



USMCA: NORTH AMERICAN SUCCESS

Sectoral Accomplishments of North
American Economic Integration

USMCA IS THE MOST CONSEQUENTIAL TRADE AGREEMENT

- Mexico and Canada now are the United States' top customers, investors, and suppliers.
- An integrated North American economy is the best way to compete with China and other non-market economies.
- The three Parties must *strengthen, preserve, and extend* the USMCA.

USMCA: NORTH AMERICA'S SUCCESS

- Fosters a unified economic platform linking the U.S., Mexico, and Canada across borders
- Anchors nearly \$2 trillion in goods and services trade within North America
- Links three economies that together account for nearly 30% of global GDP — larger than China's share and nearly double that of the European Union.
- Enhances North American competitiveness through combined production networks and collaboration.
- As intended, goods exports among the United States, Canada, and Mexico grew faster than their goods exports with the rest of the world.

Trilateral Supply Chain Integration

USMCA creates cohesive supply chains where each country contributes unique strengths to the regional system.

Diversification and Resilience

Firms spread production across countries to reduce risks, lower costs, and speed market delivery.



Complementary Country Roles

The three countries build things together: The United States leads design and assembly, Canada supplies advanced materials, Mexico excels in manufacturing scale.

Growth in Trade and Investment

Trilateral trade volumes and foreign direct investment have increased due to shared production platforms.

USMCA BUILT ECONOMIC MOMENTUM

TARIFFS HAVE DISRUPTED IT

- As USMCA stabilized rules and reinforced supply chain integration, goods exports *within* North America grew more than the three countries' goods exports outside the region.
- New U.S. tariffs and retaliation have introduced higher costs and uncertainty, weakening trade volumes and North American competitiveness.
- This decline is *not* a failure of USMCA; it is evidence that *friction and uncertainty quickly disrupt integrated supply chains.*

AGRICULTURE

- USMCA partners are each other's top ag export market (ERS, ITA).
- The U.S. is Mexico's dominant grain supplier, while the U.S. and Canada are Mexico's principal external suppliers of key oilseed products. (USDA).
- Mexico exports produce and processed foods back to the U.S. and Canada (ERS, Canadian Ag).
- Seasonal specialization allows for efficient year-round supply of produce across all three countries (México é cómo vamos?).



ENERGY

- When we approach energy as a North American region, we see gains through falling costs and improved access to energy services.
- For example, the U.S. imports lower-priced crude oil from Canada — the largest supplier of crude to the U.S. — which provides a strategic economic advantage by lowering refinery feedstock costs, lowering gasoline prices, and bolstering U.S. refined petroleum exports to Mexico and Canada.



LOGISTICS

- U.S. freight shipments with Canada and Mexico totaled nearly \$150 billion in March 2025 — an 8.4% increase over March 2024 and a 35% increase over 2019.
- Trucks dominate the border economy. In Oct. 2025, trucks moved \$94 billion in freight, rails moved \$16 billion, pipelines moved \$7.6 billion, vessels moved \$8.6 billion, and air moved \$5.7 billion. (Bureau of Transportation Statistics)
- USMCA is critical to cold chain logistics because perishable goods depend on predictable cross-border rules and fast clearance to avoid delays that can disrupt temperature control, increase spoilage risk, and raise costs.

