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GLOBAL MANUFACTURING ECONOMIC UPDATE

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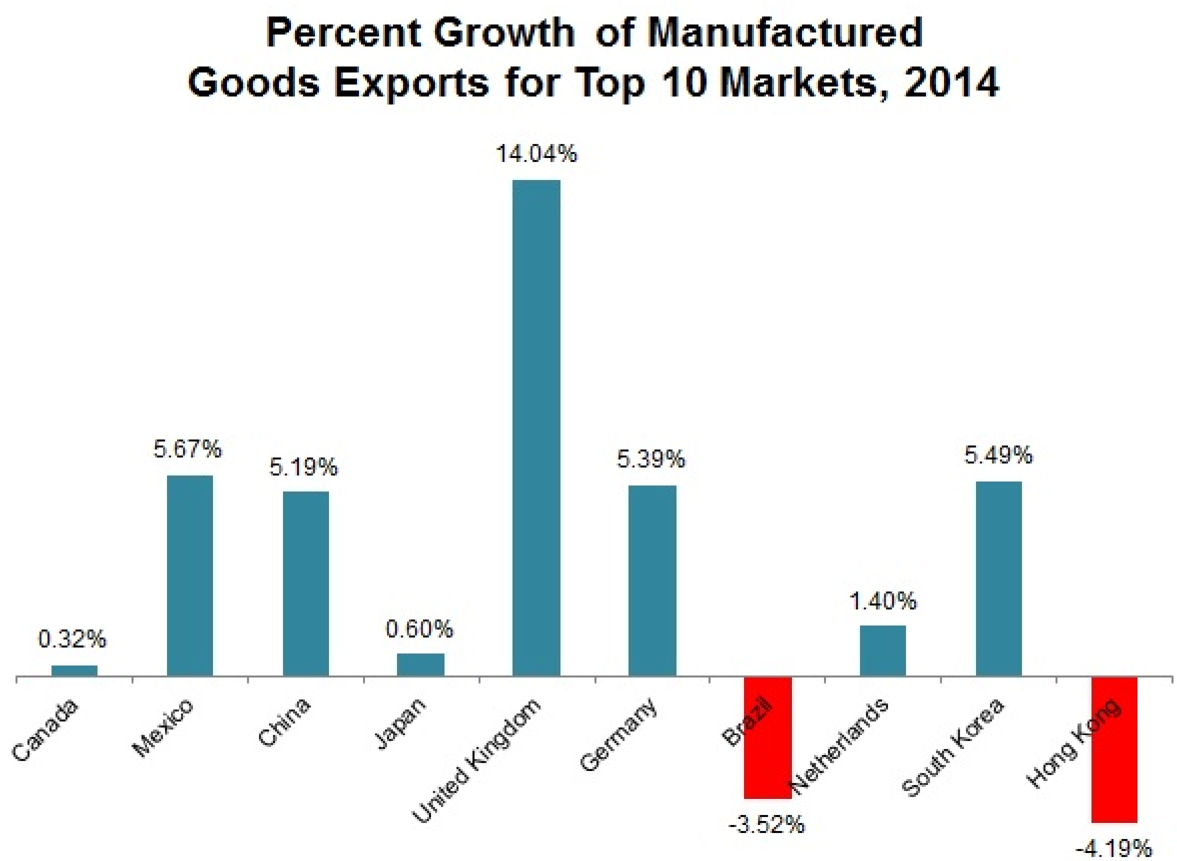

Let's start with some good news. U.S.-manufactured goods exports reached an all-time high in 2014, surpassing $1.4 trillion for the first time, according to Trade Stats Express. Moreover, goods exports from manufacturers grew 1.9 percent in 2014, with exports to the top five markets higher for the year. At the same time, export growth decelerated from the 5.8 percent and 2.6 percent rates of 2012 and 2013, respectively. Sluggish growth abroad and a strengthened U.S. dollar continue to challenge demand. In December, the U.S. trade deficit widened to its highest level of 2014, and the average monthly deficit for the year exceeded that of 2013 ($42.09 billion per month versus $39.70 billion, respectively).

