



# USMCA Minnesota State Fact Sheet

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

- In 2019, Minnesota exported \$22.2 Billion in goods to the world.
- In 2019, Minnesota was the 21st-largest state exporter of goods in the United States.
- In 2016, 118,458 U.S. jobs were supported by goods exported from Minnesota.<sup>2</sup>
- In 2018, 8,527 companies exported goods from Minnesota- 86 percent were small and medium-sized companies.<sup>3</sup>

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

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

In 2019, Minnesota was the 20th-largest exporter of goods to Mexico and Canada.

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

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

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

- In 2019, Minnesota exported \$7.2 Billion to Canada and Mexico, accounting for 32 percent of Minnesota's total exports to the world.
  - Minnesota exported \$4.7 Billion to Canada, 21 percent of Minnesota'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:

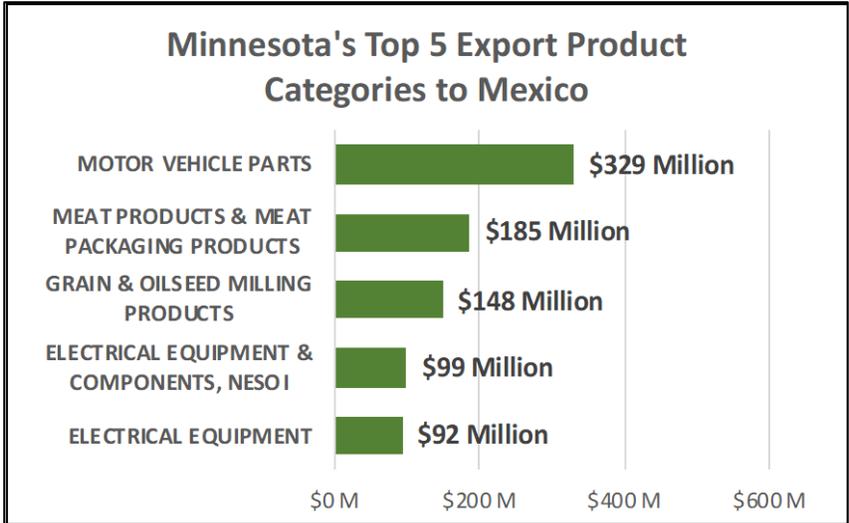
<https://www.trade.gov/mas/ian/employment/>

<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.



- Minnesota exported \$2.4 Billion to Mexico, 11 percent of Minnesota’s exports to the world.



Metropolitan Statistics<sup>5</sup>

- Minnesota’s Top Metropolitan Exports to Canada and Mexico 2018

<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.



- Minneapolis-St. Paul-Bloomington **\$6.0 Billion**\*<sup>6</sup>
  - Top Products: Computer And Electronic Product Manufacturing; Machinery Manufacturing; Miscellaneous Manufacturing; Chemical Manufacturing; Crop Production
- Duluth **\$529 Million**\*<sup>7</sup>
  - Top Products: Mining (Except Oil And Gas); Crop Production; Transportation Equipment Manufacturing; Machinery Manufacturing; Paper Manufacturing
- La Crosse-Onalaska **\$274 Million**\*<sup>8</sup>
  - Top Products: Machinery Manufacturing; Wood Product Manufacturing; Fabricated Metal Product Manufacturing; Transportation Equipment Manufacturing; Food Manufacturing

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

Minnesota's top export sectors to Canada and Mexico in 2019 include Transportation Equipment (Motor Vehicle and Aerospace Industries), Machinery, and Food Manufacturing.<sup>9</sup>

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

Minnesota is home to many aerospace companies. In 2019, the transportation sector<sup>10</sup> employed 11,296 workers in 230 establishments. Stearns (St. Cloud), St. Louis (Duluth), and Hennepin (Minneapolis) counties have the largest number of employees in the transportation equipment sector. While Minnesota's transportation sector is dominated by aerospace, the state also has automobile manufacturing and service providers including regional offices for Ford and Fiat Chrysler.<sup>11</sup> USMCA maintains duty-free access to Mexico and Canada for originating transportation equipment. The aerospace industry<sup>12</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>13</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>14</sup> also fully supports the Intellectual Property chapter's requirement for governments to establish criminal, civil and

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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> Ibid.

<sup>8</sup> Ibid.

<sup>9</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>10</sup> Transportation sector defined as NAICS 336 and includes the motor vehicle and aerospace industries.

<sup>11</sup> Alliance of Automobile Manufacturers [autoalliance.org](http://autoalliance.org)

<sup>12</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>13</sup> Ibid.

<sup>14</sup> Ibid.



administrative procedures and remedies to 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 Minnesota and to ensure producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts.

### Machinery

Minnesota is home to many machinery manufacturing companies. In 2019, there were 849 machinery manufacturing<sup>15</sup> establishments employing 33,842 employees. Hennepin (Minneapolis), Ramsey (St. Paul), and Anoka 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 Minnesota'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>16</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>17</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 Minnesota's trade statistics, 86 percent of companies that exported goods from Minnesota in 2018<sup>18</sup> were small and medium-sized companies.

### Food Manufacturing

Minnesota is home to several large food manufacturing<sup>19</sup> companies. In 2019, there were 700 food manufacturing establishments with 46,561 employees. Hennepin (Minneapolis), Dakota, and Stearns counties have the largest number of employees. USMCA contains an annex on proprietary food formulas which requires each Party to protect the confidentiality of such information in the same manner for both domestic and imported products. For the first time in a trade agreement, USMCA contains a chapter on good regulatory practices that promotes transparency and accountability in development and implementation of regulations. USMCA also has a chapter on sanitary and phytosanitary (SPS) provisions, which requires the Parties to agree to increase transparency in SPS measures, advance science-based decision making, and work together to enhance compatibility of SPS measures between them.

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<sup>15</sup> Machinery sector defined as NAICS 333 for machinery manufacturing.

<sup>16</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>17</sup> Ibid.

<sup>18</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>19</sup> Food manufacturing defined as NAICS 311 for food manufacturing.