



USMCA South Carolina State Fact Sheet

South Carolina's Trade with the World¹

- In 2019, South Carolina exported \$41.5 Billion in goods to the world.
- In 2019, South Carolina was the 11th-largest state exporter of goods in the United States.
- In 2016, 156,598 U.S. jobs were supported by goods exported from South Carolina.²
- In 2018, 6,688 companies exported goods from South Carolina-85 percent were small and medium-sized companies.³

South Carolina's Trade with Canada and Mexico

South Carolina's Rank in Exports to Canada and Mexico

In 2019, South Carolina was the 22nd-largest exporter of goods to Mexico and Canada.

Ranks of Canada and Mexico as Destinations for South Carolina Exports

In 2019, Canada was South Carolina's third-largest export destination and Mexico was the sixth-largest export destination.

Statewide Statistics and Top Export Product Categories⁴

- In 2019, South Carolina exported \$6.2 Billion to Canada and Mexico, accounting for 15 percent of South Carolina's total exports to the world.
 - South Carolina exported \$4 Billion to Canada, 10 percent of South Carolina'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:

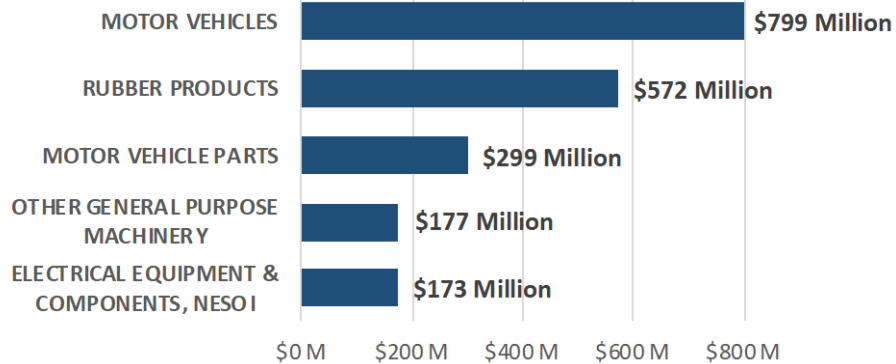
<https://www.trade.gov/mas/ian/employment/>

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.

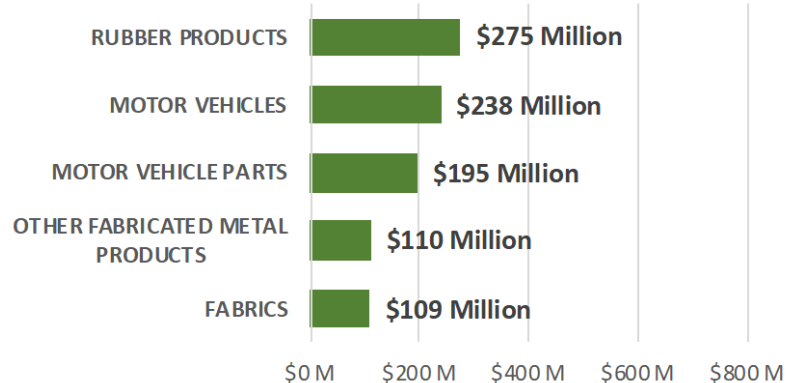


South Carolina's Top 5 Export Categories to Canada



- South Carolina exported \$2.2 Billion to Mexico, 5 percent of South Carolina's exports to the world.

South Carolina's Top 5 Export Categories to Mexico



Metropolitan Statistics⁵

- South Carolina's Top Metropolitan Exports to Canada and Mexico 2018
 - Charlotte-Concord-Gastonia **\$7.9 Billion***⁶
 - Top Products: Machinery Manufacturing; Chemical Manufacturing; Transportation Equipment Manufacturing; Plastics And Rubber Products Manufacturing; Textile Mills

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.



- Greenville-Anderson **\$2.1 Billion**
 - Top Products: Transportation Equipment Manufacturing; Machinery Manufacturing; Plastics And Rubber Products Manufacturing; Computer And Electronic Product Manufacturing; Chemical Manufacturing
- Charleston-North Charleston **\$1.5 Billion**
 - Top Products: Electrical Equipment, Appliance, And Component Manufacturing; Computer And Electronic Product Manufacturing; Chemical Manufacturing; Paper Manufacturing; Transportation Equipment Manufacturing

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

South Carolina's top export sectors to Canada and Mexico in 2019 include Transportation Equipment (Motor Vehicle and Aerospace Industries), Rubber and Plastic Products, Chemicals, and Machinery.⁷

Transportation Equipment (Motor Vehicle and Automotive Industries)

South Carolina is home to several manufacturing facilities. South Carolina is also home to a growing aerospace industry. In 2019, the transportation sector⁸ employed 51,401 workers in 334 establishments. Spartanburg, Charleston, and Greenville counties have the largest number of employees and establishments 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 South Carolina. 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

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 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.



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

Rubber and Plastic Products

South Carolina is home to leading tire manufacturing companies. In 2019, there were 274 rubber and plastic products¹² establishments with 24,512 workers. Greenville, Spartanburg, and Aiken counties have the largest number of employees in the rubber and plastics manufacturing sector. USMCA maintains duty-free access to Mexico and Canada for originating rubber products from South Carolina's tire 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 rubber and plastic products, while at the same time ensuring customs administrations have the necessary tools to enforce the law.

Chemicals

South Carolina is home numerous chemical¹³ companies. In 2019, there were 526 chemical establishments employing 23,222 employees. Greenville, Spartanburg, and Greenwood 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.

Machinery

South Carolina is home to many machinery manufacturing companies. In 2019, there were 642 machinery manufacturing¹⁴ establishments employing 21,425 employees. Greenville, Spartanburg, and Anderson 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 South Carolina'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

¹² Plastics and Rubber Products sector defined as NAICS 326 for Plastics and Rubber Manufacturing.

¹³ Chemical sector defined as NAICS 325 for chemical manufacturing.

¹⁴ Machinery sector defined as NAICS 333 for machinery manufacturing.



administrations have the necessary tools to enforce the law. Industry¹⁵ 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. Industry¹⁶ 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 South Carolina’s trade statistics, 85 percent of companies that exported goods from South Carolina in 2018¹⁷ were small and medium-sized companies.

¹⁵ 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>

¹⁶ Ibid.

¹⁷ 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.