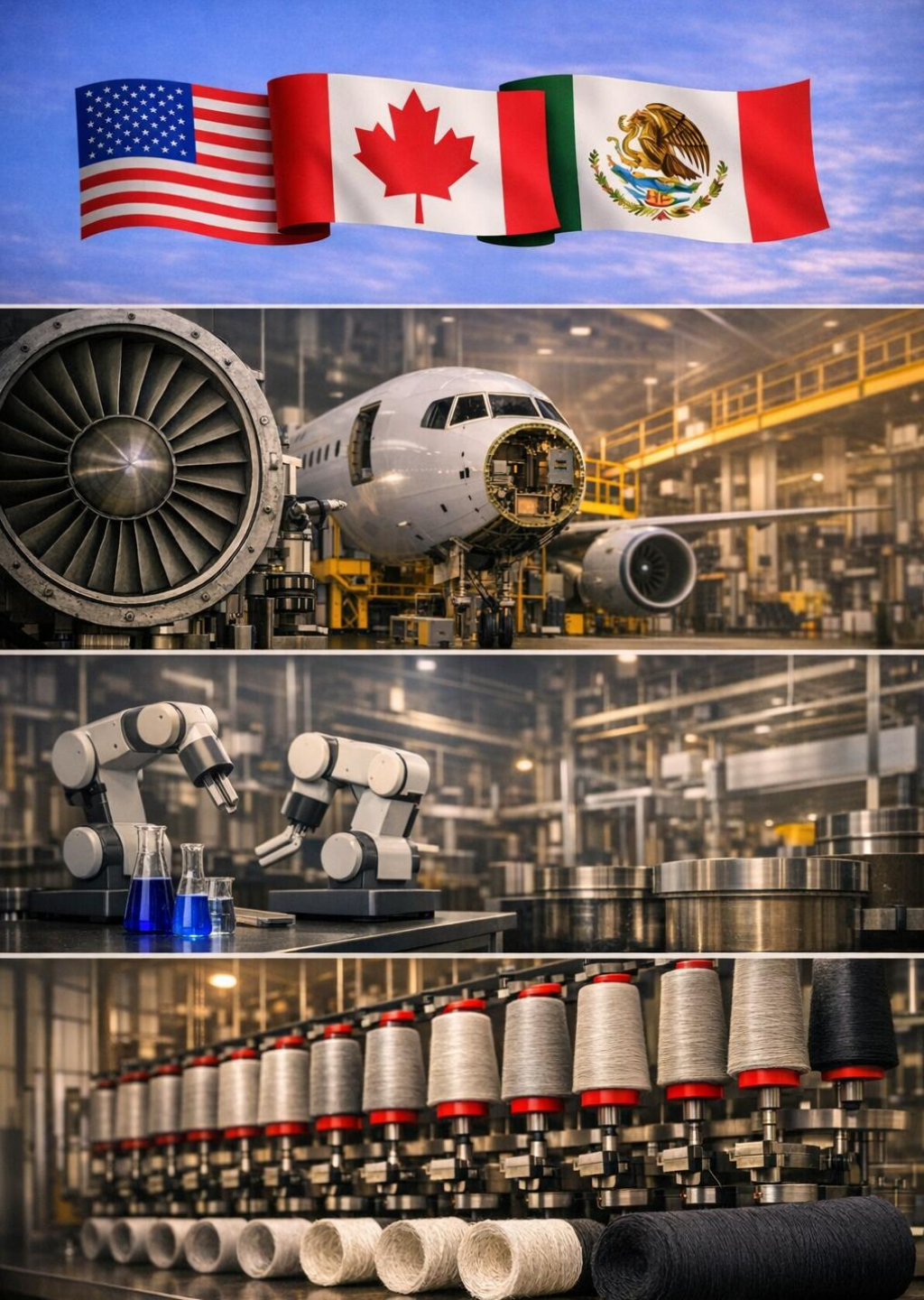


METALS & MINERALS

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- U.S. minerals and metals trade with Canada and Mexico increased 25% from 2019 to 2024. (USITC)
- Canadian metal and non-metallic mineral products exports to the U.S. and Mexico increased 55% and imports increased 52% from 2019 to 2024, then exports decreased 9% and imports decreased 10% from 2024 to 2025. (StatsCan)
- Mexican minerals and metals trade with the U.S. and Canada grew 30.4% from 2018 to 2024.
- Critical minerals represent a fast-growing and strategically vital subset of North American metals and minerals trade
- The U.S. is the primary source of ore and metal imports for Canada (56%) and Mexico (65%). (Brookings)
- Canada is the U.S.'s primary import source for critical minerals that have limited U.S. domestic mining.
- In 2022, Mexico was a significant import source for graphite and copper for the United States.



