

Manufacturers, Trade and the Global Economy

A highly competitive global economy is a fact for manufacturers big and small throughout the United States. Advances in technology and transportation over the past two decades have created a much more interconnected world. Not only can we communicate instantaneously with people across the globe, we can share our ideas, our innovations and our products.

The global economy, which comes with both global opportunities and global competition, is here to stay. To succeed, manufacturers are increasingly seizing global opportunities and seeking more robust trade policies from Washington that will level the playing field globally.

Trade Is Vital for Manufacturers to Find New Opportunities and Customers

With greater productivity, manufacturers need to expand their customer base just to sustain, let alone grow, their businesses. With 95 percent of the world's consumers living outside our borders, trade is increasingly the answer for manufacturers big and small throughout the United States. World trade in manufactured goods equaled more than \$12 trillion in 2014. The bigger piece of global manufacturing trade that we in the United States can win means opportunities, growth and investment in local communities.

Manufacturers Face a Highly Competitive Global Economy

Products manufactured in the United States are sought after in countries big and small, near and far, developing and developed. Our nation's manufacturers have the quality products that make life better—from feeding the world's consumers and electrifying their cities to building roads, bridges and homes.

Yet, manufacturers in the United States are not the only ones seeking new opportunities. Manufacturers in Europe, Asia, South America and beyond are similarly seeking out new customers and new sales in overseas markets as well as right here in the United States.

Manufacturers are also well aware that many countries have not opened their markets to foreign products as we do here in the United States. From high taxes on imports (tariffs) to government-created barriers to foreign products, many foreign governments make it harder for manufacturers in the United States to compete on a level playing field. Those barriers also create an unfair advantage to foreign manufacturers seeking to sell into the U.S. market.

Manufacturers Need Washington to Help Expand Trade Opportunities by Leveling the Playing Field

When markets are open and the playing field level, manufacturers in the United States can and do succeed. We have seen this success most clearly from our free trade agreement (FTA) partner countries. Trade agreements like these eliminate tariffs and other barriers to U.S.-manufactured exports, creating a level playing field that is vital to America's success in the global economy. Trade agreements improve the competitiveness of products manufactured in America by lowering costs, protecting our innovations and intellectual property and promoting distribution and transportation networks that help our products participate in global supply chains. Trade agreements also speed our products to market by cutting red

tape at the border and give manufacturers a leg up against foreign competitors when their home countries have not negotiated similar deals to open up markets.

The value of our trade agreements is clear. The United States has FTAs with 20 countries, representing only 6 percent of the world's population and 9 percent of the world's GDP. Despite the small size of these markets compared to the rest of the world, these 20 countries purchased nearly 50 percent of U.S.-manufactured goods exports in 2015. America's trade agreement partners buy more than 13 times more from the United States than other countries. In addition, the United States has a manufacturing goods trade surplus with these 20 FTA partners.

Opening markets through trade works, and we need Washington to negotiate new market-opening trade agreements.

Standing on the Sidelines Is Not an Option

America needs trade to build our economy and make our manufacturers stronger. We need trade agreements and policies to open foreign markets and level the playing field so that products manufactured in the United States are the products of choice around the world.

If Washington sits on the sidelines as other countries negotiate trade agreements without us, manufacturers and our manufacturing communities here in the United States lose. We will continue to compete with firms in China, Europe and elsewhere—but without the same advantages. Our manufacturers are increasingly facing higher tariffs and other barriers that our foreign competitors' governments have eliminated. Without an active and robust trade agenda, manufacturers here in the United States could find themselves at a permanent disadvantage in emerging growth markets abroad. That means lost jobs, lost opportunities and lost economic growth here at home.

The Choice Is Clear

America needs trade to grow our economy, grow our communities and grow manufacturing. Manufacturers need a robust trade agenda to open markets and level the playing field worldwide. America must lead on trade.