



STATE OF FREIGHT 2018 TENNESSEE TRADE

Impact of New Trade Tariffs and Policies
on Tennessee Businesses



September 2017

Tennessee International Trade Center

A statewide initiative
to help achieve Governor Haslam's goal
**to make Tennessee first in the Southeast
for high quality jobs.**

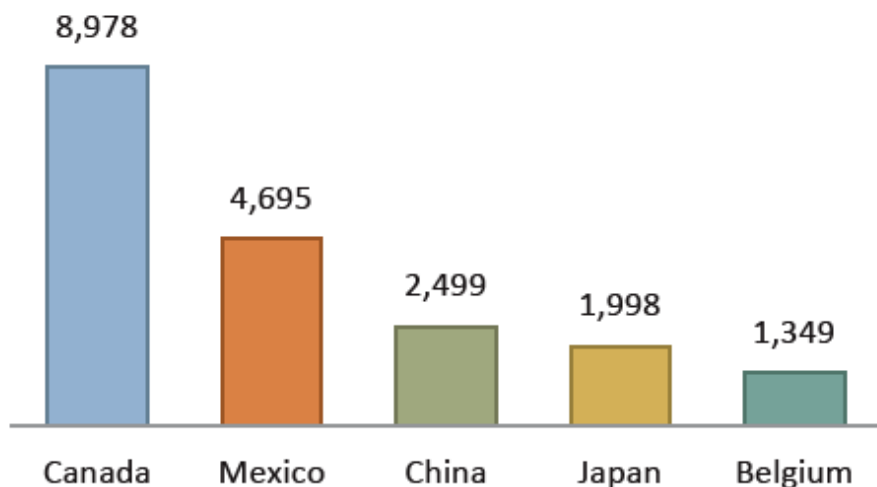
More than **750 companies assisted** over the past
eight years, 35% new to export.

Tennessee Top Export Markets & Goods

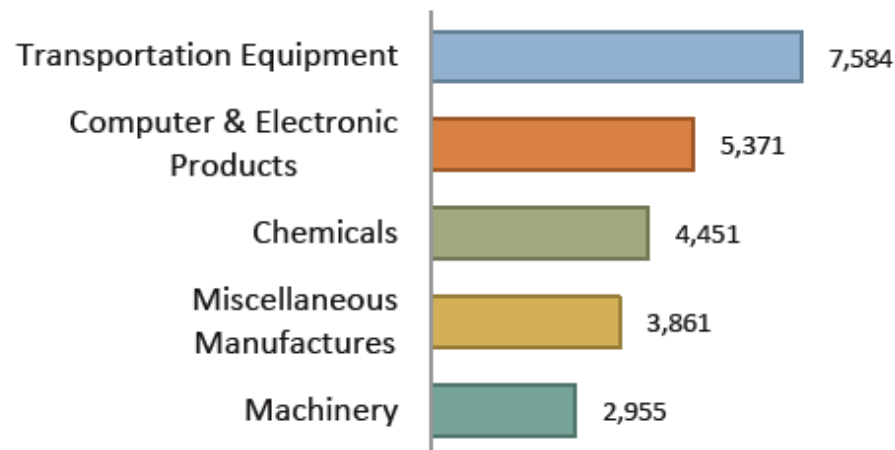
\$33.2 billion

Tennessee goods exports
in 2017

Tennessee's Top 5 Export Markets
(Millions of U.S. Dollars)



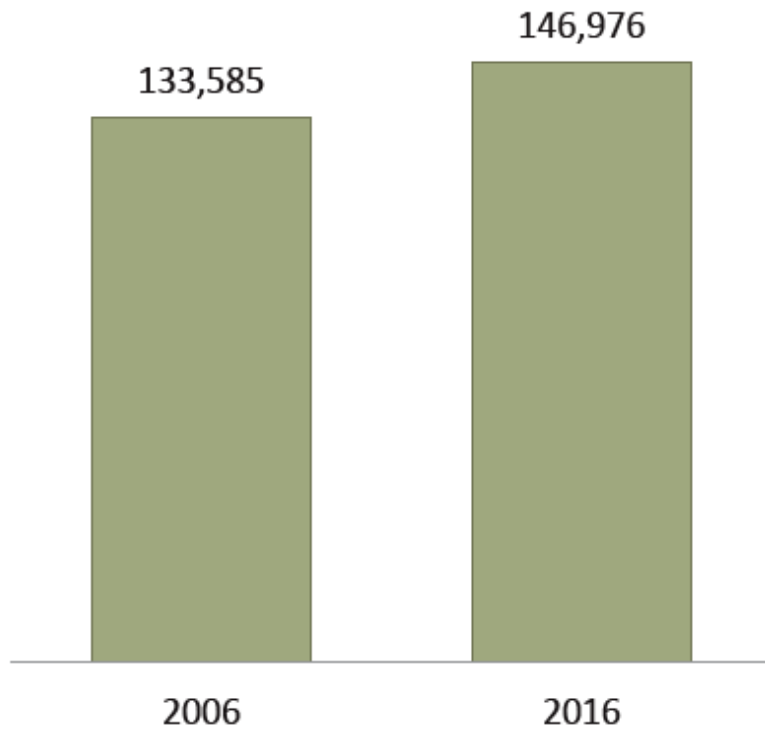
Tennessee's Top 5 Export Categories
(Millions of U.S. Dollars)