MANUFACTURING

- USMCA keeps rules predictable for complex, regulated manufacturing.
- North American supply chains are deeply integrated in electronics, medical devices, textiles, and other goods.
- USMCA helps facilitate U.S.–Canada aerospace cooperation and advance U.S.–Mexico collaboration to develop semiconductor supply chain opportunities.

AUTOS



- U.S. autos trade with Canada and Mexico increased 10% and parts trade increased 20% from 2019 to 2024. (ITA)
- Mexican light vehicle imports from the U.S. and Canada grew 62.8% and motor vehicle imports grew 81.9% from 2019 to 2024.
- The share of U.S. part imports from China, Japan, and Korea decreased from 2019 to 2024. (ITA)
- Three countries, one production platform: Autos make up the bulk of transportation commodity flows across land borders.
- USMCA rules of origin require 75% North American content for duty-free access.
- When duty-free trade is disrupted, volumes fall — especially U.S. exports.



TECHNOLOGY

- U.S. advanced tech trade with Canada and Mexico increased 24%/exports increased 30% from 2019 to 2024. (Census)
- The U.S. is Canada's largest international trade partner for cleantech, accounting for 77% of Canadian exports for this sector. (Trade Commissioner CAN)
- USMCA encourages investment in advanced technologies such as semiconductors, advanced computing, and AI infrastructure across North America. (CSIS)
- Strengthens North American tech supply chains through regional cooperation.
- Supports digital trade and data flows for cloud and AI services.



SMALL & MEDIUM ENTERPRISES (SME)

- Mexico and Canada are the top markets for U.S. SME goods. (USTR)
- U.S. SME exports to Canada and Mexico increased about 23% from 2018 to 2023. (USTR)
- For Canadian goods exporters, roughly 60% of SMEs have the U.S. as their sole export destination. (International Canada)
- USMCA is the first U.S. trade deal with a Small Medium Enterprises chapter. (USTR)
- USMCA cuts paperwork, raises shipment limits, and makes cross-border trade easier for SMEs.
- USMCA encourages SME participation in government contracts and dialogue with governments.

EXTERNAL REFERENCES

Business Roundtable

[USMCA State-by-State Economic Impact](#)

Center for Strategic and International Studies (CSIS)

[USMCA 2026 and Economic Security: The Convergence of Technology, Trade, and National Security](#)

Citi Group

[USMCA: The Enduring Power of Three](#)

Texas Center for Border Economic & Enterprise Development

[Crossing Paths: Insight into U.S. International Trade](#)

