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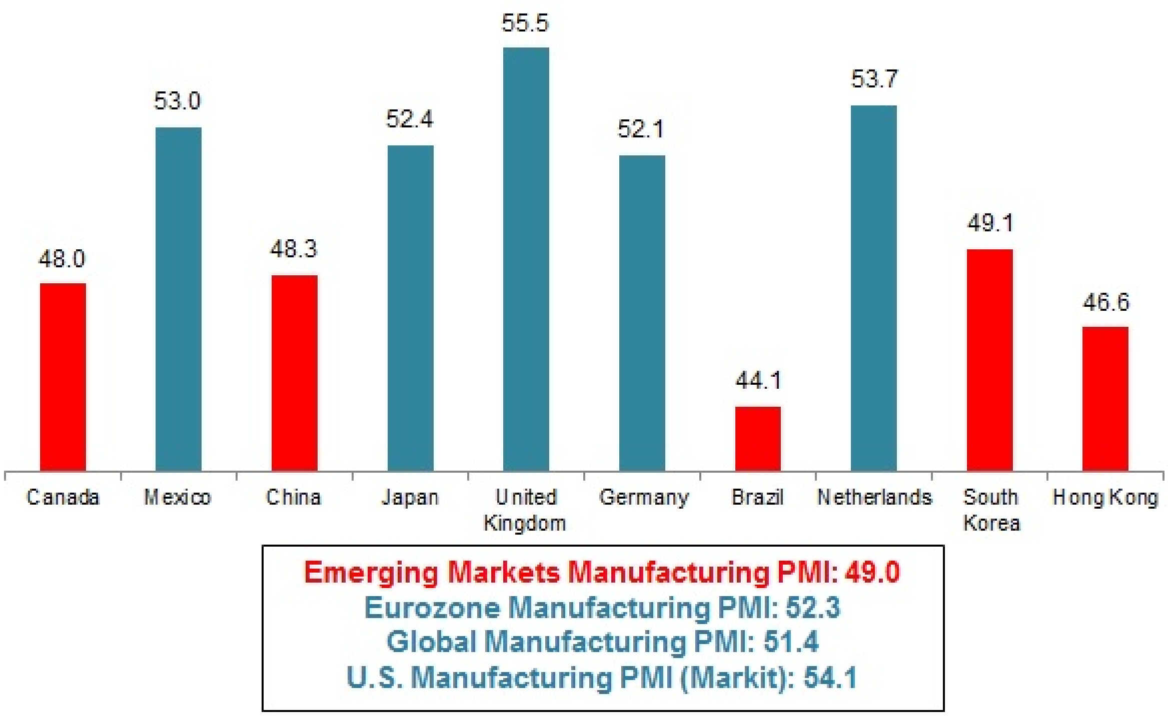
GLOBAL MANUFACTURING ECONOMIC UPDATE

November 12, 2015

Markit Purchasing Managers' Indices for the Top 10 Export Markets for U.S.-Manufactured Goods
(October 2015)



There were signs of progress in the global economy in October, but manufacturers continued to face headwinds. On the positive side, the J.P. Morgan Global Manufacturing PMI increased from 50.7 in September to 51.4 in October, its highest level since March. This provided a little encouragement after falling to a two-year low in August and September. In particular, this report reflected better data in the United States, Japan and the United Kingdom. Despite this progress, many of the underlying economic challenges have not changed much over the past few months. Along those lines, there were five countries in the top 10 markets for U.S.-manufactured goods that remain mired in contraction territory. These include Brazil, Canada, China, Hong Kong and South Korea.

Brazil's manufacturing activity deteriorated at its fastest pace since March 2009, while China and Hong Kong eased in their rates of decline for the month. Still, Chinese economic growth has decelerated significantly, including industrial production, with President Xi Jinping reducing China's real GDP target to 6.5 percent, down from 7.0 percent earlier in the year. Indeed, slowing activity in China has continued to prompt financial markets around the world to worry more about global economic growth. Those problems are most evident in the emerging markets, where manufacturing activity has now contracted for seven straight months. Closer to home, manufacturers in Canada continue to struggle on the drop in crude oil prices, with that nation's struggles playing a significant role in recent elections, which saw Justin Trudeau capture the majority of votes against incumbent Prime Minister Stephen Harper.

