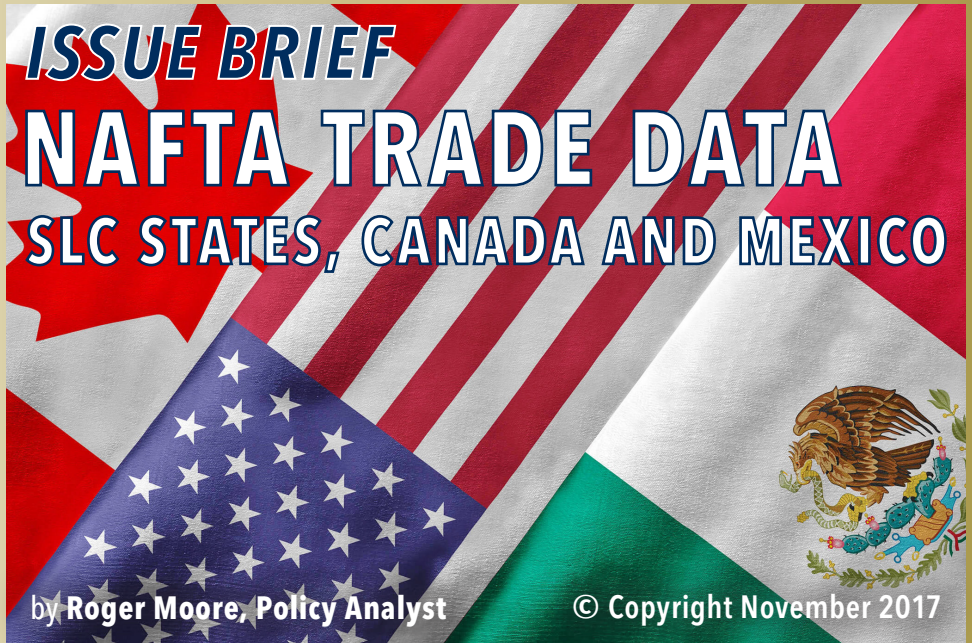




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The Southern Legislative Conference (SLC) has studied the centrality of the Southern region’s economic integration with Canada and Mexico since the North American Free Trade Agreement (NAFTA) originally was implemented in 1994. After NAFTA’s implementation, the SLC published multiple analyses related to the trade agreement’s impact on the region, including *The Influence of the North American Free Trade Agreement on Economic and Social Programs Supported by State Governments in the South*; *The North American Free Trade Agreement: Changing Economic and Social Programs of Southern States*; and *NAFTA ’95: A Report Card*. The historical context provided by data in SLC’s various publications is essential to understanding the extent to which regional trade has been influenced by NAFTA, and the ways in which it could be impacted if the trade agreement is significantly modified in the months ahead.

As officials from Canada, Mexico and the United States attempt to renegotiate NAFTA’s stipulations, it is instructive for policymakers to understand the current position of SLC states with regard to the export and import of goods with Canada and Mexico, prior to any overhaul of the

expansive agreement. Canada and Mexico are important trading partners for SLC member states, meaning any disruption to trade as a result of renegotiation could have significant ramifications across state economies, including in the agriculture, automotive and manufacturing industries.

Since NAFTA’s implementation in 1994, trade between the SLC region and Canada and Mexico has changed dramatically. According to the Office of the United States Trade Representative, national exports and imports to/from Mexico increased by 455 percent and 637 percent, respectively, between 1993 and 2016. Meanwhile, exports and imports to/from Canada increased 165 percent and 150 percent, respectively, during the same period.

Exports to Mexico, in particular, have risen exponentially across the region, with Alabama, Kentucky, Louisiana, Mississippi, and South Carolina all experiencing increases of more than 500 percent between 1993 and 2016. With the exception of Oklahoma, where exports to Mexico have risen by approximately 82 percent since 1993, every state in the region has seen an increase of at least 125 percent.

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As a percentage of their total exports, SLC states likewise have increased the amount of trade to Mexico. Across the region, the percentage of all exports to Mexico averaged 7.2 percent in 1993, compared to 11.9 percent in 2016.