For a case in point, we need to look no further than Canada, our largest trading partner. Manufactured goods exports to Canada rose 0.3 percent in 2014, down from 5.4 percent and 1.8 percent, respectively, in the two prior years. Indeed, Canadian manufacturing activity also weakened in January, dropping to its lowest level since April 2013. On the positive side, Canadian employers hired 10,700 net new manufacturing workers in January, and the unemployment rate fell to 6.6 percent. In contrast, reports were brighter in Mexico. The HSBC Mexico Manufacturing PMI increased to its highest level since December 2012. The paces for new orders (up from 57.9 to 59.5), output (up from 58.1 to 59.1) and employment (up from 51.9 to 53.6) were all accelerating, suggesting very strong growth in domestic demand and production. Yet, even with progress, Mexico's economy still leaves room for improvement.

Beyond Canada and Mexico, 8 of the top 10 markets for U.S.-manufactured goods experienced expanding levels of activity in January, the same number found in December. China and Hong Kong both contracted for the month, with South Korea returning to growth. Chinese manufactures have had declining levels of activity for two straight months; yet, new orders and output both turned marginally positive in January. Industrial production, fixed asset investments and retail sales in China also picked up a little for the month on a year-over-year basis. These data were also consistent with what we have seen in the emerging markets, which continue to expand quite modestly. However, economic performance in the emerging markets varies significantly from country to country. The Czech Republic and Poland experienced healthy expansion in demand and production, for instance, while Russia and a number of other markets struggled.

Of course, Europe continues to dominate global financial headlines. The Markit Eurozone Manufacturing PMI edged slightly higher for the second straight month, up from 50.6 to 51.0. This marks the fastest pace of growth in manufacturing activity since July, with increased output helping to lift overall sentiment. Still, growth remains lethargic in the Eurozone, with nagging worries about deflation and uncertainties about Greece weighing heavily on markets. Industrial production increased 0.2 percent in November, but on a year-over-year basis, output declined by 0.4 percent. In addition, annual inflation was down 0.6 percent in January. With that said, surveys show rising sentiment and decent growth in retail spending, and the unemployment rate declined to its lowest level since August 2012—to a still highly elevated 11.4 percent. These positives aside, the euro has fallen to its lowest level since September 2003, with the European Central Bank intent to boost economic growth on the continent with its announced quantitative easing program.

On the policy front, action on trade legislation, particularly Trade Promotion Authority (TPA), is likely to heat up in the coming weeks, as the National Association of Manufacturers (NAM) releases a new report showing the importance of TPA legislation and market-opening trade agreements to manufacturers in the United States. Other key trade legislation may also move forward. U.S. trade talks with the Asia-Pacific and Europe advance, and global discussions begin anew on broader global talks, while efforts continue to move key sectoral tariff-cutting agreements.

Chad Moutray
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Global Economic and Trade Trends

The global economic environment improved slightly overall in January, but significant challenges remain.

The J.P. Morgan Global Manufacturing PMI edged marginally higher, up from 51.5 in December to 51.7 in January. The paces of new orders (up from 52.0 to 52.2) and output (up from 52.0 to 52.7) both inched up for the month. Employment (51.1) showed modest growth, but the rate held steady from the month before. In contrast, export sales (down from 51.2 to 50.9) eased a bit, with overall economic sluggishness worldwide dampening international demand.

The United States comprises about one-quarter of the Global PMI measure's weighting. As such, a strengthening U.S. dollar has likely impacted the overall export numbers. For instance, the Institute for Supply Management's Manufacturing PMI (down from 55.5 to 53.5) declined for the third straight month in January, with new orders (down from 57.8 to 52.9) slumping to their slowest pace in 12 months. Exports (down from 52.0 to 49.5) turned slightly negative for the month, contracting for the first time since October 2012.

Looking at the top 10 markets for U.S.-manufactured goods, 8 of the countries cited expanding levels of activity in January, the same number of found in December. South Korea (up from 49.9 to 51.1) shifted into the expansion category; whereas, Hong Kong (down from 50.3 to 49.4) joined China (up from 49.6 to 49.7) as the two nations with contracting levels of manufacturing activity in January. Mexico (up from 55.3 to 56.6) gained the highest PMI in the top 10 last month, soaring to its fastest pace for growth since December 2012 on strong demand and production figures. In addition, the Netherlands (up from 53.5 to 54.1) and the United Kingdom (up from 52.7 to 53.0) showed positive developments, but activity decelerated a little in Germany (down from 51.2 to 50.9).

Mexican manufacturing sentiment in January hits two-year high, while Canadian manufacturing slowed.

