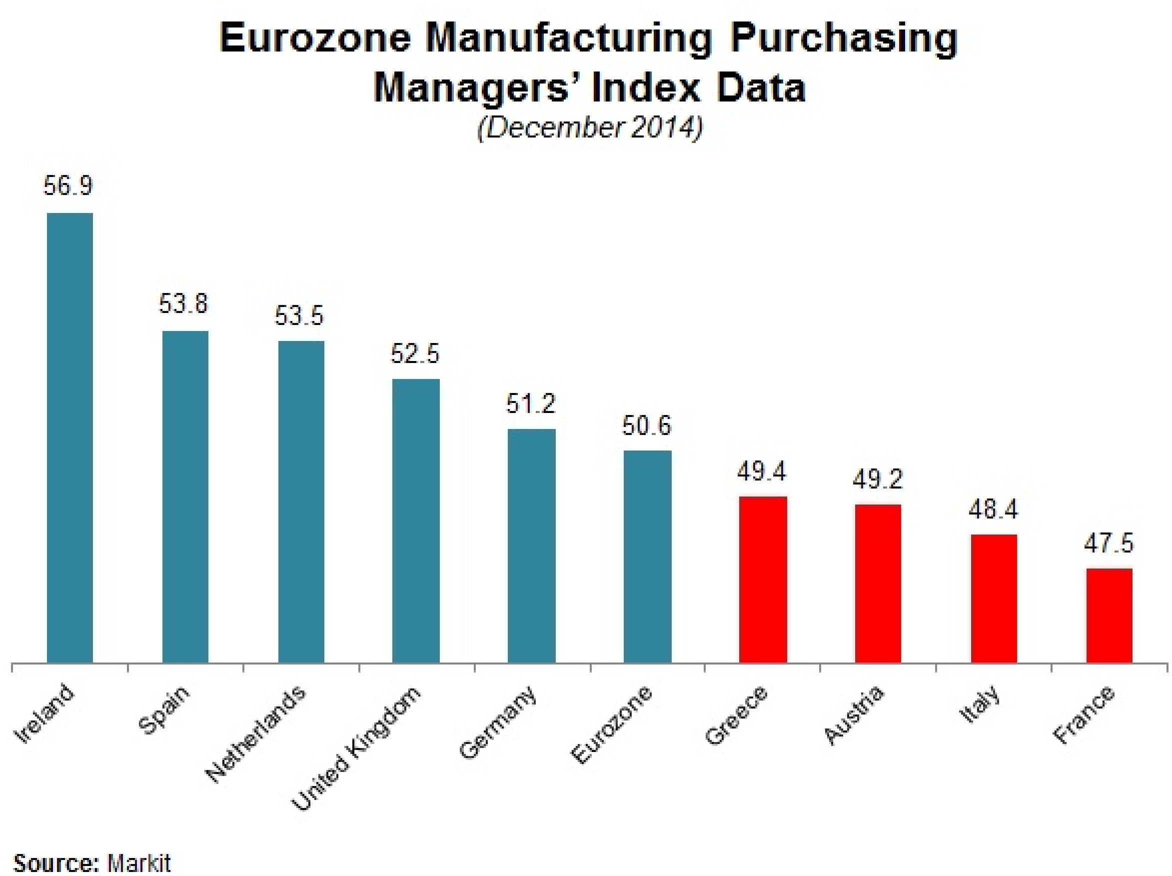
A Publication of the National Association of Manufacturers

GLOBAL MANUFACTURING ECONOMIC UPDATE

January 9, 2015



The minutes of the Federal Open Market Committee's December 16–17 meeting continue to reflect increased optimism about the U.S. economy, with relative strength in both output and labor markets. Federal Reserve participants expect U.S. real GDP growth of 2.6 to 3.0 percent in 2015, with the unemployment rate falling to 5.2 to 5.3 percent and core inflation remaining below its stated goal of 2.0 percent. At the same time, they expressed worries that global economic challenges might dampen growth here. Specifically, the minutes say the following on this topic:

> *Many participants regarded the international situation as an important source of downside risks to domestic real activity and employment, particularly if declines in oil prices and the*

persistence of weak economic growth abroad had a substantial negative effect on global financial markets or if foreign policy responses were insufficient.

