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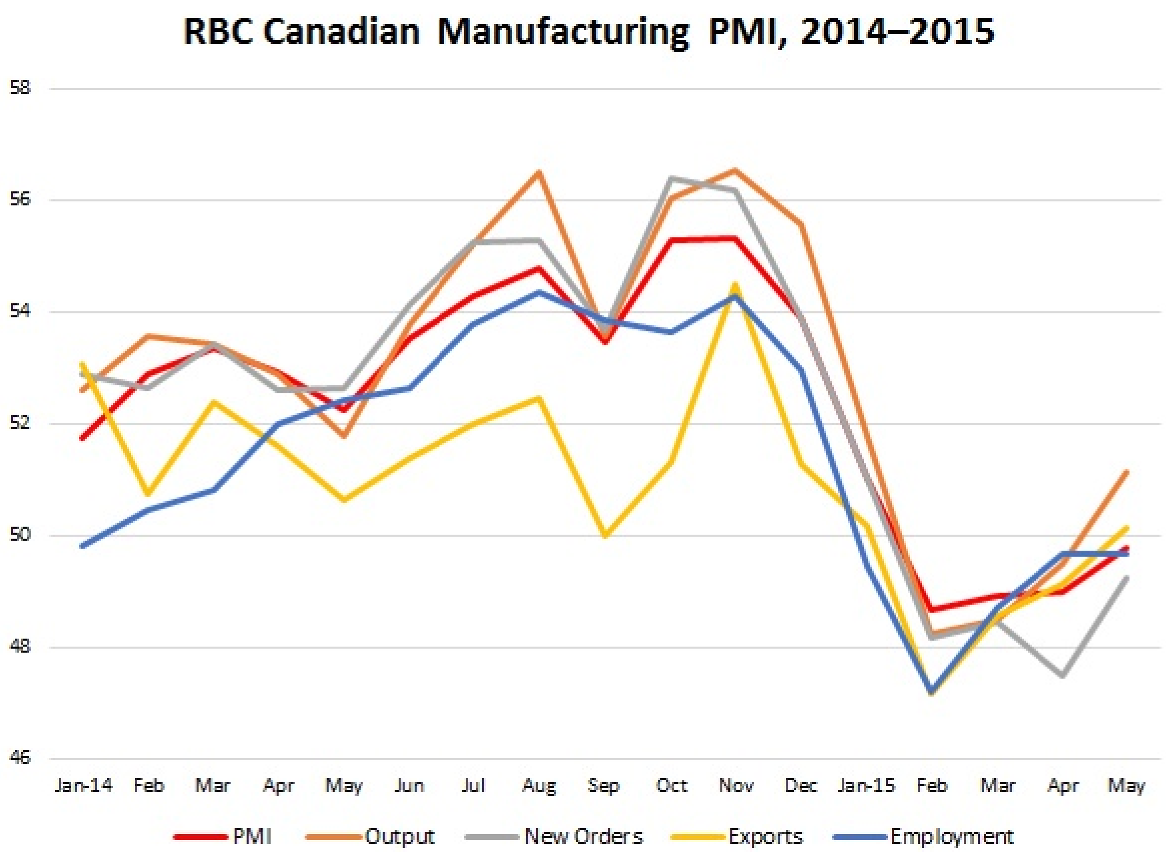

There continue to be mixed assessments of the economy, including from reports released last week. For instance, the Organisation for Economic Co-operation and Development (OECD) lowered its forecasts to 2.0 percent growth for the United States, with the global economy growing just 3.1 percent. This fell from the 3.1 percent and 3.6 percent, respectively, seen in its November 2014 outlook. It also mirrors the downgrade of the National Association of Business Economists' (NABE) estimated U.S. growth this year, from 3.1 percent in the March survey to 2.4 percent now. Business leaders were also less upbeat in the latest National Association of Manufacturers (NAM) Manufacturers' Outlook Survey, with the headline index down from 59.9 in the first quarter to 51.7 in the second quarter.

