



# Montana

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

- In 2019, Montana exported \$1.7 Billion in goods to the world.
- In 2019, Montana was the 47th-largest state exporter of goods in the United States.
- In 2016, 13,079 U.S. jobs were supported by goods exported from Montana.<sup>2</sup>
- In 2018, 1,391 companies exported goods from Montana- 87 percent were small and medium-sized companies.<sup>3</sup>

## Montana's Trade with Canada and Mexico

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

In 2019, Montana was the 45th-largest exporter of goods to Mexico and Canada.

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

In 2019, Canada was Montana's largest export destination and Mexico was the seventh-largest export destination.

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

- In 2019, Montana exported \$794 Million to Canada and Mexico, accounting for 47 percent of Montana's total exports to the world.
  - Montana exported \$741 Million to Canada, 44 percent of Montana'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:

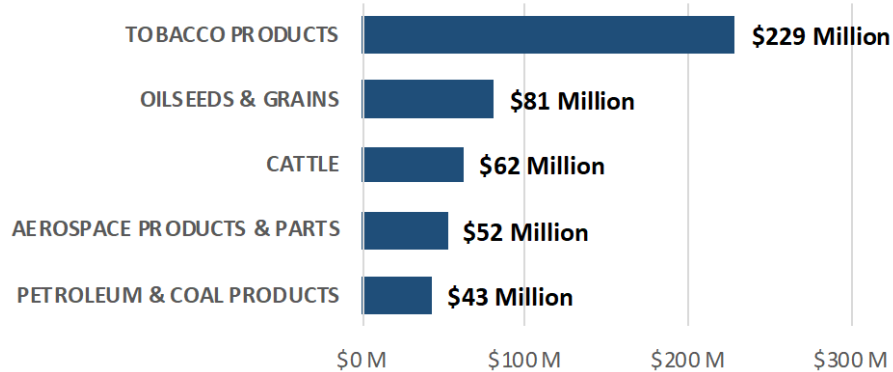
<https://www.trade.gov/mas/ian/employment/>

<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.

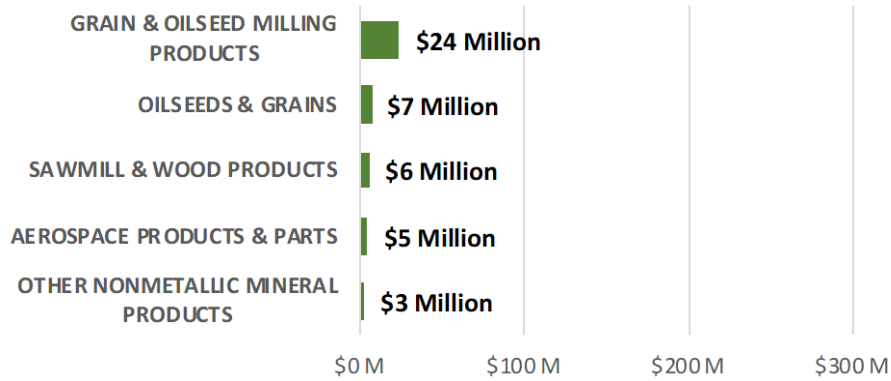


### Montana's Top 5 Export Categories to Canada



- Montana exported \$54 Million to Mexico, 3 percent of Montana's exports to the world.

### Montana's Top 5 Export Categories to Mexico



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

- Montana's Top Metropolitan Exports to Canada and Mexico 2018
  - Billings **\$74 Million**
    - Top Products: Chemical Manufacturing; Machinery Manufacturing; Animal Production And Aquaculture; Mining (Except Oil And Gas); Transportation Equipment Manufacturing
  - Great Falls **\$36 Million**

<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: Food Manufacturing; Crop Production; Transportation Equipment Manufacturing; Animal Production And Aquaculture; Petroleum And Coal Products Manufacturing
- Missoula **\$29 Million**
  - Top Products: Miscellaneous Manufacturing; Transportation Equipment Manufacturing; Food Manufacturing; Machinery Manufacturing; Wood Product Manufacturing

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

Montana's top export sectors to Canada and Mexico in 2019 include Petroleum and Coal Products, Nonmetallic Mineral Products, Transportation Equipment (Aerospace), and Machinery.<sup>6</sup>

#### **Petroleum and Coal Products**

In 2019, there were 9 petroleum and coal<sup>7</sup> establishments with 1,306 workers. Yellowstone county has the largest number of employees and establishments in the petroleum and coal manufacturing sector. Under USMCA, the Parties have agreed to treat investors and investments of the other Parties in accordance with the highest international standards and consistent with U.S. law and practice, while also safeguarding each Party's sovereignty and promoting domestic investment. Industry<sup>8</sup> supports USMCA's Investor-State Dispute Settlement (ISDS) protections for the oil and gas, infrastructure, energy generation, and telecommunication sectors. With respect to both investment protection rules and ISDS procedures, the Investment Chapter of USMCA updates and modernizes NAFTA to better reflect U.S. priorities related to foreign investment. Industry<sup>9</sup> also reported support for USMCA's new energy efficiency performance standards annex (which aims to harmonize the federally mandated energy performance standards across various products), energy regulatory measures, and regulatory transparency.

#### **Nonmetallic Mineral Products**

In 2019, there were 101 nonmetallic mineral product manufacturing<sup>10</sup> establishments with 1,220 workers employed in mines and mine support activities. Gallatin (Bozeman), Yellowstone, and Missoula counties had the largest number of employees and establishments in the nonmetallic mineral product manufacturing sector.

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<sup>6</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>7</sup> Petroleum and coal products defined as NAICS 324 for petroleum and coal products manufacturing.

<sup>8</sup> Industry Trade Advisory Committee 6 – Energy and Energy Services Report Regarding USMCA:

<https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%206%20REPORT%20-%20Energy%20and%20Energy%20Services.pdf>

<sup>9</sup> Ibid.

<sup>10</sup> Nonmetallic mineral product manufacturing is defined as NAICS 327 for nonmetallic mineral products manufacturing.



### Transportation Equipment (Aerospace)

One of Montana's leading export categories is aerospace products and parts. In 2019, the transportation sector<sup>11</sup> employed 812 workers in 50 establishments. Missoula, Gallatin (Bozeman), and Yellowstone counties have the largest number of employees and establishments in the transportation equipment sector. 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 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 Montana and to ensure producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts.

### Machinery

Montana is home to many machinery manufacturing companies. In 2019, there were 57 machinery manufacturing<sup>15</sup> establishments with 1,204 employees. Flathead, Yellowstone, and Gallatin 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 Montana'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

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<sup>11</sup> Transportation sector defined as NAICS 336 and includes the motor vehicle and aerospace industries.

<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.

<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%202%20REPORT%20-%20Automotive%20Equipment%20and%20Capital%20Goods.pdf>

<sup>17</sup> Ibid.



enhance SMEs ability to participate in the benefits and opportunities created by USMCA. As stated in Montana’s trade statistics, 87 percent of companies that exported goods from Montana in 2018<sup>18</sup> were small and medium-sized companies.

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<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.