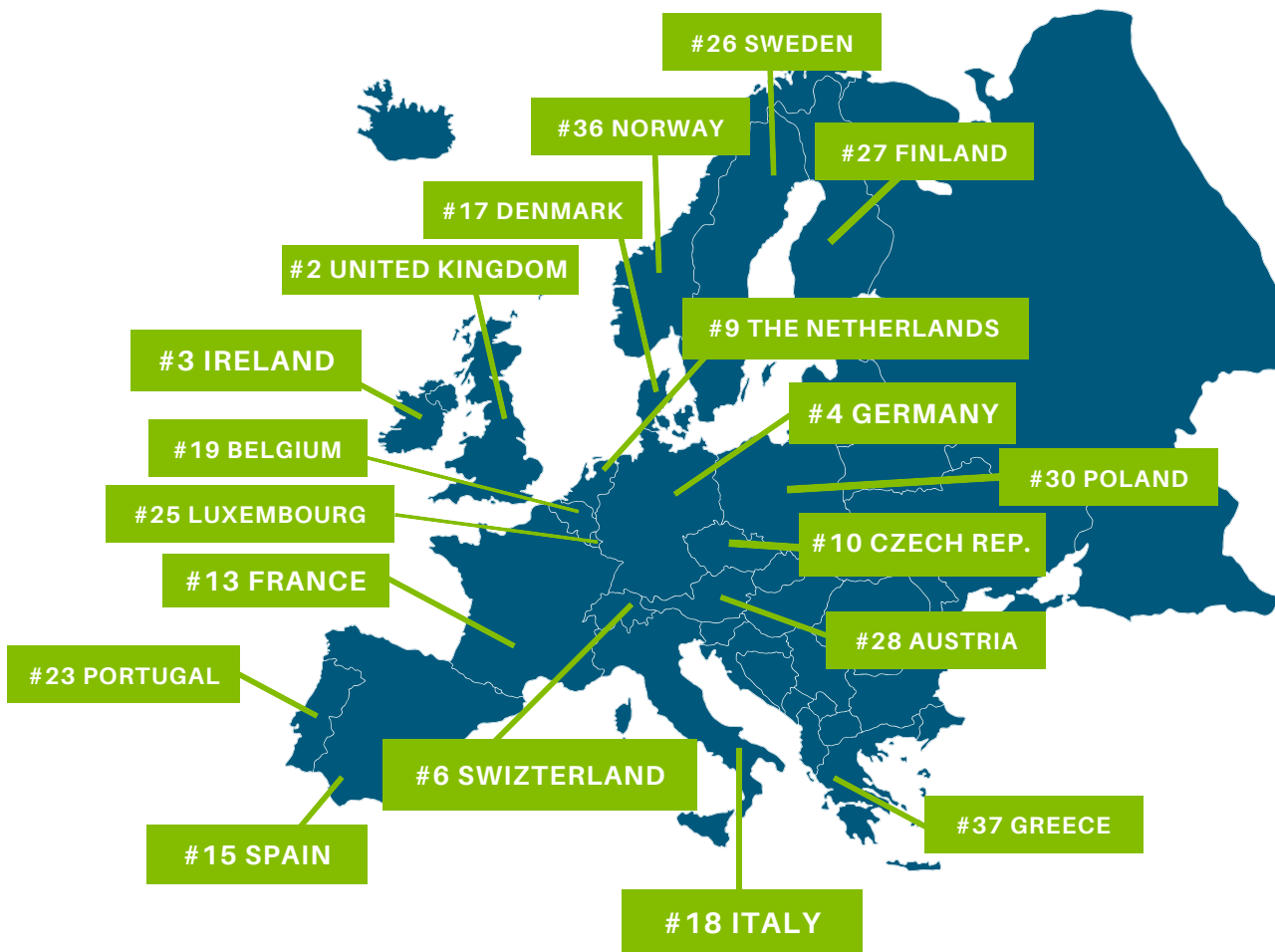
KEY FINDINGS



REGION	COUNTRIES REPRESENTED
Africa	South Africa
Asia-Pacific	India, South Korea, Japan, China, Australia, Singapore, Taiwan, Vietnam, New Zealand
Europe	United Kingdom, Ireland, Germany, Switzerland, The Netherlands, Czech Republic, France, Spain, Denmark, Italy, Belgium, Portugal, Luxembourg, Sweden, Finland, Austria, Poland, Norway, Greece
Middle-East	United Arab Emirates (UAE), Israel, Saudi Arabia, Turkey, Qatar
North America	Canada, Mexico
South America	Brazil

