USMCA Vermont State Fact Sheet

Vermont’s Trade with the World

- In 2019, Vermont exported $3.0 Billion in goods to the world.
- In 2019, Vermont was the 44th-largest state exporter of goods in the United States.
- In 2016, 11,707 U.S. jobs were supported by goods exported from Vermont.
- In 2018, 1,137 companies exported goods from Vermont- 85 percent were small and medium-sized companies.

Vermont’s Trade with Canada and Mexico

Vermont’s Rank in Exports to Canada and Mexico
In 2019, Vermont was the 42nd-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for Vermont Exports
In 2019, Canada was Vermont’s largest export destination and Mexico was the thirteenth-largest export destination.

Statewide Statistics and Top Export Product Categories
- In 2019, Vermont exported $1.2 Billion to Canada and Mexico, accounting for 41 percent of Vermont’s total exports to the world.
  - Vermont exported $1.2 Billion to Canada, 40 percent of Vermont’s exports to the world.

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1 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).
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.

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Vermont exported $47 Million to Mexico, 2 percent of Vermont’s exports to the world.

Metropolitan Statistics

- Vermont’s Top Metropolitan Exports to Canada and Mexico 2018
  - Burlington-South Burlington $919 Million
    - Top Products: Computer And Electronic Product Manufacturing; Machinery Manufacturing; Food Manufacturing; Paper Manufacturing; Miscellaneous Manufacturing

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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.
USMCA Will Benefit Vermont’s Top Export Sectors to Canada and Mexico

Vermont’s top export sectors to Canada and Mexico in 2019 include Computer and Electronic Products, Paper and Paper Products, and Food Manufacturing. 6

Computer and Electronic Products
Vermont is home to many leading technology manufacturing companies. 7 In 2019, there were 43 computer and electronic product establishments in Vermont employing 4,728 employees. Chittenden and Washington counties have the largest number of employees in the computer and electronic product sector. USMCA maintains duty-free access to Mexico and Canada for originating technology equipment for Vermont’s technology manufacturing companies. Industry 9 appreciates the Market Access provision to be able to export and import for repair since many products are designed to be modular and swappable in case of malfunction in the technology sector. Industry 10 supports the provision to prohibit unnecessary restrictions on remanufactured imports because the technology sector seeks to prolong the useful life of goods through repair, refurbishment, and reuse. Industry 11 acknowledges USMCA’s new mechanism in the Information and Communication Technology (ICT) Equipment Annex to protect intellectual property in cryptographic products as a significant achievement. Industry 12 approves the new Digital Trade chapter, which contains the strongest disciplines on digital trade of any international agreement, providing a firm foundation for the expansion of trade and investment in innovative electronic products and services. For the first time in a trade agreement, the Intellectual Property chapter includes protections against the misappropriation of trade secrets and requires a minimum term of protection for industrial designs of at least 15 years.

Paper and Paper Products
Vermont is home to numerous paper and paper product manufacturing. 13 In 2019, there were 9 paper and paper products establishments employing 683 employees. USMCA maintains duty-free access to Mexico and Canada for originating paper products from Vermont’s paper 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

6 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 NAICS 3-digit level from the Bureau of Labor Statistics.
7 Thinkvermont.com
8 Computer and electronic products sector defined as NAICS 334 for computer and electronic product manufacturing.
10 Ibid.
11 Ibid.
12 Ibid.
13 Thinkvermont.com
14 Paper and paper products sector defined as NAICS 322 for paper manufacturing.

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shipments of paper and paper products, while at the same time ensuring customs administrations have the necessary tools to enforce the law. Industry\textsuperscript{15} reported their support of the Customs and Trade Facilitations chapter since delays in customs clearance are extremely costly for traders, manufacturers, and retailers. Industry\textsuperscript{16} also supports the Environment provisions incorporated in the core of USMCA, which promote sustainable forest management and trade in legally harvested products. Furthermore, the agreement provisions call for Parties to effectively enforce their environmental laws.

\textit{Food Manufacturing}

Vermont is home to several large food manufacturing companies\textsuperscript{17}. In 2019, there were 226 food manufacturing\textsuperscript{18} establishments with 5,254 employees. Chittenden (Burlington), Franklin, and Washington counties have the largest number of employees. USMCA contains an annex on proprietary food formulas which requires each Party to protect the confidentiality of such information in the same manner for both domestic and imported products. For the first time in a trade agreement, USMCA contains a chapter on good regulatory practices that promotes transparency and accountability in development and implementation of regulations. USMCA also has a chapter on sanitary and phytosanitary (SPS) provisions, which requires the Parties to agree to increase transparency in SPS measures, advance science-based decision making, and work together to enhance compatibility of SPS measures between them.

\begin{enumerate}
\item Ibid.
\item Thinkvermont.com
\item Food manufacturing defined as NAICS 311 for food manufacturing.
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