



# **BUILT TO SPEC**

USMCA Supports Millions  
of American Jobs and Drives  
U.S. Manufacturing Dominance

May 2026

**M.** NATIONAL ASSOCIATION OF  
Manufacturers



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# President Trump's USMCA is a win for manufacturing in America. Let's double down with improvements to an agreement that works.

Manufacturers across the United States support President Trump's vision to make the United States the greatest place in the world to manufacture things. That means putting in place policies to ensure that America continues to lead as the world's dominant manufacturing power—and preserving and strengthening one of President Trump's signature accomplishments from his first term, strongly endorsed by manufacturers in the United States: the USMCA.

The USMCA is a story of success. It supports millions of manufacturing jobs in the United States, reinforces our domestic supply chains and provides not only the certainty manufacturers need to build the next era of American greatness—but the competitiveness that comes from trading with our closest neighbors and tapping into the full and abundant resources of the North American continent. By delivering critical inputs to manufacturing shop floors across the country and expanding access to export markets throughout North America, the USMCA ensures that more products sold in the United States and around the world bear the imprint “Made in America.”

The benefits of the USMCA flow every day to manufacturers in the United States, making the agreement an anchor for investment and expansion here at home. Under the USMCA, America's goods exports to Mexico and Canada—our two largest

trading partners—have grown significantly, with those exports directly supporting 2 million American jobs. And the United States has become a magnet for even more capital expenditures from our North American partners—the investments that power American factories.

The USMCA is a win for manufacturers in America—and this report illustrates how. It details the direct experiences of manufacturers who create jobs and expand opportunity right here in the United States. By powering speed to market, access to critical inputs, stronger supply chains, increased exports and—above all—manufacturing dominance, the USMCA is a pillar for the greatness of manufacturing in the United States.

With the six-year review of the USMCA on the horizon, manufacturers agree: we must preserve and strengthen this historic agreement. That means maintaining components that support U.S. manufacturing leadership—and it means implementing impactful improvements to an investment that works. That is how we can strengthen America's hand on the world stage against fierce competitors.

**Because a stronger USMCA means a stronger America.**



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## Manufacturers Speak Out on USMCA's Benefits—and Ways to Improve the Landmark Agreement

The United States–Mexico–Canada Agreement is the most pro-U.S. manufacturing trade agreement in history, with U.S. goods exports to Mexico and Canada directly supporting 2 million American jobs.<sup>1</sup> Of the 18 different sectors of manufacturing, 15 have increased exports to Mexico and Canada since the USMCA was implemented.<sup>2</sup> **The agreement is a foundation for manufacturing dominance in the U.S.—and, with targeted improvements, the USMCA can deliver even more jobs, growth and innovation across the sector.**

One of the key pro-manufacturing achievements from President Trump's first term, ratified by Congress with the largest approval margin for any trade agreement ever passed, the USMCA strengthened customs procedures, harmonized regulatory approaches, increased protections for intellectual property rights and incorporated other pro-manufacturing improvements, all of which made North America the most attractive region in the world to manufacture—and positioned America's manufacturers and manufacturing workers as the agreement's primary beneficiaries.

This report is based on interviews with more than 30 manufacturers—small, medium and large—ranging from original equipment manufacturers to tier one, two and three suppliers, and representing a variety of industrial sectors. What these manufacturers all have in common is a view that the USMCA has been an anchor for manufacturing investment and expansion in the U.S., job and wage increases for American workers and export growth to the region. **The results are clear: the USMCA strengthens U.S. manufacturing in the face of threats from fierce global competitors.**

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1 Calculations based on International Trade Administration, Jobs Supported by Exports data, accessed April 24, 2025. <https://www.trade.gov/jobs-supported-exports-home-page>

2 Sectors grouped based on relevant NAICS codes, U.S. Census Bureau, USA Trade Online, <https://usatrade.census.gov>. Accessed on April 24, 2026.

If the U.S. manufacturing sector were a country, it would be the eighth-largest economy in the world—with each dollar spent in manufacturing driving \$2.69 in U.S. economic output, and each manufacturing worker supporting five workers throughout the U.S. economy.<sup>3</sup> **As strong as the U.S. is alone, our manufacturing economy is even stronger when we can leverage our geopolitical relationships with our closest neighbors into benefits for domestic industry.** Indeed, each dollar of manufacturing inputs imported from elsewhere in the world generates \$1.40 of domestic manufacturing output.<sup>4</sup>

Throughout this report, manufacturers cite six major advantages created by the USMCA:

1. **Flexibility and speed through proximity**
2. **Access to critical manufacturing inputs**
3. **A unique co-production model that leverages regional assets**
4. **Access to greater sales markets across North America and the world**
5. **A larger talent pool to address workforce shortfalls in the U.S.**
6. **Supply chain resiliency in the face of global tensions**



**Maximizing these advantages means putting America’s manufacturers first** by maintaining open and reliable trade with our North American partners by preserving and enhancing the USMCA. Manufacturers’ goal is to maintain the crucial components of the agreement that support U.S. manufacturing leadership—while implementing impactful reforms to further strengthen America’s hand on the world stage against global threats. Never content with “good enough,” manufacturers are committed to much-needed maintenance, including critical upgrades, to the USMCA. **Because a stronger USMCA means a stronger America.**

3 NAM calculations of IMPLAN 2024 Model Year for United States and U.S. Bureau of Economic Analysis, “GDP by Industry,” <https://www.bea.gov/data/gdp/gdp-industry>. Accessed on April 24, 2026.

4 NAM calculations based on U.S. International Trade Commission, DataWeb, <https://dataweb.usitc.gov/>. From official U.S. merchandise trade statistics published by the U.S. Department of Commerce, Census Bureau and U.S. Bureau of Economic Analysis, Input-Output Accounts, <https://www.bea.gov/data/industries/input-output-accounts-data>. Accessed on April 24, 2026.

## The Benefits of Geography

The USMCA's success is underpinned by an economic truth: countries naturally trade more with their neighbors. In many instances, moving raw materials, parts, components and other products north and south from the U.S. to Mexico and Canada is faster and more cost effective than moving the same goods east to west within the United States, especially for heavy raw materials that feed into advanced manufacturing. Mexico and Canada offer the advantage of proximity, reducing transportation costs and shortening delivery times relative to other trading partners, providing better reliability as major suppliers of industrial inputs. The duty-free movement of goods under the USMCA allows companies to benefit from the natural advantage of proximity to these complementary trading partners. The numbers speak for themselves: The value of annual North American trade in goods and services reached \$1.9 trillion in 2025—the equivalent of more than \$3.5 million in transactions *every minute*.<sup>5</sup>



### Manufacturers Agree on the Importance of Location, Location, Location

For more than 180 years, **CNH** has been developing pioneering equipment to support American farmers and builders. The location of their production process is key to their success.