Indeed, the United States—and for that matter, North America—remains one of the brighter spots in the world right now. While production slowed in both Canada and the United States, these figures also point to continued modest expansion in manufacturing new orders and output, with employment data also encouraging. Meanwhile, Mexico's economy shows signs of improvement, with its manufacturing purchasing managers' index (PMI) at its highest point since December 2012.

The relative health of the U.S. economy, in particular, has strengthened the U.S. dollar to multiyear highs. For instance, the euro exchange rate had shifted from 1.3924 euros to the dollar in May 2014 to 1.1792 euros to the U.S. dollar on January 8, a level last seen in late 2005. This development could hurt the ability of the sector to grow exports. At the same time, the dramatic decline in petroleum prices over the past few months has also spooked financial markets, on fear that the weakened global demand for energy might be a harbinger of larger economic challenges worldwide. Since peaking at $107.95 per barrel on June 20, the price of West Texas Intermediate crude has fallen dramatically, down to $48.79 on January 8.

Looking at specific countries, there was some progress to note. Eight of the top 10 markets for U.S.-manufactured goods cited expansion in December, up from five in November. Brazil, Germany and Hong Kong shifted from a slight contraction in November to positive growth in December, albeit with Brazil and Hong Kong not far from being stagnant. Two Asian nations, China and South Korea, experienced reduced manufacturing activity. In the emerging markets, India and Vietnam also had better manufacturing activity data in December, with India's PMI data at their fastest paces since December 2012. Yet, a number of countries in that group are struggling economically. For example, Russia's manufacturing sector declined for the first time since June, hurt by lower energy prices and economic sanctions.

Of course, the biggest economic headlines of late have come out of Europe. On the positive side, the Markit Eurozone Manufacturing PMI edged higher, up from 50.1 to 50.6, lifted by stronger data coming out of Germany, its largest market. European manufacturers have now expanded for 17 straight months. Yet, recent real GDP and industrial production data reflect only marginal economic growth, and perhaps more troublesome, the annual inflation rate declined by 0.2 percentage points in December. The European Central Bank had already expressed worry about deflationary pressures, and as such, this finding will only further exacerbate those concerns. Beyond these reports, the other fear will be the outcome of the January 25 election in Greece, especially if it leads to that nation exiting the European Union.

On the policy front, there will be strong pushes to move forward Trade Promotion Authority legislation as well as Asia-Pacific and European trade agreements in 2015, while the World Trade Organization will seek to celebrate its 20th anniversary with substantial movement on the completed Trade Facilitation Agreement and on broad and sector-specific negotiations. The Administration announced a major change in U.S.–Cuba policy, while legislation applying additional sanctions on Russia entered into force.

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Global Economic and Trade Trends

The global economic environment remains a challenge, with mixed news for manufacturers in December.

The J.P. Morgan Global Manufacturing PMI edged lower again, down from 51.8 in November to 51.6 in December. This slower pace of growth continues a slight month-by-month deceleration seen since August and indicates a softer-than-desired economic expansion worldwide despite some modest progress in some regions. Overall, the data were mixed for December. New orders (down from 52.3 to 52.1) and output (down from 52.3 to 52.2) both dipped marginally, whereas growth exports (up from 50.3 to 51.0) picked up a bit. The employment index remained unchanged at 51.2

Looking at the top 10 markets for U.S.-manufactured goods, eight of the countries cited expanding levels of activity in December, up from five in November. Brazil (up from 48.7 to 50.2), Germany (up from 49.5 to 51.2) and Hong Kong (up from 48.8 to 50.3) shifted from a slight contraction in November to positive growth in December, albeit with Brazil and Hong Kong not far from being stagnant. Two Asian nations, China (down from 50.0 to 49.6) and South Korea (up from 49.0 to 49.9), experienced reduced manufacturing activity. It is perhaps notable that South Korea only barely escaped being neutral, as it has stabilized a bit. Still, it has contracted in seven of the past eight months.

North America remains one of the brighter spots in the world. Yet, production slowed somewhat in both Canada (down from 55.3 to 53.9) and the United States (down from 54.8 to 53.9), according to Markit surveys. A similar PMI report from the Institute for Supply Management also noted some easing for the month. Nonetheless, these figures also point to continued modest expansion in new orders and output, with hiring data another positive. Meanwhile, Mexico's economy shows signs of improvement, with its manufacturing PMI figure (up from 54.3 to 55.3) reaching its highest point since December 2012.