The HSBC Mexico Manufacturing PMI increased from 55.3 to 56.6, its highest level since December 2012. The various subcomponents were mostly higher, with the paces for new orders (up from 57.9 to 59.5), output (up from 58.1 to 59.1) and employment (up from 51.9 to 53.6) accelerating. These suggest very strong growth in domestic demand and production. Yet, export sales (down from 52.8 to 50.3) slowed to being nearly stagnant for the month, representing the one weak spot in January. Mexican manufacturing production grew 5.7 percent year-over-year in December, up from a 4.1 percent pace in November. Still, despite these better figures, Mexican economic growth still has room for improvement.

In contrast to Mexico, Canada's manufacturing sector slowed in January. Meanwhile, the RBC Canadian Manufacturing PMI declined from 53.9 to 51.0, its lowest level since April 2013. New orders (down from 53.9 to 51.0), output (down from 55.6 to 51.8), exports (down from 53.9 to 50.1) and employment (down from 52.9 to 49.4) all dropped for the month, with hiring contracting for the first time in 12 months. Along those lines, manufacturing output declined 1.9 percent in November, but was up 1.3 percent year-over-year. The Canadian labor market showed a mix of good and bad news. On the positive side, employers hired 10,700 net new manufacturing workers in January, and unemployment fell from 6.7 percent to 6.6 percent. Yet, over the past year, Canadian manufacturers have lost 17,900 employees.

Europe's manufacturers made modest progress in December, but the overall economic climate remains weak.

The Markit Eurozone Manufacturing PMI edged slightly higher for the second straight month, up from 50.6 to 51.0. This marks the fastest pace of growth in manufacturing activity since July, with increased output (up from 50.9 to 52.1) helping to lift the headline number. New orders (up from 50.2 to 50.6) and employment (unchanged at 50.6) also expanded somewhat, but not overwhelmingly so. Export orders (down from 51.6 to 60.7) grew at a slower rate, which is perhaps surprising given the weakening of the euro relative to other currencies. On the positive side, manufacturing activity in the Eurozone has now expanded for 18 consecutive months.

The Netherlands (up from 53.5 to 54.1), Spain (up from 53.8 to 54.7) and the United Kingdom (up from 52.7 to 53.0) each experienced stronger demand and production growth in January, with Spain's manufacturing PMI level reaching its highest level since June 2007. Ireland (down from 56.9 to 55.1) also continued to grow robustly, albeit with some easing to begin the new year; whereas, Germany (down from 51.2 to 50.9) has now expanded in three of the past five months. In contrast, four major economies in Europe contracted in January: Austria (down from 49.2 to 48.5), France (up from 47.5 to 49.2), Greece (down from 49.4 to 48.3) and Italy (up from 48.4 to 49.9). Greek manufacturing sentiment fell to its lowest level since October 2013 on post-election uncertainties about whether or not it will remain in the Eurozone. The good news was that Italy only contracted marginally, with output expanding for the first time since September.

Industrial production in the Eurozone increased 0.2 percent in November, but on a year-over-year basis, output declined by 0.4 percent. The December data will be released next week; yet, overall, these figures illustrate the softness of manufacturing activity over the past year. Along those lines, weak economic growth continues to prompt deflationary worries, with annual inflation down 0.6 percent in January. On the consumer front, retail sales grew 0.3 percent in December, but retail spending increased at the relatively decent pace of 2.8 percent in 2014. The unemployment rate fell to 11.4 percent in December, its lowest level since August 2012 (but still highly elevated). This perhaps explains why sentiment also has also improved a bit, with half of respondents now expecting the economy to improve.

The Chinese manufacturing sector has now contracted for two straight months, albeit just barely.
The HSBC China Manufacturing PMI increased from 49.6 to 49.7 but stayed below the all-important threshold of 50, signifying contracting levels of activity overall. Still, new orders (up from 49.7 to 50.1) and output (up from 49.9 to 50.3) both expanded marginally, which shows signs of some progress. Exports (down from 51.5 to 50.2), however, slowed to a near crawl. Hiring (up from 49.3 to 49.5) remained in negative territory for the 15th straight month. Meanwhile, the official manufacturing PMI figures from the National Bureau of Statistics of China also reflect softness in the sector, with the headline index down from 50.1 to 49.8. This report found that small and medium-sized enterprises were faring worse than their larger counterparts.