**“The goal is to produce close to the customer. We cannot perform production agriculture just anywhere in the world. It requires the appropriate geographic setup, soil conditions and weather patterns to enable the long-term operation and viability of farming. The whole North American market is important for that. Our manufacturing locations are positioned in key high-concentration agricultural areas, right in the heart of the USMCA region.”** – CNH

**“Duty-free trade removes friction and enables commerce to go where it makes the most sense. Companies are able to make determinations based off where they can do work more efficiently. That all translates into better products and lower costs for customers.”** – CNH

**Acutec Precision Aerospace, Inc.** manufactures dynamic systems components for the aerospace and defense industries, producing in Pennsylvania and South Carolina.

**“There’s a lot of product that goes between the U.S., Mexico and Canada across all areas of the supply chain. You’re assembling engines in Canada. You’re assembling subassemblies in Mexico. This allows the continent to have an independent supply chain that is more strategically, geographically close by.”** – Acutec Precision Aerospace, Inc.

<sup>5</sup> U.S. Bureau of Economic Analysis and U.S. Census Bureau, U.S. International Trade in Goods and Services, <https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services>. Accessed on April 24, 2026.



## What Manufacturers Say: Speed to Market

**Albany International** started as a family-owned textile company and is now a global manufacturing leader providing machine clothing and belts to industries including paper makers as well as components to the aerospace industry. Many of the company’s U.S. products are shipped to Canada and Mexico for weaving before returning to the U.S. to be consumed in the Americas or shipped all over the world.

**“We make very large products, so we need to be close to our customers. Mexico largely supplies Mexico and South America, Canada supplies Canada and the U.S., and the U.S. supplies the U.S. primarily, but also worldwide. The transfer of goods between Mexico and the U.S. is not necessarily finished products, but semi-finished products. The infrastructure is clearly there, and it makes it very easy to transfer between the countries. The fact that the countries are so close and connected makes decisions so easy because we are completely covered by USMCA.”**

– Albany International

**Balluff**, a leading producer of industrial automation and sensor technologies, makes use of the interconnected highway system between the three countries to lower costs and increase reliability for their customers.

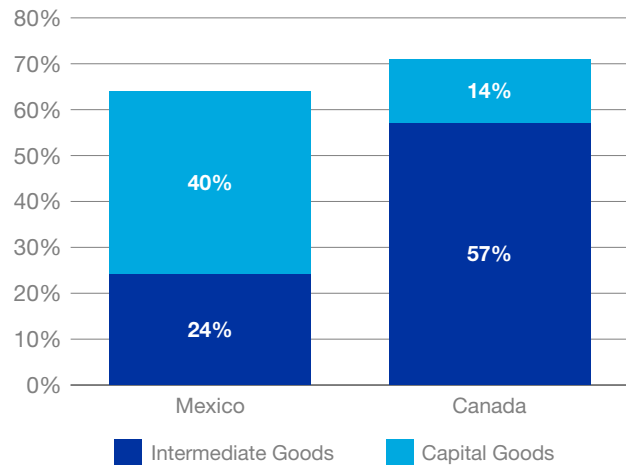
**“Having a factory in the region [Mexico] lets us take advantage of the highway systems that connect all three countries.”** – Balluff

## Access to Critical Inputs

Manufacturers in the U.S. cannot source or supply all the inputs domestically that are essential for core production, expansion and innovation in production processes. Mexico and Canada are major suppliers of intermediate goods and capital equipment to support manufacturing in the U.S.

The USMCA enables manufacturers to capitalize on North America’s regional assets from the start of production through finished assembly. Seventy-one percent of imports from Canada and 64% of imports from Mexico are industrial materials, parts and components that go into further manufacturing in the U.S., as well as the machinery and equipment installed on factory floors across the U.S.<sup>1</sup>

**71% of Imports from Canada and 64% of Imports from Mexico Are Industrial Inputs That Go into Further Manufacturing in the U.S.**



Source: U.S. Census Bureau, 2025

<sup>1</sup> U.S. Bureau of Economic Analysis and U.S. Census Bureau, U.S. International Trade in Goods and Services, <https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services>. Accessed on April 24, 2026.

These inputs include critical minerals that manufacturers utilize extensively in a wide array of manufactured products, including those in aircraft and defense systems, automotive parts and vehicles, electrical grid components, robotics and industrial automation, personal electronics and more. Both Mexico and Canada have abundant critical mineral reserves and are the lead U.S. sourcing partners for several minerals, including fluorspar and silver from Mexico and gallium, lead, nickel, potash, tellurium, vanadium and zinc from Canada.<sup>2</sup> This relationship strengthens supply chain security, helping manufacturers shift sourcing away from adversaries and toward allies.

### Many Top Import Sectors Substantially Utilize USMCA Preferences

Canada	Mexico
Plastics & Rubber — 95.3%	Agriculture Support — 100.0%
Leather — 90.0%	Apparel & Accessories — 91.9%
Agriculture — 87.3%	Plastics & Rubber — 90.8%
Petroleum & Coal — 85.8%	Livestock — 89.8%
Food Manufacturing — 82.6%	Agriculture — 89.4%

\*Source U.S. International Trade Commission's DataWeb (<https://dataweb.usitc.gov/>) from official U.S. merchandise trade statistics published by the U.S. Department of Commerce, Census Bureau. Internal calculations.

Many manufacturing-related sectors make extensive use of USMCA preferences for imports. For example, over 95% of plastics and rubber imports from Canada and nearly 91% of the same imports from Mexico make use of the agreement. Overall, nearly \$614 billion of U.S. imports for consumption utilize the USMCA per year.<sup>3</sup>



## Thanks to the USMCA, Here's How Manufacturers Get the Critical Inputs They Need

**Univertical** has been manufacturing copper and nickel products in the U.S. for the past 88 years. The USMCA enabled the company to source the materials it needs, buying directly from mines and refiners in Canada. Univertical uses the inputs in chemical and metal products produced in the U.S. for sales to customers in all three countries.

**Unicorr**, a corrugated packaging company founded in 1946, uses the USMCA to import about \$46 million worth of paper from Canada to support production facilities in the U.S.

**Advanced Superabrasives Inc.** makes superabrasive grinding wheels that are used to create a variety of products from medical equipment to nuclear fuel material for data centers. The company manufactures 100% of its product in the U.S. and sources most components, such as steel and aluminum, from producers in the U.S. However, for the man-made diamond that is essential to Advanced Superabrasives' grinding wheels, the company turns to a supplier in Mexico.

**MAC**, a family-owned business operating out of northern New Jersey, manufactures electrified mass transit in the U.S. The USMCA enabled MAC's expansion across the continent. Taking advantage of inputs from Canada and Mexico, MAC services the electrical utility industry, which will allow manufacturers to help power the future.