The U.S. dollar continues to strengthen as petroleum prices plummet.

The relative health of the U.S. economy when compared to many of its main trading partners has helped to strengthen the U.S. dollar over the past few months. The Federal Reserve Board has ceased quantitative easing—purchasing long-term and mortgage-backed securities—and the current speculation is in regard to when the Federal Open Market Committee (FOMC) will begin normalizing short-term interest rates. Conventional wisdom holds that rates might start rising as soon as the second or third quarters of 2015. This is true despite the FOMC's assertion in its latest statement that it plans to be "patient" in normalizing rates. In contrast, other central banks around the world have begun to act to lift growth in their countries.

As a result, the U.S. dollar has appreciated 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 85.8219 on January 2, a level last reached in March 2009. As this index reflects currency units per U.S. dollar, it suggests 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 level in two years. It peaked in May 2014 at 1.3924 euros to the U.S. dollar. On January 8, that exchange rate dropped to 1.1792 euros to the U.S. dollar, a nine-year low. These developments could hurt the ability of manufacturers in the United States to grow exports.

Meanwhile, the price of petroleum continued to fall sharply. Since peaking at $107.95 per barrel on June 20, the price of West Texas Intermediate crude has fallen dramatically, down to $48.79 on January 8. There are a number of factors at play here, including increased North American energy production, excess supply worldwide, a stronger U.S. dollar and a slowing global economy. It is this latter point that has spooked financial markets, on fear that the weakened global demand for petroleum might be a harbinger of larger challenges. For consumers, the drop in energy costs has had one side effect: lower gasoline prices. The Energy Information Administration said that regular conventional gasoline sold for $2.14 per gallon the week of January 5, down significantly from the recent peak of $3.64 for the week of June 23, 2014.

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

The Markit Eurozone Manufacturing PMI edged higher, up from 50.1 to 50.6. New orders (up from 48.7 to 50.2) returned into positive territory, albeit barely, for the first time in four months. The pace of export sales (up from 50.7 to 51.6) and hiring (up from 50.2 to 50.6) somewhat offset an easing in output growth (down from 51.2 to 50.9). The good news is that manufacturing activity in the Eurozone has now expanded for 17 straight months.

With that said, the country-by-country data show varying degrees of economic health on the continent. The Eurozone manufacturing PMI figure closely mirrors that of its largest market: Germany (up from 49.5 to 51.2), which grew for just the second time in the past four months. The fastest growth in Europe can be found in Ireland (up from 56.2 to 56.9), with strong demand and production activity in December. Meanwhile, the Netherlands (down from 54.6 to 53.5), Spain (down from 54.7 to 53.8) and the United Kingdom (down from 53.3 to 52.5) continue to experience modest growth despite some easing in new orders and output for the month. In contrast, manufacturers in Austria (up from 47.4 to 49.2), France (down from 48.4 to 47.5), Greece (up from 49.1 to 49.4) and Italy (down from 49.0 to 48.4) all ended the year on a weak note. Italy's PMI number was the lowest since May 2013, and France contracted for the eighth straight month.

With voters headed to the polls in Greece on January 25, there are renewed fears of that nation potentially exiting the European Union. The left-leaning Syriza party is currently leading in opinion polls, and it has pledged to end the austerity programs that were conditions for Greece's recent bailouts. French and German leaders have been hesitant to renegotiate the terms of these bailouts, and there appears to be an increased willingness to simply let Greece go. This drama has added to economic uncertainties in the Eurozone, helping to strengthen the U.S. dollar relative to the euro and creating more volatility in financial markets.

Beyond these headlines, economic indicators reflect continued softness. Real GDP inched up a meager 0.2 percent in the third quarter in the Eurozone, with 0.8 percent growth year-over-year. Industrial production also inched up in October, up 0.1 percent for the month and just 0.7 percent year-over-year. Weaker economic growth has prompted deflationary worries for months. Therefore, it was troublesome that the annual inflation rate declined by 0.2 percentage points in December, down from an increase of 0.3 percent in November. Nonetheless, retail sales increased 0.6 percent in November, extending the similar gain in October, and economic sentiment edged slightly higher in December. The unemployment rate held steady at 11.5 percent for the fourth straight month.

