

# USMCA Passage is Critical for Texas Manufacturers and Workers

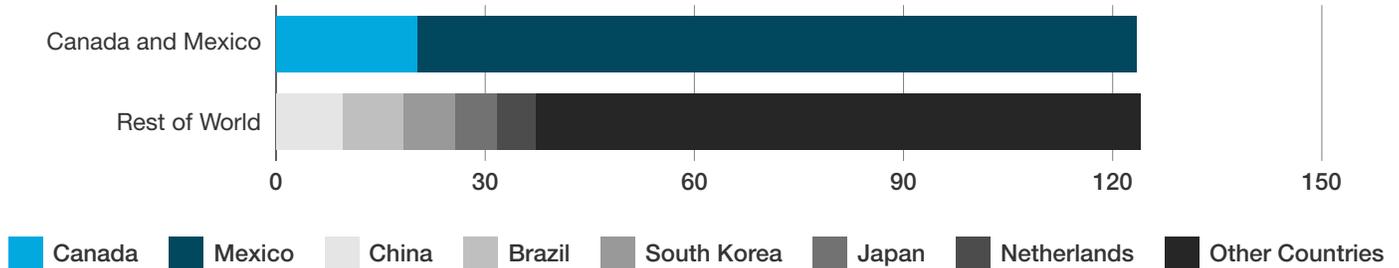


## ECONOMY AND EXPORTS

Trade is important for Texas, helping Texans 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. Texas'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 half of Texas's total global manufacturing exports

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



Source: U.S. Department of Commerce

**Texas's Top Exports to Canada and Mexico:** petroleum and coal products; computer equipment; chemicals; motor vehicle parts; electrical equipment and components; semiconductors and electronic components; fabricated metal products; plastics; engine, turbine and power transmission equipment; food and beverages.

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

### 3x BIGGER

Texas's petroleum exports to Canada and Mexico have increased nearly 3-fold over the last decade.

### 3x BIGGER

Texas's computer equipment exports to Canada and Mexico have increased nearly 3-fold over the last decade.

### SMEs = WINNERS

Texas's small- and medium-sized businesses comprise 70 percent of the state's exporters of petroleum to Canada and Mexico, and 81 percent of the state's exporters of computer and electronic products to Canada and Mexico.

## ONE OUT OF FOUR

Texas Manufacturing Firms Export to Canada and Mexico

- 4,149 firms
- 79 percent are small- and medium-sized businesses supporting local economies

## MORE THAN 114,200

Texas 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.
- Texas manufacturing workers make on average \$82,544 in total annual compensation compared to \$46,642 for workers across all private nonfarm industries.

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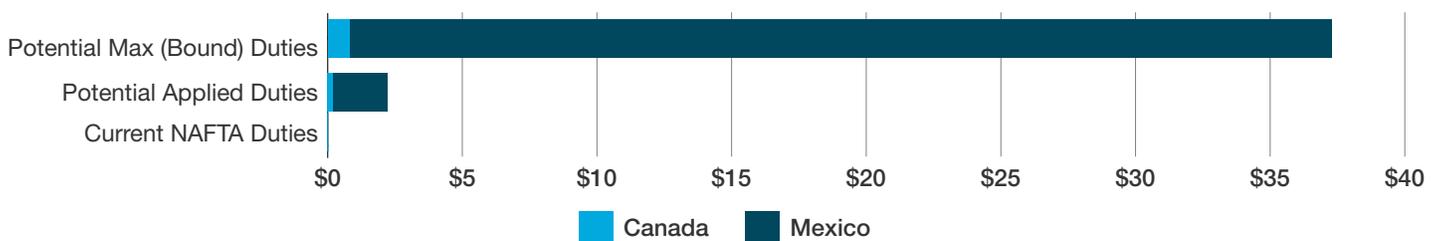
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# Texas Without the U.S.–Mexico–Canada Trade Agreement: Less Manufacturing and Fewer Jobs

Without tariff-free trade across North America secured by a strong trade agreement, Texas’s manufactured goods exports to Canada and Mexico could face a minimum of \$2.3 billion to \$37.3 billion in extra taxes (compared to zero tariffs today).

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

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



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

## In Brief: Texas’s Manufacturing Trade and Employment Data \$226 Billion in Total Manufacturing Output (2017)

<b>Total Manufactured Goods Exports:</b> <b>\$247 billion</b> To World (2018) <b>\$123 billion</b> To Canada/Mexico (2018)		<b>Manufacturing Firms:</b> <b>17,594</b> Total Manufacturing Firms (2015) <b>4,149</b> Manufacturing Firms Exporting to Canada/Mexico	
<b>Employment:</b> <b>877,508</b> Total Manufacturing Employment (2018) <b>114,285</b> Manufacturing Employment Tied to Exports to Canada/Mexico		<b>Average Annual Compensation:</b> <b>\$82,544</b> Manufacturing (2016) <b>\$46,642</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 Texas manufacturers grow in the United States, compete globally and support millions of well-paying manufacturing jobs across the country.

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