<sup>2</sup> U.S. Geological Survey, "2026 USGS Mineral Commodity Summaries." Accessed on April 24, 2026.

<sup>3</sup> U.S. International Trade Commission, DataWeb, <https://dataweb.usitc.gov/>. From official U.S. merchandise trade statistics published by the U.S. Department of Commerce, Census Bureau. Accessed on April 24, 2026.



## Canada and Mexico Are Top Suppliers

**Brunswick Corporation** is a world leader in the marine recreation industry. Founded in Cincinnati and headquartered outside Chicago, Brunswick designs and manufactures recreational boats, marine engines and marine parts, leveraging manufacturing and distribution sites across the U.S., Canada and Mexico to sell to customers all over the world.

**“A lot of the aluminum used in the United States does come from Canada, because they have an efficient way of manufacturing aluminum with hydroelectric sources. Canada enjoys some geographic benefits based on how they’re getting their power that you cannot replicate in the United States.”** – Brunswick

**Dragonfly Energy** is a leading supplier of lithium battery packs, which are fueling the next generation of North American recreational vehicle (RV) and heavy-duty trucking (HDT) ESS systems. To secure a reliable source of lithium, the company was founded in the “lithium capital of North America,” Reno, Nevada.

**“Economies like Canada and Mexico are extremely important for us to source components that otherwise we wouldn’t be able to source anywhere other than Asia at a competitive price. Competitive pricing is a function of many factors, including economy of scale, energy costs, geography, labor prices and much more. Canada and Mexico increase our supply chain resilience.”** – Dragonfly Energy

**“There are some types of steel that can only be acquired in Canada, such as a green rod steel we use of a particular piping quality, so it is important for us to be able to access the entire North American market. There is also critical componentry that’s primarily manufactured in one location, such as wire harnesses, which are used in the automotive sector and certainly in our equipment. That is centrally located in Mexico, which all of the North American supply chain utilizes.”** – CNH

## North American Co-Production

Manufacturing in the U.S. is North American. Production is characterized by deeply integrated supply chains in which goods routinely cross borders several times before reaching the consumer. Many industries—including automotive, aerospace, electronics and machinery—have optimized production through strategically distributed processes across the U.S., Mexico and Canada. These cross-border systems are built on the foundation of the USMCA’s backbone provisions that streamline customs procedures, enable express shipments and allow the secure and fluid transmission of manufacturing data across North American borders.





## Manufacturers on How Co-Production Benefits Their Companies

**Dauch Corporation** designs, engineers and manufactures driveline and metal forming technologies to supply the automotive industry and other industrial markets. Founded in Detroit in 1994, the company now has 75 facilities in 15 countries, but its focus remains North America.

**“[Express shipment provisions] allow us to move small critical items that may be required to keep an operation going. When you have to move something from one plant in the U.S. to a plant in Mexico overnight it allows us, without cost or penalty or delay, to keep things moving.”** – Dauch Corporation

**American Textile Company** was founded by five brothers in 1925 and has grown into one of the largest bedding suppliers in the world. The company’s most important input, fiber, is sourced from Canada and Mexico for production facilities across the U.S.

**“Our business has grown significantly because we have gone into the total North American market and that has allowed us to grow our domestic manufacturing footprint.”** – American Textile Company

**Amphenol Corporation** has been providing critical interconnect products to a broad range of U.S. industries for over 100 years out of multiple factories across the U.S. Using the USMCA, many of their American-made components are assembled at sites in Mexico in order to stay globally competitive.

**“The USMCA allows us to easily ship high-value U.S.-manufactured components across the border, have them built into assemblies in Mexico and then shipped directly to customers in the U.S. We ship millions of dollars’ worth of components across the border daily that get assembled and come right back to the U.S. It’s seamless.”** – Amphenol Corporation

This degree of integration is driven by the fact that many major manufacturers and their suppliers operate simultaneously in all three markets, maintaining production facilities, supplier networks and distribution centers across the region.

The North American co-production model, enabled by the USMCA, has boosted manufacturing in America to unparalleled levels. Value-added manufacturing hit an all-time high of nearly \$3 trillion in 2025, accounting for nearly 10% of value-added output in the U.S. economy. Total U.S. manufacturing exports reached \$1.7 trillion in 2025.<sup>4</sup>

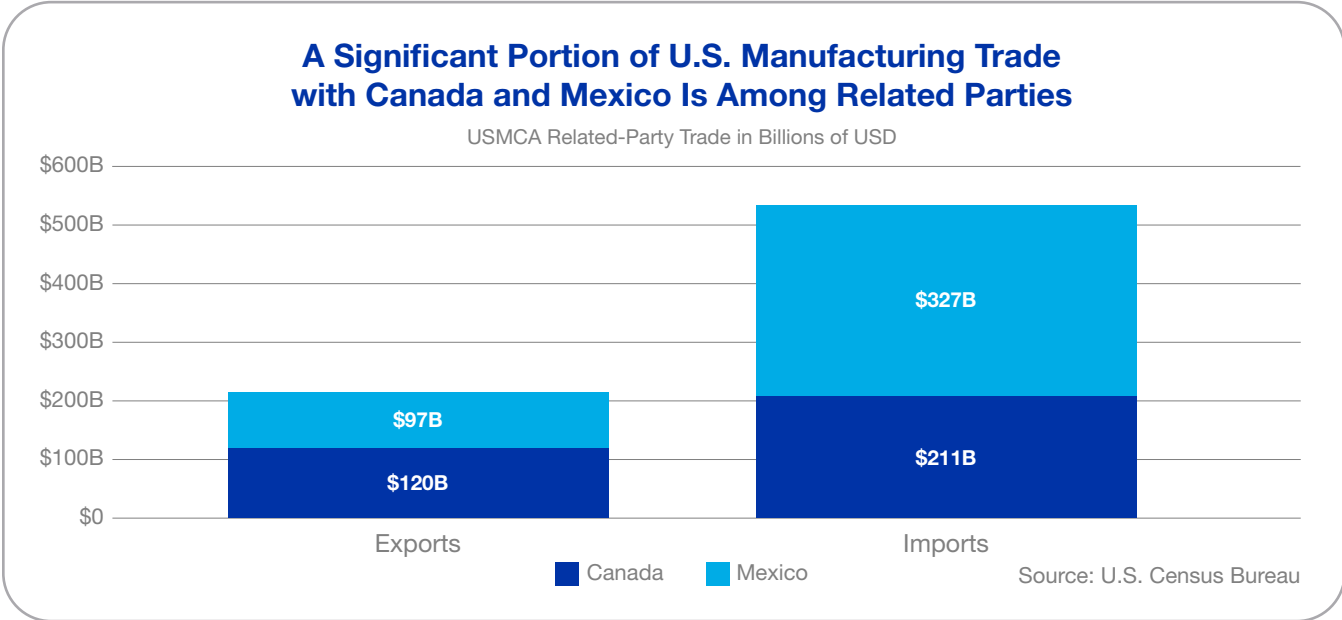
### Related-Party Trade—Trading with Ourselves

A significant portion of U.S. manufacturing trade with Mexico and Canada is conducted by “related parties”—that is, businesses owned wholly or partially by the same parent company. These transactions account for nearly

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<sup>4</sup> U.S. Bureau of Economic Analysis and U.S. Census Bureau, U.S. International Trade in Goods and Services, <https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services>. Accessed on April 24, 2026.