Real GDP grew 7.3 percent year-over-year in the fourth quarter, unchanged from the third. The Chinese economy grew 7.4 percent in 2014 as a whole, reflecting decelerating growth. It could continue to slow further in 2015, perhaps to 7.0 percent. On the positive side, industrial production expanded 7.9 percent year-over-year in December, up from 7.2 percent in November. This follows healthy gains in the Chinese manufacturing sector (up 8.9 percent year-over-year). Retail sales also accelerated a little, increasing 11.9 percent year-over-year in December and up from 11.7 percent in November. Similarly, fixed asset investments also moved higher, up from 17.9 percent year-over-year in November to 18.1 percent in December. Nonetheless, the annual rate of private-sector fixed-asset investments has fallen dramatically, as the year-over-year pace dipped to 23.1 percent in December 2013.

Manufacturing in the emerging markets picked up a little in January.
The HSBC Emerging Markets Index eased slightly, down from 51.7 to 51.2, but the manufacturing component edged higher, up from 50.6 to 50.9. New orders (up from 51.2 to 51.6) and output (up from 51.1 to 51.9) had better data points, whereas, export orders (down from 51.3 to 50.6) slowed a little. Production reached a five-month high, showing signs of progress. Moreover, employment (up from 50.0 to 50.2) ticked up for the first time since March. Business leaders remained mostly positive about the coming months, with the future output index up from 61.4 to 62.7.

With that said, economic performance varies significantly from country to country. For instance, both the Czech Republic (up from 53.3 to 56.1) and Poland (up from 52.8 to 55.2) had strong growth in demand and production in January. Several other markets also expanded at somewhat modest rates, including Brazil (up from 50.2 to 50.7), India (down from 54.5 to 52.9), South Korea (up from 49.9 to 51.1), Taiwan (up from 50.0 to 51.7) and Vietnam (down from 52.7 to 51.5). On the other hand, several emerging markets continued to struggle. China (up from 49.6 to 49.7), Indonesia (up from 47.6 to 48.5), Russia (down from 48.9 to 47.6), South Africa (down from 50.2 to 49.8) and Turkey (down from 51.4 to 49.8) had contracting levels of manufacturing activity in January. Russia's manufacturing PMI value declined to its lowest level since June 2009, with lower energy prices and economic sanctions hurting its economy.

The U.S. dollar remains stronger relative to other currencies.
According to the Federal Reserve Board, the trade-weighted U.S. dollar index against major currencies has risen from 75.6968 on July 1 to 89.3087 on February 6, an 18 percent increase. This marks the U.S. dollar's strongest weighting since May 2004. This index reflects currency units per U.S. dollar, suggesting that the U.S. dollar can now purchase more than it could just a few months ago, and vice versa.

Along those lines, the euro has fallen to its lowest levels since September 2003. It peaked in 2014 on May 6 at 1.3924 euros to the U.S. dollar. On January 23 of this year, that exchange rate dropped to 1.1279 euros to the U.S. dollar, but it has edged slightly higher since then, closing at $1.1403 on February 12. Overall, these developments could hurt the ability of manufacturers in the United States to grow exports.

The U.S. trade deficit rose to its highest level of 2014 in December.
The trade deficit widened significantly, up from $39.75 billion in November to $46.56 billion in December. The trade deficit averaged $42.09 billion per month in 2014, an increase from the $39.70 billion average of 2013. Goods exports were higher in the second half of 2014 ($137.51 billion each month on average) than in the first half ($135.01 billion), which was positive; however, goods imports also increased (up from an average of $196.59 billion to $198.73 billion).

The higher deficit in December stemmed from both a decrease in goods exports (down from $136.81 billion to $134.28 billion) and an increase in goods imports (up from $195.91 billion to $200.29 billion). Meanwhile, the service-sector trade surplus widened marginally (up from $19.34 billion to $19.45 billion). At least part of the increased goods deficit resulted from petroleum trade flows. Petroleum exports were off somewhat, down from $11.63 billion to $10.29 billion. At the same time, imports of petroleum rose from $23.22 billion to $25.01 billion.

Outside of petroleum, goods exports data were mixed, but mostly lower. Goods exports for non-automotive capital goods (up $854 million) and automotive vehicles and parts (up $370 million) increased, but industrial supplies and materials (down $3.11 billion), foods, feeds and beverages (down $302 million) and consumer goods (down $65 million) decreased. A large share of the industrial supplies figure came from a sharp decline in nonmonetary gold (down $1.24 billion), whereas the foods category was negative largely from a drop in soybean exports (down $449 million).

