



USMCA Washington State Fact Sheet

Washington's Trade with the World¹

- In 2019, Washington exported \$60.3 Billion in goods to the world.
- In 2019, Washington was the 5th-largest state exporter of goods in the United States.
- In 2016, 332,599 U.S. jobs were supported by goods exported from Washington.²
- In 2018, 12,631 companies exported goods from Washington- 90 percent were small and medium-sized companies.³

Washington's Trade with Canada and Mexico

Washington's Rank in Exports to Canada and Mexico

In 2019, Washington was the 11th-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for Washington Exports

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

Statewide Statistics and Top Export Product Categories⁴

- In 2019, Washington exported \$11.1 Billion to Canada and Mexico, accounting for 18 percent of Washington's total exports to the world.
 - Washington exported \$8.6 Billion to Canada, 14 percent of Washington'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:

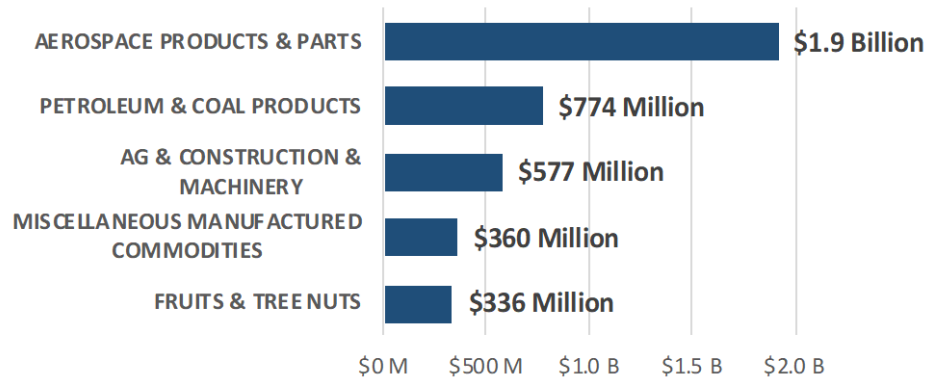
<https://www.trade.gov/mas/ian/employment/>

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.

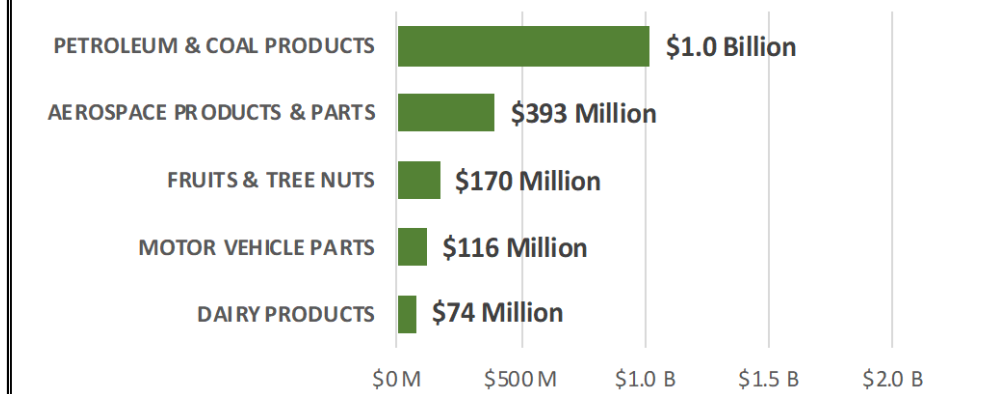


Washington's Top 5 Export Categories to Canada



- Washington exported \$2.5 Billion to Mexico, 4 percent of Washington's exports to the world.