\$200 billion of U.S. exports and more than \$400 billion of U.S. imports. Over one-third of U.S. exports to Canada and nearly half of U.S. imports from Canada are related-party transactions, while the same is true for 30% of U.S. exports to Mexico and 68% of imports from Mexico.<sup>5</sup>



### Intra-Industry Trade—Integrated Production Clusters

Just as a substantial portion of trade across North America takes place through related-party transactions, an even larger share of North American trade is intra-industry, signifying integrated regional production, making those supply chains more competitive than they would be without the regional production platform. The Grubel-Lloyd Index measures the intensity of intra-industry trade. Nine of the top 10 categories of U.S. manufacturing imports from Mexico and Canada are also in the top 10 U.S. export categories to Mexico and Canada.

### Grubel-Lloyd Index of Intra-Industry Trade, 2025

Country	Industry	GL Index 2025
Canada	Transportation Equipment	100%
Canada	Petroleum & Coal	99%
Canada	Plastics & Rubber	95%
Mexico	Fabricated Metal	97%
Mexico	Food Manufacturing	93%
Mexico	Primary Metal	91%

Source: U.S. Census Bureau, “USA Trade Online,” <https://usatrade.census.gov>. Accessed on April 6, 2026.

<sup>5</sup> U.S. Census Bureau, Imports and Exports by Related Parties, [https://www.census.gov/foreign-trade/Press-Release/related\\_party/index.html](https://www.census.gov/foreign-trade/Press-Release/related_party/index.html). Accessed on April 24, 2026.



## For Many Companies, Trading Across North America Is Trading Within Their Own Company or Industry

**Hydro** is a global aluminum supplier that is expanding production in the U.S. by sourcing primary aluminum from Canada.

**“We manufacture extrusion products in California and Arizona that are exported into Mexico to support automotive applications. Vice versa, their team makes products in Mexico that get exported to the U.S. to us. And that whole system is built on the back of the USMCA.”** – Hydro

**Thermo Fisher Scientific** manufactures life science tools used by the pharmaceutical, biotechnology and research sectors to support scientific discovery and development. The company operates a North American supply chain with manufacturing, distribution and logistics capabilities across the region.

**“We have an integrated supply chain across the three countries, with manufacturing sites and distribution centers operating as a coordinated system rather than independent national operations.”** – Thermo Fisher Scientific

**Univertical’s** integrated North American structure allows the company’s copper and nickel products business to flourish.

**“Over the years, we have picked up some multinational companies where we are actually shipping to their facilities across the border so they can do the work in Canada or Mexico.”** – Univertical

## Value-Added Trade and Regional Content

North American co-production enables manufacturers in the U.S. to scale faster, specialize in higher-value production and build market resilience, while staying agile to customize production, fill orders quickly and deliver products to their customers faster than competitors. The foundation of this model is significant cross-border manufacturing investment through which suppliers are acquired, subsidiaries formed and access to natural resources and critical inputs secured.

The North American co-production model drives growth and investment in manufacturing in the U.S., making the industry more competitive on the global stage. Research found that U.S. imports of final goods from Mexico contained 40% U.S. value-added content, a number significantly larger than was found for U.S. imports from any other country studied.<sup>6</sup>

<sup>6</sup> D. Wood and C. Wilson, Building Momentum: A Strategic Competitiveness Vision for the U.S.–Mexico Relationship (n.d.), [https://www.wilsoncenter.org/sites/default/files/media/documents/publication/ceo\\_dialogue\\_wood\\_wilson.pdf](https://www.wilsoncenter.org/sites/default/files/media/documents/publication/ceo_dialogue_wood_wilson.pdf). Accessed on April 24, 2026.



## North American Co-Production Drives Global Competitiveness

**Brunswick** takes advantage of Canadian aluminum and Mexican electronic components to increase production in the U.S. and compete in new markets.

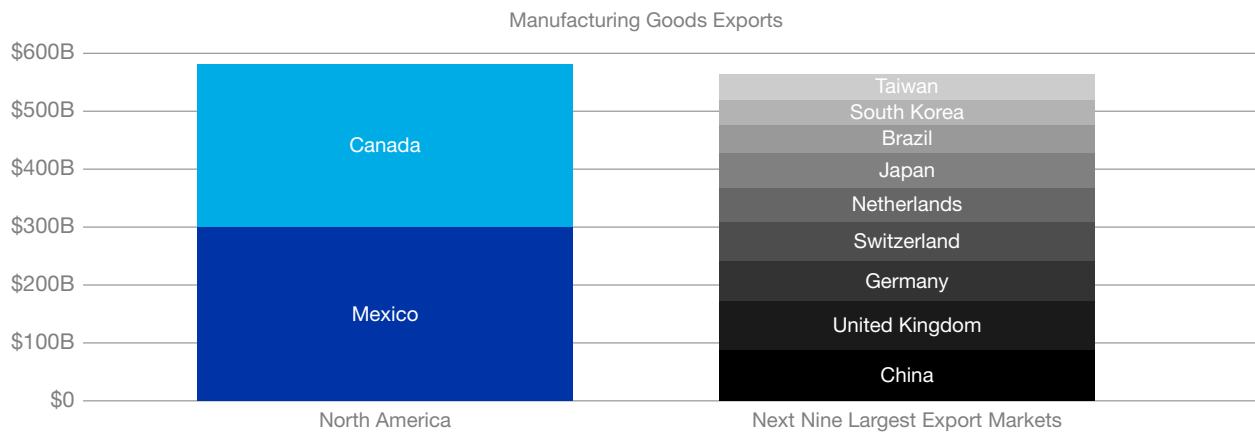
**“We have been selling great products since 1845, and we sell those all over the world. The USMCA allows us to be competitive globally.”** – Brunswick

**“I am able to produce a high-value component in New York and have it on the floor in Mexico by the next day, and that’s critical to doing business and keeping our customers’ manufacturing processes moving.”** – Amphenol Corporation

## Increased Exports – Regional and Global

Since the USMCA entered into force, Mexico and Canada have surpassed China as the U.S.’s top trading partners. Canada and Mexico purchased one-third of U.S.-manufactured goods exports in 2025—more than the next nine largest U.S. manufacturing export markets combined, and six times more than China. Since the agreement came into effect, U.S. exports to Mexico and Canada have grown by 46%.<sup>7</sup>

