

NORTH AMERICA DRIVES MANUFACTURING IN THE UNITED STATES

A Modernized NAFTA Would Further Boost U.S. Jobs and Exports



For manufacturers and workers throughout the United States, the North American commercial market is the most important market in the world. Updating and modernizing the 25-year-old North American Free Trade Agreement (NAFTA)—if done right—will help grow higher-paying American jobs, expand manufacturing in the United States and improve America’s global competitiveness.

U.S.-Manufactured Goods Exports to Canada and Mexico Already Support Millions of U.S. Workers

Canada and Mexico are the largest foreign purchasers of U.S.-manufactured goods, buying one-fifth of all U.S.-manufactured goods production in 2017—more than the next 10 U.S. trading partners combined.

U.S.-Manufactured Goods Exports, in Billions of U.S. Dollars, 2017

Source: U.S. Department of Commerce



These exports have more than tripled to Canada and Mexico, from \$129 billion in 1993 to \$470 billion in 2017. While imports have also increased, U.S. trade with Canada and Mexico is relatively balanced. Notably, 40 percent and 25 percent of the input value of U.S. imports from Mexico and Canada, respectively, are derived from manufacturing production in the United States.

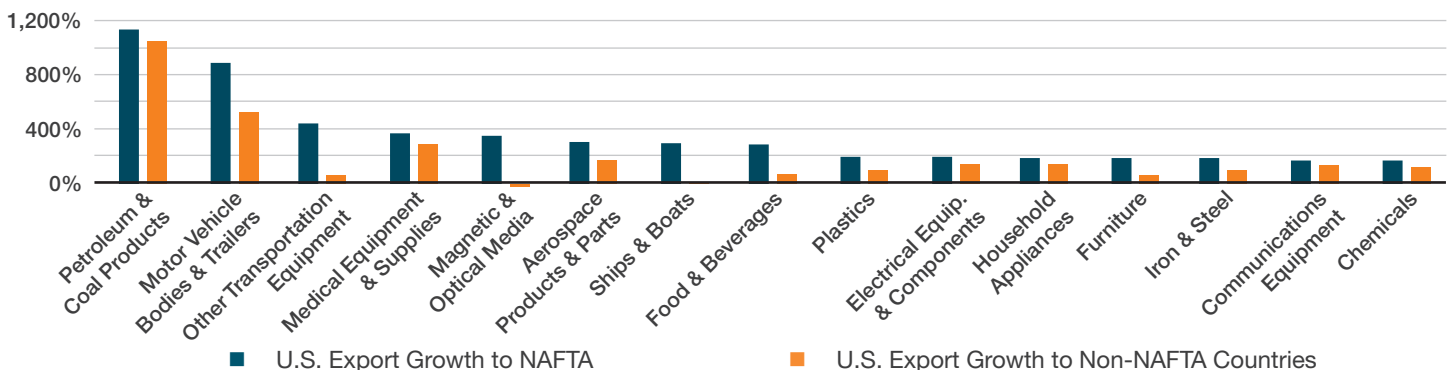
U.S.-manufactured goods exports to Canada and Mexico alone support the jobs of more than 2 million men and women at more than 43,000 manufacturing firms across the United States. Average manufacturing wages of \$82,023 in 2016 were approximately 27 percent higher than overall average nonfarm wages, and export-related jobs pay on average 18 to 20 percent more than jobs not related to exports.

Most U.S. Manufacturing Sectors Have Grown Exports to Canada and Mexico More Quickly Than to Other Countries

The outsized role that North America has played in spurring the near doubling of U.S. manufacturing is reflected in the growth of a wide range of manufacturing sector exports to Canada and Mexico, with U.S. exports of major manufacturing goods sectors growing much more rapidly to NAFTA countries since 1997, as compared to the rest of the world.

U.S. Manufacturing Export Growth to NAFTA Countries vs. Rest of World, 1997 to 2017

Source: U.S. Department of Commerce



Connect with Us