Exports to Canada between 1993 and 2016 have increased in every SLC state, from a low of 12 percent in Oklahoma, to a high of 262 percent in Louisiana. However, as a percentage of total exports, several SLC states, including Arkansas, Florida, Georgia, Kentucky, Missouri, North Carolina, Oklahoma, South Carolina

and Tennessee, export less to Canada than they did in 1993. Across the region, the percentage of all exports to Canada averaged 21.5 percent in 1993; in 2016, it dropped slightly to 19.5 percent.

According to the United States Census Bureau, Mexico now is the first or second most important export market for Georgia, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee and Texas, and it is among the top five export markets for Alabama, Arkansas, Florida, Kentucky, South Carolina and Virginia.

Table 1			
SLC States' Exports to Canada 1993 and 2016 (millions of dollars)			
State	Exports to Canada 1993 (in 2016 dollars)*	Exports to Canada 2016	Percent increase
Alabama	\$1,376	\$4,135	200.6
Arkansas	\$836	\$1,164	39.3
Florida	\$2,692	\$3,502	30.1
Georgia	\$2,763	\$5,856	112.0
Kentucky	\$2,329	\$7,478	221.1
Louisiana	\$741	\$2,682	262.1
Mississippi	\$619	\$2,186	253.2
Missouri	\$2,740	\$5,234	91.0
North Carolina	\$4,427	\$6,407	44.7
Oklahoma	\$1,241	\$1,399	12.7
South Carolina	\$1,929	\$3,478	80.3
Tennessee	\$3,530	\$8,722	147.1
Texas	\$7,149	\$19,960	179.2
Virginia	\$1,873	\$2,906	55.2
West Virginia	\$466	\$1,537	230.0

* (Calculation made via Consumer Price Index Inflation Calculator, Bureau of Labor Statistics.)

Sources: United States Census Bureau, Foreign Trade Data; NAFTA '95: A Report Card, Southern Legislative Conference, 1995.

Table 2			
SLC States' Exports to Mexico 1993 and 2016 (millions of dollars)			
State	Exports to Mexico 1993 (in 2016 dollars)*	Exports to Mexico 2016	Percent increase
Alabama	\$344	\$2,633	664.5
Arkansas	\$174	\$685	294.0
Florida	\$1,256	\$2,830	125.3
Georgia	\$684	\$3,526	415.7
Kentucky	\$328	\$2,226	578.8
Louisiana	\$834	\$5,484	557.5
Mississippi	\$150	\$1,029	584.1
Missouri	\$655	\$2,534	286.6
North Carolina	\$842	\$3,012	257.6
Oklahoma	\$294	\$536	82.5
South Carolina	\$241	\$2,118	777.3
Tennessee	\$778	\$4,466	474.4
Texas	\$33,909	\$91,746	170.6
Virginia	\$360	\$1,090	202.9
West Virginia	\$62	\$179	187.6

* (Calculation made via Consumer Price Index Inflation Calculator, Bureau of Labor Statistics.)

Sources: United States Census Bureau, Foreign Trade Data; NAFTA '95: A Report Card, Southern Legislative Conference, 1995.

Meanwhile, Canada is the top export market for Alabama, Arkansas, Georgia, Kentucky, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, Virginia and West Virginia. For all remaining states in the region, Canada is among the top three export markets.

Imports from Canada and Mexico also have a major impact on economies across the SLC region. With the exception of Louisiana, Canada and/or Mexico are among the top five importers for every SLC member state.

Across the SLC region, the total value of exports and imports to/from Canada and Mexico in 2016 was approximately \$378 billion, representing more than one third of the national total.

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Table 3		
SLC States' Percentage of Exports to Canada 1993 and 2016		
State	Percentage of total state exports to Canada 1993	Percentage of total state exports to Canada 2016
Alabama	20.1	20.2
Arkansas	32.1	20.4
Florida	8.9	6.7
Georgia	20.4	16.4
Kentucky	30.0	25.6
Louisiana	2.9	5.5
Mississippi	20.0	20.8
Missouri	41.2	37.6
North Carolina	23.4	21.2
Oklahoma	30.5	27.7
South Carolina	22.4	11.1
Tennessee	33.1	27.7
Texas	8.2	8.6
Virginia	11.1	17.8
West Virginia	18.2	30.5

Source: United States Census Bureau, Foreign Trade Data.

