



USMCA North Dakota State Fact Sheet

North Dakota's Trade with the World¹

- In 2019, North Dakota exported \$7.0 Billion in goods to the world.
- In 2019, North Dakota was the 35th-largest state exporter of goods in the United States.
- In 2016, 28,002 U.S. jobs were supported by goods exported from North Dakota.²
- In 2018, 1,736 companies exported goods from North Dakota- 85 percent were small and medium-sized companies.³

North Dakota's Trade with Canada and Mexico

North Dakota's Rank in Exports to Canada and Mexico

In 2019, North Dakota was the 21st-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for North Dakota Exports

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

Statewide Statistics and Top Export Product Categories⁴

- In 2019, North Dakota exported \$6.4 Billion to Canada and Mexico, accounting for 91 percent of North Dakota's total exports to the world.
 - North Dakota exported \$6.1 Billion to Canada, 88 percent of North Dakota's exports to the world.

¹All 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).

² 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:

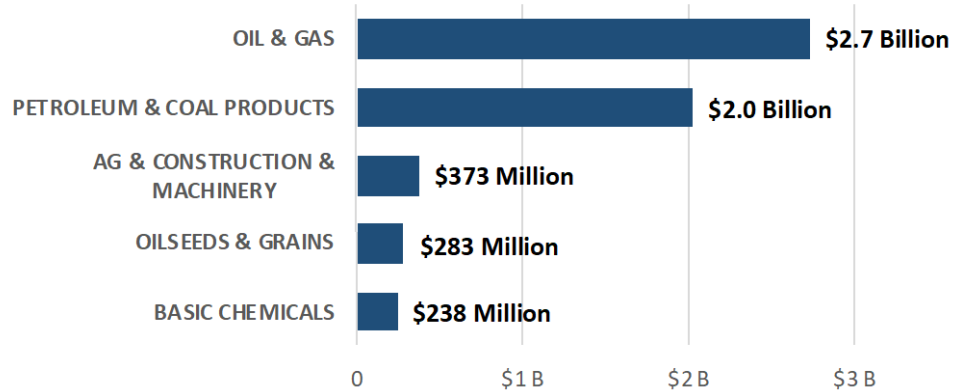
<https://www.trade.gov/mas/ian/employment/>

³ 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

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

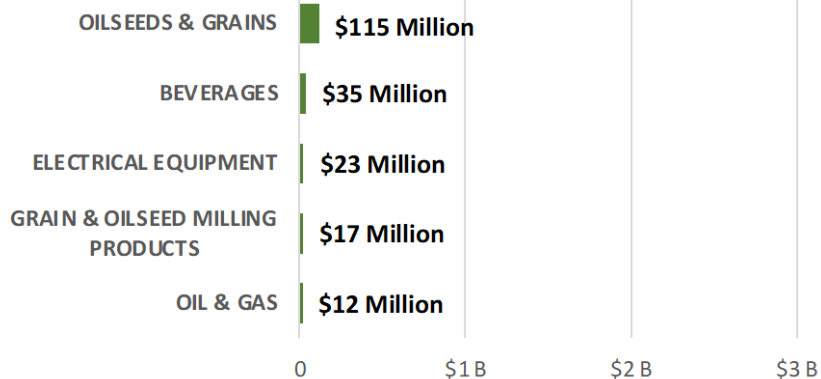


North Dakota's Top 5 Export Categories to Canada



- North Dakota exported \$229 Million to Mexico, 3 percent of North Dakota's exports to the world.

North Dakota's Top 5 Export Categories to Mexico



Metropolitan Statistics⁵

- North Dakota's Top Metropolitan Exports to Canada and Mexico 2018
 - Fargo **\$252 Million**^{*6}

⁵ 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.

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



- Top Products: Machinery Manufacturing; Crop Production; Food Manufacturing; Computer And Electronic Product Manufacturing; Transportation Equipment Manufacturing
- Grand Forks **\$243 Million**^{*7}
 - Top Products: Crop Production; Food Manufacturing; Machinery Manufacturing; Chemical Manufacturing; Transportation Equipment Manufacturing
- Bismarck **\$149 Million**
 - Top Products: Crop Production; Machinery Manufacturing; Oil And Gas Extraction; Chemical Manufacturing; Petroleum And Coal Products Manufacturing

USMCA Will Benefit North Dakota's Top Export Sectors to Canada and Mexico

North Dakota's top export sectors to Canada and Mexico in 2019 include Petroleum and Coal Products, Oil and Gas, and Machinery.⁸

Petroleum and Coal Products

North Dakota is the second largest energy producing state with opportunities in oil, gas and alternative energy production.⁹ North Dakota has the second largest reserves of lignite (brown coal) in the world.¹⁰ In 2019, Morton County has the largest number of establishments in the petroleum and coal manufacturing¹¹ 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. Industry¹² 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. Industry¹³ 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.

⁷ Ibid.

⁸ 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.

⁹ North Dakota state government nd.gov/innovation

¹⁰ Ibid.

¹¹ Petroleum and coal sector is defined as NAICS 324 for petroleum and coal manufacturing

¹² 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>

¹³ Ibid.



Oil and Gas Exploration

North Dakota is the #2 oil producer in the United States and in the top 20 oil producers in the world.¹⁴ In 2019, there were 100 oil and gas¹⁵ exploration establishments with 2,742 workers. Williams, Dunn, and Ward counties have the largest number of employees in the oil and gas 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. Industry¹⁶ 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. Industry¹⁷ 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.

Machinery

North Dakota is home to many machinery manufacturing. In 2019, there were 83 machinery manufacturing¹⁸ establishments employing 6,026 workers. Cass, Richland, and Walsh 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 North Dakota'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. Industry¹⁹ 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. Industry²⁰ 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 North Dakota's trade statistics, 85 percent of companies that exported goods from North Dakota in 2018²¹ were small and medium-sized companies.

¹⁴ North Dakota state government nd.gov/innovation

¹⁵ Oil and gas exploration sector is defined as NAICS 211 for oil and gas exploration.

¹⁶ 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>

¹⁷ Ibid.

¹⁸ Machinery sector defined as NAICS 333 for machinery manufacturing.

¹⁹ 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>

²⁰ Ibid.

²¹ 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.