



USMCA Pennsylvania State Fact Sheet

Pennsylvania's Trade with the World¹

- In 2019, Pennsylvania exported \$42.7 Billion in goods to the world.
- In 2019, Pennsylvania was the 10th-largest state exporter of goods in the United States.
- In 2016, 176,514 U.S. jobs were supported by goods exported from Pennsylvania.²
- In 2018, 15,762 companies exported goods from Pennsylvania- 89 percent were small and medium-sized companies.³

Pennsylvania's Trade with Canada and Mexico

Pennsylvania's Rank in Exports to Canada and Mexico

In 2019, Pennsylvania was the 8th-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for Pennsylvania Exports

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

*Statewide Statistics and Top Export Product Categories*⁴

- In 2019, Pennsylvania exported \$15.4 Billion to Canada and Mexico, accounting for 36 percent of Pennsylvania's total exports to the world.
 - Pennsylvania exported \$11.2 Billion to Canada, 26 percent of Pennsylvania'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:

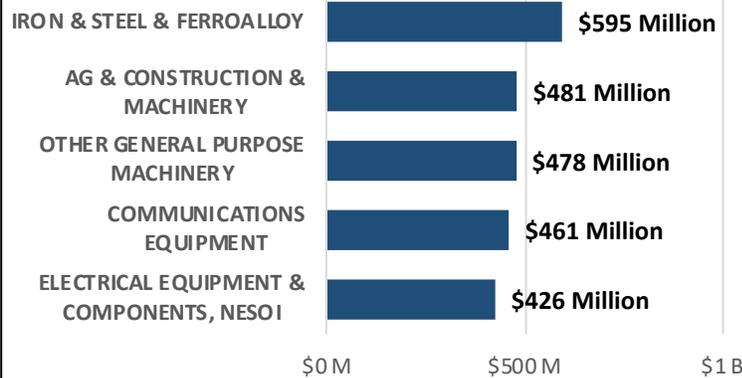
<https://www.trade.gov/mas/ian/employment/>

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.

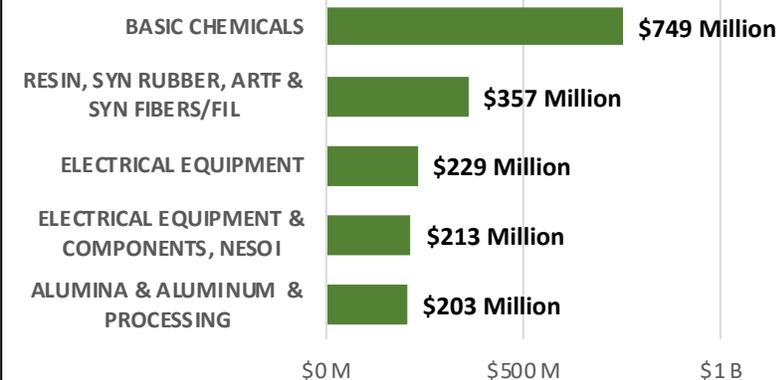


Pennsylvania's Top 5 Export Categories to Canada



- Pennsylvania exported \$4.2 Billion to Mexico, 10 percent of Pennsylvania's exports to the world.

Pennsylvania's Top 5 Export Categories to Mexico



Metropolitan Statistics⁵

- Pennsylvania's Top Metropolitan Exports to Canada and Mexico 2018
 - New York-Newark-Jersey City **\$17.8 Billion**⁶
 - Top Products: Miscellaneous Manufacturing; Chemical Manufacturing; Primary Metal Manufacturing; Computer And Electronic Product Manufacturing; Transportation Equipment Manufacturing

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.



- Philadelphia-Camden-Wilmington **\$7.7 Billion**^{*7}
 - Top Products: Chemical Manufacturing; Transportation Equipment Manufacturing; Computer And Electronic Product Manufacturing; Machinery Manufacturing; Miscellaneous Manufacturing
- Pittsburgh **\$3.3 Billion**
 - Top Products: Mining (Except Oil And Gas); Primary Metal Manufacturing; Chemical Manufacturing; Machinery Manufacturing; Computer And Electronic Product Manufacturing

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

Pennsylvania's top export sectors to Canada and Mexico in 2019 include Chemicals, Machinery, and Primary Metal Manufacturing.⁸

Chemicals

Pennsylvania is home to numerous chemical⁹ companies. In 2019, there were 678 chemical establishments with 42,308 employees. Montgomery, Bucks, and Monroe counties have the largest number of 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

Pennsylvania is home to many machinery manufacturing. In 2019, there were 1,247 machinery manufacturing¹⁰ establishments employing 46,100 employees. Allegheny (Pittsburgh), York, and Westmoreland 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 Pennsylvania'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

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 Chemical sector defined as NAICS 325 for chemical manufacturing.

¹⁰ Machinery sector defined as NAICS 333 for machinery manufacturing.



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 Pennsylvania’s trade statistics, 89 percent of companies that exported goods from Pennsylvania in 2018¹³ were small and medium-sized companies.

Primary Metal Manufacturing

Pennsylvania has a rich tradition of primary metals manufacturing and is home to many primary metal manufacturing companies. In 2019, the primary metals manufacturing¹⁴ employed 35,896 employees in 402 establishments. Berks, Allegheny, and Lancaster counties have the largest number of employees in the primary metals sector. USMCA maintains duty-free access to Mexico and Canada for originating primary metal products from Pennsylvania’s nonfuel mineral 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 new Customs and Trade Facilitation provisions that will help reduce costs and bring greater predictability to the border for shipments of nonfuel resources, while at the same time ensuring customs administrations have the necessary tools to enforce the law. Industry¹⁵ reported their support of the Customs and Trade Facilitations chapter since delays in customs clearance are extremely costly for traders, manufacturers, and retailers. Industry¹⁶ also supports the Environment provisions incorporated in the core of USMCA, in which Parties agree to effectively enforce their environmental laws and not weaken environmental laws to encourage trade or investment.

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.

¹⁴ Primary metal manufacturing defined as NAICS 331 for primary metal manufacturing.

¹⁵ Ibid.

¹⁶ Industry Trade Advisory Committee 5 – Forest Products, Building Materials, Construction, and Nonferrous Metals Report Regarding USMCA:

<https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%20%20REPORT%20-%20Forest%20Products%2C%20Building%20Materials%2C%20Construction%2C%20and%20Nonferrous%20Metals.pdf>