KEY FINDINGS

Europe has the highest number of countries represented amongst the top performers and New Jersey's bilateral relations with European countries have been, and continue to be, extensive. Choose New Jersey, the 501(c)(3) nonprofit organization tasked with promoting New Jersey around the globe, established the New Jersey Europe Center in 2018 in Berlin, Germany, and in 2022, established the Choose New Jersey Ireland Center in Cork, Ireland during Governor Murphy's economic mission trip. Both Ireland and Germany, ranked three and four, respectively, showing that New Jersey is strongly positioned to leverage the investment emanating from that region.

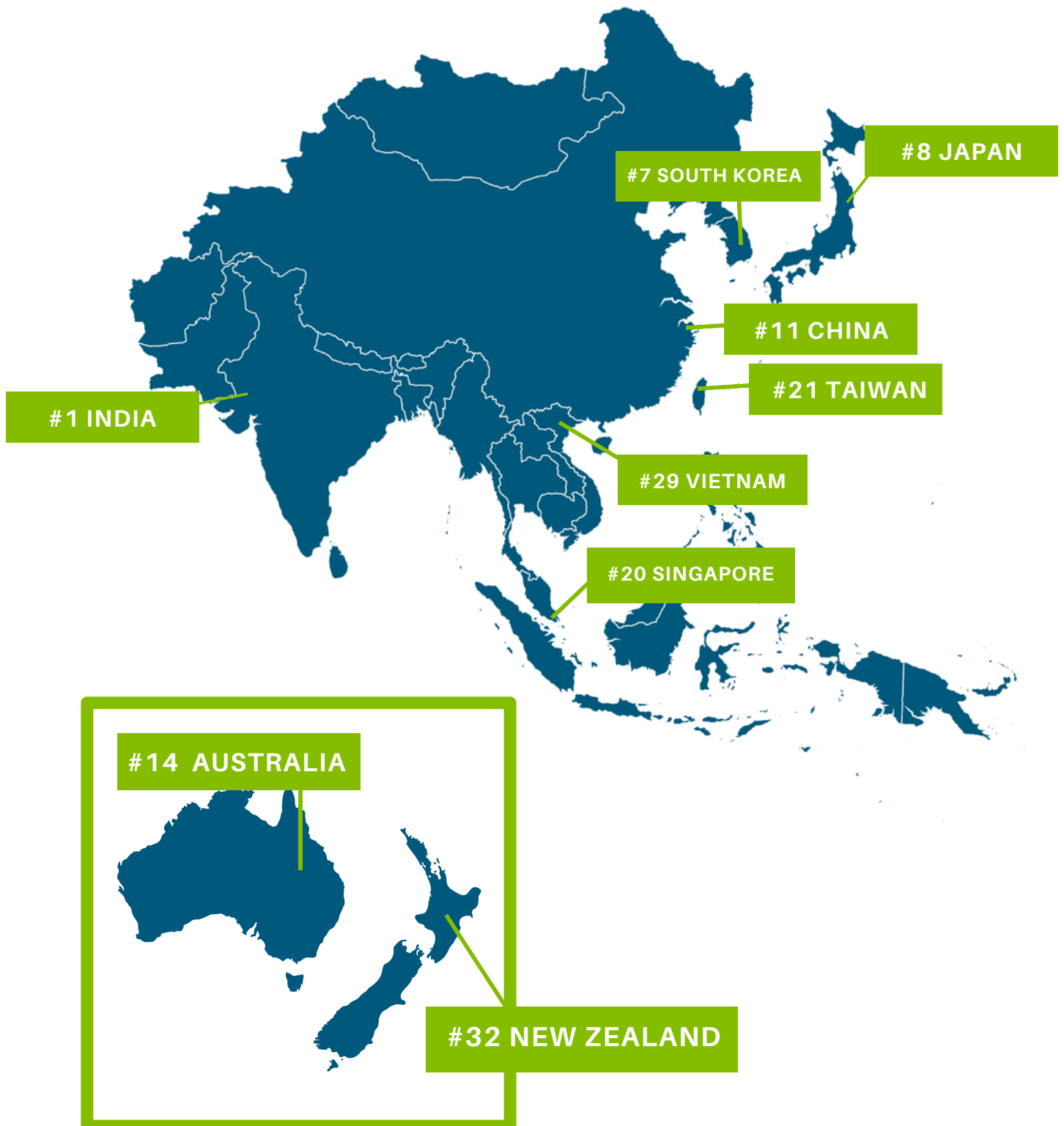


KEY FINDINGS

India ranks in first place, demonstrating the enormous connectivity between New Jersey and this emerging global power. In 2019 during Governor Murphy's business attraction trip to India, Choose New Jersey opened the New Jersey India Center in Gurugram, India. India and New Jersey share several key industries including technology, life sciences, manufacturing, pharmaceuticals, and film. Most notably, ten of the top 14 Indian pharmaceutical companies have corporate office locations in New Jersey. Additionally, New Jersey's prominent Indian diaspora community also acts as an important bridge to this leading economic partner.

