



# USMCA Utah State Fact Sheet

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

- In 2019, Utah exported \$17.3 Billion in goods to the world.
- In 2019, Utah was the 25th-largest state exporter of goods in the United States.
- In 2016, 51,267 U.S. jobs were supported by goods exported from Utah.<sup>2</sup>
- In 2018, 3,704 companies exported goods from Utah- 86 percent were small and medium-sized companies.<sup>3</sup>

## Utah's Trade with Canada and Mexico

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

In 2019, Utah was the 36th-largest exporter of goods to Mexico and Canada.

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

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

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

- In 2019, Utah exported \$2.2 Billion to Canada and Mexico, accounting for 12 percent of Utah's total exports to the world.
  - Utah exported \$1.4 Billion to Canada, 8 percent of Utah's exports to the world.

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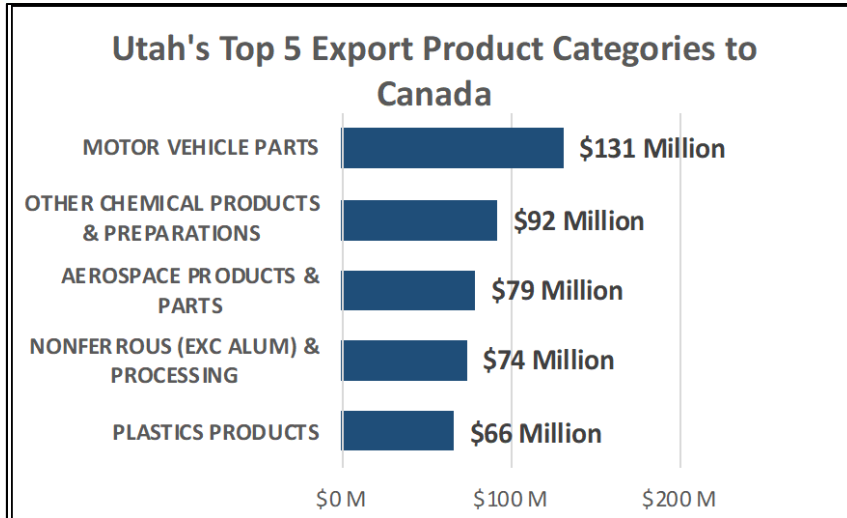
<sup>1</sup>All trade data used in this report reflect the data published by June 15, 2020 from the U.S. Census Bureau, as compiled by the International Trade Administration's Trade Policy Information System (TPIS).

<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:

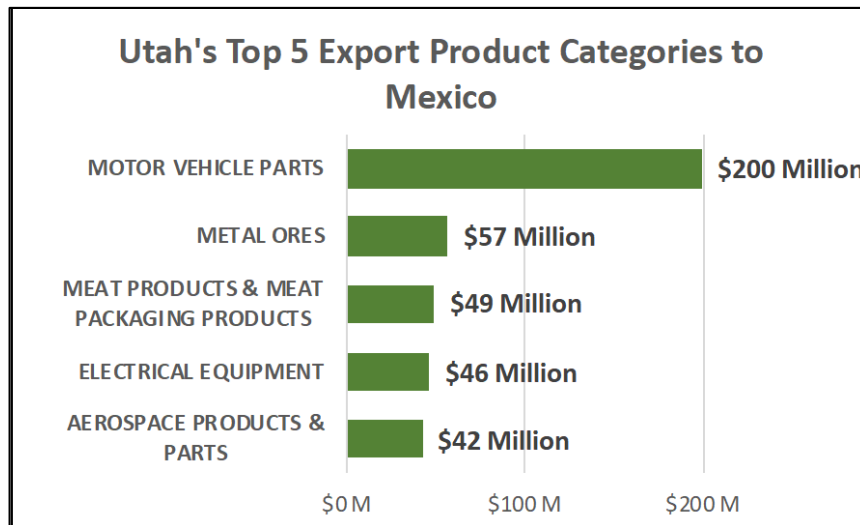
<https://www.trade.gov/mas/ian/employment/>

<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.



- Utah exported \$762 Million to Mexico, 4 percent of Utah’s exports to the world.



Metropolitan Statistics<sup>5</sup>

- Utah’s Top Metropolitan Exports to Canada and Mexico 2018
  - Salt Lake City **\$1.4 Billion**
    - Top Products: Miscellaneous Manufacturing; Computer And Electronic Product Manufacturing; Chemical Manufacturing; Food Manufacturing; Primary Metal Manufacturing

<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.



- **Ogden-Clearfield \$771 Million**
  - Top Products: Transportation Equipment Manufacturing; Chemical Manufacturing; Food Manufacturing; Machinery Manufacturing; Primary Metal Manufacturing
- **Provo-Orem \$203 Million**
  - Top Products: Computer And Electronic Product Manufacturing; Chemical Manufacturing; Food Manufacturing; Machinery Manufacturing; Fabricated Metal Product Manufacturing

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

Utah's top export sectors to Canada and Mexico in 2019 include Primary Metal Manufacturing, Transportation Equipment (Motor Vehicle and Automotive Industries), and Chemicals.<sup>6</sup>

#### **Primary Metal Manufacturing**

Utah has a tradition of primary metals manufacturing with rich deposits of copper, gold, and magnesium in the state.<sup>7</sup> Copper, a nonferrous metal, is Utah's most produced nonfuel mineral.<sup>8</sup> Utah is the only state in the nation to produce magnesium, beryllium ore, potassium sulfate, and gilsonite.<sup>9</sup> In 2019, the primary metals manufacturing<sup>10</sup> companies employed 3,962 workers in 68 establishments. Utah (Provo), Salt Lake, and Weber (Ogden) 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 Utah'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. Industry<sup>11</sup> reported their support of the Customs and Trade Facilitations chapter since delays in customs clearance are extremely costly for traders, manufacturers, and retailers. Industry<sup>12</sup> 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.

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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> Utah Office of Energy Development [energy.utah.gov](http://energy.utah.gov)

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Primary metal manufacturing defined as NAICS 331 for primary metal manufacturing.

<sup>11</sup> Ibid.

<sup>12</sup> 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%205%20REPORT%20-%20Forest%20Products%2C%20Building%20Materials%2C%20Construction%2C%20and%20Nonferrous%20Metals.pdf>



### Transportation Equipment (Motor Vehicle and Aerospace Industries)

While motor vehicles parts are top exports from Utah, Utah's Governor's Office of Economic Development highlights the aerospace and defense industry as a key industry for Utah.<sup>13</sup> Utah is home to leading aerospace and defense companies. In 2019, the transportation sector<sup>14</sup> employed 14,753 workers in 190 establishments. Davis, Weber (Provo), and Salt Lake counties have the largest number of employees and establishments in the transportation equipment sector. While Utah's Governor highlights the aerospace industry, the state also has automobile manufacturing and service providers. USMCA maintains duty-free access to Mexico and Canada for originating transportation equipment. The aerospace industry<sup>15</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>16</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>17</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 Utah and to ensure producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts.

### Chemicals

Utah is home to numerous chemical companies. In 2019, there were 287 chemical<sup>18</sup> establishments employing 9,580 employees. Salt Lake, Utah, and Weber 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.

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<sup>13</sup> Utah Governor's Office of Economic Development [business.utah.gov](https://business.utah.gov)

<sup>14</sup> Transportation sector defined as NAICS 336 and includes the motor vehicle and aerospace industries.

<sup>15</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>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Chemical sector defined as NAICS 325 for chemical manufacturing.