In contrast to other regions, Europe has been trending in the right direction. The Markit Eurozone Manufacturing PMI increased slightly from 52.0 to 52.3, and in general, there has been considerable progress since the sector was essentially stagnant in November 2014 (50.1). There were modest expansions in October for manufacturing new orders, output and exports. The United Kingdom made the most progress in October, with its PMI increasing to the highest level since June 2014. Meanwhile, Greece continued to contract, even as it notched its best reading since May. We will get provisional real GDP figures on November 13 for the third quarter, which are expected to be around 1.7 percent year-over-year. This would be an improvement from second-quarter growth of 1.5 percent on a year-over-year basis.

Deflation has been a major concern for the European Central Bank the year, spurring suggestions of increased quantitative easing moves soon. Indeed, there has been talk of more monetary stimulus by the end of this year. When you combine that news with the growing consensus that the Federal Reserve will begin to raise short-term interest rates at its December meeting, it is not hard to see why the U.S. dollar continues to strengthen. The dollar has appreciated more than 24 percent since the end of June 2014, making it more difficult for manufacturers in the United States to grow their exports. Weaknesses abroad are another factor challenging international trade right now.

According to updated data from TradeStats Express through the third quarter, manufactured goods exports have fallen 5.1 percent year-to-date in 2015 relative to the same time period in 2014. This trend extends to the top four markets for U.S.-manufactured goods: Canada (down 8.6 percent), Mexico (down 0.3 percent), China (down 0.4 percent) and Japan (down 3.6 percent). In addition, exports to Asia, Europe and South America were down 1.9 percent, 3.0 percent and 14.7 percent, respectively, year-to-date. Nonetheless, the U.S. trade deficit narrowed in September on an increase in goods exports and a decrease in goods imports. In addition, the petroleum trade deficit fell to $5.6 billion, with petroleum imports at their lowest level since May 2004.

One month after announcing the conclusion of the Trans-Pacific Partnership (TPP) agreement, the United States released the text of the TPP and moved forward toward signing. Some progress was made during the 11th round of Transatlantic Trade and Investment Partnership (TTIP) talks between the United States and the European Union (EU). The House approved a reauthorization of the U.S. Export-Import (Ex-Im) Bank as part of a highway bill, which is now headed to conference. Customs legislation remains under consideration, and negotiations continue on environmental and information technology goods.

Chad Moutray
Chief Economist
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Global Economic and Trade Trends

There were signs of progress in the global economy in October, even as growth worries remain ever present among manufacturers.

The J.P. Morgan Global Manufacturing PMI increased from 50.7 in September to 51.4 in October, its highest level since March. This provided a little encouragement after falling to a two-year low in August and September. The pace of new orders (up from 51.4 to 52.1) and output (up from 51.0 to 51.9) both picked up in the month, and perhaps more notably, exports (up from 49.2 to 51.2) and hiring (up from 49.7 to 51.2) returned to slightly positive growth. In particular, this report reflected better data in the United States (up from 53.1 to 54.1), Japan (up from 51.0 to 52.4) and the United Kingdom (up from 51.8 to 55.5), with those three countries accounting for 38.5 percent of the weighting in the analysis.

Along those lines, manufacturing activity expanded in five of the top 10 markets for U.S.-manufactured goods exports in October, with the other half experiencing contractions. This is the same number as seen since July. The challenge remains that many of the countries that are in negative territory have been there for much of this year, hampered by slowing demand and production growth. Three of the five countries with contracting levels of manufacturing activity continued to decelerate in October: Brazil (down from 47.0 to 44.1), Canada (down from 48.6 to 48.0) and South Korea (down from 49.2 to 49.1). The deterioration of manufacturing activity in Brazil was the fastest since March 2009. China (up from 47.2 to 48.3) and Hong Kong (up from 45.7 to 46.6) remained in contraction territory, even as their pace of decline eased slightly for the month.