At the same time, goods imports expanded across-the-board. This included industrial supplies and materials (up $2.69 billion), automotive vehicles and parts (up $938 million), non-automotive capital goods (up $169 million), foods, feeds and beverages (up $79 million) and consumer goods (up $50 million). Petroleum accounted for the bulk of the increase in industrial supplies and materials.

Manufactured goods exports increased 1.9 percent in 2014.
Growth in U.S.-manufactured goods exports decelerated overall, up 1.9 percent in 2014, according to Trade Stats Express. This slowed from 5.8 percent and 2.6 percent rates in 2012 and 2013, respectively. Sluggish growth abroad and a strengthened U.S. dollar challenged international demand last year. On the other hand, U.S.-manufactured goods exports reached another all-time high in 2014, surpassing $1.4 trillion for the first time.

Looking at the year as a whole, the top-five markets for U.S.-manufactured goods exports saw increases from 2013 to 2014: Canada (up 0.3 percent to $269.8 billion), Mexico (up 5.7 percent to $215.8 billion), China (up 5.2 percent to $91.2 billion), Japan (up 0.6 percent to $54.8 billion) and the United Kingdom (up 14.0 percent to $45.3 billion). Export growth to Canada, our largest trading partner, slowed to a crawl in 2014, down from 5.4 percent and 1.8 percent growth in 2012 and 2013, respectively.

International Trade Policy Trends

The NAM releases new report on TPA and manufacturing.

Yesterday, the NAM released a new report, "Trading Up with TPA: Manufacturers Need New Trade Agreements" that describes the importance of the United States moving forward with Trade Promotion Authority (TPA) and market-opening trade agreements. While two-thirds of manufacturing imports enter the U.S. market duty-free, U.S.-manufactured exports face high barriers overseas and are increasingly at a disadvantage compared to our competitors in most major trading nations around the world. TPA is a critical tool to open the $11.8 trillion world market in manufactured goods.

The United States' 2015 trade agenda begins to take shape.

From testimony by U.S. Trade Representative (USTR), Ambassador Michael Froman, to NAM statements and actions, the key outlines of the legislative trade agenda for 2015 are taking shape. On January 27, both the Senate Committee on Finance and the House Committee on Ways and Means held hearings on the 2015 trade agenda, with Froman as the sole witness at each. Froman highlighted TPA, the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) negotiations, strengthening relationships with key countries and enforcing international commitments.

The NAM submitted statements on the 2015 trade agenda to House and Senate committees emphasizing the NAM's strong priorities on TPA; legislation; trade negotiations; international competitiveness legislation, from the miscellaneous tariff bill to the Export-Import Bank, and ensuring a more level playing field and strong enforcement of the rules of trade.

Manufacturers working to win passage of TPA.

President Barack Obama's call for TPA in his January 20 State of the Union address and the earliest House and Senate trade hearings of any new Congress (see above) kicked off work to win passage of this essential legislation later this year. TPA last expired in 2007 and must be renewed quickly to conclude and implement high-standard and market-opening trade agreements with Europe and 11 Pacific Rim nations and a global deal that would slash duties on environmental goods. House Ways and Means Committee Chairman Paul Ryan (R-WI) and Senate Finance Committee Chairman and Ranking Members Orrin Hatch (R-UT) and Ron Wyden (D-OR) could introduce new TPA legislation as early as the end of February.

To support a strong Administration and congressional push for TPA legislation that reflects manufacturing priorities, the NAM is engaging members of Congress, rallying allied organizations, and leveraging media platforms and events to make the case. Over the past few weeks, the NAM has met with dozens of lawmakers, organized a letter from more than 50 manufacturing associations supporting TPA and used reports , blogs, op-eds and social media to build broad support. NAM President and CEO Jay Timmons is carrying the message to cities across the country as part of his State of Manufacturing tour. Next week's President's Day recess will be critical to securing congressional support for TPA. You can help manufacturers win the week by sending a letter to your congressional delegation today and by joining town hall meetings and hosting members of Congress at your facilities in the coming days to talk about the importance of trade and TPA for your business. For additional information, please contact Chris Moore.

The NAM continues working toward a long-term reauthorization of the Export-Import (Ex-Im) Bank.