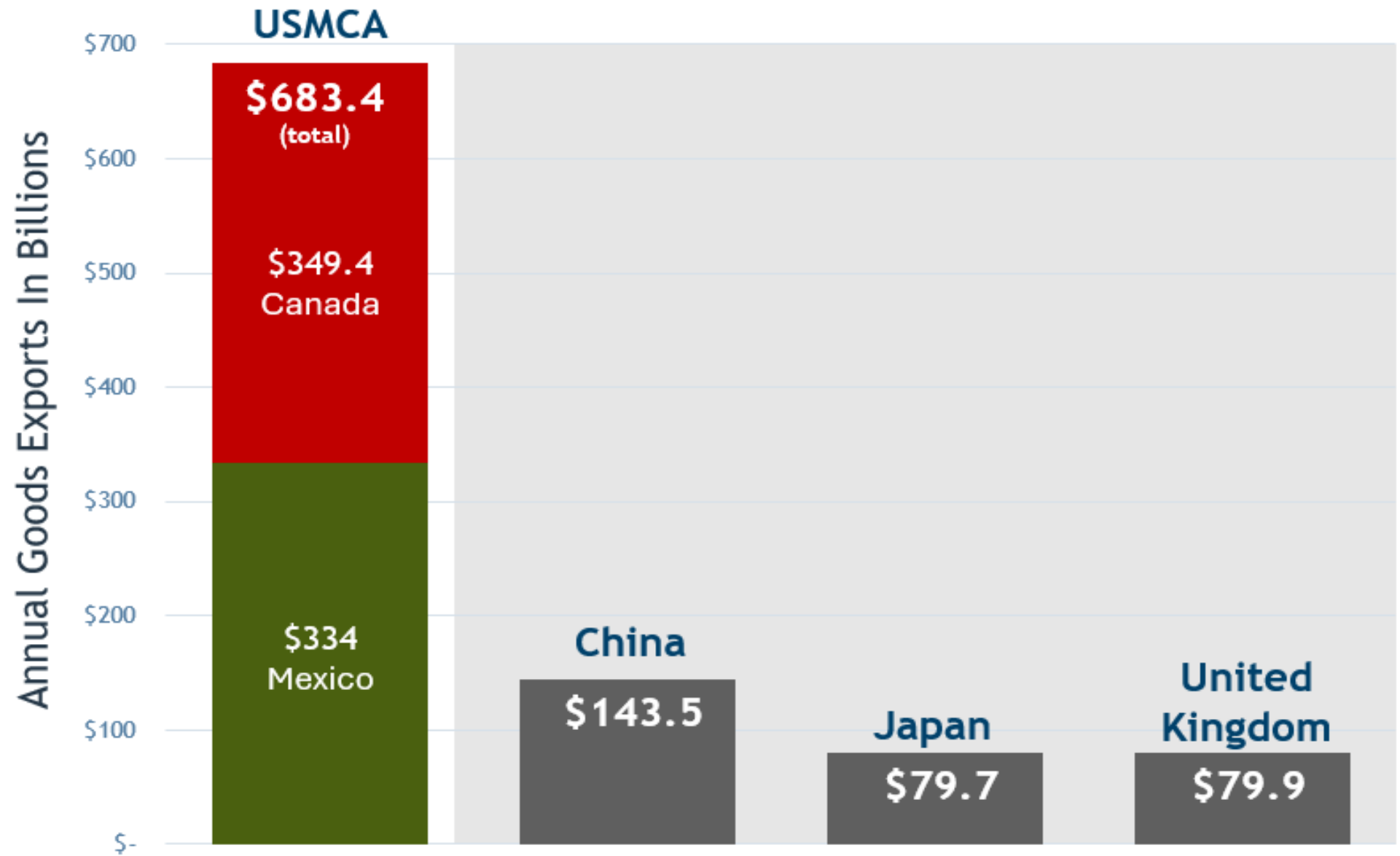
Brookings

[USMCA Has Strengthened Economic Integration in North America](#)