Despite the reduced outlook in many of these reports, it is important to note that manufacturers should continue to see modest growth in the months ahead, albeit at a slower pace than before. Moreover, the NABE forecast currently calls for industrial production to rebound to 3.0 percent in 2016, which is roughly equivalent to the real GDP outlook. The OECD projections are also cautiously optimistic about next year, with global growth at 3.8 percent and U.S. growth at 2.8 percent.

With that said, the international economy right now remains weak, even as we have seen some modest progress in a few markets in May. Five of the top ten markets for U.S.-manufactured goods had contracting levels of manufacturing activity last month. The good news is that is one less than in April, thanks to better demand and production data in Japan. Still, this remains higher than the two markets in contraction as recently as February, and many of the markets that are struggling are important ones from an export perspective, including Brazil, Canada, China, Hong Kong and South Korea. Chinese manufacturers, in particular, have reported declining levels of activity in five of the past six months, as the nation's economy continues to decelerate.

Indeed, U.S.-manufactured goods exports have declined so far this year, down 3.95 percent through the first four months of 2015 relative to the same time period in 2014. In the NAM survey mentioned above, manufacturing respondents said they expect exports to grow by just 0.4 percent over the next 12 months, reflecting the headwinds from a stronger U.S. dollar, sluggish growth abroad and some residual impacts from the West Coast ports slowdown. Along those lines, the dollar has appreciated 19.9 percent since the end of June, and it will continue to remain strong moving forward, presenting a major hurdle for businesses as they seek to increase worldwide demand for their products.

On a more positive note, several markets have notched some improvements of late. For instance, manufacturing activity in the Eurozone rose to its highest level in 12 months, boosted by healthy gains in new orders and exports. We also expect a modest increase in industrial production data, which are due out on June 12. Already, there have been better data for retail sales and the unemployment rate in the most recent reports, and the annual inflation rate has ticked higher, helping to ease some of the deflationary concerns seen in recent months. To be fair, of course, growth in Europe remains less-than-ideal, with real GDP up 0.4 percent in the first quarter and the unemployment rate at the still-elevated level of 11.1 percent. Greek worries also continue to persist, as they seek to ease their debt burdens.

Canada, our largest trading partner, has also shown signs of a possible rebound. While Canadian manufacturing activity remained negative, it pulled to almost neutral in May, and output increased for the first time since January. Lower crude oil prices have been the impetus for much of the recent softness in Canada, particularly in Alberta and British Columbia. Outside of those regions, manufacturing activity continues to grow modestly, especially in Ontario. While real GDP declined 0.6 percent in the first quarter, manufacturing output rose slightly in March, and the sector added 21,500 employees in its latest report. In addition, Canada is expected to expand by 2.1 percent in 2015, suggesting stronger growth in the months ahead.

House action on Trade Promotion Authority (TPA), trade facilitation and enforcement and trade preference measures is being planned for the end of the week, while concrete movement on a long-term Export-Import (Ex-Im) Bank reauthorization is still sought. The Trans-Pacific Partnership (TPP) negotiations move forward but await final action on TPA, while the Transatlantic Trade and Investment Partnership (TTIP) negotiations await action by the European Union before the next negotiating round in July. The NAM continues its efforts to push for export control and other key issues.

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Global Economic and Trade Trends

The global economy continues to be weak but made modest progress in May.

The J.P. Morgan Global Manufacturing PMI edged higher, up from 51.0 in April to 51.2 in May, rebounding slightly from its lowest level since August 2013. New orders (up from 51.0 to 51.4), output (up from 51.7 to 51.9) and employment (up from 50.7 to 51.0) each improved a little for the month, even as the pace of growth remained relatively soft. Indeed, exports (down from 50.0 to 49.8) shifted into negative territory for the first time in nearly two years, since June 2013.

