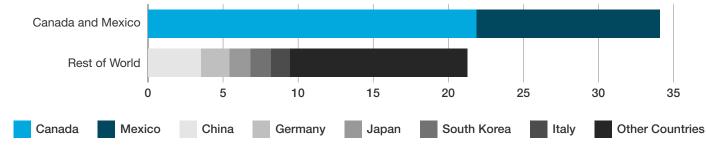# USMCA Passage is Critical for Michigan Manufacturers and Workers

ECONOMY AND EXPORTS

Trade is important for Michigan, helping Michiganders 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. Michigan'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 manufactured goods from Michigan than the rest of the world combined
Michigan Manufactured Goods Exports, in Billions of U.S. Dollars, 2018

Legend: Canada | Mexico | China | Germany | Japan | South Korea | Italy | Other Countries

Source: U.S. Department of Commerce

Michigan's Top Exports to Canada and Mexico: motor vehicle parts; motor vehicles; motor vehicle bodies and trailers; chemicals; fabricated metal products; iron and steel; electrical equipment and components; other machinery; plastics; engine, turbine and power transmission equipment.

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

39x BIGGER

Michigan's motor vehicle bodies and trailers exports to Canada and Mexico have increased more than 39-fold over the last decade.

3x BIGGER

Michigan's electrical equipment and components exports to Canada and Mexico have increased more than 3-fold over the last decade.

SMEs = WINNERS

Michigan's small- and medium-sized businesses comprise 81 percent of the state's exporters of transportation equipment to Canada and Mexico, and 81 percent of the state's exporters of electrical equipment to Canada and Mexico.

ONE OUT OF THREE

Michigan Manufacturing Firms Export to Canada and Mexico

- 3,875 firms
- 84 percent are small- and medium-sized businesses supporting local economies

MORE THAN 117,400

Michigan 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.
- Michigan manufacturing workers make on average $77,800 in total annual compensation compared to $46,897 for workers across all private nonfarm industries.

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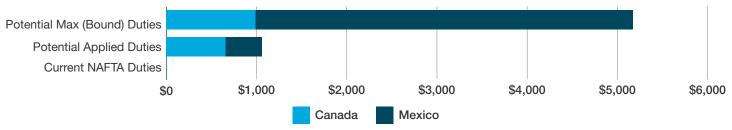NATIONAL ASSOCIATION OF Manufacturers

Michigan 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, Michigan's manufactured goods exports to Canada and Mexico could face a minimum of $1.1 billion to $5.2 billion in extra taxes (compared to zero tariffs today).

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

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

Bar chart categories (top to bottom): Potential Max (Bound) Duties; Potential Applied Duties; Current NAFTA Duties. X-axis scale: $0, $1,000, $2,000, $3,000, $4,000, $5,000, $6,000. Legend: Canada, Mexico.

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

In Brief: Michigan's Manufacturing Trade and Employment Data
$96 Billion in Total Manufacturing Output (2017)

Total Manufactured Goods Exports:

$55 billion
To World (2018)

$34 billion
To Canada/Mexico (2018)

Manufacturing Firms:

11,386
Total Manufacturing Firms (2015)

3,875
Manufacturing Firms Exporting to Canada/Mexico

Employment:

621,183
Total Manufacturing Employment (2018)

117,443
Manufacturing Employment Tied to Exports to Canada/Mexico

Average Annual Compensation:

$77,800
Manufacturing (2016)

$46,897
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 Michigan manufacturers grow in the United States, compete globally and support millions of well-paying manufacturing jobs across the country.

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