



USMCA Mississippi State Fact Sheet

Mississippi's Trade with the World¹

- In 2019, Mississippi exported \$11.9 Billion in goods to the world.
- In 2019, Mississippi was the 30th-largest state exporter of goods in the United States.
- In 2016, 51,113 U.S. jobs were supported by goods exported from Mississippi.²
- In 2018, 2,028 companies exported goods from Mississippi- 76 percent were small and medium-sized companies.³

Mississippi's Trade with Canada and Mexico

Mississippi's Rank in Exports to Canada and Mexico

In 2019, Mississippi was the 26th-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for Mississippi Exports

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

Statewide Statistics and Top Export Product Categories⁴

- In 2019, Mississippi exported \$4.2 Billion to Canada and Mexico, accounting for 35 percent of Mississippi's total exports to the world.
 - Mississippi exported \$2.7 Billion to Canada, 23 percent of Mississippi'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:

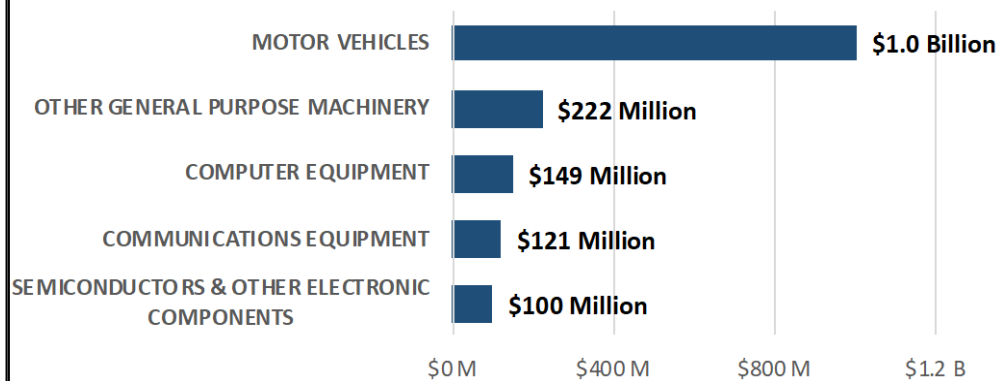
<https://www.trade.gov/mas/ian/employment/>

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.

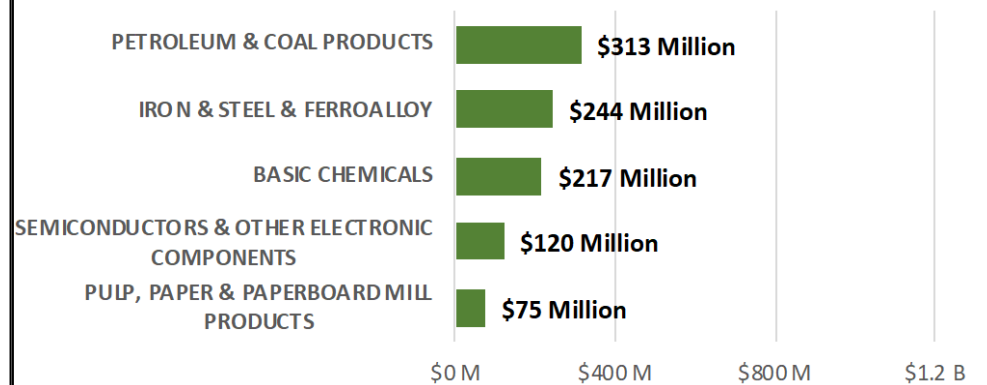


Mississippi's Top 5 Export Categories to Canada



- Mississippi exported \$1.4 Billion to Mexico, 12 percent of Mississippi's exports to the world.

Mississippi's Top 5 Export Categories to Mexico



Metropolitan Statistics⁵

- Mississippi's Top Metropolitan Exports to Canada and Mexico 2018
 - Memphis **\$3.5 Billion**⁶
 - Top Products: Miscellaneous Manufacturing; Computer And Electronic Product Manufacturing; Machinery Manufacturing; Transportation Equipment Manufacturing; Crop Production
 - Jackson **\$703 Million**

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: Transportation Equipment Manufacturing; Fabricated Metal Product Manufacturing; Machinery Manufacturing; Plastics and Rubber Products Manufacturing; Primary Metal Manufacturing
- Gulfport-Biloxi **\$215 Million**
 - Top Products: Chemical Manufacturing; Petroleum And Coal Products Manufacturing; Machinery Manufacturing; Transportation Equipment Manufacturing; Paper Manufacturing

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

Mississippi's top export sectors to Canada and Mexico in 2019 include Transportation Equipment (Motor Vehicle and Aerospace Industries), Computer and Electronic Products, Machinery, and Chemicals.⁷

Transportation Equipment (Motor Vehicle and Aerospace Industries)

Mississippi is home to numerous transportation equipment⁸ companies in both the aerospace and automotive industries. In 2019, the transportation sector employed 27,532 workers in 137 establishments. Madison, Tishomingo, and Lowndes counties have the largest number of employees in the transportation sector. The aerospace industry⁹ 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 industry¹⁰ 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 industry¹¹ 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 requires more auto production in North America in order to qualify for duty-free treatment by eliminating NAFTA's "deemed originating" loophole. USMCA's innovative auto rules of origin, strict labor and environmental standards, and provisions designed to combat non-market practices – such as currency manipulation – are designed to boost additional automotive and auto parts investment and production in Mississippi. They were also developed to ensure auto producers and workers in the state can compete on a more-level playing field with their Mexican and Canadian counterparts. USMCA increases the regional value content for automobiles from 62.5 percent to 75 percent, thus incentivizing more auto production in North America. USMCA includes a first-of-its-kind labor value content rule that requires a certain percentage of each motor vehicle (40 percent for passenger vehicles and 45 percent for light trucks) to be

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

⁹ 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>

¹⁰ Ibid.

¹¹ Ibid.



manufactured in a factory in a USMCA country where workers make an average wage of at least \$16 per hour.

Computer and Electronic Products

Mississippi is home to many leading computer and electronic products¹² manufacturing companies. In 2019, there were 35 computer and electronic products establishments in Mississippi employing 1,958 employees. Alcorn, Harrison, and Rankin counties have the largest number of employees and establishments in the computer and electronic products sector. USMCA maintains duty-free access to Mexico and Canada for originating technology equipment for Mississippi's technology manufacturing companies. Industry¹³ 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. Industry¹⁴ 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. Industry¹⁵ 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. Industry¹⁶ 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.

Machinery

Mississippi is home to many machinery manufacturing companies.¹⁷ In 2019, there were 160 machinery manufacturing¹⁸ establishments employing 13,006 employees. Hinds, Lee, and Union 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 Mississippi'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

¹² Computer and electronic products sector defined as NAICS 334 for computer and electronic product manufacturing.

¹³ 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>

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Mississippi Development Authority Mississippi.org

¹⁸ Machinery sector defined as NAICS 333 for machinery manufacturing.



necessary tools to enforce the law. Industry¹⁹ 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. Industry²⁰ 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 Mississippi's trade statistics, 76 percent of companies that exported goods from Mississippi in 2018²¹ were small and medium-sized companies.

Chemicals

Mississippi is home to numerous chemical companies. In 2019, there were 132 chemical establishments with 6,111 workers. Harrison, Monroe, and DeSoto 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.

¹⁹ 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>

²⁰ Ibid.

²¹ 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.