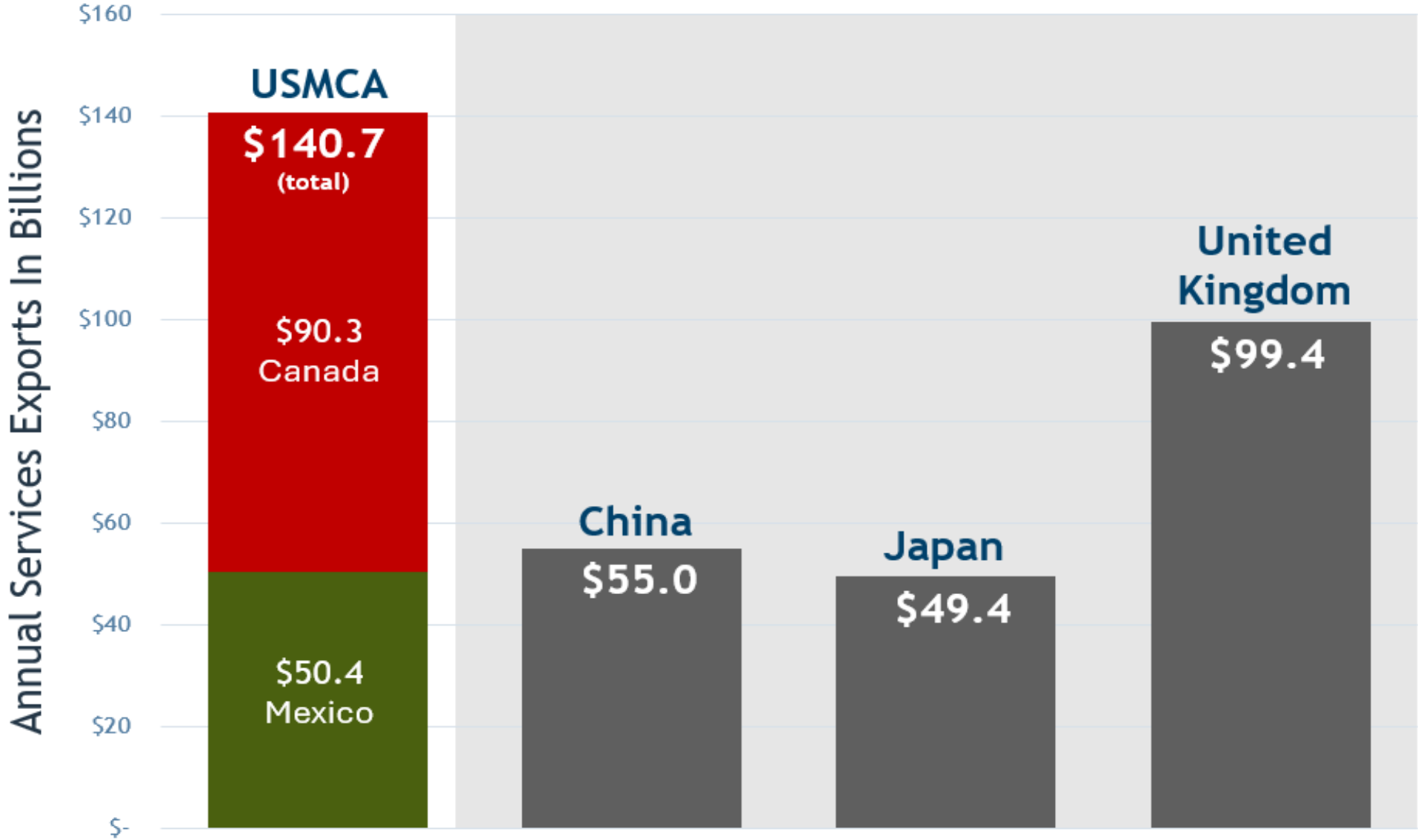
U.S.-Mexico Foundation

[U.S. Voter Attitudes Towards the U.S.-Mexico Relationship](#)