### At \$580 Billion in Sales, Canada and Mexico Buy More U.S.-Manufactured Goods than the Next Nine Largest Export Markets Combined



Source: U.S. Census Bureau, U.S.-Manufactured Goods Exports, 2025

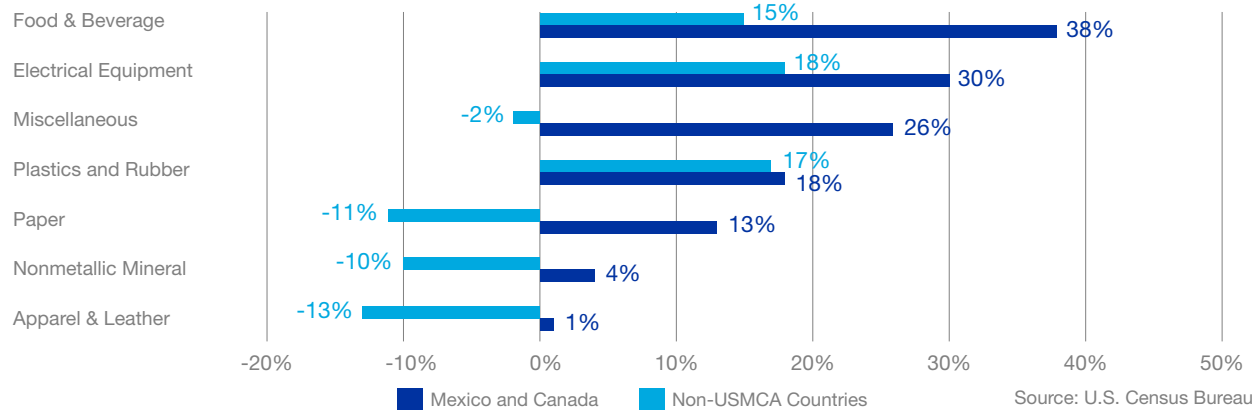
Most U.S. manufacturing sectors count Canada and Mexico as their top sales markets. Since implementation of the USMCA, 15 of 18 manufacturing subsectors increased exports to Mexico and Canada, and nearly half of these grew faster than exports to the rest of the world.<sup>8</sup>

<sup>7</sup> Data from U.S. International Trade Commission (2024), DataWeb, <https://dataweb.usitc.gov/>. Accessed on April 24, 2026.

<sup>8</sup> U.S. Census Bureau, “USA Trade Online,” <https://usatrade.census.gov>. Accessed on April 24, 2026.

## For Many Manufacturing Sectors, U.S. Exports Grew Faster to Mexico and Canada Than to the Rest of the World

U.S. Export Percentage Growth from 2019 to 2025



## Canada and Mexico Are Our Best Customers

**American Textile Company** enjoys a large customer base in Mexico and Canada.

**“Costco and Walmart in Mexico and Canada are very large customers, so the loss of those markets would be significant. A double-digit percentage of our sales goes to those two countries.”** – American Textile Company

**Humtown** is a family-owned company in Ohio serving the foundry industry. Originally focused on the Midwest, Humtown is now one of the largest 3D sand-printing operations in the world.

**“The Midwest has some of the best sand in the world, and the metal casting industry in the U.S. is strong because of that. Most Mexican foundries buy all of their sand from the U.S.”** – Humtown

After passage of the USMCA, **Advanced Superabrasives Inc.** saw an explosion of business in the U.S., Canada and Mexico, which meant more products coming out of their factory in North Carolina and new markets in medical and electrochemical grinding.

**“After the USMCA, we created a website for Mexico and in that year did more in revenue than the previous 15 years combined in Mexico. ... We are dependent on exports, and we only see those markets growing in the future. If we lost our business in Mexico, we’d see about a 15% decline in our revenue.”** – Advanced Superabrasives Inc.

**Nation Ford Chemical** is a family-owned, 80-person operation making specialty chemicals in Fort Mill, South Carolina. As the only domestic producer of PANA, an antioxidant used in synthetic lubricants, duty-free trade is pivotal for them to compete in global markets. Thanks to the duty-free access enabled by the USMCA, a large share of the company’s success comes close to home, where it sells over a third of its output to Mexican and Canadian companies.

The strong provisions in the USMCA deliver the consistency and predictability manufacturers need to grow their business in Mexico and Canada. For many, the USMCA provided well-known American brands increased exposure and enhanced competitiveness in new export markets by leveraging the scale, speed and efficiency of regional production. The agreement’s provisions significantly reduce frictions that previously constrained cross-border production and supply chains. Streamlined customs procedures cut costs and delays. Enhanced intellectual property protections safeguard the American technologies and brands that transform industry. The updated regulatory provisions create an operating environment in which small and large manufacturers can confidently invest, innovate and expand their brand.

Taken together, the USMCA has underpinned the strength of the North American platform, and as a result of the global advantages of this platform, U.S.-manufactured goods exports have increased 18% since the start of the USMCA.<sup>9</sup>

### Manufacturing Goods Exports Are Up Over 18% Since the Start of the USMCA



Source: U.S. Census Bureau, 2025



## USMCA Enables Manufacturers’ Expansion into New Markets

The past decade for **Univertical** has been about expansion, adding products in the power and electrical industry, as well as expanding offerings to support the growing semiconductor industry. Crediting the USMCA, Univertical picked up multinational clients that use their inputs here and across the border.

**CNH** recently announced a \$5 billion investment in production and R&D in the U.S., capitalizing on the privileges of the North American market.

