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NORTH AMERICAN TRADE INTEGRATION AT RISK: EMPLOYMENT IMPACTS FROM TARIFF DISRUPTIONS IN USMCA TRADING BLOC

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NORTH AMERICAN TARIFF IMPACT ANALYSIS

Executive Summary

EMPLOYMENT EXPOSURE ACROSS THE USMCA REGION

This three-part series examines employment vulnerability across the United States, Mexico, and Canada resulting from ongoing U.S. tariffs of 25% on most goods and 10% on Canadian energy resources. Using trade-linked employment exposure modeling, the analysis identifies over **9.9 million jobs** across North America facing potential exposure to trade disruptions, threatening three decades of regional economic integration that generates $1.8 trillion in annual intra-regional trade.

Country	Total Jobs at Risk	Manufacturing	Agriculture/Mining
United States	4.3 million	3.7 million	633,000
Mexico	4.1 million	2.6 million	1.5 million
Canada	1.5 million	1.08 million	437,000
TOTAL	**9.9 million**	**7.38 million**	**2.57 million**

KEY FINDINGS BY COUNTRY

Canada	United States	Mexico
The top three provinces (Ontario, Quebec, Alberta) account for 78% of national exposure.	Highest absolute exposure: Texas (805,000 jobs), Michigan (672,000), California (406,000).	Highest exposure: Jalisco (442,000 jobs), Estado de México (434,000), Baja California (413,000)
Ontario manufacturing: 507,655 jobs at risk with 71.8% NA trade dependency.	The Great Lakes manufacturing belt shows trade dependency of 70%+ in key states.	The manufacturing sector accounts for 89% of NA exports, with 2.6 million jobs at risk.
Resource provinces (Alberta 89.5%, Manitoba 80.5%) show the highest sectoral dependencies	The agricultural heartland (Minnesota 87.8%, Illinois 81.5%) is highly dependent on NA trade	The automotive corridor (Chihuahua, Coahuila, Nuevo León) shows critical supply chain integration.

SCENARIO-BASED IMPACT PROJECTIONS

The analysis models three disruption scenarios reflecting varying degrees of trade reduction:

Scenario	Trade Reduction	United States	Mexico	Canada
A (Mild)	10%	430,000	410,000	150,000
B (Moderate)	25%	1.08 million	1.03 million	378,000
C (Severe)	40%	1.72 million	1.65 million	605,000

POLICY IMPLICATIONS

The analysis demonstrates that North American economic integration has created a deeply interdependent continental economy where supply chains cross borders multiple times during production. Disruptions cascade through regional economies, affecting workers in manufacturing hubs, agricultural centers, and resource-rich regions across all three nations. The findings underscore that preserving North American trade relationships is critical to maintaining economic stability and protecting nearly 10 million jobs that depend on three decades of carefully cultivated economic integration.