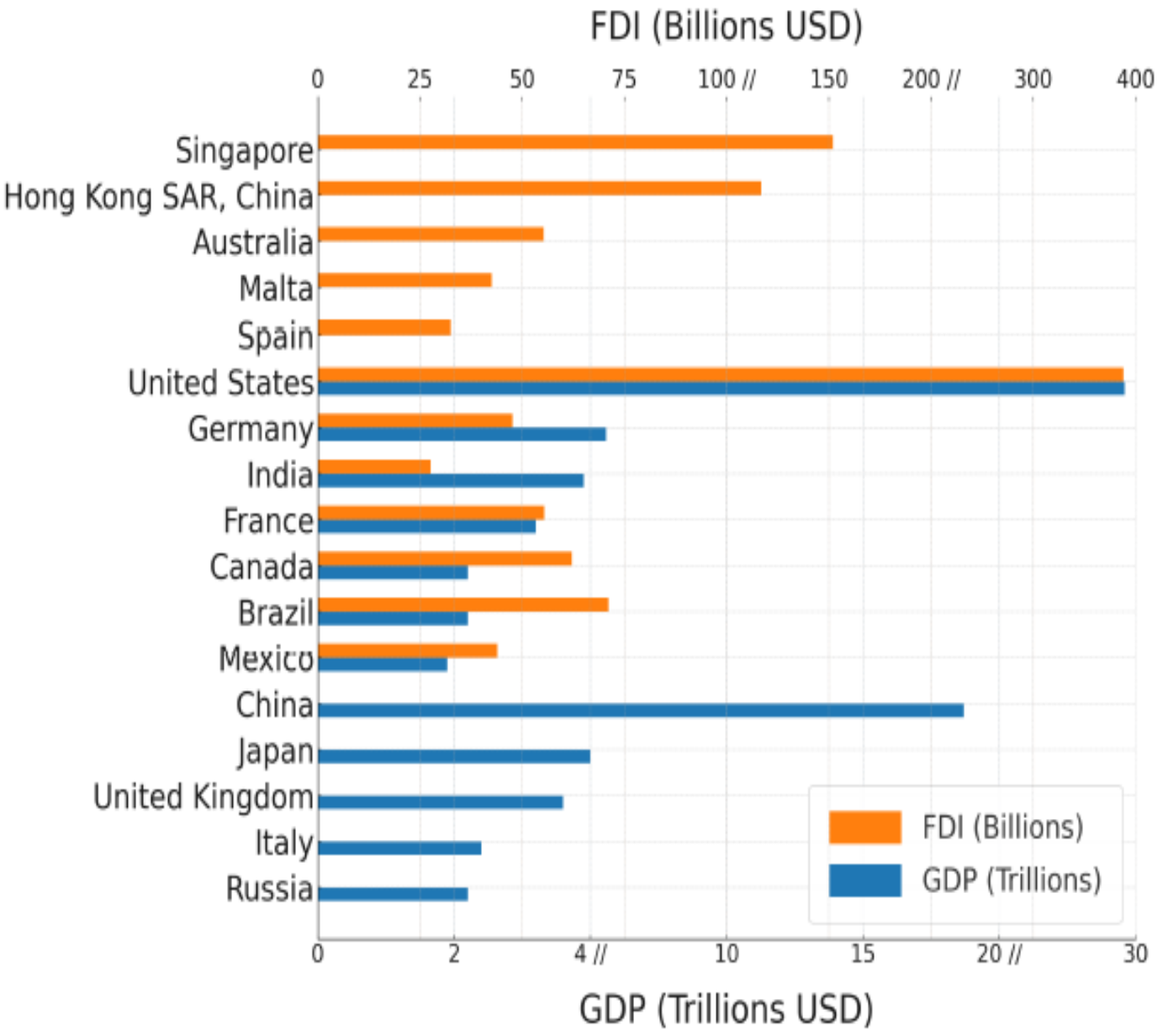
Top Customers of the United States (2024)



Top Customers of the United States (2024)



Top 12 Economies by Inbound Foreign Direct Investment (FDI) or Nominal GDP (2024)



Country	FDI Rank	FDI (Billions USD)	GDP Rank	GDP (Trillions USD)
United States	#1	388.0	#1	29.2
Canada	#5	62.1	#9	2.2
Mexico	#9	43.9	#12	1.9

