

NEWSDAY ILLUSTRATION BY NED LEVINE

SALES TO FOREIGN BUYERS HAVE RISEN MORE THAN 50% IN A DECADE

BY JAMES T. MAORE
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Long Island has growing export muscle.

Manufacturers, distributors and trading companies based here sold \$9.4 billion in goods to foreign buyers in 2015, a 53 percent increase from 2005, ac-

data from the U.S. Census Bureau.

Several factors are behind the gain in export activity, including greater foreign demand for Long Island products and a growing number of companies beginning to sell overseas, economists said.

Exports contribute to the

businesses.

Love & Quiches Gourmet in Freeport sends frozen cheesecakes and chocolate cakes to the Middle East. Genetic markers from Stony Brook-based Applied DNA Sciences Inc. help to fight crime in Britain and Sweden. And women around the globe use do-it-yourself nail

from Kiss Products Inc. in Port Washington.

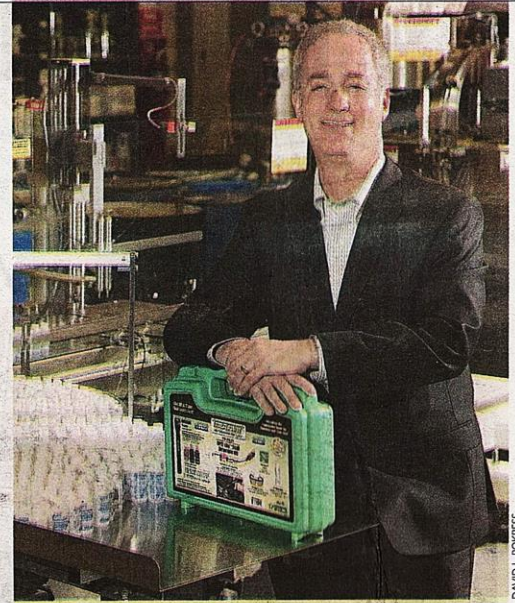
For the Nature's Bounty Co., exports "are a key growth engine for us," said Steve Cahillane, CEO of the Ronkonkoma-based manufacturer, which has 11 local facilities with more than 2,000 employees.

and [dietary] supplement company in the United States in market share, but we are a small player in big markets overseas," he said. "There is a big opportunity for us."

The sale of goods to foreign buyers is a small part of Long Island's economy — 5.5 percent

MEETING THE DEMAND

Local companies see growth potential in foreign markets eager for LI products



DAVID L. FORBES

President Jon Cooper says Spectronics Corp. sells its products to 180 countries; exports represented 45 percent of sales last year.

EXPORTS from A37

of the \$177 billion in goods and services produced here in 2015, according to the forecasting firm IHS. But some experts predict exports will grow in significance in the next decade.

"Exports are definitely a meaningful contributor to Long Island's economy . . . [and] I think they will become more important over time," said John A. Rizzo, chief economist for the Long Island Association business group.

Rizzo and other economists also warn that the Island's rising export activity could be imperiled should President Donald Trump fulfill his campaign pledge to overturn the system of international trade that has been in place since World War II.

"If the United States has more restrictive tariffs [taxes] on imports, we can anticipate retaliation by the countries that we want to export to," Rizzo said.

Local exporters said they are concerned about a possible tax hike on imports from China and withdrawal from the 23-year-old North American Free Trade Agreement, or NAFTA, that links the United States, Canada and Mexico.

More than 60 percent of the region's exports fall into three categories, each with sales of more than \$1 billion in 2015: medical devices, dental supplies, musical instruments and miscellaneous goods; electronic and computer parts; and drugs and vitamins. Figures include products made on the Island, those shipped from local warehouses, and products that are made elsewhere but sold by companies based in Nassau and Suffolk counties.

Canada is Suffolk's top export destination, accounting for sales of \$564 million in 2015. Hong Kong is Nassau's, with \$1.3 billion in sales. Hong Kong serves as a gate-

way to many Asian nations, including China, home to the world's largest population.

Export activity declined in 2015 from a year earlier, due in part to exchange rates for foreign currencies. The U.S. dollar increased in value against the Canadian dollar and Swiss franc, according to the U.S. Internal Revenue Service, hurting sales in two key markets.

The two sectors that are most affected by export activity — manufacturing and transportation/warehousing — employed 112,000 people on Long Island in December, according to the state Department of Labor.

For some man-

ufacturers, exports account for nearly half of yearly sales and offer faster growth than the U.S. market.

"There is greater potential in overseas markets like China, India and Latin America," said Jon Cooper, president of Spectronics Corp. in Westbury, which makes ultraviolet lighting equipment and fluorescent dyes used to detect fluid leaks in engines, machinery and cooling systems. "In some places, they have never seen this technology. It's absolutely virgin territory," he said.

The company, which has 175 employees, began exporting in 1960, five years after opening.

It now sells to 180 countries, with the top markets being Germany, China and Japan.

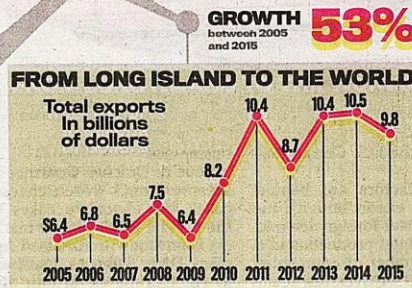
Cooper said exports represented 45 percent of Spectronics' sales of \$25 million to \$30 million last year. He wants to purchase a company in Europe and form joint ventures with factories in China and India.

