ECONOMY AND EXPORTS
Trade is important for California, helping Californians 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. California’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-quarter of California’s total global manufacturing exports**

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

<table>
<thead>
<tr>
<th>Canada and Mexico</th>
<th>Rest of World</th>
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Canada  
Mexico  
China  
Japan  
Hong Kong  
South Korea  
Netherlands  
Other Countries

Source: U.S. Department of Commerce

**California’s Top Exports to Canada and Mexico:** computer equipment; semiconductors and electronic components; food and beverages; communications equipment; electrical equipment and components; motor vehicle parts; chemicals; fabricated metal products; petroleum and coal products; textiles and apparel.

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

**THREE OUT OF FOUR**
California Manufacturing Firms
Export to Canada and Mexico
- 25,727 firms
- 93 percent are small- and medium-sized businesses supporting local economies

**MORE THAN 95,600**
California 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.
- California manufacturing workers make on average $100,060 in total annual compensation compared to $54,329 for workers across all private nonfarm industries.

**2x BIGGER**
California’s communications equipment exports to Canada and Mexico have more than doubled over the last decade.

**2x BIGGER**
California’s electrical equipment exports to Canada and Mexico have more than doubled over the last decade.

**SMEs = WINNERS**
California's small- and medium-sized businesses comprise 88 percent of the state’s exporters of computer and electronic products to Canada and Mexico, and 87 percent of the state’s exporters of electrical equipment to Canada and Mexico.
California 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, California’s manufactured goods exports to Canada and Mexico could face a minimum of $1.2 billion to $10.1 billion in extra taxes (compared to zero tariffs today).

As a result, many of California’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 California and throughout the United States.

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

In Brief: California’s Manufacturing Trade and Employment Data

$300 Billion in Total Manufacturing Output (2017)

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

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