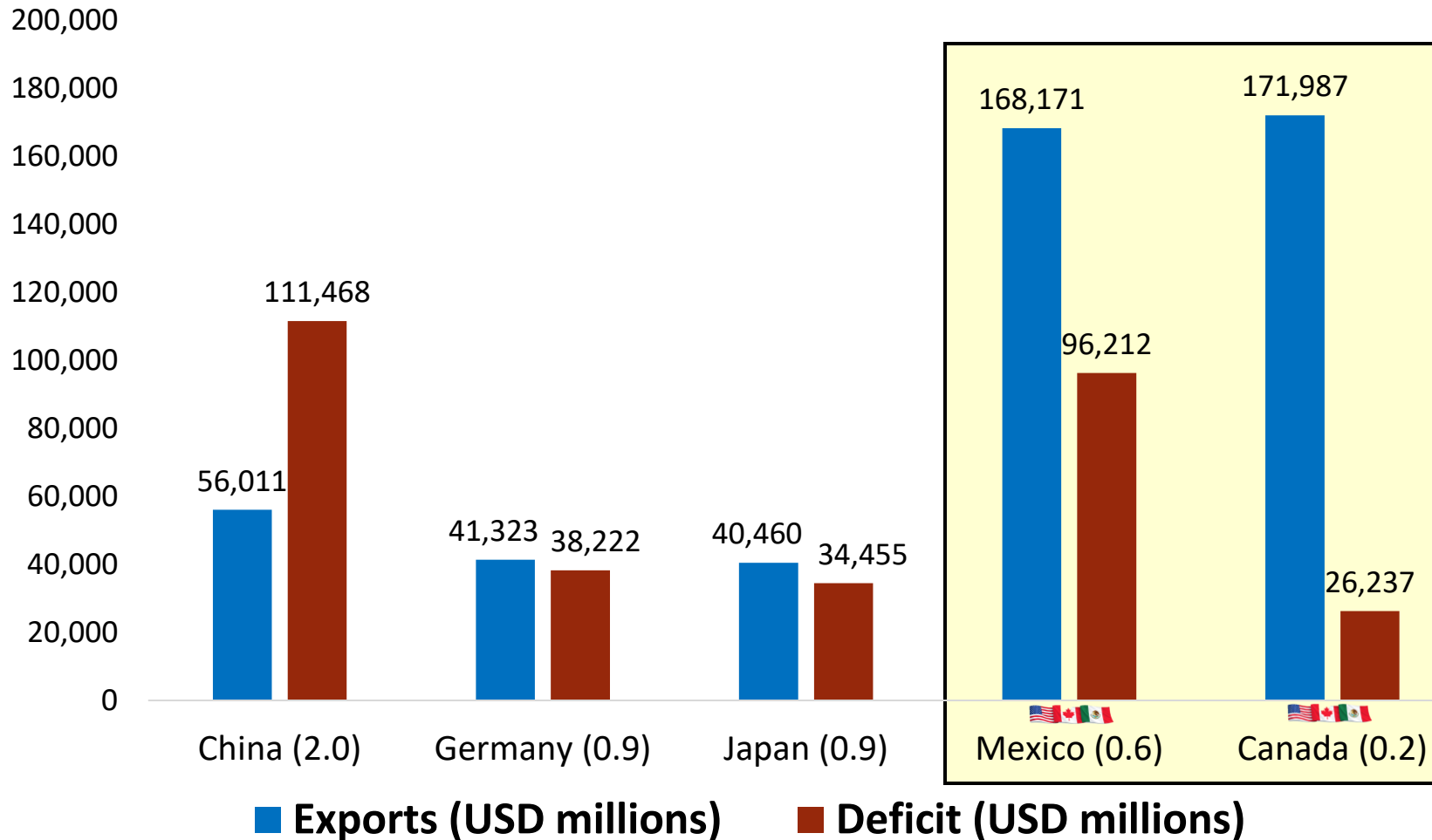
The United States, Canada, and Mexico are three of only seven countries worldwide that ranked among the top twelve in *both* FDI and GDP in 2024.

Source: The World Bank

NORTH AMERICAN CO-PRODUCTION

U.S. Trade Exports and Deficits with Top 5 Partners

H1 2025, in millions of dollars (trade deficit ratio in parentheses)



Trade Deficit Ratio (TDR)

Measures U.S. import dollars per \$1.00 exported. Mexico (0.6) and Canada (0.2) reflect deeply integrated co-production, whereas China (2.0) reflects one-way import dependency.