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

<table>
<thead>
<tr>
<th></th>
<th>Canada and Mexico</th>
<th>Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>0.0</td>
<td>17.0</td>
</tr>
<tr>
<td>Mexico</td>
<td>14.7</td>
<td>17.5</td>
</tr>
<tr>
<td>China</td>
<td>1.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Germany</td>
<td>0.8</td>
<td>1.0</td>
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<tr>
<td>Japan</td>
<td>0.3</td>
<td>0.7</td>
</tr>
<tr>
<td>South Korea</td>
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<td>0.5</td>
</tr>
<tr>
<td>Italy</td>
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<td>0.1</td>
</tr>
<tr>
<td>Other Countries</td>
<td>0.1</td>
<td>0.3</td>
</tr>
</tbody>
</table>

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.
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.

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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