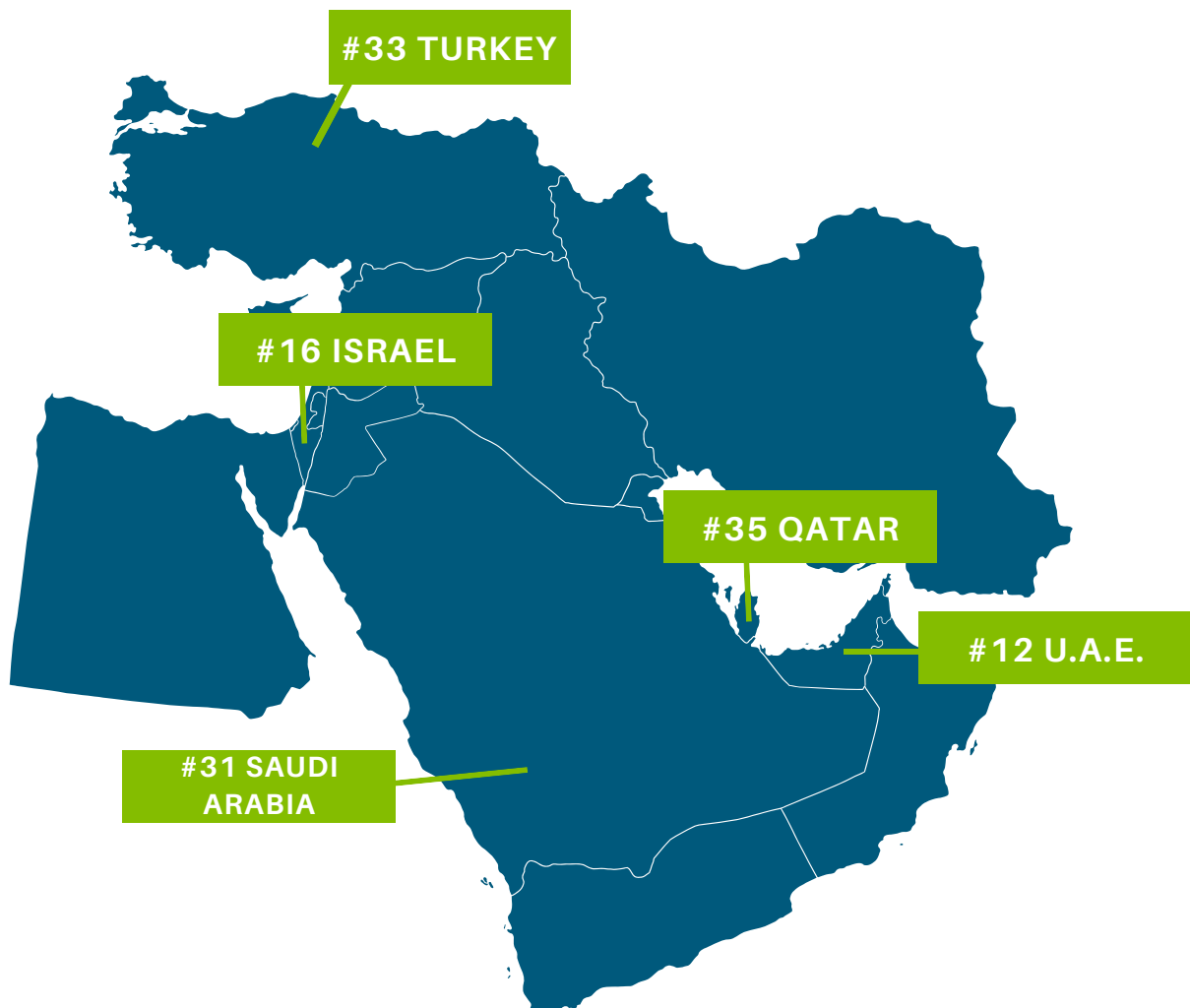
In addition to India, the Asia-Pacific region also demonstrates great opportunity for New Jersey including South Korea and Japan, ranked seven and eight respectively. During October of 2023, Governor Murphy led an economic mission trip in East Asia, visiting Japan, South Korea, and Taiwan. In addition to the announcement of the upcoming New Jersey Asia-Pacific Center in Taipei, the Governor's economic mission included meetings with Japanese Prime Minister Fumio Kishida, South Korean President Yoon Suk Yeol, Taiwan President Tsai Ing-Wen, prominent corporate executives and university leaders, and the signing of 27 Memorandums of Understanding (MOU) and agreements including drivers license reciprocity with South Korea. Outside of South Korea and Japan, while we see high placement of China due to it being an economic global powerhouse, its low forecast rank pushes it to 11th place. Australia and Taiwan are also noticeably present, as well as Vietnam who presents a strong forecast despite virtually no significant investment in New Jersey or the Northeast region today.

