USMCA Passage is Critical for Iowa Manufacturers and Workers

ECONOMY AND EXPORTS
Trade is important for Iowa, helping Iowans 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. Iowa’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 nearly half of Iowa’s total global manufacturing exports

Iowa 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 Iowa goods, purchasing substantial portions of Iowa’s foreign sales of major manufactured goods, supporting well-paying jobs in communities across Iowa.

50% BIGGER
Iowa’s agriculture, construction and mining machinery exports to Canada and Mexico have increased by more than 50 percent over the last decade.

70% BIGGER
Iowa’s motor vehicle bodies and trailers exports to Canada and Mexico have increased by more than 70 percent over the last decade.

SMEs = WINNERS
Iowa’s small- and medium-sized businesses comprise 81 percent of the state’s exporters of machinery to Canada and Mexico, and 76 percent of the state’s exporters of transportation equipment to Canada and Mexico.

ONE OUT OF FOUR
Iowa Manufacturing Firms Export to Canada and Mexico
- 806 firms
- 70 percent are small- and medium-sized businesses supporting local economies

MORE THAN 25,400
Iowa 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.
- Iowa manufacturing workers make on average $68,080 in total annual compensation compared to $42,329 for workers across all private nonfarm industries.
Iowa 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, Iowa’s manufactured goods exports to Canada and Mexico could face a minimum of $70 million to $324 million in extra taxes (compared to zero tariffs today).

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

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

In Brief: Iowa’s Manufacturing Trade and Employment Data

$34 Billion in Total Manufacturing Output (2017)

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<th>Total Manufactured Goods Exports:</th>
<th>Manufacturing Firms:</th>
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<td>$12 billion To World (2018)</td>
<td>3,043 Total Manufacturing Firms (2015)</td>
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<tr>
<td>$5.5 billion To Canada/Mexico (2018)</td>
<td>806 Manufacturing Firms Exporting to Canada/Mexico</td>
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<th>Employment:</th>
<th>Average Annual Compensation:</th>
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<td>25,412 Manufacturing Employment Tied to Exports to Canada/Mexico</td>
<td>$42,329 Nonfarm Business (2016)</td>
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Source: NAM analysis of data reported by the U.S. Department of Commerce