In contrast, the other top markets continued to expand, but at varying rates of growth. The gain in the United Kingdom, mentioned above, was the largest monthly PMI gain in the survey's history due to strong growth in new orders (up from 52.9 to 56.9) and output (up from 53.2 to 58.3). Activity also accelerated in Japan, Mexico (up from 52.1 to 53.0) and the Netherlands (up from 53.0 to 53.7), but growth in Germany (down from 52.3 to 52.1) slowed ever so slightly in October.

Canada, our largest trading partner, continues to struggle due to the drop in crude oil prices.

The RBC Canadian Manufacturing PMI declined from 48.6 to 48.0, its lowest PMI level in the survey's five-year history. The decrease stemmed largely from a sharp drop in output (down from 48.5 to 46.0), with new orders (up from 48.7 to 49.2), exports (down from 50.0 to 48.2) and employment (down from 48.2 to 48.0) also contracting in October. As noted in prior reports, growth varied widely from region to region. Manufacturers in Ontario (up from 53.3 to 53.9) continued to grow modestly, with healthy gains in new orders (up from 56.5 to 58.8). On the other hand, Alberta and British Columbia (down from 43.3 to 42.5) weakened further on softness in energy markets, and Quebec (down from 51.2 to 49.4) contracted for the first time since March. Of course, these economic challenges played into recent elections, which saw Justin Trudeau capture the majority of votes against incumbent Prime Minister Stephen Harper.

Real GDP fell 0.5 percent at the annual rate in the second quarter, extending the 0.8 percent decline during the first quarter. Manufacturing output has been stronger over the past three months, however, up 0.4 percent in August. Retail sales have also improved with modest gains, up 0.5 percent in August and 2.8 percent year-over-year. Meanwhile, the unemployment rate was 7.0 percent in October, down from 7.1 percent in September but up from 6.8 percent in July. Manufacturers added 6,500 employees in October. However, over the past 12 months, the sector has had no net growth in employment.

Mexican manufacturers reported a rebound in activity in October.

The Markit Mexico Manufacturing PMI rose from 52.1 to 53.0, with new orders (up from 53.2 to 54.1), output (up from 51.3 to 53.6) and hiring (up from 52.6 to 53.8) all improving. The output measure was the strongest since May. Still, growth in exports (down from 53.5 to 52.2) eased for the month, and overall manufacturing activity has decelerated since measuring 56.6 in January. One of the larger concerns in the last report was input prices, which had risen to a two-year high. The good news was that raw material costs (down from 64.2 to 61.0) pulled back a little in October, even as pricing pressures remained quite elevated. The strength in the U.S. dollar could explain at least part of this inflation.

Real GDP grew 2.2 percent in the second quarter, down from 2.6 percent in both of the prior two quarters. This reflected some easing in growth since earlier in the year, something seen in other numbers. Yet, much like the PMI data discussed above, there has been some signs of progress more recently. For instance, growth in retail sales picked up from 4.1 percent year-over-year in May to 6.4 percent in August, and the unemployment rate fell from 4.7 percent in August to 4.5 percent in September. Mexican industrial production also accelerated, up from 1.0 percent year-over-year in August to 1.7 percent in September. That was its strongest pace since March.

Brazil's economy continues to weaken.

The Markit Brazil Manufacturing PMI dropped from 47.0 to 44.1, its lowest level since the recession. Manufacturing activity has now contracted for nine straight months. New orders (down from 46.3 to 42.6), output (down from 45.8 to 41.8) and employment (down from 47.6 to 45.3) all plummeted in October, with their economic situation continuing to deteriorate. Exports (up from 50.0 to 50.4) were the lone positive among key indicators, albeit only barely so.