Chinese manufacturing contracted for the first time since May.

The HSBC China Manufacturing PMI fell from 50.0, a neutral reading, in November to 49.6, a slight contraction, in December. This marks the first sub-50 index number since the headline PMI figure contracted in the first five months of 2014. Indeed, most of the major subcomponents contracted for the month, including new orders (down from 51.3 to 49.7), output (up from 49.6 to 49.9) and employment (up from 48.7 to 49.3). The one bright spot was exports (up from 51.1 to 51.5), which expanded modestly for the eighth consecutive month. Meanwhile, the official manufacturing PMI from the National Bureau of Statistics of China also reflected easing in growth, down from a high of 51.7 in July to 50.1 in December, essentially suggesting stagnant levels of expansion.

Growth in real GDP decelerated from 7.5 percent year-over-year in the second quarter to 7.3 percent in the third quarter. The trend is expected to continue into 2015, with the Chinese economy slowing to 7.0 percent. Likewise, Chinese industrial production decelerated for the second straight month, down from an annualized 8.0 percent in September to 7.7 percent in October to 7.2 percent in November. Similarly, fixed asset investments among manufacturers (down from 14.8 percent year-over-year in June to 13.5 percent in November) and retail sales (down from 12.5 percent year-over-year in May to 11.7 percent in November) have slowed in recent months. On the positive side, these rates of growth remain elevated—particularly by developed country standards—and the retail spending data in November were actually stronger than anticipated, up from 11.5 percent in October. Spending increased for motor vehicles, food, furniture and consumer goods.

Emerging markets have improved from earlier in the year, but growth remains weak.

The HSBC Emerging Markets Index increased from 51.2 to 51.7, with the manufacturing component edging slightly lower, down from 50.9 to 50.7. The underlying manufacturing data were mixed. The growth rate for new orders (down from 52.3 to 51.5) slowed a bit, whereas output growth (51.2) remained unchanged and exports (up from 51.0 to 51.4) gained momentum. Employment (up from 49.6 to 50.0) improved from a slight contraction to being unchanged from the month before. Moreover, manufacturers continue to remain mostly upbeat moving forward, despite the index for future output dropping from 61.7 to 61.5.

Brazil (up from 48.7 to 50.2), India (up from 53.3 to 54.5) and Vietnam (up from 52.1 to 52.7) had better manufacturing activity data in December, with India's PMI data at their fastest paces since December 2012. In addition, three countries saw an easing in activity despite still-modest expansions overall: Czech Republic (down from 55.6 to 53.3), Poland (down from 53.2 to 52.8) and Turkey (down from 52.2 to 51.4). At the same time, the news was less positive in other emerging markets. Manufacturing sectors in South Africa (down from 50.5 to 50.2) and Taiwan (down from 51.4 to 50.0) weakened toward stagnation in December, and China (down from 50.0 to 49.6), Indonesia (down from 48.0 to 47.6), Russia (down from 51.7 to 48.9) and South Korea (up from 49.0 to 49.9) all contracted for the month. Russia's manufacturing sector declined for the first time since June, hurt by lower energy prices and economic sanctions.

In light of challenges elsewhere, North America stands out as a bright spot.

The RBC Canadian Manufacturing PMI declined from 55.3 to 53.9. Growth in new orders (down from 56.2 to 53.9), output (down from 56.5 to 55.6), exports (down from 54.5 to 51.3) and employment (down from 54.3 to 52.9) all slowed somewhat in December. Still, the manufacturing sector in Canada continues to grow at decent rates, having now expanded every month since March 2013. Overall, Canada's manufacturing economy is expanding modestly. Real GDP grew by an annualized 2.8 percent in the third quarter, with manufacturing output up 0.7 percent in October. Retail sales were unchanged in October, but up 3.2 percent in real terms over the past 12 months. Nonetheless, the manufacturing sector in Canada lost 18,300 workers on net in December, with the unemployment rate unchanged at 6.6 percent.