Among Long Island businesses, there is keen interest in learning how to sell products to foreign buyers.

Susan Sadocha, local director for the U.S. Department of Commerce's U.S. Commercial Service, said her appointments calendar has been full since she began helping novice exporters three years ago.

"Long Island companies, like those in other regions, see where their competitors are going, and they want a share of that market for themselves," Sadocha said.

The region's exporters benefit from being near Kennedy Airport and shipping terminals in Newark and Elizabeth, New Jersey. The Port of New York and New Jersey is the country's first largest behind Long Beach, California, and Los Angeles. Kennedy Airport's freight cargo operation has attracted



Figures based on geographic location of U.S. manufacturers, sellers or ordering parties that are purchasing goods for export.



Vitamin maker Nature's Bounty, with top foreign markets in Asia, Canada and Western Europe, has a venture to increase exports to China.

LI'S TOP MERCHANDISE EXPORTS FOR 2015

■ Medical devices, dental supplies, musical instruments, other miscellaneous manufactured products:

\$3.2 BILLION

■ Semiconductors, other electronic and computer parts:

\$1.6 BILLION

■ Pharmaceuticals, vitamins, dietary supplements:

\$1.3 BILLION

■ Aerospace and automobile parts, other transportation equipment:

\$417 MILLION

■ Electrical outlets, fuse boxes, light switches, other electrical equipment:

\$318 MILLION

SOURCES: U.S. Census Bureau, independent economist Michael Crowell

LI'S BIG EXPORT DESTINATIONS FOR 2015

NASSAU*	
Country	Amount
Hong Kong	\$1.3B
United Kingdom	\$468M
Israel	\$419M
SUFFOLK	
Canada	\$564M
United Kingdom	\$343M
Hong Kong	\$302M

Note: *Switzerland was the No. 2 destination, accounting for between \$468 million and \$1.3 billion in sales, but the exact amount is unavailable. SOURCE: U.S. Census Bureau

INTERACTIVE

Compare rise, fall of Nassau, Suffolk, NYS exports since 2005.

newsday.com/data

Purolator International, the dominant shipper to Canada, opened a larger headquarters in Jericho two years ago after weighing other locations in the metropolitan area. About 90 employees oversee 27 branch offices in the United States.

"We have some big customers of Long Island," Purolator International president John Costanzo said, emphasizing the importance of manufacturers. "We will be here if the business is here."

He estimated that 35 percent of the goods exported by

local companies are actually produced here.

At Nature's Bounty, executives said more than 10 percent of the vitamins and dietary supplements it makes in Suffolk are exported. Local factories account for a majority of the company's annual production, which includes Nature's Bounty vitamins.

The behemoth, formerly named NBTY, sells to about 100 countries. It has disclosed previously that foreign customers generated 40 percent of 2015 sales of \$3.2 billion. A spokeswoman declined to pro-

vide 2016 data.

Cahillane, the CEO, said there have been double-digit percentage gains in exports, year over year. He also said the top foreign markets were Asia, Canada and Western Europe.

Last year, Nature's Bounty formed a joint venture with By-Health Co. Ltd., a large supplement company in China, to increase its exports.

Nature's Bounty also is somewhat unusual among manufacturers in that it owns a foreign retail chain: 1,100 Holland & Barrett stores, mostly

in the United Kingdom and Ireland.

"We want to sell to every American out there," Cahillane said. "But the fact is there are billions of people outside the United States, and it makes us a stronger company if we sell to them, too."

LI exporters worry about trade under Trump

BY JAMES T. MADORE
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President Donald Trump's talk of increasing taxes on imports has set some local exporters on edge because they said a trade war could break out, with foreign countries raising taxes on U.S. goods.

Since his inauguration, Trump has withdrawn the United States from the 12-nation Trans-Pacific Partnership free-trade agreement and proposed a tax,

He also repeated his campaign pledge to renegotiate the 23-year-old North American Free Trade Agreement, or NAFTA, for the United States, Canada and Mexico.

The speed and tone of the president's actions has alarmed exporters on Long Island.

"I'm concerned about how quickly big changes are being made," said James D'Addario, CEO of D'Addario & Co., a manufacturer of guitar strings and other instrument acces-

sories on U.S. exports that make them too expensive, including D'Addario strings.

But the local executive said Trump's approach is too broad and should focus on counterfeiters and businesses that unfairly swamp the market with cheap goods to undercut competitors.

"I don't trust this administration to address . . . [import taxes] in a way that isn't going to create havoc and negative things," he said.

D'Addario's company ex-

ports to the United States and Canada after Britain sym-

pathized with the United States. He can unilaterally take the United States out of NAFTA because it's an agreement, not a treaty, which requires congressional action, according to an analysis by the law firm Hogan Lovells in Washington and London.

Thomas A. Cook predicted Trump will try "to renegotiate NAFTA, not eliminate it . . . We cannot afford to be isolationist." Cook owns the consulting firm Blue Tiger International and the training provider National Institute for World Trade, both based in East Moriches.

He and others said they hope Congress will scuttle some of Trump's trade proposals. But Rep. Lee Zeldin (R-Shirley) said, "There is very