Washington's Top 5 Export Categories to Mexico



Metropolitan Statistics⁵

- Washington's Top Metropolitan Exports to Canada and Mexico 2018
 - Seattle-Tacoma-Bellevue **\$7.5 Billion**
 - Top Products: Transportation Equipment Manufacturing; Computer And Electronic Product Manufacturing; Fishing, Hunting And Trapping; Crop Production; Machinery Manufacturing
 - Portland-Vancouver-Hillsboro **\$2.9 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: Computer And Electronic Product Manufacturing; Machinery Manufacturing; Crop Production; Transportation Equipment Manufacturing; Chemical Manufacturing
- Bellingham **\$887 Million**
 - Top Products: Petroleum And Coal Products Manufacturing; Food Manufacturing; Primary Metal Manufacturing; Fishing, Hunting And Trapping; Oil and Gas Extraction

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

Washington's top export sectors to Canada and Mexico in 2019 include Aerospace, Petroleum and Coal Products, Computer and Electronic Products, and Machinery.⁷

Aerospace

Washington is a leading manufacturer of commercial jetliners and defense, space, and security systems.⁸ In 2019, the transportation sector⁹ employed 98,017 workers in 493 establishments. King (Seattle), Snohomish (Everett), and Kitsap counties have the largest number of employees in the transportation equipment sector. While Washington's transportation sector is dominated by aerospace, the state also has automobile manufacturing and service providers.¹⁰ USMCA maintains duty-free access to Mexico and Canada for originating transportation equipment. The aerospace industry¹¹ 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 United States' aerospace sector's competitiveness and success. The aerospace industry¹² 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 industry¹³ 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 Washington and to ensure producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts.

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 Boeing company history boeing.com

⁹ Transportation sector defined as NAICS 336 and includes the motor vehicle and aerospace industries.

¹⁰ Alliance of Automobile Manufacturers autoalliance.org

¹¹ 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>

¹² Ibid.

¹³ Ibid.



Petroleum and Coal Products

Petroleum and Coal products are a leading export category for Washington. In 2019, there were 33 petroleum and coal¹⁴ establishments with 2,821 workers. Whatcom, Pierce, and King (Seattle) counties have the largest number of employees and establishments in the petroleum and coal manufacturing sector. Under USMCA, the Parties have agreed to treat investors and investments of the other Parties in accordance with the highest international standards and consistent with U.S. law and practice, while also safeguarding each Party's sovereignty and promoting domestic investment. Industry¹⁵ supports USMCA's Investor-State Dispute Settlement (ISDS) protections for the oil and gas, infrastructure, energy generation, and telecommunication sectors. With respect to both investment protection rules and ISDS procedures, the Investment Chapter of USMCA updates and modernizes NAFTA to better reflect U.S. priorities related to foreign investment. Industry¹⁶ also reported support for USMCA's new energy efficiency performance standards annex (which aims to harmonize the federally mandated energy performance standards across various products), energy regulatory measures, and regulatory transparency.

Computer and Electronic Products

Washington is home to many leading computer and electronic product¹⁷ companies. In 2019, there were 410 computer and electronic product establishments with 19,718 workers. King (Seattle), Snohomish (Everett), and Clark (Vancouver) counties have the largest number of employees and establishments in the technology equipment sector. USMCA maintains duty-free access to Mexico and Canada for originating technology equipment for Washington's technology manufacturing companies. Industry¹⁸ 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. Industry¹⁹ 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. Industry²⁰ 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. Industry²¹ 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

¹⁴ Petroleum and coal products defined as NAICS 324 for petroleum and coal products manufacturing.

¹⁵ Industry Trade Advisory Committee 6 – Energy and Energy Services Report Regarding USMCA: <https://ustr.gov/sites/default/files/files/agreements/FTA/AdvisoryCommitteeReports/ITAC%206%20REPORT%20-%20Energy%20and%20Energy%20Services.pdf>

¹⁶ Ibid.

¹⁷ Computer and electronic product sector defined as NAICS 334 for computer and electronic product manufacturing.

¹⁸ 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>

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.



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.

Machinery

Washington is home to many machinery companies. In 2019, there were 497 machinery manufacturing²² establishments with 15,591 employees. King, Spokane, and Snohomish (Everett) 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 Washington'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. Industry²³ 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. Industry²⁴ 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 Washington's trade statistics, 90 percent of companies that exported goods from Washington in 2018²⁵ were small and medium-sized companies.

²² Machinery sector defined as NAICS 333 for machinery manufacturing.

²³ 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>

²⁴ Ibid.

²⁵ 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.