The Ex-Im Bank has helped thousands of U.S. exporters—most of them small businesses—grow jobs at home by offering competitive financing options for customers abroad. Last fall, Congress gave the bank a short-term extension on its charter through June 30, 2015. Given the fast-approaching deadline, the NAM is working to secure a long-term reauthorization as soon as possible. On January 28, Rep. Stephen Fincher (R-TN) joined 57 other Republican members of Congress to introduce the Reform Exports and Expand the American Economy Act (H.R. 597). Although the bill proposes significant reforms to Ex-Im Bank, it would also provide a five-year extension of the Bank's charter—through September 30, 2019. The NAM sent to

Congress a letter supporting the bill, and we will continue to work with members of the House and Senate to advance a long-term reauthorization of Ex-Im Bank. As part of our advocacy efforts, the NAM is participating in the Exporters for Ex-Im Coalition Fly-In event on February 24 and 25 in Washington, D.C. —along with more than 600 small businesses, suppliers and local organizations from around the country. You can take action now by visiting www.nam.org/exim, and you can see the impact of Ex-Im Bank by state and district online here. For additional information, please contact Lauren Airey.

Movement sought on the Miscellaneous Tariff Bill and other trade legislation.

On January 27, the NAM and more than 90 other associations and businesses sent a letter to the two new chairmen of the House Ways and Means and Senate Finance committees urging their leadership to move the long-stalled Miscellaneous Tariff Bill (MTB) as quickly as possible. The MTB is decades-old legislation that allows a broad range of manufacturers in the United States to import certain manufacturing inputs duty free when those products aren't available domestically, enabling them to cut costs and strengthen competitiveness in the global economy. At the Ways and Means trade hearing later that day, Chairman Paul Ryan (R-WI) reiterated the need for movement on the MTB, and, in a February 5 speech before the Washington International Trade Association, he emphasized the need for "a common sense solution.". Senate Finance Committee Chair Orrin Hatch (R-UT) also called for "legislation to enable enactment" of the MTB. The NAM is continuing its press for action by Congress on this long overdue tax cut for manufacturers in the United States. For more information, please contact Linda Dempsey.

As emphasized in its statements to the Ways and Means and Finance committees, the NAM is also pressing for action on the Generalized System of Preferences and Customs reauthorization legislation.

Asia-Pacific trade talks continued in January and February, with ministerial-level discussions likely in late February/early March.

Chief negotiators for the United States and 11 other countries participating in the Trans-Pacific Partnership (TPP) negotiations held a week of negotiations in New York City starting January 26 to narrow differences and move forward a plan for a ministerial meeting. U.S. and Japanese negotiators also met in Washington, D.C., at the beginning of February to discuss agricultural and other issues. The NAM continues to push forward with U.S. and other TPP country officials, promoting its key priorities relating to concrete new market access and the elimination of barriers, strong intellectual property and investment protections, new disciplines on cross-border data flows and state-owned enterprises, and the full enforceability of the agreement for all products and sectors.

United States and Europe hold eighth round of trade negotiations.

After a four-month hiatus, U.S. and European negotiators met in Brussels on February 2–6 for the eighth round of TTIP talks. Following meetings between U.S. Trade Representative Michael Froman and EU Trade Commissioner Cecilia Malmström in December and January, negotiators came with clear instructions to intensify talks and make as much progress as possible across the board. The round addressed nearly all negotiating topics, with particular focus on regulatory matters. Negotiators are working on text for seven chapters. However, much more is needed to advance manufacturing priorities in the months ahead. Negotiators have yet to make improved offers on tariffs, and the results of the European Commission's investor-state dispute settlement (ISDS) stakeholder consultations, announced in January, launched additional discussions with member states, kicking ISDS talks further down the road. At this point, just two additional rounds are scheduled for 2015—one in April and another July. For additional information, please contact Chris Moore.

World Trade Organization negotiations and discussions move forward.

Discussions to unlock the conclusion of long-stalled Doha Development Agenda (DDA), the fourth round of environmental goods talks and implementation of the Trade Facilitation Agreement (TFA) took center stage at the World Trade Organization (WTO) this past month as described below. The NAM will be hosting Chris

Wilson, the deputy chief of mission to the U.S. Mission to the WTO, on February 17 to provide more of an update.