The country-by-country analysis reflected similar trends. Manufacturing activity in 5 of the top 10 markets for U.S.-manufactured goods contracted in May, down from 6 in April. Japan (up from 49.9 to 50.9) accounted for the difference between the two months, with demand and production expanding slightly in May after just barely contracting in April. At the same time, activity in both Canada (up from 49.0 to 49.8) and China (up from 48.9 to 49.2) made a little progress despite continuing to contract for the month. In fact, Canadian output rose to its highest level since January. In contrast, manufacturers reported worsening conditions in Brazil (down from 46.0 to 45.9), Hong Kong (down from 48.6 to 47.6) and South Korea (down from 48.8 to 47.8).

Meanwhile, the other four expanding markets were mixed in May. The Netherlands (up from 54.0 to 55.5) continued to be the bright spot in the top 10, experiencing decent growth overall, and the United Kingdom (up from 51.8 to 52.0) also improved marginally. Yet, the rate of expansion slowed a bit for both Germany (down from 52.1 to 51.1) and Mexico (down from 53.8 to 53.3).

The U.S. dollar remains strong.

According to the Federal Reserve Board, the trade-weighted U.S. dollar index against major currencies has risen from 75.6968 on July 1, 2014, to 90.8107 on June 5, 2015, a 19.9 percent increase. This index reflects currency units per U.S. dollar, suggesting that the U.S. dollar can now purchase more than it could before, and vice versa. Nonetheless, it is lower than 93.3723 reading observed on March 13, which represented a gain of more than 23 percent. As such, the dollar has weakened slightly from its recent peak.

To illustrate this change, the dollar has strengthened significantly against the euro. It peaked on May 6, 2014, at $1.3924 for each euro. On June 10, 2015, it closed at $1.1284, an 18.9 percent appreciation in the dollar. Overall, these developments could hurt the ability of manufacturers in the United States to grow exports.

There are signs of a possible rebound in Canada after recent softness.

The RBC Canadian Manufacturing PMI, up from 49.0 to 49.8, pulled to near neutral in May, with output (up from 49.5 to 51.1) positive for the first time since January. The pace of decline for new orders (up from 47.5 to 49.2) decelerated for the month, and exports (up from 49.1 to 50.1) turned ever-so-slightly expansionary. Nonetheless, the overall index remained in contraction territory for the fourth consecutive month, with Canadian manufacturers reporting weaker conditions due to energy markets. Much of this softness stems from Alberta and British Columbia (up from 42.0 to 43.2), where lower crude oil prices have negatively impacted sentiment. Outside of those regions, manufacturing activity grew modestly in May, particularly in Ontario (up from 54.0 to 55.5).

Real GDP declined 0.6 percent at the annual rate in the first quarter of 2015, down from a 2.2 percent gain in the fourth quarter of 2014. On a more positive note, manufacturing output rebounded slightly in March, up 0.1 percent after declining in both January and February. Retail sales were also higher, up 0.7 percent in March and extending the 1.5 percent gain seen in February. Meanwhile, the unemployment rate held steady at 6.8 percent for the fourth straight month in May. Manufacturers added 21,500 net new workers for the month, with 17,300 additional employees year-over-year. Canada—our largest trading partner—is expected to grow 2.1 percent in 2015, which would suggest stronger growth in the months ahead, despite its decline from the 2.5 percent growth rate experienced in 2014.

Mexico's manufacturing sector grew more slowly in May.

The HSBC Mexico Manufacturing PMI declined from 53.8 to 53.3, its slowest pace of expansion since October. Growth in new orders (down from 56.5 to 55.2), output (down from 55.9 to 53.8) and exports (down from 53.3 to 53.0) decelerated somewhat for the month; yet, each continued to grow at modest paces overall. Another positive was hiring (up from 51.1 to 52.5), which picked up a little. In terms of economic indicators, real GDP increased 2.5 percent year-over-year in the first quarter, edging down from 2.6 percent growth in the fourth quarter. Likewise, industrial production decelerated from 1.8 percent at the annual rate in March to 1.1 percent in April, according to data released this morning.

Europe's economy has made incremental progress.