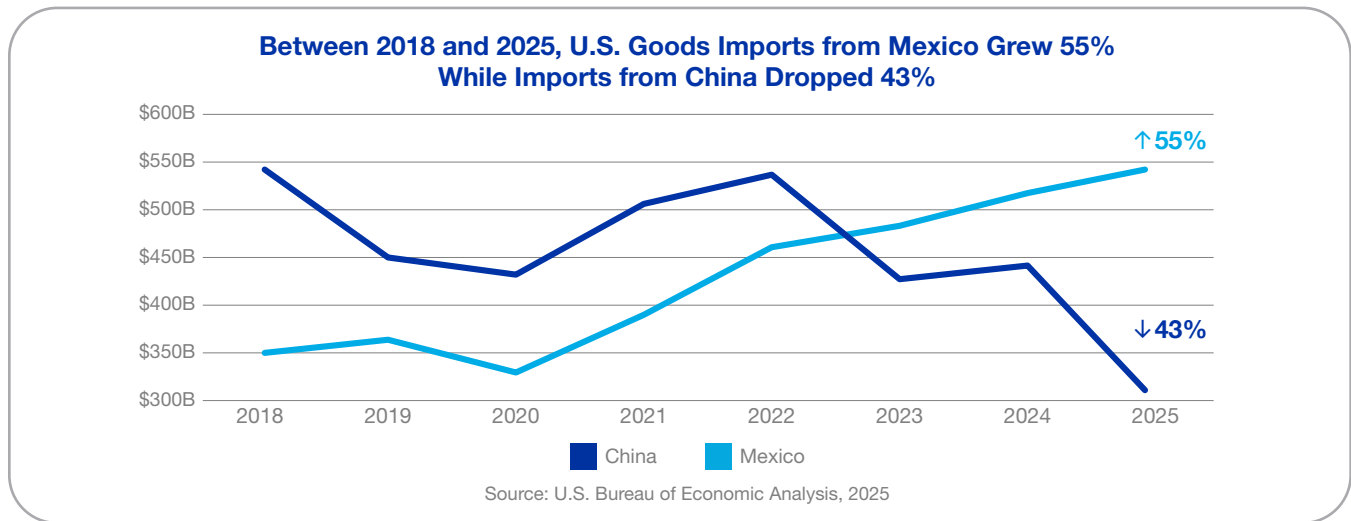
**“You have the ability for a worldwide famous brand to build and, using the USMCA, have the North American manufacturing base that plays really well on export markets. This gives North American manufacturing that advantage to expand our brands and then reinvest that. The USMCA provides certainty in a trade landscape. Certainty enables investments.”** – CNH

**“We’re able to use our American brand and reputation and the superior design of our products along with reasonable market pricing because of the cost basis in Mexico to be successful in other parts of the world.”** – Rheem

<sup>9</sup> U.S. Census Bureau, “USA Trade Online,” <https://usatrade.census.gov>. Accessed on April 24, 2026.

## Sourcing Closer to Home

As the U.S. realigns its economic relationship with China, the USMCA has enabled Mexico and Canada to replace China as the U.S.'s top trading partners, with imports from Mexico growing as imports from China have fallen.<sup>10</sup> Between 2018 and 2025, U.S. goods imports from China fell 43% while U.S. goods imports from Mexico increased 55%.<sup>11</sup> The value of imports of manufacturing inputs from North America is now over three times greater than from China. Furthermore, goods produced in Mexico for export to the United States typically contain about 40% U.S. content, with 25% from Canada, versus 4% U.S. content in imports from China.<sup>12</sup>



This return of manufacturing supply chains has been driven by increased investment in the North American region. In 2024, U.S. investors held \$116.3 billion in foreign direct investment assets in manufacturing in Canada and more than \$63 billion in Mexico. For Mexico, that accounts for over one-third of FDI stock—far above competitors like China.<sup>13</sup>

These investments deliver strong returns for manufacturers. The U.S. is also now the largest destination for investment from Mexico and Canada. Capital investment in the region has grown 134% since the implementation of the USMCA and now stands at \$219 billion, built in large part on the certainty provided by the agreement's protections for cross-border investment, intellectual property rights and regulatory cooperation among the parties.<sup>14</sup>

When asked about investment protections in the USMCA, Brunswick said, "Investing capital in North America, whether it be the U.S., Canada or Mexico, there is a real benefit to the free trade region."

<sup>10</sup> U.S. Census Bureau, "USA Trade Online," <https://usatrade.census.gov>. Accessed on April 24, 2026.

<sup>11</sup> U.S. Bureau of Economic Analysis and U.S. Census Bureau, U.S. International Trade in Goods and Services, <https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services>. Accessed on April 24, 2026.

<sup>12</sup> David A. Gantz, J.D. "North America's Shifting Supply Chains: The USMCA, COVID-19, and the U.S.-China Trade War," <https://www.bakerinstitute.org/research/north-americas-shifting-supply-chains-the-usmca-covid-19-and-the-us-china-trade-war#>. Accessed on April 24, 2026.

<sup>13</sup> Calculations are based on Bureau of Economic Analysis' Balance of Payments and Direct Investment Position data on U.S. direct investment position abroad on a historical-cost basis by country and industry (NAICS), <https://www.bea.gov/data/intl-trade-investment/new-foreign-direct-investment-united-states>. Accessed on April 24, 2026.

<sup>14</sup> Joshua Meltzer, et al., "USMCA at 3: Reflecting on impact and charting the future," Brookings Institution report, <https://www.brookings.edu/articles/usmca-at-3-reflecting-on-impact-and-charting-the-future/>. Accessed on April 24, 2026.



## USMCA Enables Reshoring from Asia

**Bobrick** is an American manufacturer providing restroom accessories, partitions and accessibility solutions. The company has five manufacturing facilities in the U.S. and one in Canada. Wanting more certainty in their supply chain, Bobrick has leveraged the USMCA to move suppliers closer to home.

**“We are in the process of transitioning some of the sourcing from China and Taiwan to Mexico and U.S. because at the end of the day, we see the USMCA as a strong trade relationship.”** – Bobrick

The USMCA allowed Balluff to expand regional manufacturing capabilities in North America. The company’s plan is to source more American inputs and reorganize their business around North America.

**“Now that we are starting the operation in Mexico, we have a very strong initiative for local suppliers in the United States.”** – Balluff

A strong relationship with Mexico allowed **Advanced Superabrasives Inc.** to move sourcing of man-made diamonds away from China, improving costs and the stability of its supply chain.

**“Investments, whether in Mexico, in the U.S. or a combination of both, allow us to control costs—versus in 2021 when ocean freight prices soared. The USMCA has really allowed us to leverage the North American [supply chain].”** – American Textile Company