KEY FINDINGS



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The Middle East shows enormous promise with the United Arab Emirates and Israel holding high positions, both which have world class innovation ecosystems. Israel, home to the New Jersey Israel Center in Tel Aviv, was established in 2023 during Choose New Jersey's fifth business attraction trip to Israel, in partnership with the New Jersey-Israel Commission. Israel, in addition to its prominence in the technology, life sciences, manufacturing, and non-retail food and beverage sectors, especially stands out due to the over one billion dollars reported annually in total two-way trade in goods between Israel and New Jersey, as well as the highest quantity of MOUs and agreements between both states.

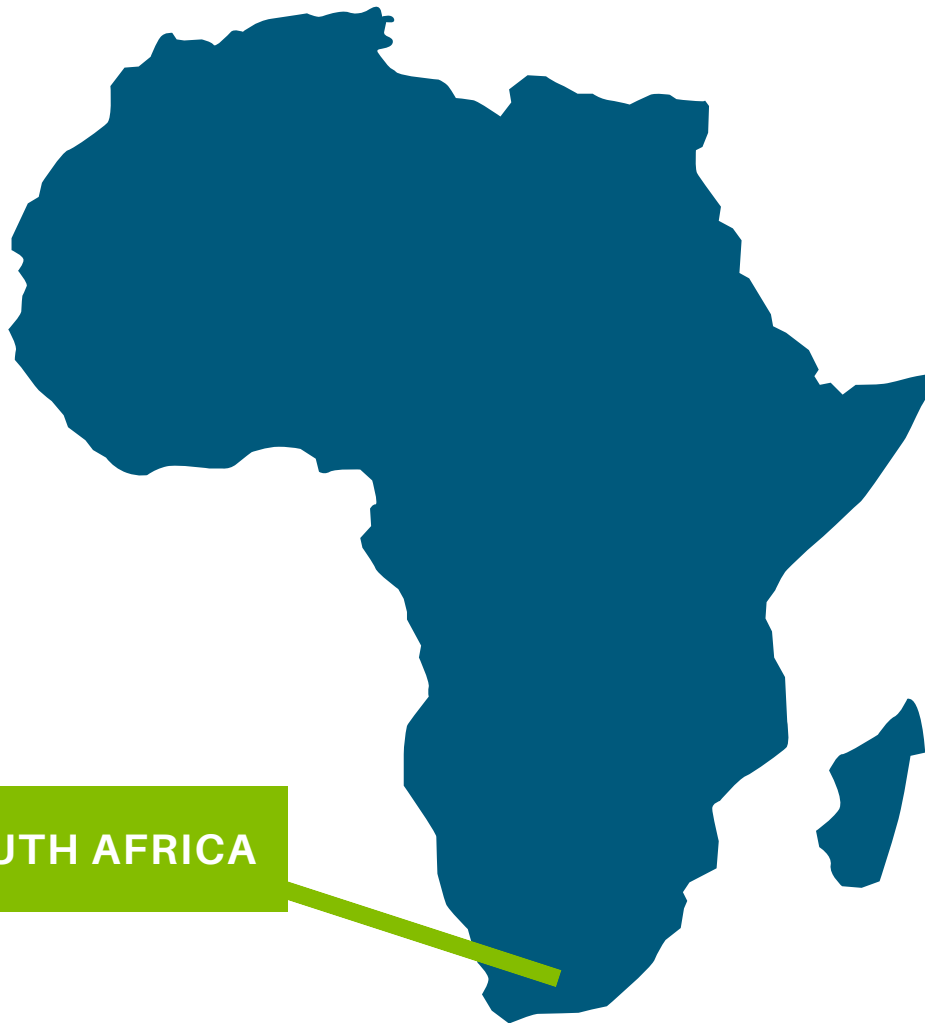


KEY FINDINGS

Within the Americas, both Canada and Mexico can be seen as strong partners to New Jersey, as anticipated due to their strong integration with the economy of the United States. However, the low presence of South American countries and absence of Caribbean nations presents an opportunity for New Jersey to seek new ways to engage with those regions and encourage more economic exchanges. This is also true of African nations which is solely represented by South Africa.



KEY FINDINGS



#24 SOUTH AFRICA

KEY FINDINGS

Importantly, some data in this report shows that certain countries, which have previously demonstrated lower levels of FDI into New Jersey, will likely increase over the next decade as they become economically stronger. This is also reflected in the inverse where some countries which have invested heavily in New Jersey may expect to see a decline in their outward investments in the immediate future. This forecasting allows for a more comprehensive window into our bilateral foreign relationships.

GLOBAL INDEX RANKINGS

Location	NE Rank	Global Rank	NJ Rank	Forecast Rank	MOU Score	Total Rank
India	3	16	5	1	4	1
United Kingdom	26	2	4	14	5	2
Ireland	6	21	8	5	5	3
Germany	17	1	3	22	6	4
Canada	19	12	7	8	4	5
Switzerland	12	11	9	19	6	6
South Korea	14	5	21	10	3	7
Japan	15	4	1	34	4	8
The Netherlands	11	10	10	20	6	9
