U.S. CHEMICALS INDUSTRY SUPPORTS PASSAGE OF USMCA

The American Chemistry Council (ACC) and its more than 160 members strongly urge U.S. ratification of the U.S.-Mexico-Canada Agreement (USMCA).

The new agreement will enable U.S. chemicals manufacturers to create a North American model for chemical regulation while leveraging the highly-integrated, North American supply chain to reduce costs, boost U.S. exports, and inject new growth and job-creation throughout the region.

NORTH AMERICAN REGULATORY COOPERATION: WHY IT MATTERS FOR CHEMICALS

ACC strongly supports the the USMCA’s final Sectoral Annex for Chemical Substances, which embraces the principles the North American chemical industry jointly recommended to enhance Regulatory Cooperation. The provisions outline specific areas of cooperation (e.g. GHS alignment, data sharing, protection of confidential business information, development of chemical inventories, risk assessment, and scientific criteria) where regulators could create efficiencies that reduce costs and continue to maintain high levels of protection for human health and the environment.

HOW THE USMCA STRENGTHENS U.S. CHEMICAL MANUFACTURING COMPETITIVENESS

SOLIDIFIES A TRILATERAL AGREEMENT between the U.S. chemical industry’s top two export destinations in Canada ($23B) and Mexico ($23B).

PREVENTS ANY NEW TARIFFS on North American chemicals trade that would lead to lost demand for U.S.-made chemicals and threaten recently announced investments.

ENHANCES REGULATORY COOPERATION with a Sectoral Annex intended to facilitate data and burden sharing, support innovation, and maintain human and environmental health protections.

MODERNIZES CHEMICALS RULES OF ORIGIN to offer companies a clear and simple menu of options for documenting the origin of their products.

FACILITATES DIGITAL TRADE by ensuring that chemical industry data can flow freely and securely across North American borders.
GROWING U.S. CHEMICAL INDUSTRY PRODUCTION, EXPORTS, AND JOBS

U.S. CHEMICALS PRODUCTION IS ON THE RISE
American shale gas has attracted $204 billion (as of Feb. 2019) in announced U.S. chemical industry investment, much of which is directed toward U.S. export markets.

U.S. CHEMICALS EXPORTS ARE TRENDING UPWARD
Total U.S. chemicals exports were $140 billion in 2018, accounting for 10 percent of all U.S. goods exports and 9 percent of all global chemicals exports. U.S. industrial chemical exports are expected to expand on average 5.2 percent per year through 2024.

CANADA AND MEXICO ARE CRITICAL U.S. EXPORT MARKETS
Exports of specific key chemistries directly linked to shale gas will reach $30 billion by 2025; 40 percent are destined for Canada and Mexico.

FREE TRADE SUPPORTS AN INTEGRATED, NORTH AMERICAN SUPPLY CHAIN
44 percent of all U.S. chemical exports to Canada and Mexico are intracompany transfers, while 64 percent of all chemicals imports from Canada and Mexico are between related parties.

EXPORTS ARE CRITICAL TO CHEMICAL INDUSTRY JOBS
Of the 542,000 Americans employed by chemistry, 30 percent are in export-dependent jobs, including 46,000 U.S. chemical jobs that depend on trade with Canada and Mexico.

The American Chemistry Council, together with our Canadian and Mexican counterparts – the Chemical Industry Association of Canada (CIAC) and the Asociación Nacional de la Industria Química (ANIQ) – are united on our position on North American trade policy. Under the North American Free Trade Agreement (NAFTA), two-way trade in chemicals among our three countries more than tripled, from $20 billion in 1994 to $66 billion in 2017. Throughout the negotiations that produced the USMCA, ACC underlined our firm support for modernizing NAFTA, and we will continue to oppose U.S. withdrawal from the agreement should the USMCA not achieve ratification.

Questions? Please contact ACC’s trade communications lead: Ryan_Baldwin@americanchemistry.com.