

USMCA Passage is Critical for Arizona Manufacturers and Workers

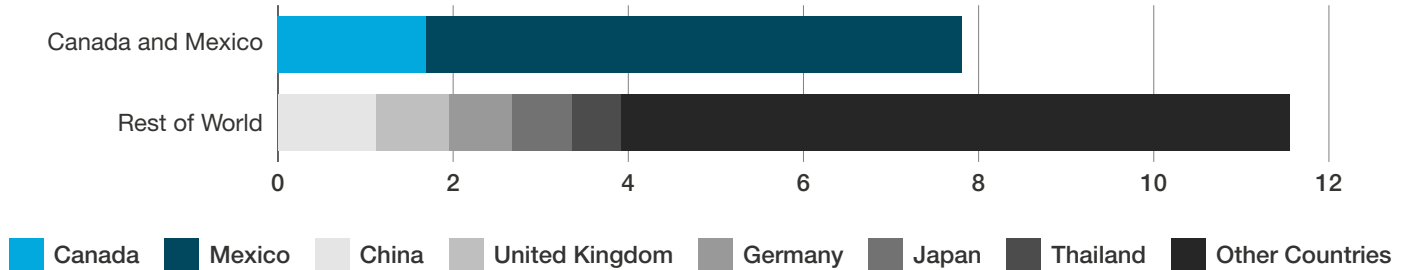


ECONOMY AND EXPORTS

Trade is important for Arizona, helping Arizonians 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. Arizona'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 two-fifths of Arizona's total global manufacturing exports

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



Source: U.S. Department of Commerce

Arizona's Top Exports to Canada and Mexico: electrical equipment and components; semiconductors and electronic components; fabricated metal products; aerospace products and parts; communications equipment; plastics; chemicals; motor vehicle parts; navigational, measurement, lab and control instruments; other nonferrous metals.

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

2x BIGGER

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

2x BIGGER

Arizona's communications equipment exports to Canada and Mexico have more than doubled over the last decade.

SMEs = WINNERS

Arizona's small- and medium-sized businesses comprise 77 percent of the state's exporters of electrical equipment to Canada and Mexico, and 74 percent of the state's exporters of computer and electronic products to Canada and Mexico.

ONE OUT OF FIVE

Arizona Manufacturing Firms Export to Canada and Mexico

- 849 firms
- 73 percent are small- and medium-sized businesses supporting local economies

MORE THAN 19,000

Arizona 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.
- Arizona manufacturing workers make on average \$82,321 in total annual compensation compared to \$43,759 for workers across all private nonfarm industries.

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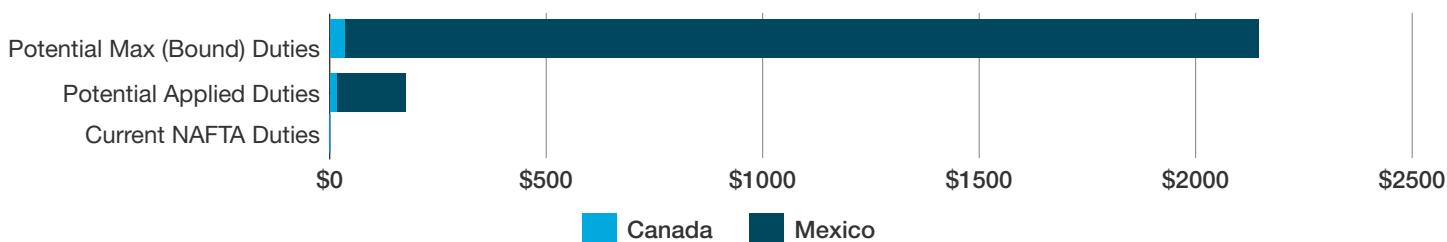
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Arizona Without the U.S.–Mexico–Canada Trade Agreement: Less Manufacturing and Fewer Jobs

Without tariff-free trade across North America secured by a strong trade agreement, Arizona's manufactured goods exports to Canada and Mexico could face a minimum of \$179 million to \$2.1 billion in extra taxes (compared to zero tariffs today).

As a result, many of Arizona'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 Arizona and throughout the United States.

Tariffs on Arizona Manufacturers Exporting to Canada and Mexico (in Millions of U.S. Dollars, 2018):



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

In Brief: Arizona's Manufacturing Trade and Employment Data \$26 Billion in Total Manufacturing Output (2017)

| | | | |
|---|--|---|--|
| Total Manufactured Goods Exports: \$19 billion To World (2018) \$7.8 billion To Canada/Mexico (2018) | | Manufacturing Firms: 4,021 Total Manufacturing Firms (2015) 849 Manufacturing Firms Exporting to Canada/Mexico | |
| Employment: 172,658 Total Manufacturing Employment (2018) 19,091 Manufacturing Employment Tied to Exports to Canada/Mexico | | Average Annual Compensation: \$82,321 Manufacturing (2016) \$43,759 Nonfarm Business (2016) | |

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

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

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