

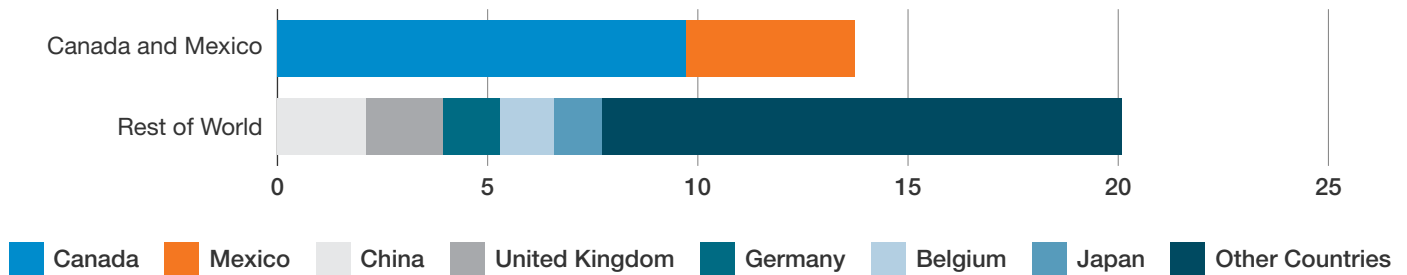
Pennsylvania Manufacturers and Workers Rely on North American Trade



ECONOMY AND EXPORTS

Trade is important for Pennsylvania, helping Pennsylvanians to sell more of what they make to more customers around the world. More sales equals more good-paying jobs and a stronger economy across the state. Pennsylvania's ability to sell more American-made products to Mexico and Canada is tied directly to NAFTA. In fact, Pennsylvania manufacturers sell nearly one-sixth of their total manufacturing production to Canada and Mexico.

Canada And Mexico Purchase More Than Two-Fifths Of Pennsylvania's Total Global Manufacturing Exports: Pennsylvania Manufactured Goods Exports, in Billions of U.S. Dollars, 2017



Source: U.S. Department of Commerce

Pennsylvania's top exports to Canada and Mexico: chemicals, food and beverages, electrical equipment and components, iron and steel, fabricated metal products, motor vehicle parts, agriculture, construction and mining materials, plastics, paper products, certain machinery.

Pennsylvania Manufacturers Rely on North America: Canada and Mexico represent less than 4 percent of the global economy, but they are big purchasers of Pennsylvania goods, purchasing substantial portions of Pennsylvania's foreign sales of major manufactured goods, supporting well-paying jobs in communities across Pennsylvania.

2x BIGGER

Pennsylvania's motor vehicle parts exports to Canada and Mexico have more than doubled over the last decade.

2x BIGGER

Pennsylvania's electrical equipment exports to Canada and Mexico have nearly doubled over the last decade.

SMEs = WINNERS

Pennsylvania's small- and medium-sized businesses comprise more than 70 percent of the state's exporters of transportation equipment to Canada and Mexico, and nearly 75 percent of the state's exporters of electrical equipment, appliances and components to Canada and Mexico.

1 OUT OF 4

Pennsylvania Manufacturing Firms Export to Canada and Mexico

- 3,072 firms
- 80 percent are small and medium-sized businesses supporting local economies

1 OUT OF 10

Pennsylvania Manufacturing Jobs Depend on Manufacturing Exports to Canada and Mexico

- More than 42,600 workers
- Export-dependent jobs are usually full-time, pay higher-than-average wages and offer real career opportunities to middle-class workers

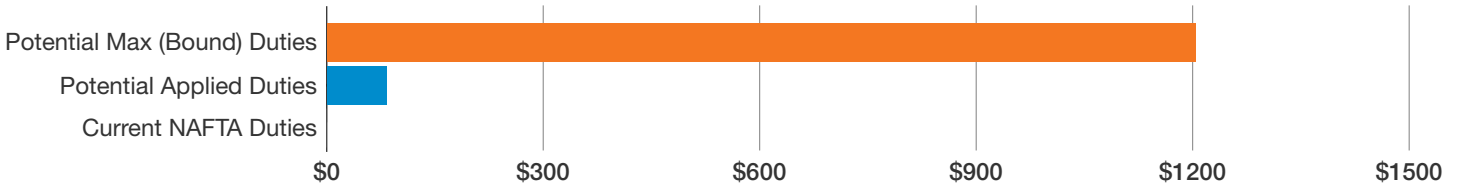
Connect with Us!



Pennsylvania Without NAFTA: Less Manufacturing and Fewer Jobs

Without NAFTA, Pennsylvania's manufactured goods exports to Mexico alone could face a minimum of \$83 million to \$1.2 billion in extra taxes (compared to zero tariffs today). As a result, many of Pennsylvania's manufacturers and the workers and communities they support will lose sales as competitors from Europe and Asia continue to enjoy zero tariffs. The result will be less manufacturing production and fewer good-paying American jobs in Pennsylvania and throughout the United States.

Tariffs on Pennsylvania Manufacturers Exporting to Mexico (in Millions of U.S. Dollars):



Source: NAM analysis of data reported by the U.S. Department of Commerce

Making NAFTA Better

As talks proceed to modernize NAFTA, manufacturers across Pennsylvania and the United States are seeking improvements that will boost manufacturing competitiveness so that our manufacturers can reach more customers, expand local production and sustain and grow well-paying jobs across America:

- **Eliminate any remaining unfair barriers** or market distortions in Canada and Mexico.
- **Raise standards to U.S. levels**, including with respect to transparency, fair competition and good regulatory practices and the protection of private property, investment overseas and intellectual property.
- **Modernize the agreement** to include new digital trade provisions important to small manufacturers and those creating and relying on new technologies.
- **Remove unnecessary red tape** at the border and duplicative regulations that hold our manufacturers back.
- **Stop trade cheating from foreign countries** by seeking greater collaboration with our NAFTA partner nations.
- **Strengthen neutral and strong enforcement mechanisms**, including investor-state dispute settlement, so that our trading partners live up to their commitments.

This is what a better NAFTA looks like, and it's exactly the kind of deal our government can, and should, achieve in the context of the current NAFTA negotiations with Canada and Mexico. Not only does it prevent the negative economic effects of a bad deal or unilateral withdrawal, but it also makes things better in the United States by raising standards, strengthening enforcement and ensuring American companies and American workers are treated fairly.

In Brief: Pennsylvania's Manufacturing Trade and Employment Data

\$85 billion in Total Manufacturing Output (2016)

Total Manufactured Goods Exports: \$34 billion To World (2017)		\$14 billion To Canada/Mexico (2017)	
552,458 Manufacturing Employment (2017)		42,622 Manufacturing Employment Tied to Exports to Canada/Mexico	
12,466 Total Manufacturing Firms (2015)		3,072 Manufacturing Firms Exporting to Canada/Mexico	
Average Annual Compensation: \$72,151 Manufacturing (2016)		\$49,059 Nonfarm Business (2016)	

Source: NAM analysis of data reported by the U.S. Department of Commerce

Connect with Us!