The data mirror weaknesses in the Brazilian economy as a whole. Industrial production fell 1.3 percent in September, declining for the fourth consecutive month and down a whopping 10.9 percent year-over-year. Along those lines, real GDP decreased by 0.7 percent and 1.9 percent in the first and second quarters of this year, respectively, with output down 2.6 percent on a year-over-year basis. Retail sales have also been moving in the wrong direction, down 6.9 percent over the past year in August. Meanwhile, prices grew by an annualized 9.5 percent in September, and the Brazilian real has depreciated 42.7 percent year-to-date against the U.S. dollar.

China has contracted in 10 of the past 11 months, with the decline improving a little in October.

The Caixin China General Manufacturing PMI rose from 47.2 to 48.3, its highest level in four months. The September level had been the lowest in six and a half years. The increased headline PMI number stemmed from a slower rate of decline for new orders (up from 46.4 to 48.0), output (up from 45.8 to 48.1) and employment (up from 46.5 to 47.2), and exports (up from 44.6 to 50.7) grew for the first time since June. Still, even with somewhat better data in October, the underlying trend remains mostly the same. China continues to decelerate, with President Xi Jinping reducing China's real GDP target to 6.5 percent, down from 7.0 percent earlier in the year. Indeed, slowing activity in China has continued to prompt financial markets around the world to worry more about global economic growth.

On the positive side, the Shanghai Composite Stock Market Index has made up some lost ground after plummeting more than 40 percent in late August. It was down 29.4 percent since peaking this year at 5166.35 on June 12, closing at 3648.53 on November 11.

Real GDP grew 6.9 percent at the annual rate in the third quarter, down from 7.0 percent in the second quarter. Yet, other indicators cast some doubt on this figure. Industrial production slowed to 5.6 percent year-over-year growth in October, down from 5.7 percent in September and 7.9 percent in December 2014. Similarly, fixed asset investment has also decelerated significantly over the course of this year, down from 15.7 percent year-over-year in December 2014 to 10.2 percent in October. In contrast to the weakness seen in the industrial sectors and with investment, retail spending has been a somewhat better story, with the year-over-year sales rate inching up from 10.0 percent in April to 11.0 percent in October.

Emerging markets economies contracted for the seventh straight month.

The Markit Emerging Markets Manufacturing Index edged slightly higher, up from 48.5 to 49.0. September's reading had been the lowest level since March 2009, so the data suggest some slight improvements. In October, the pace of the decline in new orders (up from 48.2 to 48.8), output (up from 47.8 to 48.9) and hiring (up from 48.4 to 48.7) eased, and exports (up from 47.2 to 50.0) stabilized to be neutral for the month. Yet, the bottom line remains the same: Emerging markets economies have contracted every month since

March. At the same time, manufacturers were once again cautiously upbeat, with the forward-looking index for output suggesting decent growth ahead (up from 59.3 to 59.4). Still, the future output index measured 64.8 in February, indicating a modest pullback in confidence from earlier in the year.

A number of countries had contracting levels of manufacturing activity in September, many of which have been declining for several straight months. These included Brazil (down from 47.0 to 44.1), China (up from 47.2 to 48.3), Hong Kong (up from 45.7 to 46.6), Indonesia (up from 47.4 to 47.8), South Africa (down from 47.9 to 47.5), South Korea (down from 49.2 to 49.1), Taiwan (up from 46.9 to 47.8) and Turkey (up from 48.8 to 49.5). Asian economies tended to improve a little in October, perhaps lifted by an easing in the decline in China, even as each remained in contraction territory.

Meanwhile, Russia (up from 49.1 to 50.2) and Vietnam (up from 49.5 to 50.1) stabilized on better new orders and output, with Russia expanding for the first time since November 2014. Poland (up from 50.9 to 52.2) also improved in October, even as demand and production remain lower than during the summer. In contrast, the Czech Republic (down from 55.5 to 54.0) and India (down from 51.2 to 50.7) decelerated for the month, with both at their lowest levels of the year.