Table 4		
SLC States' Percentage of Exports to Mexico 1993 and 2016		
State	Percentage of total state exports to Mexico 1993	Percentage of total state exports to Mexico 2016
Alabama	5.2	12.9
Arkansas	6.7	12.0
Florida	4.1	5.4
Georgia	5.0	9.9
Kentucky	4.2	7.6
Louisiana	3.3	11.3
Mississippi	4.9	9.8
Missouri	9.8	18.2
North Carolina	4.4	10.0
Oklahoma	7.2	10.6
South Carolina	2.8	6.8
Tennessee	7.3	14.2
Texas	39.0	39.7
Virginia	2.1	6.7
West Virginia	2.4	3.6

Source: United States Census Bureau, Foreign Trade Data.

Table 5		SLC States' Exports and Imports to/from Mexico 2016 (millions of dollars)				
National Rank	State	Exports to Mexico	Percent of all exports	Imports from Mexico	Percent of all imports	Total imports and exports
18	Alabama	\$2,633	12.9	\$3,177	14.4	\$5,810
36	Arkansas	\$685	12.0	\$597	7.6	\$1,282
10	Florida	\$2,830	5.4	\$5,784	7.9	\$8,614
8	Georgia	\$3,526	9.9	\$6,469	7.5	\$9,995
13	Kentucky	\$2,226	7.6	\$5,197	13.0	\$7,423
15	Louisiana	\$5,484	11.3	\$1,099	3.4	\$6,583
30	Mississippi	\$1,029	9.8	\$1,552	11.1	\$2,581
21	Missouri	\$2,534	18.2	\$2,692	15.6	\$5,226
12	North Carolina	\$3,012	10.0	\$4,583	9.7	\$7,595
35	Oklahoma	\$536	10.6	\$815	9.6	\$1,351
20	South Carolina	\$2,118	6.8	\$3,395	9.4	\$5,513
7	Tennessee	\$4,466	14.2	\$7,324	9.7	\$11,790
1	Texas	\$91,746	39.7	\$81,007	35.3	\$172,753
32	Virginia	\$1,090	6.7	\$783	3.0	\$1,873
40	West Virginia	\$179	3.6	\$230	6.9	\$409

Source: United States Census Bureau, Foreign Trade Data.

Table 6		SLC States' Exports and Imports to/from Canada 2016 (millions of dollars)				
National Rank	State	Exports to Canada	Percent of all exports	Imports from Canada	Percent of all imports	Total imports and exports
21	Alabama	\$4,135	20.2	\$2,076	9.4	\$6,211
43	Arkansas	\$1,164	20.4	\$753	9.6	\$1,917
19	Florida	\$3,502	6.7	\$4,293	5.8	\$7,795
16	Georgia	\$5,856	16.4	\$3,997	4.6	\$9,853
13	Kentucky	\$7,478	25.6	\$3,470	8.7	\$10,948
28	Louisiana	\$2,682	5.5	\$1,481	4.6	\$4,163
37	Mississippi	\$2,186	20.8	\$909	6.5	\$3,095
18	Missouri	\$5,234	37.6	\$2,956	17.2	\$8,190
17	North Carolina	\$6,407	21.2	\$3,351	7.1	\$9,758
30	Oklahoma	\$1,399	27.7	\$2,542	29.9	\$3,941
20	South Carolina	\$3,478	11.1	\$2,940	8.1	\$6,418
10	Tennessee	\$8,722	27.7	\$5,148	6.8	\$13,870
4	Texas	\$19,960	8.6	\$15,228	6.6	\$35,188
25	Virginia	\$2,906	17.8	\$1,920	7.4	\$4,826
39	West Virginia	\$1,537	30.5	\$1,126	33.8	\$2,663

Source: United States Census Bureau, Foreign Trade Data.