The Markit Eurozone Manufacturing PMI rose from 52.0 to 52.2, returning to its March level, its highest since May 2014. New orders (up from 51.8 to 52.7) increased to its fastest pace in 13 months, lifted by stronger export sales (up from 52.3 to 53.2). Still, both output (down from 53.4 to 53.3) and employment (down from 51.9 to 51.6) eased slightly for the month, even as each continued to grow modestly. In fact, Eurozone manufacturing activity has now expanded for 22 straight months, albeit not as robustly as we might prefer.

Looking at specific European markets, Ireland (up from 55.8 to 57.1) remains a bright spot, with strong levels of demand, output and employment growth. Production grew at its fastest pace since August. Italy (up from 53.8 to 54.8), the Netherlands (up from 54.0 to 55.5) and Spain (up from 54.2 to 55.8) also hit milestones in their PMI values on healthy growth in orders, production and exports. Growth was somewhat more mixed in Austria (up from 50.1 to 50.3), Germany (down from 52.1 to 51.1) and the United Kingdom (up from 51.8 to 52.0), even as each country's manufacturing sector remained expansionary overall. In contrast, both France (up from 48.0 to 49.4) and Greece (up from 46.5 to 48.0) continue to contract, but at a slower pace of decline for the month. With that said, worries persist about Greece's ability to pay its debt obligations, as the country seeks a deal to ease its burdens.

Real GDP rose 0.4 percent in the first quarter, an improvement from the 0.3 percent growth rate in the fourth quarter. On a year-over-year basis, the Eurozone grew 1.0 percent. Other data showed signs of progress as well. For instance, retail sales rebounded, up 0.7 percent in April versus being down 0.6 percent in March, and the unemployment rate fell to 11.1 percent, its lowest level in three years. Moreover, one of the larger worries in Europe of late has been concerns about deflation. The good news here is that the annual inflation rate has ticked up to 0.3 percent, increasing from declines in December through March. This suggests that improvements in the Eurozone economy have translated into the ability to raise prices, which should be encouraging to the European Central Bank and its efforts to prop up the economy. Note that we will get new industrial production numbers on June 12, which is expected to show a modest gain in output for April (consensus expectation: up 0.2 percent).

China's economy continues to decelerate.

The HSBC China Manufacturing PMI (up from 48.9 to 49.2) has now contracted in five of the past six months, but the rate of decline eased a bit in May. With that said, output (down from 50.0 to 49.3) contracted for the first time since December, and export growth (down from 50.3 to 46.7) also returned into negative territory after rebounding a little in April. On the other hand, new orders (up from 48.7 to 49.1) and employment (up from 47.8 to 48.7) contracted at a slower pace in May, which helped to lift the headline index. In contrast, the official manufacturing PMI numbers from the National Bureau of Statistics of China show an ever-so-slight expansion in the sector for the third straight month, up from 50.1 to 50.2. These figures suggest a modest growth in production, with medium-sized and large manufacturers faring better than their smaller counterparts.

Overall, China's economic data reflect slower—but still sizable—growth. Real GDP rose 7.0 percent year-over-year in the first quarter, down from 7.3 percent growth in the fourth quarter. This was consistent with the new target for 2015. Several indicators moved slightly higher in May. For instance, industrial production edged up from 5.9 percent year-over-year growth in April to 6.1 percent in May. Yet, the increase largely stemmed from housing-related sectors, with automobile, electricity production and steel output continuing to slow. Fixed asset investments in the manufacturing sector changed little for the month, up 10.0 percent year-over-year. This was down from a more robust 13.5 percent year-over-year pace in December. This was similar to the findings on retail sales, with the 10.1 percent year-over-year rate of growth in spending in May down from 11.9 percent in December.

Manufacturing growth in the emerging markets contracted once more.

