

BY THE NUMBERS:

The Costs of Withdrawing from NAFTA

New Tariffs or Taxes Canada and Mexico Could Have Charged U.S. Exports Without the North American Free Trade Agreement

THE IMPACT ON U.S. BUSINESSES AND FARMERS

Analysis from The Trade Partnership from U.S. Census Bureau and UNCTAD's Trade Analysis Information System data shows the following costs of not having NAFTA:

\$15.5 BILLION ON ALL U.S. EXPORTS

- U.S. businesses and farmers exported \$570 billion in goods to Canada and Mexico in 2015. Without NAFTA, Canada and Mexico could have assessed new tariffs or taxes averaging 3% – or up to \$15.5 billion – on those U.S. goods exports, triggering reductions in U.S. exports.

THE IMPACT ON U.S. EXPORTS IN KEY SECTORS OF THE ECONOMY

The same analysis shows the following costs of not having NAFTA for key sectors, the result of which would make American goods less competitive in Canada and Mexico relative to producers from other countries that have their own FTAs with Canada and Mexico—like Japan and the EU—and causing U.S. exports to decline:

\$3.8 BILLION ON FOOD PRODUCTS EXPORTS

- U.S. food manufacturers exported \$25 billion in food products to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$3.8 billion in extra tariffs – including tariffs averaging 28.3% on meat products and 22.0% on dairy products.

\$3.6 BILLION ON AUTO EXPORTS

- The U.S. auto industry exported \$80 billion in vehicles and vehicle parts to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$3.6 billion in extra tariffs – including tariffs averaging 9% on finished autos.

\$1.1 BILLION ON TEXTILES AND APPAREL EXPORTS

- The U.S. textiles and apparel industry exported \$10 billion in fabrics, textiles and apparel to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$1.1 billion in extra tariffs – including tariffs averaging 17.9% on apparel.

\$1.1 BILLION ON CHEMICALS EXPORTS

- U.S. chemical manufacturers exported \$51 billion in chemicals to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$1.1 billion in extra tariffs – including tariffs averaging 4.8% on paints and coatings.

\$956 MILLION ON PLASTICS AND RUBBER PRODUCTS EXPORTS

- U.S. plastics and rubber product manufacturers exported \$20 billion to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$956 million in extra tariffs – including tariffs averaging 5.4% on rubber products.

\$657 MILLION ON AGRICULTURE PRODUCTS EXPORTS

- U.S. farmers and ranchers exported \$15 billion in farm products to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$657 million in extra tariffs – including tariffs averaging 6.6% on oilseeds and grains.

\$590 MILLION ON METALS AND METAL PRODUCTS EXPORTS

- U.S. metal and metal products manufacturers exported \$44 billion to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$590 million in extra tariffs – including tariffs averaging 6.7% on fabricated metal hardware.

\$551 MILLION ON ELECTRICAL EQUIPMENT EXPORTS

- U.S. electrical equipment manufacturers exported \$29 billion in lighting, appliances and other electrical equipment to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$551 million in extra tariffs – including tariffs averaging 6.7% on lighting equipment.

\$515 MILLION ON COMPUTERS AND ELECTRONICS EXPORTS

- The U.S. computer and electronics industry exported \$69 billion to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$515 million in extra tariffs – including tariffs averaging 4.4% on audio/visual equipment.

\$508 MILLION ON MACHINERY EXPORTS

- U.S. machinery manufacturers exported \$49 billion to Canada and Mexico in 2015. Without NAFTA, those exports could have faced up to \$508 million in extra tariffs – including tariffs averaging 3.1% on HVAC and refrigeration equipment.