



# USMCA Rhode Island State Fact Sheet

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

- In 2019, Rhode Island exported \$2.7 Billion in goods to the world.
- In 2019, Rhode Island was the 46th-largest state exporter of goods in the United States.
- In 2016, 9,977 U.S. jobs were supported by goods exported from Rhode Island.<sup>2</sup>
- In 2018, 1,896 companies exported goods from Rhode Island- 86 percent were small and medium-sized companies.<sup>3</sup>

## **Rhode Island's Trade with Canada and Mexico**

### **Rhode Island's Rank in Exports to Canada and Mexico**

In 2019, Rhode Island was the 46th-largest exporter of goods to Mexico and Canada.

### **Ranks of Canada and Mexico as Destinations for Rhode Island Exports**

In 2019, Canada was Rhode Island's largest export destination and Mexico was the fourth-largest export destination.

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

- In 2019, Rhode Island exported \$780 Million to Canada and Mexico, accounting for 29 percent of Rhode Island's total exports to the world.
  - Rhode Island exported \$592 Million to Canada, 22 percent of Rhode Island'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:

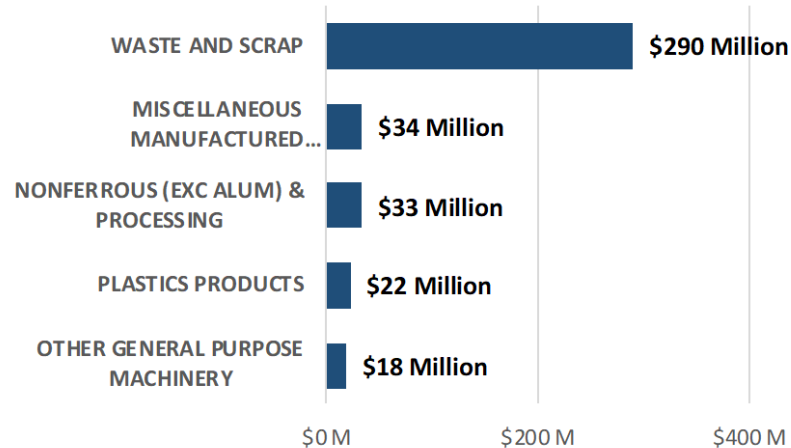
<https://www.trade.gov/mas/ian/employment/>

<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.

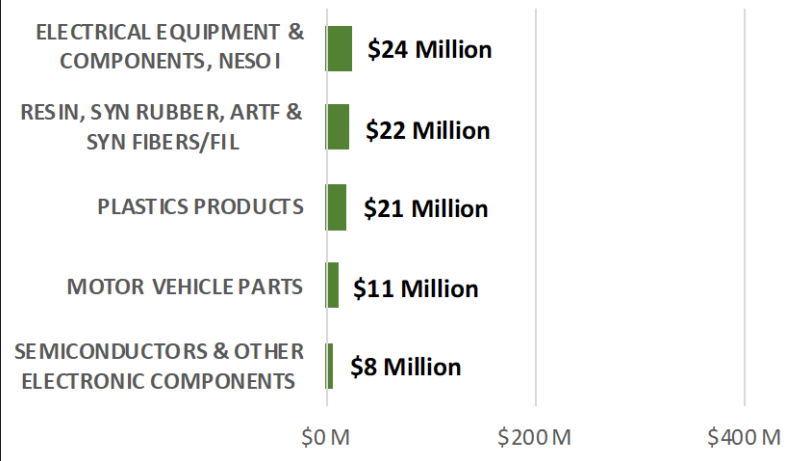


### Rhode Island's Top 5 Export Product Categories to Canada



- Rhode Island exported \$188 Million to Mexico, 7 percent of Rhode Island's exports to the world.

### Rhode Island's Top 5 Export Product Categories to Mexico



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

- Rhode Island'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.



- Providence-Warwick **\$1.8 Billion**\*<sup>6</sup>
  - Top Products: Primary Metal Manufacturing; Miscellaneous Manufacturing; Machinery Manufacturing; Computer And Electronic Product Manufacturing; Chemical Manufacturing

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

Rhode Island's top export sectors to Canada and Mexico in 2019 include Chemicals, Machinery, and Electrical Equipment, Appliances, and Components.<sup>7</sup>

#### Chemicals

Rhode Island is home to numerous chemical<sup>8</sup> companies. In 2019, there were 99 chemical establishments employing 2,818 employees. Kent, Providence, Bristol counties have the largest number of employees and establishments 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

Rhode Island is home to many machinery manufacturing companies. In 2019, there were 122 machinery manufacturing<sup>9</sup> establishments employing 1,926 employees. Providence, Washington, and Kent 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 Rhode Island'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>10</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

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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> 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>8</sup> Chemical sector defined as NAICS 325 for chemical manufacturing.

<sup>9</sup> Machinery sector defined as NAICS 333 for machinery manufacturing.

<sup>10</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>



physical goods. Industry<sup>11</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 Rhode Island’s trade statistics, 86 percent of companies that exported goods from Rhode Island in 2018<sup>12</sup> were small and medium-sized companies.

### Electrical Equipment, Appliances, and Components

Rhode Island is home to numerous electrical equipment manufacturing companies. .<sup>13</sup> In 2019, there were 43 electrical equipment and appliance<sup>14</sup> establishments in Rhode Island employing 1,130 employees. Providence, Washington, and Kent counties have the largest number of employees and establishments in the electrical equipment, appliances, and components sector. USMCA maintains duty-free access to Mexico and Canada for originating electrical equipment and appliances for Rhode Island’s electrical equipment manufacturing companies. 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 electrical equipment and components. At the same time, USMCA will ensure customs administrations have the necessary tools to enforce the law. Industry supports the provision to prohibit unnecessary restrictions on remanufactured imports and that remanufactured goods will move between the parties to the agreement duty-free<sup>15</sup> as companies seek to prolong the useful life of high-quality goods through repair, refurbishment, and reuse.<sup>16</sup>

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<sup>11</sup> Ibid.

<sup>12</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 March 25, 2020.

<sup>13</sup> Rhode Island Commerce Corporation [commerceri.com](http://commerceri.com)

<sup>14</sup> Electric equipment, appliances and components sector defined as NAICS 335 for electric equipment and appliance manufacturing.

<sup>15</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>16</sup> Industry Trade Advisory Committee 8 – Digital Economy Report Regarding USMCA: <https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%208%20REPORT%20-%20Digital%20Economy.pdf>