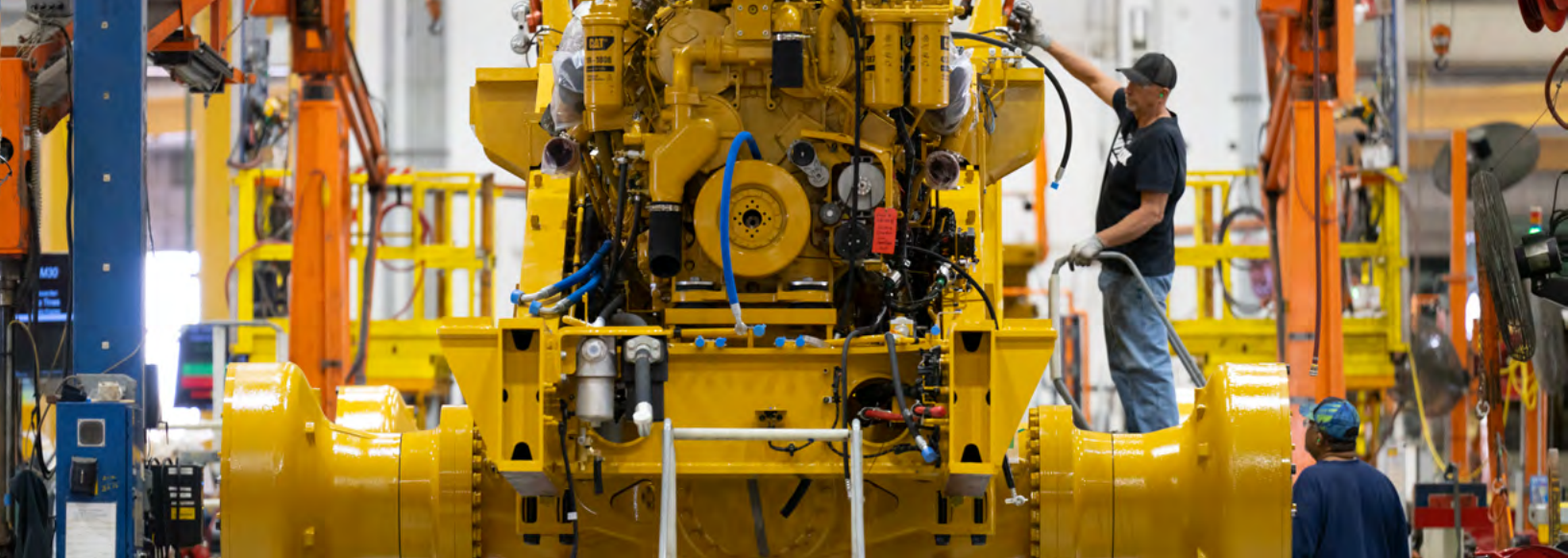
**“It’s one thing to onshore materials, but it’s another to have access to them long term at a competitive cost, and the USMCA is critical to that.”** – Dragonfly Energy

## Workers and Employers Benefit from the USMCA

U.S. goods exports—achieved in part by the competitive edge enabled by North American production networks—support over 5 million American workers, with goods exports to Mexico and Canada supporting 2 million of those American workers.<sup>15</sup> Mexico and Canada are also major sources of intermediate goods and capital equipment—the inputs we need to support manufacturing expansion and more jobs in the U.S.



<sup>15</sup> Calculations based on International Trade Administration Jobs Supported by Exports data, <https://www.trade.gov/jobs-supported-exports-home-page>. Accessed on April 24, 2026.



## USMCA Puts Americans to Work and Fuels Investment

**“We have more jobs across our factories in the U.S. today than we had five years ago, and there’s no chance that would be the case if we didn’t have Mexico available to us.”** – Amphenol Corporation

**“The agreement has helped us export more to Canada and Mexico. We’ve had to add machines and personnel to support those orders.”** – Humtown

**“Following negotiation of the USMCA, we saw capital investments nearly quadruple to \$100 million over that time.”** – Rheem

**Thermo Fisher Scientific** has significantly advanced its North American investment, announcing in 2025 a \$2 billion investment over four years, with \$1.5 billion of that in capital expenditures to expand U.S. manufacturing operations.

**“Our manufacturing footprint is largely based in North America, and we have continued to expand our capabilities in the region. Most recently, we acquired a facility in Ridgefield, New Jersey, to further strengthen our U.S. pharmaceutical manufacturing capabilities.”** – Thermo Fisher Scientific

The U.S. International Trade Commission estimates that the rules of origin in the USMCA increased employment in U.S. parts production by 5,387 workers. In addition, the USITC estimates the rules of origin for autos—the most stringent in any agreement—increased employment in U.S. steel production by 2,463 workers.\*

**“We saw the onshoring taking place and started hiring.”** – Hydro

**“One of our Canadian customers is one of our closest development partners. When we release new technology, we will work in tandem with them to bring to market.”** – Dragonfly Energy

\* United States International Trade Commission, USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report, Investigation No. 332-600, USITC Publication 5642, July 2025.



## North American Talent

**“When thinking about what the USMCA has provided us, North America’s complementary talent base helps balance regional workforce constraints.” – Balluff**

**“Many of the largest manufacturing companies in the United States utilize Mexico for its expertise in electronics manufacturing and wire harness assemblies. We also have skilled boat assemblers in our facility in Quebec.” – Brunswick**

**“The USMCA allows us to do some of the highly capitalized, high-value portions of our manufacturing in the U.S. where you have all that knowledge.” – Amphenol Corporation**

Manufacturing in the U.S. also benefits from the highly skilled workforce in Mexico and Canada that specializes in certain production processes, whereas America retains a talent pool that drives innovation. On the innovation front, universities and research centers in Ciudad Juarez, Mexico; Chihuahua, Mexico; and El Paso, Texas, have long collaborated with manufacturing firms on R&D, further strengthening North America’s integrated manufacturing base.<sup>16</sup> The complementarity in the workforces on all sides of the border enables expanded production in the U.S.

In Mexico, maquiladoras—large, foreign-owned manufacturing facilities—have evolved into production hubs that directly support manufacturing in the U.S.<sup>17</sup> Their expansion has helped form industry clusters where firms can increase efficiency. For workforce, USMCA provisions simplify cross-border hiring for engineers and other skilled workers.

When manufacturers are able to leverage these assets across North America, they win. And when they win, those profits are reinvested here at home in the form of new factories, new products and new jobs.



<sup>16</sup> Elizabeth Salamanca, “Fostering Binational Startups: US-Mexico Collaboration,” report by Rice University’s Baker Institute for Public Policy, Sept. 9, 2024, <https://doi.org/10.25613/KAS2-GT26>. Accessed on April 24, 2026.

<sup>17</sup> Jesus Cañas, “Maquiladoras, Mexico’s engine of trade, driven to navigate evolving demand,” Federal Reserve Bank of Dallas, Southwest Economy (2022), <https://www.dallasfed.org/research/swe/2022/swe2203/swe2203b>. Accessed on April 24, 2026.



## Gains from Trade Drive Reinvestments in Manufacturing Dominance

**Hydro** opened up a new plant in southwest Michigan to receive inputs from Canada. At the same time, the company has spent millions of dollars upgrading its plants in California and Arizona.

**MAC** expanded to a North Carolina facility, employing American workers to take advantage of growing infrastructure investments across Canada. The USMCA has provided a runway for MAC to grow its workforce and upskill to take advantage of growing energy markets.

**Advanced Superabrasives Inc.** reinvested profits from USMCA-driven exports back into its workers. Following USMCA passage, employee salaries increased at a higher rate than any other time in the history of ASI. Further, in addition to the healthcare benefits ASI already provided, the company added vision and dental benefits and a 401(k) plan with employer matching. ASI took the remainder of the increased revenue to upskill its workforce while continuing to add headcount.

**Rheem** designs and builds HVAC and refrigeration systems for a global customer base. Fueled by growth from the USMCA, the company has increased headcount by 76% and average salaries by 28% since 2018.