Table 7	Top Five Export Destinations for SLC States				
State	Trade Partners				
Alabama	1. Canada	2. China	3. Germany	4. Mexico	5. United Kingdom
Arkansas	1. Canada	2. France	3. Mexico	4. Japan	5. China
Florida	1. Brazil	2. Canada	3. Mexico	4. Colombia	5. Germany
Georgia	1. Canada	2. Mexico	3. China	4. Germany	5. Japan
Kentucky	1. Canada	2. United Kingdom	3. France	4. Mexico	5. Brazil
Louisiana	1. China	2. Mexico	3. Canada	4. Netherlands	5. Japan
Mississippi	1. Canada	2. Mexico	3. Panama	4. China	5. Guatemala
Missouri	1. Canada	2. Mexico	3. China	4. Japan	5. Belgium
North Carolina	1. Canada	2. Mexico	3. China	4. Saudi Arabia	5. Japan
Oklahoma	1. Canada	2. Mexico	3. Germany	4. Singapore	5. Japan
South Carolina	1. China	2. Germany	3. Canada	4. United Kingdom	5. Mexico
Tennessee	1. Canada	2. Mexico	3. China	4. Japan	5. Belgium
Texas	1. Mexico	2. Canada	3. China	4. Brazil	5. South Korea
Virginia	1. Canada	2. China	3. Mexico	4. United Kingdom	5. Germany
West Virginia*	1. Canada	2. China	3. Belgium	4. Brazil	5. Netherlands

* Mexico is the 9th largest export market for West Virginia.

Source: United States Census Bureau, Foreign Trade Data.

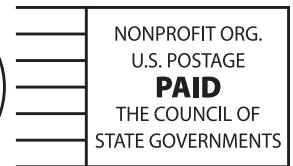
Table 8	Top Five Importers to SLC States				
State	Trade Partners				
Alabama	1. South Korea	2. Germany	3. Mexico	4. Canada	5. China
Arkansas	1. China	2. France	3. Canada	4. Mexico	5. Germany
Florida	1. China	2. Mexico	3. Canada	4. Germany	5. Japan
Georgia*	1. China	2. Germany	3. Mexico	4. South Korea	5. Japan
Kentucky	1. China	2. Mexico	3. Japan	4. Canada	5. Germany
Louisiana†	1. Saudi Arabia	2. Venezuela	3. Russia	4. Iraq	5. Algeria
Mississippi	1. China	2. Mexico	3. Venezuela	4. Canada	5. Japan
Missouri	1. China	2. Canada	3. Mexico	4. Germany	5. United Arab Emirates
North Carolina	1. China	2. Mexico	3. Canada	4. Germany	5. Japan
Oklahoma	1. Canada	2. China	3. Mexico	4. Japan	5. Germany
South Carolina	1. Germany	2. China	3. Mexico	4. Canada	5. Japan
Tennessee	1. China	2. Japan	3. Mexico	4. Ireland	5. Canada
Texas	1. Mexico	2. China	3. Canada	4. South Korea	5. Germany
Virginia‡	1. China	2. Germany	3. Canada	4. Japan	5. Malaysia
West Virginia	1. Canada	2. Japan	3. Mexico	4. China	5. Germany

* Canada is Georgia's 6th largest importer.

† Canada and Mexico are Louisiana's 6th and 10th largest importers, respectively.

‡ Mexico is Virginia's 9th largest importer.

Source: United States Census Bureau, Foreign Trade Data.



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REGIONAL VIEW NATIONAL REACH

This issue brief was prepared by **Roger Moore**, policy analyst and committee liaison for the SLC Economic Development, Transportation & Cultural Affairs Committee, chaired by **Representative Jeanie Lauer** of Missouri. This issue brief reflects the body of policy research made available to appointed and elected officials by the **Southern Office of The Council of State Governments (CSG)**.

Opened in 1959, the **Southern Office of CSG** fosters intergovernmental cooperation among its 15 member states, predominantly through the programs and services provided by its **Southern Legislative Conference**. Legislative leadership, members and staff utilize the SLC to identify and analyze government policy solutions for the most prevalent and unique issues facing Southern states. Meanwhile, SLC member outreach in state capitols and coordination of domestic and international delegations, leadership development and staff exchange programs,

meetings, and fly-ins support state policymakers and legislative staff in their work to build a stronger region.

Established in 1947, the SLC is a member-driven organization and the largest of four regional conferences of CSG, comprising the states of **Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia** and **West Virginia**. The Annual Meeting of the Southern Legislative Conference, convened as the focal point and apex of its activities, is the **premier public policy forum for Southern state legislatures** and the largest regional gathering of legislative members and staff. The Annual Meeting and a broad array of similarly well-established and successful SLC programs – focusing on both existing and emerging state government challenges – provide policymakers diverse opportunities to ask questions of policy experts and share their knowledge with colleagues.