USMCA Passage is Critical for Alabama Manufacturers and Workers

ECONOMY AND EXPORTS
Trade is important for Alabama, helping Alabamians sell more of what they make to more customers around the world. More sales equal more well-paying jobs and a stronger economy across the state. Alabama’s ability to sell more American-made products to Canada and Mexico is tied directly to tariff-free and rules-based trade in North America.

Canada and Mexico purchase more than one-third of Alabama’s total global manufacturing exports

Alabama Manufactured Goods Exports, in Billions of U.S. Dollars, 2018

Canada and Mexico represent less than 4 percent of the global economy, but they are big purchasers of Alabama’s goods, purchasing substantial portions of Alabama’s foreign sales of major manufactured goods, supporting well-paying jobs in communities across Alabama.

Alabama’s Top Exports to Canada and Mexico: motor vehicles; iron and steel; motor vehicle parts; paper products; chemicals; engine, turbine and power transmission equipment; aluminum; aerospace products and parts; fabricated metal products and plastics.

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

80% BIGGER
Alabama’s motor vehicles exports to Canada and Mexico have increased by nearly 80 percent over the last decade.

4x BIGGER
Alabama’s iron and steel exports to Canada and Mexico have increased more than 4-fold over the last decade.

SMEs = WINNERS
Alabama’s small- and medium-sized businesses comprise 63 percent of the state’s exporters of transportation equipment to Canada and Mexico, and 68 percent of the state’s exporters of metals to Canada and Mexico.

ONE OUT OF FIVE
Alabama Manufacturing Firms Export to Canada and Mexico
- 683 firms
- 67 percent are small- and medium-sized businesses supporting local economies

MORE THAN 23,300
Alabama Manufacturing Jobs Depend on Manufacturing Exports to Canada and Mexico
- Export-dependent jobs are usually full time, pay higher-than-average wages and offer real career opportunities to middle-class workers.
- Alabama manufacturing workers make on average $65,216 in total annual compensation compared to $39,700 for workers across all private nonfarm industries.

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Alabama Without the U.S.–Mexico–Canada Trade Agreement: Less Manufacturing and Fewer Jobs

Without tariff-free trade across North America secured by a strong trade agreement, Alabama’s manufactured goods exports to Canada and Mexico could face a minimum of $329 million to $1 billion in extra taxes (compared to zero tariffs today).

As a result, many of Alabama’s manufacturers and the workers and communities they support would lose sales as competitors from Europe and Asia continue to enjoy zero tariffs. The result would be less manufacturing production and fewer well-paying American jobs in Alabama and throughout the United States.

Congressional passage of the United States–Mexico–Canada Agreement will help Alabama manufacturers grow in the United States, compete globally and support millions of well-paying manufacturing jobs across the country.

In Brief: Alabama’s Manufacturing Trade and Employment Data

$36 Billion in Total Manufacturing Output (2017)

Total Manufactured Goods Exports:  
- $19 billion To World (2018)  
- $6.5 billion To Canada/Mexico (2018)

Manufacturing Firms:  
- 3,749 Total Manufacturing Firms (2015)  
- 683 Manufacturing Firms Exporting to Canada/Mexico

Employment:  
- 269,833 Total Manufacturing Employment (2018)  
- 23,377 Manufacturing Employment Tied to Exports to Canada/Mexico

Average Annual Compensation:  
- $65,216 Manufacturing (2016)  

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