The HSBC Emerging Markets Index decreased from 51.3 to 50.7, its lowest level in 12 months. More importantly, the manufacturing component of this index remained in contraction territory despite rising from 49.6 to 49.7. Last month marks the second time since April 2014 that manufacturing activity had declined in the emerging markets, and the May data were mixed. The rate of decline eased for new orders (up from 49.6 to 49.8) and employment (up from 49.0 to 49.3), but output (down from 50.4 to 49.8) and exports (down from 49.9 to 48.4) worsened. Output declined for the first time in 13 months. On a more positive note, the future output index (down from 63.2 to 63.0) for the sector remained strong, even with a small deceleration for the month. Still, this forward-looking measure dipped for the third straight month, from 65.0 in February.

A number of countries had contracting levels of manufacturing activity in May, many of which have been declining for several straight months. These included Brazil (down from 46.0 to 45.9), China (up from 48.9 to 49.2), Hong Kong (down from 48.6 to 47.6), Indonesia (up from 46.7 to 47.1), Russia (down from 48.9 to 47.6), South Korea (down from 48.8 to 47.8) and Taiwan (up from 49.2 to 49.3). Turkey (up from 48.5 to 50.2) shifted barely into positive territory for the month, ending four consecutive months of contraction. Poland (down from 54.0 to 52.4) and South Africa (down from 51.5 to 50.1) grew more slowly in May, with Poland experiencing its fourth straight easing in its PMI and South Africa's output contracting for the first time since January. Meanwhile, strong growth in new orders and output helped place the Czech Republic (up from 54.7 to 55.5), India (up from 51.3 to 52.6) and Vietnam (up from 53.5 to 54.8) among the bright spots in the emerging markets for manufacturers in May.

The U.S. trade deficit narrowed in April after peaking in March.

The trade deficit declined from $50.57 billion in March to $40.88 billion in April. March's deficit had been the highest in more than three years, and it was likely influenced by the West Coast ports slowdown, which combined with a stronger U.S. dollar and weaknesses in markets abroad impeded manufacturing. Therefore, it was encouraging to see the trade deficit return to a level more consistent with its recent trend in April. More specifically, the sharp decline in the trade deficit resulted from a significant drop in goods imports (down from $197.08 billion to $189.65 billion) and an increase in goods exports (up from $127.10 billion to $129.00 billion).

With that said, goods exports have averaged just $127.93 billion through the first four months of 2015, well below the $136.05 billion average observed for all of 2015. A large part of that difference has stemmed from lower petroleum costs and the trend toward reduced imports. Indeed, petroleum exports have fallen from an average of $12.03 billion in 2014 to $8.36 billion so far this year, with petroleum imports down from $27.83 billion to $16.52 billion. Looking just at the past month, the petroleum trade deficit decreased from $7.51 billion to $6.80 billion. This would indicate that the bulk of the decline in April's trade deficit came from non-petroleum sources.

Along those lines, non-automotive capital goods (up $2.07 billion), industrial supplies and materials (up $635 million) and automotive vehicles and parts (up $161 million) helped to lead goods exports higher for the month, with particular strength for civilian aircraft, telecommunications equipment, crude and fuel oil, and industrial machines. However, declining exports for foods, feeds and beverages (down $188 million) and consumer goods (down $79 million) somewhat counteracted these gains.

The larger shifts occurred in the goods imports entries, as noted above, with declines across the board in the major categories. This includes reduced goods imports for consumer goods (down $4.86 billion), non-automotive capital goods (down $635 million), industrial supplies and materials (down $613 million), automotive vehicles and parts (down $372 million) and foods, feeds and beverages (down $70 million).

Manufactured goods exports have declined so far this year.
Despite the better figures in April, it is clear that global headwinds continue to challenge international demand growth so far this year. Manufactured goods exports totaled $370.50 billion year-to-date using non-seasonally adjusted data, which is down 3.95 percent from the $385.74 billion level in the same time period last year.