- Environmental Goods: The fourth round of environmental goods negotiations took place in Geneva (January 25–30), with a focus on energy and energy efficiency. The fifth round will take place March 16–20 to focus on environmental monitoring and analysis and other environmental products. Ongoing discussions have generally been positive, but it will be important to continue providing information on the environmental impacts of products to produce an expansive list. As co-chair of the Coalition for Green Trade, the NAM is continuing to push for ambition in these talks.

- DDA Work Program: WTO Director General Roberto Azevêdo is seeking to create a “clearly defined work program” on the remaining elements of the DDA by July 1. Starting on January 21, Azevêdo convened a meeting of all WTO members and then held a week of “intensive” discussions. Trade ministers also met during the World Economic Forum in Davos, Switzerland. The WTO is planning to hold its 10th ministerial conference in Nairobi, Kenya, December 15–18.

- TFA: Following the November 27 decision of the WTO General Council to implement the TFA, WTO member countries are now working to complete domestic ratification procedures; two-thirds of the WTO’s 160 members must ratify before the TFA will enter into force. The United States ratified the TFA in January, delivering formal acceptance to the WTO on January 23. The United States was the third member to follow through with its letter of acceptance, after Singapore and Hong Kong. The TFA contains provisions for expediting the movement, release and clearance of goods, and it outlines measures for effective cooperation on trade facilitation and customs compliance issues. The NAM is working closely with Congress, USTR and U.S. Agency for International Development—as well as our partners in the business community—to provide feedback on next steps to best support countries committed to implementation.

- Information Technology: Efforts to move forward an expanded list of products to be covered by the tariff-cutting Information Technology Agreement (ITA) remain stalled, following the December 2014 stalemate created when China, South Korea and Taiwan resisted each other’s proposals. Manufacturers continue to urge action to move forward these negotiations as soon as possible given the benefits for both producers of new high-tech equipment and manufacturers that, as consumers, would benefit from lower costs and greater innovation.

President Obama announces shift on Cuba policy.

Following President Obama’s December announcement to normalize relations with Cuba, the departments of Commerce and Treasury published new rules in January implementing the new Cuba policy. The United States will re-establish an embassy in Havana, and high-ranking officials will visit Cuba—including a commercial diplomatic mission led by Commerce Secretary Penny Pritzker tentatively scheduled for April 2015. The United States will also review Cuba’s designation as a state sponsor of terrorism and take steps to increase travel, commerce and the flow of information to and from the nation. In particular, the new policy will authorize expanded commercial sales and exports from the United States of certain goods and services, including certain building materials for private residential construction, goods for use by private-sector Cuban entrepreneurs and agricultural equipment for small farmers. U.S. institutions will be permitted to open correspondent accounts at Cuban financial institutions to facilitate the processing of authorized transactions. The Commerce Department posted Frequently Asked Questions on the new regulations here, including details on the new License Exception Support for the Cuban People (SCP) that authorizes the export and re-export to Cuba (without a license) of certain items.

Congress approved legislation on Russia sanctions, calls for support of Ukraine.

Senate Foreign Relations Committee Chairman Bob Corker (R-TN) recently encouraged the President to fully implement the Ukraine Freedom Support Act of 2014 that was enacted last year and to submit a report to Congress by February 15, as required by the law, that details plans for U.S. military assistance to Ukraine. Ranking Member Robert Menendez (D-NJ) also called on Secretary of State John Kerry to exercise the authorities granted in the legislation. President Obama said earlier this week that he had not yet decided whether to send arms and equipment to Ukraine because he was still seeking a diplomatic end to the crisis. In January, House Foreign Affairs Committee Chairman Ed Royce (R-CA) highlighted as a priority for the committee this year addressing Russian President Vladimir Putin’s aggression.

The NAM pushes Customs and Border Protection to reconsider changes to post-departure filing and importer identification forms.

The NAM submitted comments in December opposing proposed revisions from U.S. Customs and Border Protection (CBP) on Form 5106, the Importer ID Input Record. CBP’s proposed revisions would collect additional information about importing companies and their officers. CBP also requested that company officers listed on this form have importing and financial business knowledge of the company and the legal authority to make decisions on behalf of the company. Additional details they proposed requesting include Social Security number, passport number and banking information. The current version of this form is accessible here. The proposed new version of this form may be viewed here. The NAM is also working closely with CBP to preserve—and potentially expand—post-departure filing for eligible companies. The NAM sent a letter to CBP Commissioner R. Gil Kerlikowske last fall, urging that CBP ensure that availability of post-departure filing (Option 4) is retained for eligible companies and to work collaboratively with large-scale, high-volume exporters as Automated Commercial Environment (ACE) and International Trade Data System (ITDS)are deployed over the coming months.

