



# USMCA Maryland State Fact Sheet

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

- In 2019, Maryland exported \$13.1 Billion in goods to the world.
- In 2019, Maryland was the 29th-largest state exporter of goods in the United States.
- In 2016, 45,245 U.S. jobs were supported by goods exported from Maryland.<sup>2</sup>
- In 2018, 6,546 companies exported goods from Maryland- 87 percent were small and medium-sized companies.<sup>3</sup>

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

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

In 2019, Maryland was the 37th-largest exporter of goods to Mexico and Canada.

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

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

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

- In 2019, Maryland exported \$2.1 Billion to Canada and Mexico, accounting for 16 percent of Maryland's total exports to the world.
  - Maryland exported \$1.7 Billion to Canada, 13 percent of Maryland's exports to the world.

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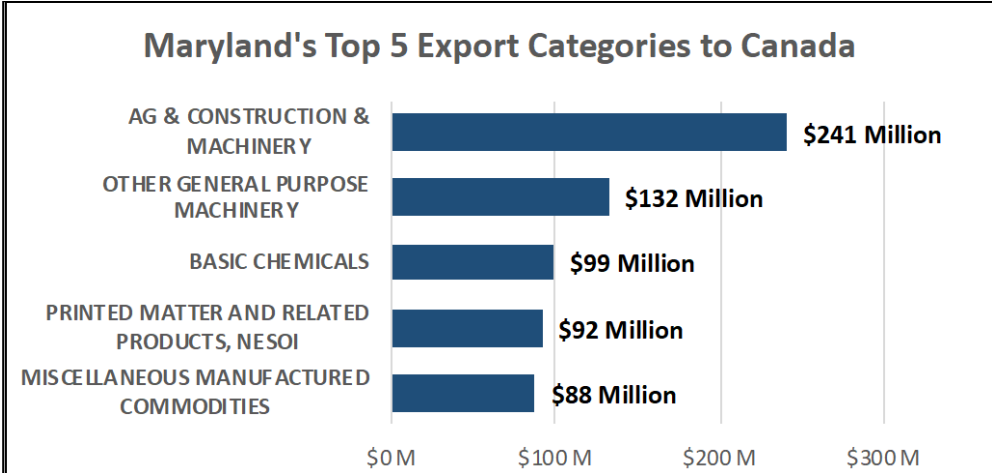
<sup>1</sup>All trade data used in this report reflect the data published by June 15, 2020 from the U.S. Census Bureau, as compiled by the International Trade Administration's Trade Policy Information System (TPIS).

<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:

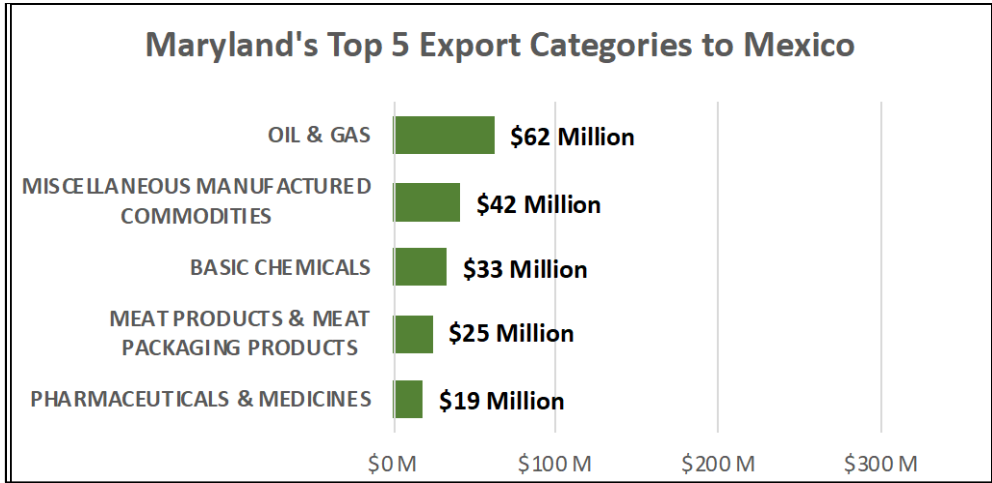
<https://www.trade.gov/mas/ian/employment/>

<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.