International Trade Policy Trends

The House prepares to vote on TPA legislation on June 12.
Following Senate passage of the Bipartisan Congressional Trade Priorities and Accountability Act (H.R. 1314) on May 22 by a vote of 62-37, the House is preparing to take up the TPA legislation on June 12. Originally introduced by House Ways and Means Committee Chairman Paul Ryan (R-WI), Senate Finance Committee Chairman Orrin Hatch (R-UT) and Senate Finance Committee Ranking Member Ron Wyden (D-OR), this legislation updates and renews the longstanding executive-congressional partnership to promote the negotiation of market-opening trade agreements. This legislation sets forth trade negotiating objectives consistent with the priorities that the NAM identified in 2013 and puts in place new procedures to ensure that the negotiators are held accountable and share information on the negotiations with Congress and private-sector stakeholders. Ultimately, TPA enables the United States to secure the best possible deal in its trade negotiations by ensuring an up-or-down vote on a final trade agreement. The Senate adopted a few amendments to the original legislation and combined it with Trade Adjustment Assistance (TAA) legislation. The House Committee on Rules met on Wednesday, June 10, to move forward the TPA legislation in preparation for a House floor vote on Friday. The House will consider a rule today to bring up H.R. 1314 as passed by the Senate and provide for separate votes on the TPA legislation and the TAA provisions. As explained below, the House is making changes to the revenue provisions of the TAA bill as part of the separate trade preferences package that will be approved today. As a result of NAM efforts, including the *NAM Manufacturing Summit* last week, where hundreds of NAM members pushed for support of TPA directly with their members of Congress, blog posts from NAM members from Louisiana to California we have seen increasing TPA support from both Republican and Democratic House members. Now is the time for the most intensive push on TPA. We have uploaded new tools and information at www.nam.org/tpa, including a call to action, small business stories and polling data, in addition to our state manufacturing and trade data and our TPA report addressing many of the key issues that NAM members are asking for on

trade agreements and manufacturing. Contact Linda Dempsey or Ken Monahan for additional information.

Trade facilitation and enforcement legislation also move to a House vote this week.

Last month, the Senate passed the Trade Facilitation and Trade Enforcement Act of 2015 (H.R. 644) on May 14. The House Ways and Means Committee had approved a similar bill (H.R. 1907) in April. The two pieces of legislation differed somewhat upon introduction, including:

- Provisions on trade-remedy enforcement, with the Senate bill, including the Enforcing Orders and Reducing Customs Evasion (ENFORCE) Act, which the NAM supports. The House bill included new provisions that would create a Commerce Department enforcement mechanism that had not been fully reviewed.
- Changes to trade-remedy standards, in the Senate bill only
- Provisions to improve intellectual property protection in foreign countries, in the Senate bill only.

The Senate Finance Committee made additional changes during its markup session, with the adoption of several amendments, including the new Miscellaneous Tariff Bill (MTB) review process discussed below, an amendment by Sen. Chuck Schumer (D-NY) to include currency as part of trade-remedy determinations, an amendment by Sens. Tom Carper (D-DE) and Michael Bennet (D-CO) to enhance the Treasury Department's ability to deal with currency issues and several other trade-remedy, enforcement and forced labor provisions. The NAM issued this letter expressing support for several provisions of this legislation, which passed the Senate by a vote of 78 to 20 on May 14. Last night, the House Committee on Rules considered a substitute amendment to H.R. 644 offered by Chairman Ryan, which is summarized here. This amendment includes the baseline customs modernization and import intellectual property provisions, the trade-remedy changes from the Senate bill and some provisions related to TPA on immigration, trafficking and climate change, but does not include the ENFORCE, intellectual property or MTB provisions as discussed further below. The House will vote today on the rule that will provide for House consideration of H.R. 644 with the substitute amendment on June 12. Following the expected House passage of this legislation, the House and Senate will conference this legislation. The NAM will be continuing to press strongly its priorities with the conference.

Prospects for new MTB process uncertain amid House objections.

