

A Critical Tool for Michigan's Economic Future

The **United States-Mexico-Canada Agreement (USMCA)** is a bedrock of industry resilience and an essential tool for maintaining productive trade relationships and economic vitality across North America.

A healthy flow of trade, goods, and people across our shared border is essential to Michigan's signature automotive and mobility industry and requires a North American strategy that all three countries support.

Given that Michigan's largest trade partners are Canada and Mexico, it behooves the state to view the three countries as one dynamic trade bloc.

The key industry stakeholders that the Detroit Regional Chamber, MichAuto and Michigan Chamber of Commerce represent continue to rely on the certainty this critical trade agreement provides to make long-term, capital-intensive investments that bolster Michigan's economy.

Where Things Stand: 2026 Joint Review

The three member countries are scheduled to review the USMCA starting in July. The trilateral trade agreement is set to expire in 2036, unless the member countries agree to extend it.

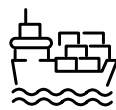
Strengthening the USMCA will ensure Michigan's competitiveness and economic strength and is critical to national interests as the U.S. competes with China and the EU to lead the global innovation economy.

Michigan Faces Disproportionate Impacts of Fluctuating Trade Policy



Michigan Has the Third-Highest Reliance on Trade

42% of Michigan's economy - \$235 billion - depends on foreign trade, primarily with Canada and Mexico.



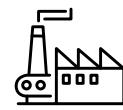
A Top Exporter to Our Neighbors

Michigan ranks #2 in exports to Canada and #3 to Mexico - totaling \$40 billion annually.



Imports Are Concentrated in North America

71% of Michigan imports come from Mexico (\$75 billion) and Canada (\$45 billion).



Manufacturing Jobs Are Declining

6,300 manufacturing jobs have been lost since January 2025, in part due to tariffs.



Infrastructure Costs Are Rising

Tariffs could add up to \$218 million to Michigan road and bridge projects.



Food Prices Are Climbing

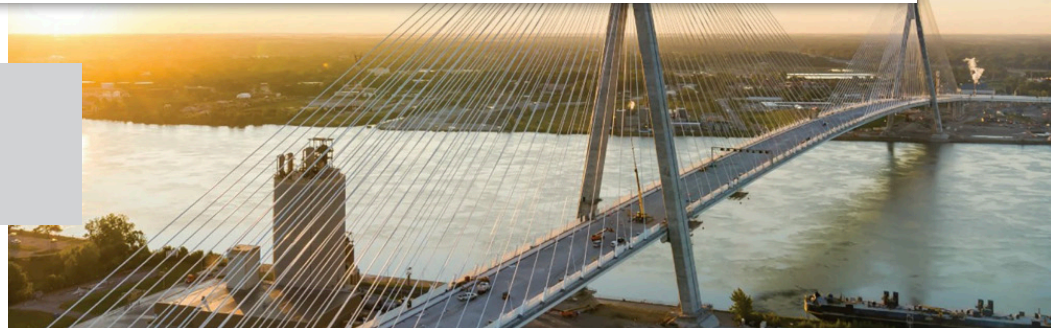
Tariff impacts have driven food prices up nearly 4%.



Agriculture Is Taking a Hit

Retaliatory tariffs have slashed wheat exports by 89% since 2024.

Ways to Strengthen the USMCA



- **Refine compliance measures** with existing rules of origin, labor value content thresholds, and steel and aluminum sourcing requirements to improve feasibility.
- **Create coordinated incentives to boost regional production** of critical minerals and near-shoring to bolster industry resilience and national security protections throughout North America.
- **Resolve any ongoing U.S. national security concerns** related to tariffs placed on aluminum, steel, copper, autos, and commercial vehicles applied under Section 232 of the Trade Expansion Act of 1962.

Advocacy in Action

The MichAuto and the Michigan Chamber submitted public comment to the United States Trade Representative.

MichAuto provided testimony before the United States Trade Representative in Washington, D.C.

The Detroit Regional Chamber, MichAuto and the Michigan Chamber, signed on to a letter to Ambassador Jamieson Greer in favor of extending the USMCA.



“We strongly support the extension of this vital agreement next year. It is the most important trade mechanism for maintaining those supply chains and the jobs and business opportunities they generate. A healthy flow of trade and goods across the border is essential to both our automotive and manufacturing industries and the global competitiveness of both Michigan and the United States.”

Paul Corbett, Director, Government and Community Affairs, MichAuto during the United States Trade Representative hearing in Washington, D.C.

“Ontario and Michigan have one of the most deeply integrated relationships in the world. This corridor is essential to the U.S. and Canadian economies, and its stability is paramount for shared future success. Our supply chains are inextricably linked, making the impact of trade uncertainty profound for businesses, workers, investors, and communities. A swift and orderly review of the USMCA can yield an agreement that prepares our interdependent North American economy to compete and grow.”

Mike Alaimo, Senior Director of Legislative and External Affairs, Michigan Chamber