Tennessee Jobs from Exports

Jobs Supported by Tennessee Goods Exports

Up by 13 Thousand Jobs Over Past Ten Years



146,976

U.S. jobs supported
by goods exports
from Tennessee in
2016

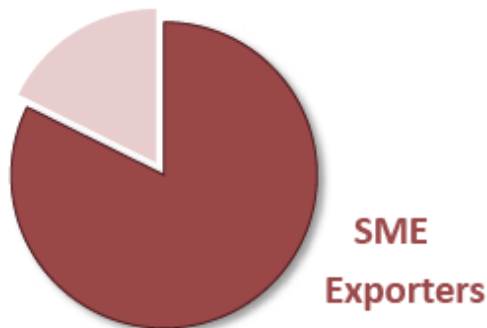
95% of these jobs were
supported by manufactured
goods exports

Tennessee Small and Medium Size Exporters

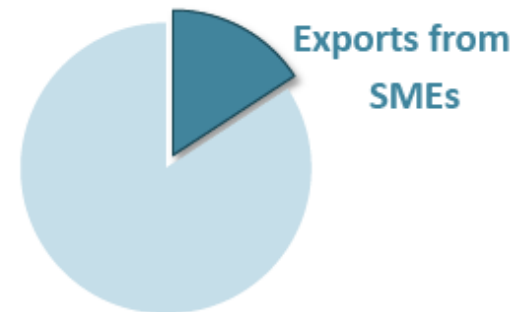
5,895

Number of small and medium-sized (SME) goods exporters in Tennessee in 2015

SMEs account for **82%** of Tennessee goods exporters



...and **16%** of known Tennessee goods export value



Tennessee Metropolitan Exports

Metro Area	2016 Goods Export Value	Share of State Exports
Memphis	\$11.6 billion	*
Nashville-Davidson-Murfreesboro-Franklin	\$9.5 billion	30.70%
Kingsport-Bristol-Bristol	\$3.7 billion	*
Knoxville	\$2.4 billion	7.80%
Chattanooga	\$1.1 billion	*
Cleveland	\$446 million	1.40%
Clarksville	\$376 million	*
Jackson	\$338 million	1.10%
Morristown	\$281 million	0.90%

**Share of state exports unavailable for MSAs that cross state lines*



Free Trade Agreements

Tennessee's exports to U.S. FTA partners 2017

\$17.9B



Mexican commercial trucks cross the border into the United States at Laredo, Texas. (Josue Gonzalez/Reuters)

United States-Mexico-Canada Agreement



United States-Mexico-Canada Agreement



\$13.7 Billion

Exports to Canada and Mexico in 2017

\$9 Billion

Exports to Canada in 2017

\$4.7 Billion

Exports to Mexico in 2017

Top Tennessee Exports to Canada and Mexico, 2017

- | | |
|--|---|
| 1 Transportation Equipment (\$4.3 Billion) | 6 Fabricated Metal Products (\$618.7 Million) |
| 2 Computer & Electronic Equipment (\$2.3 Billion) | 7 Paper (\$578.3 Million) |
| 3 Machinery (\$1.8 Billion) | 8 Plastics & Rubber Products (\$572.5 Million) |
| 4 Chemicals (\$1 Billion) | 9 Primary Metal Products (\$459.4 Million) |
| 5 Electrical Equipment, Appliances, & Components (\$644.8 Million) | 10 Miscellaneous Manufactured Commodities (\$396.3 Million) |

United States-Mexico-Canada Agreement



Rules of Origin

Innovative rules of origin will encourage more goods and materials to be manufactured in the United States and ensure the benefits of USMCA flow to North American workers.



Goods Market Access

New commitments for market access address non-tariff barriers related to trade in remanufactured goods, import licensing, and export licensing.



Intellectual Property

The modernized, high-standard Intellectual Property (IP) chapter provides strong and effective protection and enforcement of IP rights critical to driving innovation, creating economic growth, and supporting American jobs.



Small Business

New customs and trade rules will cut red tape and make it easier for small businesses to tap into foreign markets and participate in cross-border trade.



Agriculture

Important improvements in USMCA will secure greater market access for America's farmers.



Canada's unfair milk pricing program will be eliminated so American dairy farmers gain more export opportunities.



U.S. poultry producers will have new access for chicken and egg exports and expanded access for turkey exports.



Digital Trade

The new Digital Trade chapter contains the strongest disciplines on digital trade of any international agreement, providing a firm foundation for the expansion of trade and investment in the innovative products and services.



Labor

USMCA's Labor chapter makes new enforceable labor standards a core part of the agreement. This will help level the playing field for American workers and improve wages and labor conditions in North America.

Impact of on New Tariffs on Tennessee

- \$1.4B in Tennessee exports
- China and European Union
- One-fifth of Memphis exports hit...18% of freight
- Steel price increased 43% since this time last year
- Farmers want trade not aid
- Automotive = 1/3 Manufacturing in Tennessee

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EXCEEDING EXPECTATIONS

2018 in Review

30:32

**Workshops and seminars
held across the state**

32 Total in 2018

150:182

**Companies assisted in
expanding to new markets**

64 new to export

182 Total in 2017

2:4

**State sponsored trade
missions**

Four Total in 2018

\$33.2 B

Tennessee goods exported in 2016

Consistent with previous years

149,976

Jobs attributed to export in 2016

Consistent with previous years

PILLARS OF SERVICE

Existing + New in 2019



Tennessee International Trade Center

Collaboration

- Local Businesses and Service Providers
- Chambers of Commerce
- Universities and Colleges
- State of Tennessee
- Federal Agencies

Tennessee International Trade Center



International
Trade Center
Taking Tennessee global. →



Tennessee State University

Tennessee Small Business Development Center

<https://trade.tsbdc.org/>
trade@tsbdc.org



Department of
**Economic &
Community Development**

Thank you

References

Tennessee Trade Statistics

Council on Foreign Relations – NAFTA

United States-Mexico-Canada Agreement

Exports Could Suffer