In contrast to other regions, Europe has been trending in the right direction.

The Markit Eurozone Manufacturing PMI increased slightly from 52.0 to 52.3. It has floated in a narrow range from 52.0 to 52.5 across the past eight months, and in general, there has been notable progress since the sector was essentially stagnant in November 2014 (50.1). There were modest expansions in October for manufacturing new orders (up from 52.6 to 53.2), output (up from 53.4 to 53.6) and exports (up from 52.1 to 52.6). However, employment eased slightly for the month (down from 51.6 to 51.1). With that said, manufacturing activity has now expanded for 26 straight months, which has made it a relative bright spot in the world, despite the current global headwinds.

This can be seen in the country-by-country analysis, with modest gains in most European nations. The United Kingdom (up from 51.8 to 55.5) made the most progress in October, with its PMI increasing to the highest level since June 2014 on strong growth in new orders and output and on pickups in exports and hiring. In addition, there continued to be modest expansions in the following markets: Austria (up from 52.5 to 53.0), Ireland (down from 53.8 to 53.6), Italy (up from 52.7 to 54.1), Germany (down from 52.3 to 52.1) and the Netherlands (up from 53.0 to 53.7). France (unchanged at 50.6) and Spain (down from 51.7 to 51.3) grew in October, but were among the weaker markets in Europe. This was only the third time this year that France's manufacturing PMI has been positive, and Spain's manufacturing activity levels were the lowest since December 2013. Meanwhile, Greece (up from 43.3 to 47.3) continued to contract, even as it notched its best reading since May and progress from July's miserable 30.2 reading. Still, it was the 14th consecutive monthly contraction, reflecting continuing challenges.

We will get provisional real GDP figures on November 13 for the third quarter, which are expected to be around 1.7 percent year-over-year. This would be an improvement from second-quarter growth of 1.5 percent on a year-over-year basis. At the same time, retail sales edged slightly lower in September, down 0.1 percent, suggesting that global economic weaknesses have provided a bit of a drag on spending activity. Confidence measures were softer than desired in September as well. Nonetheless, the unemployment rate dropped from 10.9 percent to 10.8 percent, its lowest rate since January 2012, even as it remained highly elevated. Deflation has been a major concern for the European Central Bank during the year, spurring suggestions of increased quantitative easing moves soon. Still, the annual inflation rate improved from being down 0.1 percent in September to being unchanged in October.

Manufactured goods exports have declined so far this year.

According to updated data from TradeStats Express through the third quarter, manufactured goods exports have fallen 5.1 percent year-to-date in 2015 relative to the same time period in 2014. This trend extends to the top four markets for U.S.-manufactured goods: Canada (down 8.6 percent), Mexico (down 0.3 percent), China (down 0.4 percent) and Japan (down 3.6 percent). In addition, exports to Asia, Europe and South America were down 1.9 percent, 3.0 percent and 14.7 percent, respectively, year-to-date.

The U.S. trade deficit narrowed significantly in September.

The trade deficit decreased from $48.02 billion in August to $40.81 billion in September. The August figure was the second highest of the year, with the September reading reflecting an increase in goods exports (up from $124.44 billion to $127.32 billion) and a decrease in goods imports (down from $192.00 billion to $187.62 billion). The bulk of these shifts came from nonpetroleum sources, but the petroleum trade deficit also narrowed, down from $6.95 billion to $5.58 billion. Petroleum imports were at their lowest level since May 2004. At the same time, the service-sector trade surplus was off marginally, down from $19.55 billion to $19.48 billion.

