



News From:

## **COMPTROLLER KEVIN LEMBO**

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### ***COMPTROLLER LEMBO CAUTIOUSLY REPORTS SIGNS OF ECONOMIC RECOVERY; HIGHLIGHTS FUEL CELL AND AEROSPACE EXPORT INDUSTRIES***

Comptroller Kevin Lembo said Connecticut's economy has a long road to recovery, but there are signs of revival, particularly in the state's export industries for fuel cells and aerospace.

Lembo said these export industries, and other factors, may be partly responsible for slight gains in Connecticut's financial outlook for fiscal year 2011 over last month's projections.

In his monthly report to Gov. Dannel P. Malloy, Lembo said the state will potentially end the fiscal year with a General Fund surplus of approximately \$116.4 million or possibly more. This upturn over last month's projection – by nearly \$60 million – was fueled by larger-than-anticipated gains in the sales tax, inheritance tax and oil company tax.

Lembo cautiously pointed to signs of statewide economic recovery, including a national corporate profits growth of 36.8 percent in 2010 – the strongest rate of growth since 1950 – and 5,400 payroll jobs in Connecticut added between January and February 2011.

Fuel cell and aerospace are among the industries that have pushed back against the greater economic downturn in Connecticut, and should be among the focus of future growth, Lembo said.

“Connecticut's focus must include fuel cells and transportation – industries that have flourished when the rest of our economy floundered,” Lembo said. “When jobs were still bleeding across virtually all industries, Connecticut's exports increased at a rate of 14.7 percent in 2010, according to U.S. Census Bureau data.

**“Transportation equipment trumped all other exports, and the fuel cell industry enjoyed its own momentum in recent years. Connecticut has established itself as a leader in fuel cell technology development and manufacturing – and must maintain that leadership in a field that could produce thousands more jobs in the coming years,” Lembo said.**

**Lembo cited a recent report by the Connecticut Center for Advanced Technology on the “Connecticut Hydrogen Fuel Cell Industry Status and Direction” for 2010 and 2011.**

**The report claims employment in Connecticut’s hydrogen and fuel cell industry has grown by 28 percent from 2006 to 2010 – and is projected to grow by 12 percent each following year.**

**Lembo highlighted the work of FuelCell Energy, a Connecticut company that has been increasing its workforce, even in the face of difficult economic times.**

**"FuelCell Energy is a Connecticut based company with our headquarters, research and development and manufacturing all located within the state. We have increased our workforce at our Torrington production facility by about 20 percent so far in 2011 to meet demand for our ultra-clean and efficient fuel cell power plants. We are an exporter with almost 60 percent of our 2010 revenue generated from overseas markets, primarily in Asia," said Frank Wolak, Vice President Government Business Development, FuelCell Energy, Inc.**

**Lembo said, “These industries and other indicators provide cautious optimism about Connecticut’s economic recovery and future.”**

**Lembo highlighted additional economic indicators, including nationwide retail sales growth of 8.9 percent this past February over the previous year. And while the state lost 118,400 jobs to the recession in 2008, the state has since regained about a quarter of the jobs lost, adding back 28,900.**

**While overall state unemployment remains stubbornly high at 9 percent, that rate is likely a lagging indicator and, based on other indicators, should start to move downward.**

**“These economic indicators should be used as guidance – leading us to areas of focus for the future, rather than reason to borrow or spend as our state did in the past,” Lembo said.**

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