

FAST FACTS: U.S. TRADE WITH CANADA AND MEXICO

Supports Millions of Jobs: Trade with Canada and Mexico supports 11 million American jobs in every state in the Union, according to reports by the Business Roundtable. In fact, 49 U.S. states count Canada or Mexico as one of their top three merchandise export markets.

Drives U.S. Export Growth: U.S. goods exports to Canada and Mexico have expanded far more since the 2007-2009 recession than U.S. exports to any other country in the world, accounting for about 40% of the growth in overall U.S. goods exports in dollar terms, according to Commerce Department data.

Quadrupled in the Past 25 Years: Trade with Canada and Mexico reached nearly \$1.3 trillion in 2017, and the two countries buy more than one-third of U.S. merchandise exports, according to Commerce Department data.

Vital for U.S. Manufacturers: U.S.-manufactured goods exports to Canada and Mexico support the jobs of more than 2 million men and women at more than 43,000 manufacturing firms across the United States, according to the National Association of Manufacturers. Most U.S. manufacturing sectors (38 out of 42) and most states (46 out of 50) count Canada or Mexico as their first- or second-largest foreign purchasers.

Essential for Farmers and Ranchers: U.S. agricultural exports to Canada and Mexico quadrupled from \$8.9 billion in 1993 to \$39 billion in 2017, according to the American Farm Bureau Federation, and the two countries are top markets for U.S. grains, dairy products, meats, fresh fruits, and vegetables. Nearly one-third of U.S. agricultural exports went to our North American neighbors in 2017, the AFBF adds.

Powers the Service Economy: U.S. services exports to Canada and Mexico tripled from \$27 billion in 1993 to \$91 billion in 2017, but America's highly competitive business services sector—including firms in such fields as audiovisual, software, architecture, accounting, engineering and project management, banking, insurance, and many more—continues to enjoy exceptional export growth.

Boosts American Small Businesses: Canada and Mexico are the top two export destinations for U.S. small and medium-size enterprises, more than 120,000 of which sell their goods and services in our two North American neighbors. When an American small business starts exporting, it's almost always to Canada or Mexico.

HOW USMCA MODERNIZES NORTH AMERICAN TRADE

USMCA modernizes the rules for trade in North America with state-of-the-art provisions in the following areas:

Market Access: Maintains tariff-free access to the Mexican market for all U.S. goods exports. For Canada, maintains the current tariff-free access for nearly all U.S. products and eliminates some remaining barriers facing U.S. dairy and poultry exports. Also prohibits import restrictions on remanufactured goods.

Digital Trade: Creates best-in-class rules to foster U.S. growth in the digital economy for firms of all sectors and sizes, guaranteeing the freedom to move data across borders and prohibiting the forced localization of data, ensuring continued growth for a dynamic area of international commerce.

Intellectual Property: Secures stronger protections for the full range of patents, copyrights and related rights, trademarks, designs, and trade secrets as well as strong enforcement tools to guard against counterfeiting and piracy in order to promote continued U.S. innovation that supports and creates well-paying jobs across all major sectors of the economy.

Agriculture: In addition to securing outstanding market access, establishes modern, science-based sanitary and phytosanitary standards that are the strongest achieved in any trade agreement. Provides transparency and information sharing on measures impacting trade in the products of biotechnology.

Regulatory and Technical Barriers to Trade: Promotes regulatory compatibility and best regulatory practices for ICT products, pharmaceuticals, medical devices, cosmetics, chemicals, and other products, while also improving rules prohibiting discriminatory technical barriers to trade.

Financial Services: Ensures a level playing field for U.S. financial institutions, investors and investments in financial institutions as well as and cross-border trade in financial services on a nondiscriminatory basis.

Customs: Modernizes customs procedures with regard to advanced rulings, simplified entry, risk management, single window, e-signatures, and self-certification of origin.

State-Owned Enterprises: Establishes rules to ensure that central government state-owned enterprises (SOEs) do not distort competition in the marketplace by guaranteeing regulatory impartiality and requiring that SOE decisions be commercially motivated.

Competition Policy: Ensures that antitrust investigations are fair, transparent, and based on sound economic analysis.

Enforcement: Raises the bar with binding enforcement for all chapters, including labor and the environment.