



USMCA Ohio State Fact Sheet

Ohio's Trade with the World¹

- In 2019, Ohio exported \$53.2 Billion in goods to the world.
- In 2019, Ohio was the 9th-largest state exporter of goods in the United States.
- In 2016, 248,978 U.S. jobs were supported by goods exported from Ohio.²
- In 2018, 16,491 companies exported goods from Ohio- 89 percent were small and medium-sized companies.³

Ohio's Trade with Canada and Mexico

Ohio's Rank in Exports to Canada and Mexico

In 2019, Ohio was the 4th-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for Ohio Exports

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

Statewide Statistics and Top Export Product Categories⁴

- In 2019, Ohio exported \$27.6 Billion to Canada and Mexico, accounting for 52 percent of Ohio's total exports to the world.
 - Ohio exported \$20.7 Billion to Canada, 39 percent of Ohio's exports to the world.

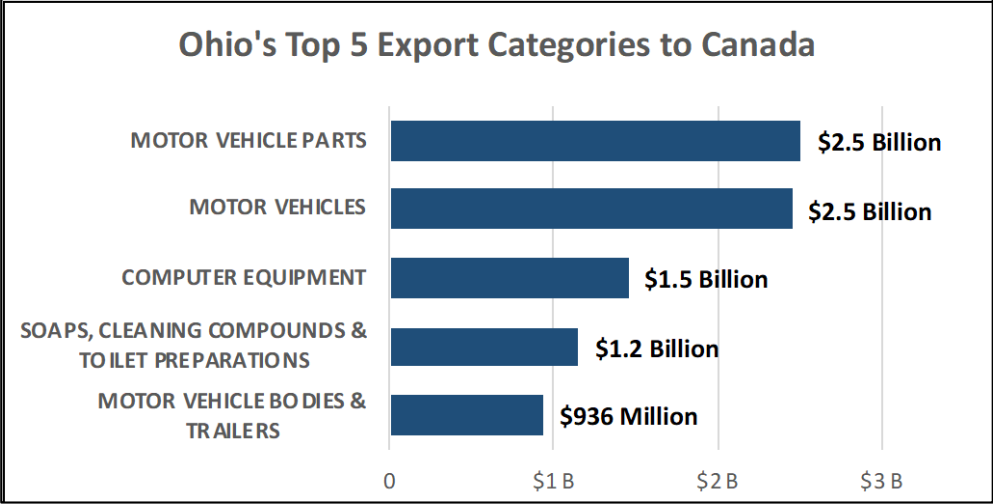
¹All trade data used in this report reflect the data published by June 15, 2020 from the U.S. Census Bureau, as compiled by the International Trade Administration's Trade Policy Information System (TPIS).

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:

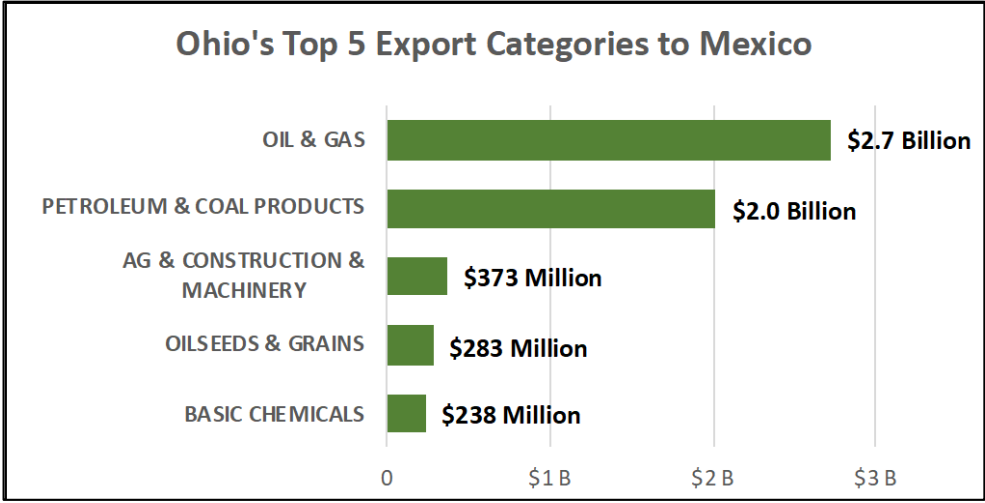
<https://www.trade.gov/mas/ian/employment/>

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.



- Ohio exported \$6.9 Billion to Mexico, 13 percent of Ohio's exports to the world.



Metropolitan Statistics⁵

- Ohio's Top Metropolitan Exports to Canada and Mexico 2018
 - Cincinnati **\$7.3 Billion***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: Transportation Equipment Manufacturing; Chemical Manufacturing; Machinery Manufacturing; Computer And Electronic Product Manufacturing; Paper Manufacturing
- Cleveland-Elyria **\$5.4 Billion**
 - Top Products: Machinery Manufacturing; Fabricated Metal Product Manufacturing; Chemical Manufacturing; Transportation Equipment Manufacturing; Beverage And Tobacco Product Manufacturing
- Columbus **\$4.2 Billion**
 - Top Products: Transportation Equipment Manufacturing; Computer And Electronic Product Manufacturing; Machinery Manufacturing; Chemical Manufacturing; Electrical Equipment, Appliance, And Component Manufacturing

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

Ohio's top export sectors to Canada and Mexico in 2019 include Transportation Equipment (Motor Vehicle and Aerospace Industries), Chemicals, and Machinery.⁷

Transportation Equipment (Motor Vehicle and Aerospace Industries)

Ohio is home to numerous transportation equipment⁸ companies in both the aerospace and automotive industries. In 2019, the transportation sector employed 128,820 workers in 811 establishments. USMCA requires more auto production in North America in order to qualify for duty-free treatment by eliminating NAFTA's "deemed originating" loophole. USMCA's innovative auto rules of origin, strict labor and environmental standards, and provisions designed to combat non-market practices – such as currency manipulation – are designed to boost additional automotive and auto parts investment and production in Ohio. They were also developed to ensure auto producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts. USMCA increases the regional value content for automobiles from 62.5 percent to 75 percent, thus incentivizing more auto production in North America. USMCA includes a first-of-its-kind labor value content rule that requires a certain percentage of each motor vehicle (40 percent for passenger vehicles and 45 percent for light trucks) to be manufactured in a factory in a USMCA country where workers make an average wage of at least \$16 per hour.

Chemicals

Ohio is home to numerous chemical⁹ companies. In 2019, there were 811 chemical establishments employing 46,024 workers. Hamilton, Cuyahoga, and Franklin counties have the largest number of

⁷ 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.

⁸ Transportation equipment sector defined as NAICS 336 and includes the motor vehicle and aerospace industries.

⁹ Chemical sector defined as NAICS 325 for chemical manufacturing.



employees 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

Ohio is home to many machinery manufacturing companies. In 2019, there were 1,824 machinery manufacturing¹⁰ establishments employing 79,954 workers. Cuyahoga, Montgomery, and Auglaize 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 Ohio'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. Industry¹¹ 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. Industry¹² 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 Ohio's trade statistics, 89 percent of companies that exported goods from Ohio in 2018¹³ were small and medium-sized companies.

¹⁰ Machinery sector defined as NAICS 333 for machinery manufacturing.

¹¹ 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>

¹² Ibid.

¹³ 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.