Looking more closely at various categories of goods exports, the data were encouraging. Goods exports were higher for consumer goods (up $1.28 billion), nonautomotive capital goods (up $892 million), foods, feeds and beverages (up $388 million) and automotive vehicles and parts (up $167 million). Exports for industrial supplies and materials declined by $33 million, mostly from lower crude oil costs. Meanwhile, goods imports were mostly down across-the-board, including industrial supplies and materials (down $1.58 billion), nonautomotive capital goods (down $1.04 billion), automotive vehicles and parts (down $831 million) and consumer goods (down $442 million). In contrast, imports for foods, feeds and beverages increased modestly, up $52 million for the month.

International Trade Policy Trends

TPP text released; President formally notified Congress of his intent to sign the agreement.

One month after announcing the conclusion of the TPP agreement, the Obama Administration released the TPP text on November 5, and President Obama formally notified Congress of his intent to sign the TPP agreement within 90 days in a letter to House Speaker Paul Ryan (R-WI) and Vice President Joe Biden, as President of the Senate. This begins the first Trade Promotion Authority (TPA) clock requiring both publication of the text (completed) and advisory committees' reports to the President on the outcomes of the TPP agreement within 30 calendar days. (The NAM's summary of the 2015 TPA procedures is found here.) The NAM published a blog that day reiterating the commitment of manufacturers in the United States to rigorously "examine all provisions of the TPP that will have a significant impact on manufacturing in the United States and include a focus on the new rules and disciplines that the TPP will implement with respect to the five TPP nations with which the United States does not already have free trade agreements: Brunei, Japan, Malaysia, New Zealand and Vietnam." Specifically, the NAM and our members will be reviewing whether the final TPP embraces the manufacturing-focused TPP priorities that we have sought throughout the talks to address foreign barriers and enhance U.S. competitiveness. Please provide your input on how the TPP affects your organization and let us know if you need more information on the TPP by contacting NAM Vice President of International Economic Affairs Linda Dempsey and NAM Director of International Trade Policy Ken Monahan.

House approves Ex-Im Bank reauthorization measure.

On November 5, the House of Representatives passed its version of a long-term highway bill that included a long-term reauthorization of the U.S. Ex-Im Bank. The House accepted the Senate-passed version of Ex-Im reauthorization in the underlying bill, rejecting 10 amendments that would have altered the language. The NAM sent a Key Vote letter to members of Congress opposing all amendments that would have slowed the path to Ex-Im reauthorization. The House and Senate will now form a conference committee to complete a final highway bill agreement, including a reauthorization of the Ex-Im Bank. The House previously voted 313–118 on an identical stand-alone bill, H.R. 597, with a majority of Republicans and nearly all Democrats supporting the bill. The NAM sent a Key Vote letter urging support for the stand-alone bill, and NAM

President and CEO Jay Timmons released a statement after the vote, noting that “broad, bipartisan majorities in both chambers have now clearly spoken in support of Ex-Im reauthorization.” He also posted a new video thanking the members of Congress who supported reauthorization. The House brought H.R. 597 to the floor by filing a successful discharge petition in October. The NAM also released in October new analysis assessing the impact on manufacturers of losing access to the Ex-Im Bank for new deals. The expiration of the Ex-Im Bank’s charter on June 30 has left manufacturers across the country, many of them small and medium-sized exporters, without adequate access to capital and the financing they need to compete with foreign manufacturers. International Green Structures, a small business in Maryland with a manufacturing facility in Texas, has a significant deal to sell its sustainable shelters in Kenya stuck in a holding pattern until Ex-Im’s charter is renewed. If you need more information on efforts to reauthorize the Ex-Im Bank, please visit the NAM’s Ex-Im webpage or contact NAM Director of Trade Facilitation Policy Lauren Wilk.

House votes to lift the ban on crude oil exports.

On October 9, the House passed legislation (H.R. 702) introduced by Rep. Joe Barton (R-TX), which would repeal the federal ban on crude oil exports that was put in place 40 years ago before the many technological advancements that have created new growth in U.S. crude oil production and opportunities for exports. The U.S. ban on crude oil exports is viewed as contrary to U.S. international obligations set forth by the World Trade Organization (WTO) that prohibit quantitative restrictions on exports. The United States has long defended this global prohibition on export bans, including in its successful WTO cases against China on rare earths and raw materials. The NAM supports the repeal of the ban on crude oil exports in order to put the United States back into compliance with its international commitments and send a strong message to the global community that the United States intends to honor the basic rules of the global economy.