In an effort to break the logjam on the MTB, the NAM had worked in support of a new process, the American Manufacturing Competitiveness Act of 2015, that was introduced by Sens. Rob Portman (R-OH), Claire McCaskill (D-MO), Pat Toomey (R-PA) and Richard Burr (R-NC). The Senate Finance Committee unanimously included it as an amendment during its markup of the Trade Facilitation legislation discussed above, and it is part of the Senate-passed bill. As noted above, the House Rules Committee did not include the MTB provisions in the trade facilitation bill it is sending to the House floor, which means that these provisions will be subject to discussion in the House–Senate conference on this legislation.

House to consider extension of trade preference legislation.

Following Senate approval of the Trade Preferences Extension Act of 2015 (H.R. 1295) on May 14 by a vote of 97 to 1, the House is preparing to take up this legislation alongside TPA. The NAM expressed its support of the renewal of the Generalized System of Preferences, the African Growth and Opportunity Act, and Haiti preferences that were included in this legislation. The Senate-passed version added several provisions in the chairman's mark (related to athletic footwear, outerwear and travel goods) that differ from a version approved by the House Ways and Means Committee in April. In addition, the committee added two amendments to the Senate bill regarding an out-of-cycle review of South Africa and to promote the role of women in development. The NAM joined this industry letter expressing strong support for the legislation approved by the Senate. Following action by the House Rules Committee last night, the House agreed by unanimous consent to consider under suspension of the rules today the Senate-passed version of H.R.

1295 with only a single House amendment to modify the TAA revenue provisions of H.R. 1314 as noted above. After House passage, it is expected that the Senate will take up the House-passed version of H.R. 1295 quickly and then send to the President for enactment.

With deadline approaching, manufacturers continue pressing Congress for votes and movement on the Export-Import (Ex-Im) Bank reauthorization.
As the June 30 expiration of Ex-Im Bank's charter approaches, Congress continued its debate with hearings in the both the House and Senate. In testimony on June 2 before the U.S. Senate Committee on Banking, Housing and Urban Affairs, NAM Vice President of International Economic Affairs Linda Dempsey *refuted* claims that the Ex-Im Bank is not important to small businesses. On June 3, the NAM partnered with the U.S. Chamber of Commerce to bring together more than 1,000 companies and associations representing businesses and manufacturers in all 50 states to call on lawmakers to act quickly on a long-term reauthorization of the Ex-Im Bank. NAM President and CEO Jay Timmons also led a press *conference* that day on Capitol Hill with NAM bank users and members of Congress. Click Bond, Inc., Special Products & Manufacturing, Inc., and Vermeer Corporation joined with Reps. Bill Long (R-MO), Tom Reed (R-NY), David Reichert (R-WA), Pat Meehan (R-PA) and Chris Collins (R-NY) in support of the bank. The House Financial Services Committee heard from two panels on June 3, and Ex-Im Bank Chairman testified before the Senate Banking Committee on June 4. On June 10, the Senate took a procedural vote on the Ex-Im reauthorization legislation proposed by Senators Mark Kirk (R-IL) and Heidi Heitkamp (D-ND) as an amendment on the National Defense Authorization Act (H.R. 1735); the motion to table the Ex-Im amendment was defeated by a vote of 65 to 31 after which the amendment was withdrawn. The NAM emphasized the strong bipartisan support for Ex-Im demonstrated by that vote, and are continuing to seek concrete action. Manufacturers will continue to highlight the consequences of inaction by Congress on this issue. You can find news and follow the conversation on Twitter with @ShopfloorNAM and @Exporters4ExIm, and you can always find updates at nam.org/exim.

