



# TRADE:

## OPEN TRADE DISTINGUISHES A SUCCESSFUL NATION, DELAY AND UNCERTAINTY HOLD BACK

**Manufacturers of all sizes can no longer rely on the U.S. market as the primary source of growth. To grow and thrive in today's competitive global markets, manufacturers must increasingly reach new customers and seize new opportunities overseas. While opportunities are substantial in the global market, so too are the barriers, challenges and competition.**

Today, manufacturers face slow economic growth beyond our borders and increased competition from overseas, aided by the aggressive negotiation of new trade agreements that exclude and disadvantage manufacturers in the United States. Opening new markets that create new opportunities for manufacturers, ensuring all countries and our competitors play by the rules and honor existing agreements and developing strong, predictable and transparent rules that foster business rather than stifle activity are key principles of a robust trade agenda that are needed to advance American manufacturing competitiveness.

In February 2015, the NAM released a report, titled "Trading Up with TPA," showing that manufacturers in the United States succeed when high-standard and market-opening free trade agreements (FTAs) are in place. Comprehensive and strong new agreements:

■ **Create more business.** America's 20 FTA partners buy nearly half of all U.S.-manufactured exports because FTAs more aggressively eliminate barriers and establish strong standards. The United States enjoys an overall manufacturing trade surplus with its existing FTA partners.

■ **Undo long-standing barriers to trade.** The United States has the most open market of any major economy, with more than two-thirds of all manufactured imports entering the country duty free in 2013. Unfortunately, our manufacturers face substantial tariffs and other barriers across the globe, from the Asia-Pacific and Europe to major emerging markets.

■ **Sustain and create high-paying jobs.** Manufacturing exports boosted by FTAs support millions of higher-paying U.S. jobs, helping manufacturing industries create new jobs, which, on average, pay 18 percent more than other jobs. Jobs in the most trade-intensive manufacturing industries pay 56 percent more, on average, than those in the least trade-intensive industries.

## A TRADE AGENDA FOR 2016 AND BEYOND MUST:

- ✓ Open markets, break down foreign unfair barriers and improve global standards;
- ✓ Adopt custom, financing and export control policies and rules, as well as fully functioning Export-Import Bank financing, that facilitate trade and improve our manufacturers' cost competitiveness in the global economy; and

- ✓ Enable the United States to lead by example and enforce global rules. The United States must ensure that our competitors play by the rules and that our country has the tools to hold other countries accountable to keep the playing field level and fair. To lead effectively, the United States must also abide by its own international obligations.



“Emerson and our 115,000 employees can make sales abroad and support jobs here at home in America when we have a level playing field. Companies of all sizes and shapes want and need the chance to enter new markets in a free and fair way.”

—David N. Farr, *Chairman and CEO, Emerson*

## ACTIONS FOR LEADERS TO TAKE:

- Lead on the negotiation and implementation of strong and market-opening trade agreements and other mechanisms with interested countries in Asia, Europe, South America and Africa to level the playing field, including implementing the Trans-Pacific Partnership (TPP) agreement with the tools necessary to advance U.S. manufacturing competitiveness and reinvigorating Transatlantic Trade and Investment Partnership (TTIP) talks with the European Union to produce ambitious outcomes.
- Support the conclusion of an ambitious and broad Environmental Goods Agreement (EGA) and other sectoral tariff-cutting and trade-facilitating agreements to eliminate high tariffs and other barriers overseas that limit not only new sales but also the development of innovative technologies and products.
- Continue to modernize and streamline export control rules so that it will be easier to develop, manufacture and export high-tech products while ensuring the protection of U.S. national security.
- Modernize the U.S. tariff code through new processes, such as a Miscellaneous Tariff Bill (MTB), to advance manufacturing competitiveness and reduce the cost of manufacturing in the United States.
- Modernize U.S. and foreign customs operations to cut red tape and expedite legitimate trade in the United States and at foreign borders.
- Strengthen commercial advocacy across the U.S. government to promote U.S. exports and small business access to overseas markets.
- Improve mechanisms for the U.S. government to enforce foreign commitments in trade agreements and to ensure that trade rules are enforced fully, fairly and in a timely manner at home.