Manufacturers await action on House–Senate conference on customs bill and Miscellaneous Tariff Bill (MTB).

Despite progress this summer in both the House and Senate, Congress has not yet finalized its customs reauthorization bill, the Trade Facilitation and Trade Enforcement Act of 2015 (H.R. 644). Progress was delayed most recently given the change in leadership in the House Ways and Means Committee. Different versions of this legislation had passed the House and Senate earlier this year, and action is long overdue despite stepped-up efforts by the NAM, which has urged action by the Senate Finance and House Ways and Means committees and is emphasizing that Congress’ failure to act on this critical legislation is costing “manufacturers billions of dollars a year in increased operating costs and unfair competition.” Among the top items the NAM is seeking through this legislation are new customs modernization provisions to eliminate red tape and unneeded border delays, new trade enforcement provisions to prevent the evasion of trade remedy orders and a new, regularized and transparent MTB process to eliminate temporarily duties on imported inputs and other products not available in the United States. The NAM will continue making this legislation a priority and is seeking passage later this fall.

TTIP talks resume in October.

U.S. and EU negotiators met for the 11th round of talks October 19–23 in Miami, Fla. Discussions were held on a number of priorities for manufacturers, including tariffs; regulatory provisions (including technical barriers to trade, sanitary and phytosanitary, regulatory coherence and sectoral regulatory convergence); intellectual property and geographic indications; customs and trade facilitation; rules of origin; small businesses; and services. It is expected that discussions on these issues and other areas (including investment protections and government procurement) will intensify during the next round, which is expected to take place early next year. The NAM also submitted these comments on the EU’s recent investment proposal, explaining the importance of strong outcomes and expressing concerns on the EU’s new court proposals.

U.S.–EU negotiations continue on updated Safe Harbor Framework.

Following the October 6 European Court of Justice decision to dismantle effectively the U.S.–EU Safe Harbor Framework, U.S. and EU negotiators are trying to reach an agreement on an updated framework prior to January 31, 2016, after which EU regional data-protection authorities have indicated enforcement actions could be undertaken against companies found to be in breach of the EU's 1995 Data Protection Directive. The NAM sent this letter to House Energy and Commerce Committee members underscoring the importance of concluding an agreement on an updated Safe Harbor Framework as soon as possible, following a November 3 hearing of the committee's Commerce, Manufacturing and Trade Subcommittee. The NAM continues to work closely with the Obama Administration and the EU Commission to address this substantial new challenge to transatlantic trade and investment.

U.S.–India Trade Policy Forum big on talk, but not concrete actions.

On October 29, the United States and India held the ninth ministerial-level Trade Policy Forum here in Washington, D.C. United States Trade Representative (USTR) Michael Froman and Indian Minister of Commerce and Industry Nirmala Sitharaman were the leads for the two governments. In the lead-up to the Trade Policy Forum, the NAM identified key issues, including in its submission on trade barriers, as did the Alliance for Fair Trade with India (AFTI). The Joint Statement, however, reveals that concrete outcomes, even on smaller issues, were not achieved. This is a disappointing outcome for manufacturers seeking an improved relationship, but the NAM will continue working, including with its AFTI partners, to seek the resolution of key issues of importance to improve the U.S.–India commercial relationship. Notably, the World Bank's Ease of Doing Business Index ranked India's economy 130 out of 189 on measures focused on the start-up and expansion of business activity in India. Although India moved up four spots in the index in the October 29 release and has an average slightly above the South Asian region, its ranking continues to remain below every other member of the G-20. While the Indian government is seeking to improve India's business environment, more concrete action is still required on issues such as India's barriers to imports and foreign products and investment, its overall lack of transparency in business regulation and other areas.