Czech Republic	1	26	22	2	6	10
China	21	6	2	33	2	11
UAE	9	9	20	15	6	12
France	25	3	6	29	5	13
Australia	23	18	15	6	6	14
Spain	13	8	12	26	6	15
Israel	10	27	13	17	1	16
Denmark	29	15	17	11	6	17
Italy	18	14	11	27	5	18
Belgium	8	23	16	21	6	19
Singapore	24	13	25	18	6	20
Taiwan	20	7	30	24	4	21
Mexico	28	29	29	3	5	22
Portugal	5	20	23	32	6	23
South Africa	2	32	19	30	5	24
Luxembourg	7	24	18	36	6	25
Sweden	22	19	14	37	6	26
Finland	16	28	24	23	6	27
Austria	30	25	28	13	6	28
Vietnam	31	30	31	7	6	29
Poland	31	34	31	4	6	30
Saudi Arabia	31	22	31	15	6	31
New Zealand	4	35	26	28	6	32
Turkey	31	33	31	9	6	33
Brazil	27	31	27	25	4	34
Qatar	31	37	31	12	6	35
Norway	31	17	31	31	6	36
Greece	31	36	31	35	6	37

METHODOLOGY

The findings of this data were gathered by establishing five factors which influence New Jersey’s global economic relations: Northeast Share Rank, New Jersey Flow Rank, Global Flow Rank, Global Forecast Rank, and International Partnerships. Data was sourced from a combination of private research, New Jersey State information, and economic forecasts.

Name	Description	Unit	Source
Northeast Rank	Percent of total greenfield foreign direct investment capex headed into the northeast that goes to New Jersey (2013-2022). Highest share (1) to lowest share (31)	%	fDi Markets – Financial Times
NJ Rank	The total 10-year flows of a source countries’ greenfield foreign direct investment into New Jersey. Largest Flows (1) to smallest flows (31)	\$	fDi Markets – Financial Times
Global Rank	The total 10-year flows of a source countries’ greenfield foreign direct investment outward position to all global countries in key New Jersey sectors. Largest flows (1) to smallest flows (37)	\$	fDi Markets – Financial Times
MOU Score	Total # of MOUs or Agreements that New Jersey has had with the source country. Most (1) to none (6)	#	NJ.gov
Forecast Rank	CAGR of the Oxford Economic Forecast of Global FDI Flows 2024-2034 (1 to 37)	%	Oxford Economics

Glossary

CAGR - Compound Annual Growth Rate

FDI - Foreign Direct Investment

Greenfield FDI - Cross-border investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. (FDI Markets definition)

MOU - Memorandum of Understanding

