Tennessee Would be Harmed by Withdrawing from NAFTA

By raising the costs of Tennessee exports and imports, a U.S. withdrawal from NAFTA would make Tennessee businesses and farmers less competitive, resulting in losses of jobs and production in the state and exports from the state to Canada and Mexico.

**Jobs Are Lost**

-36,650

Estimated number of Tennessee jobs lost if NAFTA is terminated

**Exports Drop**

-17%

Estimated decline in Tennessee exports to Canada and Mexico if NAFTA is terminated

**Output Declines**

-$2.2 billion

Estimated decline in Tennessee production if NAFTA is terminated

### Vulnerable Tennessee Export Sectors

Estimated declines in select exports to Canada and Mexico if NAFTA is terminated ($ Millions)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Export Market</th>
<th>Export Value</th>
<th>Higher Tariff Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine parts</td>
<td>Mexico</td>
<td>$191 million</td>
<td>Up to 5%</td>
</tr>
<tr>
<td>Cakes, cookies and other baked goods</td>
<td>Mexico</td>
<td>$60 million</td>
<td>Up to 15%</td>
</tr>
<tr>
<td>Auto Parts</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Motor Vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Equipment</td>
<td></td>
<td>-$131</td>
<td></td>
</tr>
<tr>
<td>Travel Services</td>
<td></td>
<td>-$121</td>
<td></td>
</tr>
<tr>
<td>Engines &amp; Turbines</td>
<td></td>
<td>-$103</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Bodies &amp; Trailers</td>
<td></td>
<td>-$59</td>
<td></td>
</tr>
</tbody>
</table>

*2.5 billion decline in Tennessee exports to NAFTA partners:
- $1.7 billion in Tennessee exports to Canada
- $846 million in Tennessee exports to Mexico

### Vulnerable Tennessee Export Products

Estimated declines in select exports to Canada and Mexico if NAFTA is terminated

- **-$381 million**
  - **Passenger vehicles**
    - Export Market: Canada
    - Export Value: $1.4 billion
    - Higher Tariff Rate: 6%

- **-$40 million**
  - **Engine parts**
    - Export Market: Mexico
    - Export Value: $191 million
    - Higher Tariff Rate: Up to 5%

- **-$30 million**
  - **Cakes, cookies and other baked goods**
    - Export Market: Mexico
    - Export Value: $60 million
    - Higher Tariff Rate: Up to 15%

For general information and inquiries, contact Paul DeLaney: pdelaney@brt.org.