Environmental Goods Agreement (EGA) talks continuing later this fall.

The 10th round of EGA negotiations took place October 29 to November 4 in Geneva, Switzerland, where discussions continued on the approximately 650 products nominated for duty-free treatment by the United States and other countries. Specifically, negotiators discussed where convergence may exist in terms of export priorities, countries' import sensitivities and customs-related challenges. The Coalition for Green Trade, which the NAM co-chairs, led a USTR briefing for our membership and other coalition members. The next round of EGA talks will be held November 30 to December 4 in Geneva.

Country-of-Origin Labeling (COOL) reform awaits Senate action.

The NAM is continuing to co-lead the COOL Reform Coalition and end the threat of retaliation against U.S.-manufactured exports following a final judgment on May 18 by the WTO against the United States in the COOL dispute brought by Canada and Mexico. A WTO panel adjudicating the level of retaliation that could be imposed by Canada and Mexico met September 15–16, and an announcement on the approved level of retaliation is expected later this fall. The NAM continues to support Senate passage of legislation that would repeal the noncompliant COOL provisions.

NAM submits public comments on proposed Chinese industry conflict minerals guidelines.

On November 6, the NAM submitted comments in response to the China Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exporters' (CCCMC) public consultation concerning possible due diligence guidelines for responsible mineral supply chains. In its submission, the NAM urged that the CCCMC exercise great caution in its development of any guidelines related to the sourcing of minerals from conflict regions and continue to consult carefully with those that would be responsible for implementing new guidelines.

President Obama suspends South Africa's AGOA benefits for agriculture imports.
On November 5, President Obama announced that he is providing a 60-day advance notification of his intent to suspend South Africa's duty-free tariff benefits for agriculture imports under the African Growth and Opportunity Act (AGOA), unless South Africa meets certain benchmarks to eliminate barriers to U.S. exports of poultry, pork and beef.

USTR collects information on foreign trade barriers for its annual National Trade Estimate Report.
On October 28, the NAM filed comments identifying key foreign trade barriers as part of the USTR's annual review process, along with other private-sector organizations. In making its submission and in a related blog, the NAM identified a number of the most unfavorable and damaging barriers, including import limits; investment restrictions; forced localization measures; lack of intellectual property protection and enforcement; restrictive and discriminatory standards; and export restrictions.

Exports in Action

Webinar: Hannover Messe: Global Opportunity at the World's Largest Industrial Trade Show

November 18
This free webinar will highlight the benefits of participating at Hannover Messe, the world's largest industrial trade show. 2016 is the first year the United States will be featured as a partner country, highlighting America's most innovative technologies. Seasoned exhibitors and U.S. government officials will provide an overview of the event and explain opportunities for businesses to participate. For more information, click here.

Webinar: Mexican Customs Law and Changes for 2016

November 18
This webinar will discuss how the upcoming changes in Mexico's National Customs Law will impact future imports. Issue experts will provide a detailed explanation of the changes, the impact on U.S. exporters and how to comply with the new requirements. For more information, click here.

Webinar: Navigating Free Trade Agreements—Qualifying Your Product

December 1
The U.S. Commercial Service will host a webinar on how U.S. businesses can expand their exports through existing trade agreements. The webinar will walk participants through the process to determine if their products qualify for preferential treatment under a U.S. trade agreement. For more information, click here.

POWER-GEN International 2015

December 8–10
Location: Las Vegas, Nev.
POWER-GEN International 2015 is the world's largest display of electric power generation equipment, products and services in a single venue. The conference agenda includes educational sessions on environmental fuels, generation trends and electric power plant operations. In addition, the International Buyer Program will provide expanded business-to-business engagement programs, export counseling and industry- and market-specific analysis. For more information, click here.

For a listing of other upcoming Commerce Department trade missions, click here.

Connect with the Manufacturers

Questions or comments?

Contact Chief Economist Chad Moutray at cmoutray@nam.org.

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