

# USMCA Passage is Critical for Kentucky Manufacturers and Workers

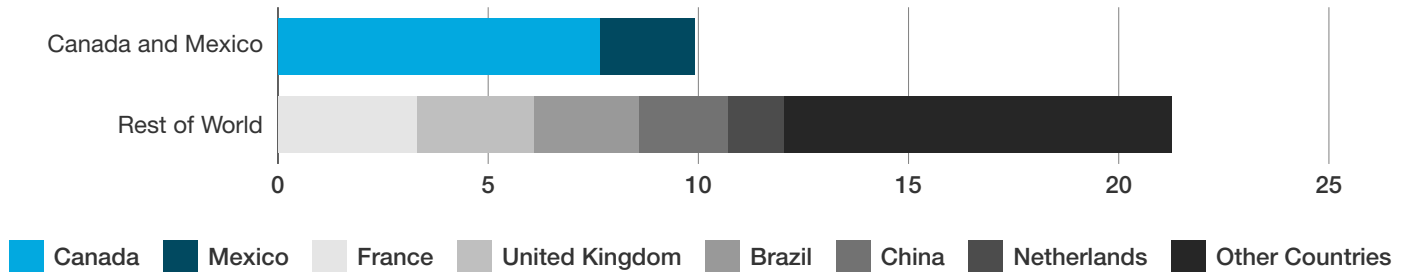


## ECONOMY AND EXPORTS

Trade is important for Kentucky, helping Kentuckians 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. Kentucky'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 one-third of Kentucky's total global manufacturing exports

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



Source: U.S. Department of Commerce

**Kentucky's Top Exports to Canada and Mexico:** motor vehicles; motor vehicle parts; chemicals; aerospace products and parts; electrical equipment and components; fabricated metal products; motor vehicle bodies and trailers; iron and steel; computer equipment; aluminum.

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

## 90% BIGGER

Kentucky's motor vehicle exports to Canada and Mexico have increased by 90 percent over the last decade.

## 2x BIGGER

Kentucky's aerospace exports to Canada and Mexico have more than doubled over the last decade.

## SMEs = WINNERS

Kentucky's small- and medium-sized businesses comprise 54 percent of the state's exporters of transportation equipment to Canada and Mexico, and 60 percent of the state's exporters of electrical equipment to Canada and Mexico.

## ONE OUT OF FOUR

Kentucky Manufacturing Firms Export to Canada and Mexico

- 931 firms
- 63 percent are small- and medium-sized businesses supporting local economies

## MORE THAN 18,700

Kentucky 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.
- Kentucky manufacturing workers make on average \$69,084 in total annual compensation compared to \$41,933 for workers across all private nonfarm industries.

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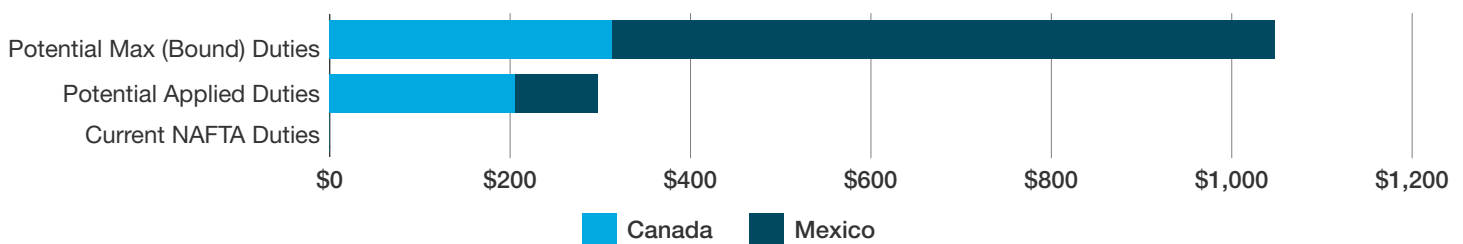
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# Kentucky Without the U.S.–Mexico–Canada Trade Agreement: Less Manufacturing and Fewer Jobs

Without tariff-free trade across North America secured by a strong trade agreement, Kentucky's manufactured goods exports to Canada and Mexico could face a minimum of \$297 million to \$1 billion in extra taxes (compared to zero tariffs today).

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

## Tariffs on Kentucky Manufacturers Exporting to Canada and Mexico (in Millions of U.S. Dollars):



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

## In Brief: Kentucky's Manufacturing Trade and Employment Data \$37 Billion in Total Manufacturing Output (2017)

<b>Total Manufactured Goods Exports:</b> <b>\$31 billion</b> To World (2018) <b>\$9.9 billion</b> To Canada/Mexico (2018)		<b>Manufacturing Firms:</b> <b>3,270</b> Total Manufacturing Firms (2015) <b>931</b> Manufacturing Firms Exporting to Canada/Mexico	
<b>Employment:</b> <b>250,292</b> Total Manufacturing Employment (2018) <b>18,709</b> Manufacturing Employment Tied to Exports to Canada/Mexico		<b>Average Annual Compensation:</b> <b>\$69,084</b> Manufacturing (2016) <b>\$41,933</b> 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 Kentucky manufacturers grow in the United States, compete globally and support millions of well-paying manufacturing jobs across the country.

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