The NAM calls for action on manufacturing intellectual property rights concerns.

With input from International Intellectual Property Rights (IPR) Task Force members, the NAM submitted comments on January 30 for India’s Draft National IPR Policy. Those comments welcomed development of the policy, while noting opportunities to improve India’s IPR regime. On February 6, the NAM submitted strong comments for the Office of the U.S. Trade Representative’s “2015 Special 301 Report.” Each year, that report identifies policies and practices by countries around the world that deny adequate and effective IPR protection. The NAM’s comments highlighted continuing IPR challenges in China and India and growing concerns in Canada. It urged U.S. government agencies to step up action to combat counterfeiting and piracy that harms manufacturers of all sizes, particularly small businesses. Based on its comments, the NAM will testify at a Special 301 public hearing scheduled for February 24. For additional information, please contact Chris Moore.

USTR launches WTO dispute settlement case against Chinese subsidies.

On Feb. 11, 2015, Ambassador Michael Froman announced that the United States is bringing a WTO challenge against China’s “Demonstration Bases-Common Service Platform” export subsidy program. The United States is alleging that China is providing WTO-inconsistent subsidies to manufacturers and others across seven economic sectors: (1) textiles, apparel and footwear; (2) advanced materials and metals (including specialty steel, titanium and aluminum products); (3) light industry; (4) specialty chemicals; (5) medical products; (6) hardware and building materials and (7) agriculture. USTR calculates that this program has provided more than $1 billion over a three-year period and helps spur a significant portion of China’s exports in these sectors. Notably, this is the 19th WTO dispute brought by the Obama Administration of the 107 disputes brought by the United States since the WTO was created in 1995.

Exports in Action

Automotive Trade Mission to South America

April 26–30
Location: Lima, Peru, and Bogota, Colombia

The automotive industry is one of the most significant and fastest growing sectors in both Peru and Colombia. The U.S. Commercial Service is inviting U.S. companies to join an official automotive trade mission to learn about these markets and meet key industry players.
Application deadline is March 1, 2015. For more information, click here.

Cybersecurity Mission to Eastern Europe

May 11–15
Location: Poland and Romania

The U.S. Department of Commerce, International Trade Administration (ITA), is organizing an executive-led cybersecurity business development mission to Poland and Romania to introduce U.S. firms and trade associations to Central and Eastern Europe's information and communication technology (ICT) security and critical infrastructure protection markets and to assist U.S. companies in finding business partners and exporting their products and services to the region. The mission is intended to include representatives from U.S. companies and U.S. trade associations with members that provide cybersecurity, critical infrastructure protection and emergency management technology equipment and services. Participating firms will gain market insights, make industry contacts, solidify business strategies and advance specific projects, with the goal of increasing U.S. exports of products and services to Central and Eastern Europe. The mission will include customized one-on-one business appointments with pre-screened potential buyers, agents, distributors and joint venture partners; meetings with state and local government officials and industry leaders; and networking events. Application deadline is March 1, 2015. For more information, see the mission statement.

Health Care Mission to the Middle East

May 16–21
Location: Egypt, Jordan and Israel

ITA is organizing a health care equipment, services and technologies business development mission to Egypt, Jordan and Israel, with an optional stop in the West Bank. The purpose of the mission is to introduce representatives from U.S. firms and related trade associations to the region and to promote exports of U.S. health care products and services. Delegates will receive market briefings and participate in customized meetings with prospective partners. Companies may also participate in a stop in the West Bank city of Ramallah at an additional cost. Application deadline is March 13, 2015. For more information, click here.

Trade Mission to Africa

September 14–21
Location: Ethiopia, Tanzania, Mozambique, Angola, Ghana, South Africa, Nigeria and Kenya

Trade Winds–Africa is an official U.S. Department of Commerce/U.S. Commercial Service conference and multisector trade mission in Sub-Saharan Africa. The program includes an Africa-focused business forum consisting of regional and industry-specific conference sessions as well as prearranged consultations with U.S. Foreign Commercial Service officers representing commercial markets in 19 countries throughout the region. Participants will have the opportunity to conduct business-to-business meetings with firms during the multiple-stop trade mission. Application deadline is June 15, 2015. For more information, click here.

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

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Questions or comments?

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