



# USMCA Connecticut State Fact Sheet

## **Connecticut's Trade with the World**<sup>1</sup>

- In 2019, Connecticut exported \$16.2 Billion in goods to the world.
- In 2019, Connecticut was the 26th-largest state exporter of goods in the United States.
- In 2016, 65,140 U.S. jobs were supported by goods exported from Connecticut.<sup>2</sup>
- In 2018, 5,736 companies exported goods from Connecticut- 88 percent were small and medium-sized companies.<sup>3</sup>

## **Connecticut's Trade with Canada and Mexico**

### Connecticut's Rank in Exports to Canada and Mexico

In 2019, Connecticut was the 31st-largest exporter of goods to Mexico and Canada.

### Ranks of Canada and Mexico as Destinations for Connecticut Exports

In 2019, Canada was Connecticut's second-largest export destination and Mexico was the sixth-largest export destination.

### Statewide Statistics and Top Export Product Categories<sup>4</sup>

- In 2019, Connecticut exported \$2.8 Billion to Canada and Mexico, accounting for 17 percent of Connecticut's total exports to the world.
  - Connecticut exported \$2 Billion to Canada, 12 percent of Connecticut's exports to the world.

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<sup>1</sup>All trade data used in this report reflect the data published by June 15, 2020 from the U.S. Census Bureau, as compiled by the International Trade Administration's Trade Policy Information System (TPIS).

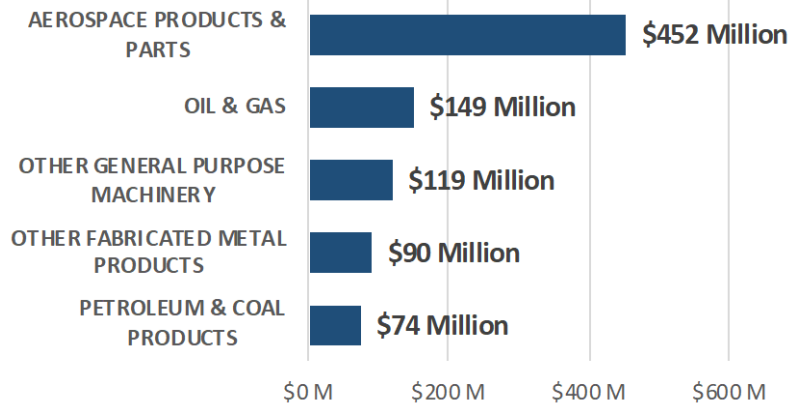
<sup>2</sup> Jobs supported by state exports estimates by the Office of Trade and Economic Analysis (OTEA), Industry and Analysis, International Trade Administration, U.S. Department of Commerce:  
<https://www.trade.gov/mas/ian/employment/>

<sup>3</sup> U.S. Census Bureau's A Profile of U.S. Importing and Exporting Companies, Table 6a 2018 Exports by State of Origin of Movement, Number of Exporting Companies, Value for Small and Medium Companies

<sup>4</sup> Top export product categories reflected under the 2017 North American Industry Classification System (NAICS) at the 4-digit level of detail, compiled by TPIS.

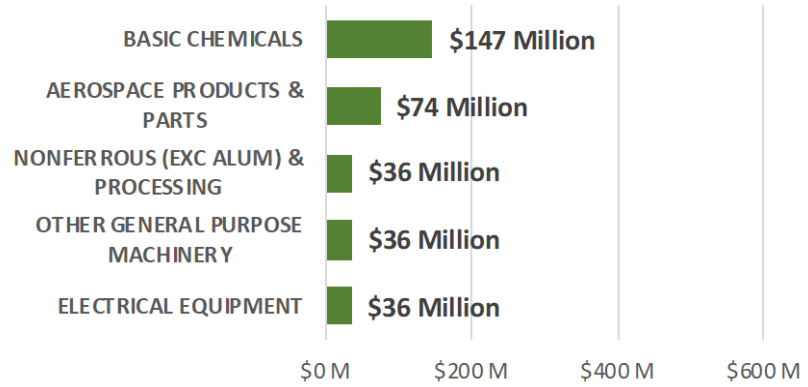


### Connecticut's Top 5 Export Product Categories to Canada



- Connecticut exported \$811 Million to Mexico, 5 percent of Connecticut's exports to the world.

### Connecticut's Top 5 Export Product Categories to Mexico



#### Metropolitan Statistics<sup>5</sup>

- Connecticut's Top Metropolitan Exports to Canada and Mexico 2018
  - Bridgeport-Stamford-Norwalk **\$3.4 Billion**

<sup>5</sup> 2018 Metropolitan (statistical) area (MSA) exports to Canada and Mexico data from the U.S. Census Bureau compiled by the Office of Trade and Economic Analysis (OTEA), Industry and Analysis, International Trade Administration, U.S. Department of Commerce. Top products by MSA reflected under the 2017 North American Industry Classification System (NAICS) at the 3-digit level of detail.