**Unicorr** found successes partnering with a Canadian family-owned company to open a state-of-the-art paper mill in Toronto.

**American Textile Company** quadrupled the size of its Georgia facility, doubled its facility in Dallas and more than doubled the size of its workforce due to gains made possible by the USMCA.

## Three Countries, One Set of Rules

As strong as the U.S. economy is on its own, together with Canada and Mexico, the North American region is a global force. If the U.S., Canada and Mexico were a single economy, it would account for one-third of global GDP—nearly double China’s share.<sup>18</sup>

The size of the North American market has a quality all its own, allowing companies to scale their business and leverage assets across all three countries to drive global competitiveness. Key to this advantage are the USMCA’s strong provisions on intellectual property protections, digital trade, regulatory alignment, standards and more that ensure American companies do not face unfair treatment in Mexico and Canada.

Whether it’s getting products to new customers, securing access to industrial inputs or building efficient supplier relationships, the USMCA delivers value for manufacturers. According to the NAM’s Q1 2026 Manufacturers’ Outlook Survey, over half of respondents said they rely on Mexico or Canada for key parts of their supply chain, and of those respondents, half rely on both Mexico and Canada.<sup>19</sup> For many, the loss of the trilateral agreement would be devastating.

<sup>18</sup> World Bank Open Data, 2024, GDP (current US\$), <https://data.worldbank.org>. Accessed on April 24, 2026.

<sup>19</sup> NAM Manufacturers’ Outlook Survey, First Quarter 2026, March 12, 2026, [https://nam.org/wp-content/uploads/securepdfs/2026/03/NAM\\_Q1\\_2026\\_Outlook\\_Write\\_Up.pdf](https://nam.org/wp-content/uploads/securepdfs/2026/03/NAM_Q1_2026_Outlook_Write_Up.pdf). Accessed on April 6, 2026.



## The Value of the Trilateral Market Is Irreplaceable

“The loss of either trading partner would not only impact us directly, but indirectly through our entire supply base ... keeping a trilateral [agreement] would allow us to maintain that stability within the footprint that we’ve created, investment we put in, and would allow us to maintain and grow that footprint in the region.” – Dauch Corporation

“I like it as a trilateral agreement, because you have all three countries playing from the same set of rules. When you get into a bilateral agreement, you have one set of rules with one country and one set of rules with the other, and for a small business, it’s more difficult to follow. And let’s be honest, the biggest export markets for most small businesses are Canada and Mexico.” – Advanced Superabrasives Inc.

“It’s much, much better if it’s a trilateral agreement. If we follow one set of rules when crossing the southern border and then you drive to the northern border and have a different set of rules, that is difficult to manage, especially for smaller operations like ours.” – Bobrick

“A trilateral agreement would definitely be easier, because the rules are the same and there’s more stability in that. It’s a fair, established way to approach trading between all three partners. If you have different rules for different partners administratively, it’s more challenging, especially at the rate the rules are changing and there’s less predictability. For a trilateral agreement, everyone’s on a fair level playing field, and also the rules are established. We like stability and predictability when we make investments and when we grow.” – Brunswick

“Taking full advantage of the full North American market enables commerce to move efficiently by reducing administrative friction and costs, and the trilateral agreement best enables that manufacturing approach. We have supply bases that are dozens of years old that are embedded and ingrained into existing material flows. Trilateral agreements are pretty important for mature supply bases.” – CNH





## Looking to the Future

As the USMCA comes under review, manufacturers in America are focused on ensuring the agreement is renewed and strengthened for the long term. The USMCA has proven itself the most pro-U.S. manufacturing trade agreement ever, providing the certainty and stability companies need to invest, hire and grow at home and globally. Manufacturers are clear: Continuity of this trilateral agreement, with targeted improvements to further enhance U.S. manufacturing dominance, is essential to preserving America's position as a world manufacturing leader.



### The USMCA Is the Key to Future Growth

**“We have planned additional capacity for future regional expansion once the USMCA review is in and we have clear rules of the game.”** – Balluff

**“We are prepared that when the USMCA gets renewed, we want to hire. We see our market in Canada and Mexico as only growing in the future.”** – Advanced Superabrasives Inc.

**“We’ve been exploring further expansion into North America. But before we do so, we need to understand what our supply chain access is going to look like.”** – Dragonfly Energy

**“Changes in access to these markets could increase operational complexity and costs—such as re-routed sourcing—which may impact our ability to serve our customers efficiently.”** – Thermo Fisher Scientific

**“The type of suppliers that would take care of us like our suppliers are now, the relationships we have now and the dedication we get from them, the cost, the availability. I don’t know if we could ever replace that.”** – Unicorr



As policymakers look to preserve and strengthen this historic agreement, manufacturers support improvements that enhance the benefits of the USMCA for the sector and secure manufacturing dominance in North America.

- 1. Make Process Improvements:** The parties should simplify and digitize customs documentation to ensure that manufacturers of all sizes that make things across North America can maximize the benefits of the USMCA.
- 2. Strengthen Protections:** The deep levels of cross-border investment that power North American manufacturing co-production must be better safeguarded, including against expropriation and unfair treatment.
- 3. Secure Critical Manufacturing Inputs:** North America is uniquely advantaged and can better leverage the region's critical mineral assets through duty-free trade, regulatory alignment and joint support for investing and scaling projects.
- 4. Reinforce North American Energy Security:** Through coordinated permitting reforms, duty-free trade in energy and resolution of nontariff barriers in Mexico's energy market, we can secure the energy needed to power manufacturing expansion across the region.
- 5. Promote AI Leadership:** The parties should continue to lead the world with strong digital trade provisions and a common AI action plan, including promotion of a North American AI technology stack.
- 6. Level the Playing Field:** Common concerns regarding unfair advantages for nonmarket economies can be addressed through customs and investment screening cooperation among the parties and through stronger USMCA provisions to discipline the behaviors of state-owned enterprises.
- 7. Enforce the Contract:** With trade at these levels of volume and a global economy in perpetual motion, bilateral irritants will arise. The parties should resolve to address them quickly, routinely and meaningfully, including through dispute settlement as appropriate, to ensure commitments are met under the agreement.
- 8. Ensure Continuity with Feedback Loops:** North American manufacturing is built on a network of long-term relationships with qualified suppliers. Reinstating the institutional structures of the USMCA to promote smooth operation of the agreement should be the norm—and include the private sector as participants.

While the review is a time to reflect on the growth enabled by the USMCA, it also provides an opportunity to look at what manufacturers need for the future. The agreement needs to stand as the highest standard in the world and a testament to the benefits of free trade on the North American continent—benefits which directly accrue to manufacturers in America. **A stronger USMCA means a stronger America—better jobs, increased innovation and a more competitive manufacturing sector for decades to come.**



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