Retaliation looms over “Country-of-Origin” Labeling (COOL) dispute.
The World Trade Organization (WTO) Appellate Body issued its final decision May 18 in the COOL dispute against the United States. Canada and Mexico are seeking authorization to retaliate against the United States, which will be raised at the June 17 meeting of the WTO Dispute Settlement Body. Manufacturers in the United States now face an increased risk of retaliation from our largest trade partners, Canada and Mexico, and joined with House leaders to call for the immediate resolution of this issue by eliminating the WTO-inconsistent COOL provisions on muscle cuts of meat as soon as possible. The House voted June 10 to repeal the WTO-inconsistent COOL provisions (H.R. 2393) by a vote of 300 to 131. The NAM is pressing for Senate action quickly on this legislation, although some senators continue to seek changes to COOL regulations that would fall short of outright repeal. The NAM continues to work closely with its COOL Reform Coalition co-chairs—the Corn Refiners Association and the U.S. Chamber of Commerce—to engage Congress to build support for a legislative solution that would avoid retaliation by Canada and Mexico.

Trans-Pacific Partnership (TPP) negotiations near conclusion.
Chief TPP negotiators met May 15–25 in Guam in an effort to resolve outstanding issues, with a number of NAM priorities remaining in play, including goods market access, protections for intellectual property and investment, new provisions on cross-border data flows and the overall enforceability of the agreement for all products and sectors. Trade ministers are expected to meet following Congressional passage of TPA legislation, although the exact timing of such a meeting—and the outstanding issues to be resolved—have yet to be announced.

Transatlantic Trade and Investment Partnership (TTIP) talks move toward the 10th round.
The 10th round of TTIP negotiations is expected to take place in July in Europe, where U.S. and EU negotiators will seek to move forward on a range of issues, including goods and services market access,

regulatory coherence, intellectual property, and customs measures. The EU Parliament had been expected to vote this week on the path forward regarding TTIP and investor-state dispute settlement (ISDS) following the EU Commission's release last month of a new Concept Paper on ISDS on which the NAM has provided comments. That vote has been postponed due to differences within some of the leading EU parties about elements of the TTIP, including ISDS. Next steps remain unclear, with some now predicting that the vote will not take place until September. Note that the EU has also developed a proposal on regulatory cooperation that is also under discussion.

WTO environmental goods negotiations full steam ahead.

The sixth round of talks to create an Environmental Goods Agreement took place May 4–8 in Geneva, Switzerland, where negotiators went through each of the approximately 650 products nominated by the United States and other countries participating in the talks and began to determine where convergence may exist in terms of export priorities and countries' import sensitivities. The seventh round will be held in June 15–19 in Geneva. As co-chair of the Coalition for Green Trade, the NAM is continuing to push for ambition in these talks, as highlighted in a recent blog post.

World leaders reaffirm commitment to Russian sanctions.

At the annual Group of Seven (G-7) summit, the leaders of seven of the world's most powerful countries affirmed that current sanctions will remain in place until Russia helps to fully implement a peace plan agreed to in February in Minsk, Belarus. The announcement points to a likely extension of key European Union sanctions later, reportedly a top priority for President Barack Obama. In its communiqué, the G-7 leaders noted they were ready to take further restrictive measures to increase the cost on Russia if necessary. Russia was suspended from what used to be the Group of Eight last year because of its occupation and annexation of Ukraine's Crimea region and its support for separatists in eastern Ukraine.

Exports in Action

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. **Applications are due June 15, 2015**. For more information, click here.

Discover Global Markets: Pacific Rim Consumers

October 29–30
Location: Orange County, CA
The U.S. Commercial Service and the District Export Council of Southern California will host a two-day conference on consumer markets throughout Asia and the Pacific region. The program will provide in-depth market intelligence on specific countries, regions and industries; guidance on marketing, distribution and intellectual property protections; and opportunities to network with senior business leaders. For more information, click here.

Green Technology Suppliers Meetings (GTSM)

November 17–19
Location: Seattle, WA

The U.S. Commercial Service and GTSM will host a unique opportunity for U.S. green technology manufacturers to meet with foreign governments and other customers through pre-arranged business-to-business meetings. Over the course of the three-day conference, participants will hear presentations on top issues facing the industry, attend workshops on new market developments and innovations, and meet with pre-selected customers and suppliers. The event will draw entities from all portions of the supply chain, including Departments of Energy, international utilities, research centers and equipment suppliers. 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.