- Top Products: Chemical Manufacturing; Primary Metal Manufacturing; Machinery Manufacturing; Petroleum And Coal Products Manufacturing; Crop Production
- Hartford-East Hartford-Middletown **\$1.6 Billion**
  - Top Products: Transportation Equipment Manufacturing; Machinery Manufacturing; Fabricated Metal Product Manufacturing; Electrical Equipment, Appliance, And Component Manufacturing; Computer And Electronic Product Manufacturing
- Worcester **\$636 Million**\*<sup>6</sup>
  - Top Products: Machinery Manufacturing; Computer And Electronic Product Manufacturing; Chemical Manufacturing; Electrical Equipment, Appliance, And Component Manufacturing; Plastics And Rubber Products Manufacturing

### **USMCA Will Benefit Connecticut's Top Export Sectors to Canada and Mexico**

Connecticut's top export sectors to Canada and Mexico in 2019 include Transportation Equipment (Motor Vehicle and Automotive Industries), Chemicals, and Machinery.<sup>7</sup>

#### **Transportation Equipment (Motor Vehicle and Automotive Industries)**

Connecticut is home to many aerospace companies. In 2019, the transportation sector<sup>8</sup> employed 46,971 workers in 225 establishments. Hartford, Middlesex, and New Haven counties have the largest number of employees in the transportation equipment sector. While Connecticut's transportation sector is dominated by aerospace, the state also has automobile manufacturing and service providers including Ford, General Motors, and Toyota.<sup>9</sup> USMCA maintains duty-free access to Mexico and Canada for originating transportation equipment. The aerospace industry<sup>10</sup> reported the importance of USMCA's continued duty-free treatment of originating aerospace-related items between Canada, Mexico, and the United States as vital to the competitiveness and success of the United States' aerospace sector. The aerospace industry<sup>11</sup> supports the Customs and Trade Facilitation chapter's standardization of customs regimes to increase efficiency and enhance capacity and performance of U.S. companies and their supply chains. The aerospace industry<sup>12</sup> also fully supports the Intellectual Property chapter's requirement for governments to establish criminal, civil and administrative procedures and remedies to

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<sup>6</sup> An asterisk (\*) notes if the Metropolitan Area is shared with one or more other states.

<sup>7</sup> Unless otherwise footnoted in the below sectors, sector employment data is average annual number of employees and establishments by county or local economic region by 2017 NAICS 3-digit level from the Bureau of Labor Statistics.

<sup>8</sup> Transportation sector defined as NAICS 336 and includes the motor vehicle and aerospace industries.

<sup>9</sup> Alliance of Automobile Manufacturers autoalliance.org

<sup>10</sup> Industry Trade Advisory Committee 1 – Aerospace Equipment Report Regarding USMCA:

<https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%201%20REPORT%20-%20Aerospace%20Equipment.pdf>

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.



combat trade secret theft, a significant problem for U.S. aerospace companies. USMCA's rules of origin, strict labor and environmental standards, and provisions designed to combat non-market practices – such as currency manipulation – are designed to incentivize additional transportation equipment investment and production in Connecticut and to ensure producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts.

### Chemicals

Connecticut is home numerous chemical and life science<sup>13</sup> companies. In 2019, there were 172 chemical establishments with 7,912 employees. Fairfield, New Haven, and Hartford counties have the largest number of employees and establishments in the chemicals sector. USMCA adopted chemical reaction rules to determine origin for most chemical products. USMCA also contains sector annexes on chemical substances, pharmaceuticals, and cosmetics. These annexes promote enhanced regulatory compatibility and trade between the three Parties, while recognizing the regulatory authority of each Party. These annexes commit to build on existing extensive regulatory cooperation on chemicals, pharmaceuticals, and cosmetics between Parties and identify areas of focus for future cooperation. It also encourages the Parties to consider internationally-developed science and technical guidance documents when implementing regulations for cosmetics and encourages cooperation on inspections of pharmaceutical manufacturers.

### Machinery

Connecticut is home to many machinery manufacturing companies. In 2019, there were 409 machinery manufacturing<sup>14</sup> establishments with 13,100 employees. Hartford, Fairfield, and New Haven counties have the largest number of employees and establishments in the machinery sector. USMCA maintains duty-free access to Mexico and Canada for originating machinery and remanufactured goods for Connecticut's machinery manufacturing companies and contains strong rules of origin protections to ensure that tariff preferences go to companies in the USMCA countries. USMCA also goes beyond any past trade agreement by including important new provisions that will help reduce costs and bring greater predictability to the border for shipments of machinery. At the same time USMCA will ensure customs administrations have the necessary tools to enforce the law. Industry<sup>15</sup> reported support for the following provisions included in the Intellectual Property chapter: civil and criminal courses of legal action to protect trade secrets, protection of industrial designs, and equal treatment of digital and physical goods. Industry<sup>16</sup> also supports the Small and Medium-Sized Enterprises (SMEs) provisions to enhance SMEs ability to participate in the benefits and opportunities created by USMCA. As stated in

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<sup>13</sup> Chemical sector defined as NAICS 325 for chemical manufacturing.

<sup>14</sup> Machinery as defined by NAICS 333 for machinery manufacturing.

<sup>15</sup> Industry Trade Advisory Committee 2 – Automotive Equipment and Capital Goods Report Regarding USMCA: <https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%20%20REPORT%20-%20Automotive%20Equipment%20and%20Capital%20Goods.pdf>

<sup>16</sup> Ibid.



Connecticut's trade statistics, 88 percent of companies that exported goods from Connecticut in 2018<sup>17</sup> were small and medium-sized companies.

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<sup>17</sup> Census' Exports by State of the Origin of Movement, Number of Exporting Companies, and Value for Small and Medium Sized Companies in 2018 was the latest data published by June 25, 2020.