- Maryland exported \$405 Million to Mexico, 3 percent of Maryland’s exports to the world.



Metropolitan Statistics<sup>5</sup>

- Maryland’s Top Metropolitan Exports to Canada and Mexico 2018
  - Philadelphia-Camden-Wilmington **\$7.7 Billion**\*<sup>6</sup>

<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.

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



- Top Products: Chemical Manufacturing; Transportation Equipment Manufacturing; Computer And Electronic Product Manufacturing; Machinery Manufacturing; Miscellaneous Manufacturing
- Baltimore-Columbia-Towson **\$1.3 Billion**
  - Top Products: Transportation Equipment Manufacturing; Chemical Manufacturing; Machinery Manufacturing; Fabricated Metal Product Manufacturing; Computer And Electronic Product Manufacturing
- Washington-Arlington-Alexandria **\$517 Million**\*<sup>7</sup>
  - Top Products: Transportation Equipment Manufacturing; Computer And Electronic Product Manufacturing; Chemical Manufacturing; Fabricated Metal Product Manufacturing; Electrical Equipment, Appliance, And Component Manufacturing

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

Maryland's top export sectors to Canada and Mexico in 2019 include Machinery, Chemicals, and Computer and Electronic Products.<sup>8</sup>

#### **Machinery**

Maryland is home to many machinery manufacturing companies. In 2019, there were 238 machinery manufacturing<sup>9</sup> establishments employing 7,224 employees. Washington, Baltimore, and Carroll counties have the largest number of employees in the machinery sector. USMCA maintains duty-free access to Mexico and Canada for originating machinery and remanufactured goods for Maryland'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>10</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>11</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>7</sup> Ibid.

<sup>8</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 NAICS3-digit level from the Bureau of Labor Statistics.

<sup>9</sup> Machinery sector defined as NAICS 333 for machinery manufacturing.

<sup>10</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>11</sup> Ibid.



Maryland's trade statistics, 87 percent of companies that exported goods from Maryland in 2018<sup>12</sup> were small and medium-sized companies.

### Chemicals

Maryland is home to numerous chemical<sup>13</sup> companies. In 2019, there were 307 chemical establishments with 13,709 workers. Montgomery and Baltimore counties, and Baltimore City 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.

### Computer and Electronic Products

Maryland is home to many computer and electronic products<sup>14</sup> manufacturing companies. In 2019, there were 449 computer and electronic product establishments in Maryland employing 20,496 employees. Montgomery, Baltimore, and Howard counties have the largest number of employees in the computer and electronic product sector. USMCA maintains duty-free access to Mexico and Canada for originating technology equipment for Maryland's technology manufacturing companies. Industry<sup>15</sup> appreciates the Market Access provision to be able to export and import for repair since many products are designed to be modular and swappable in case of malfunction in the technology sector. Industry<sup>16</sup> supports the provision to prohibit unnecessary restrictions on remanufactured imports because the technology sector seeks to prolong the useful life of goods through repair, refurbishment, and reuse. Industry<sup>17</sup> acknowledges USMCA's new mechanism in the Information and Communication Technology (ICT) Equipment Annex to protect intellectual property in cryptographic products as a significant achievement. Industry<sup>18</sup> approves the new Digital Trade chapter, which contains the strongest disciplines on digital trade of any international agreement, providing a firm foundation for the expansion of trade and investment in innovative electronic products and services. For the first time in a trade

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<sup>12</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.

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

<sup>14</sup> Computer and electronic products sector defined as NAICS 334 for computer and electronic product manufacturing.

<sup>15</sup> Industry Trade Advisory Committee 8 – Digital Economy Report Regarding USMCA:

<https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%208%20REPORT%20-%20Digital%20Economy.pdf>

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.



agreement, the Intellectual Property chapter includes protections against the misappropriation of trade secrets and requires a minimum term of protection for industrial designs of at least 15 years.