Meanwhile, the HSBC Mexico Manufacturing PMI increased from 54.3 to 55.3, its highest level since December 2012. The various subcomponents of activity all rose across the board, with new orders (up from 56.9 to 57.9) and output (up from 56.4 to 58.1) both reflecting healthy expansion rates for the month. Real GDP has also made some progress, up from an annualized 1.6 percent in the second quarter to 2.2 percent in the third quarter. Despite better numbers overall, Mexican economic growth still has room for improvement. The year-over-year pace for industrial production, for instance, has declined from 2.9 percent in September to 2.5 percent in October to 1.8 percent in November.

The U.S. trade deficit narrowed in November, with crude oil imports falling to their lowest levels in 20 years.

The U.S. trade deficit fell to its lowest level of 2014, down from $42.25 billion in October to $39.00 billion in

November. The trade deficit's decline, however, stemmed from reduced trade in goods in November. The decrease in goods imports (down from $200.19 billion to $195.01 billion) simply outpaced the decline in goods exports (down from $138.58 billion to $136.73 billion). Meanwhile, the service-sector trade surplus narrowed marginally (down from $19.36 billion to $19.28 billion).

Petroleum trade flows helped to explain at least part of the decline in the November trade deficit. Petroleum exports increased from $7.17 billion to $8.27 billion, whereas petroleum imports dropped from $16.87 billion to $15.84 billion. The Census Bureau said that the 188.87 million barrels of crude oil imported in November hit the lowest level since February 1994, illustrating the changing dynamics that have come from the United States' renewed energy abundance. Sharply lower crude oil prices likely also played a role.

Outside of petroleum, goods exports were mostly lower, as noted above. Exports for nonautomotive capital goods (down $2.30 billion), automotive vehicles and parts (down $490 million) and consumer goods (down $453 million) were enough to offset increases for industrial supplies and materials (up $708 million) and foods, feeds and beverages (up $274 million). The foods, feeds and beverages category would have also been negative had it not been for increased soybean exports (up $664 million).

Goods imports fell across the board, including industrial supplies and materials (down $4.61 billion), consumer goods (down $1.60 billion), nonautomotive capital goods (down $796 million), automotive vehicles and parts (down $745 million) and foods, feeds and beverages (down $495 million). More than half of the decline in industrial supplies and materials stemmed from crude oil.

Manufactured goods exports to the top-five markets have been positive this year.
We have seen increases in this same data year to date for the top-five markets for U.S.-manufactured goods exports: Canada (up from $277.89 billion to $287.82 billion), Mexico (up from $207.99 billion to $221.44 billion), China (up from $108.73 billion to $111.79 billion), Japan (up from $59.95 billion to $61.19 billion) and Germany (up from $43.73 billion to $45.67 billion). Note that each data point is not seasonally adjusted.

Yet, overall, we continue to see sluggish growth of U.S.-manufactured goods exports. Using non-seasonally adjusted data, U.S.-manufactured goods exports have increased from $1,086.33 billion year to date in 2013 to $1,095.80 billion in 2014, or 0.9 percent.

International Trade Policy Trends

Congress and President in active discussions on Trade Promotion Authority.
With international trade emerging as one of the few areas where congressional leaders and the President agree, manufacturers are looking forward to near-term progress on Trade Promotion Authority (TPA) and other long-stalled trade measures. TPA would pave the way for congressional action on pending trade deals, and legislation could be a vehicle for other priorities, including the Generalized System of Preferences (GSP), the Miscellaneous Tariff Bill (MTB) and customs reauthorization. Senate Finance Committee Chairman Orrin Hatch (R-UT) has identified TPA as an early 2015 priority and is working on a bill that could be introduced as early as next month. Active engagement by President Obama, Vice President Biden and top Administration economic policy officials will be essential to propel TPA over the finish line. To support a strong Administration push for TPA legislation that reflects manufacturing priorities, the National Association of Manufacturers (NAM) is mobilizing to engage members of Congress, rally allied organizations, leverage media platforms to make the case and demonstrate the benefits of trade with success stories and other materials. 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. Congress recently gave the bank a short-term extension on its charter, which expires on June 30, 2015. Given the fast-approaching deadline, our efforts to secure a long-term reauthorization for the bank are even more crucial. As part of our advocacy efforts, the NAM is participating in the "Exporters for Ex-Im" Fly-In event February 24–25 in Washington, D.C. In the meantime, the NAM and the Exporters for Ex-Im Coalition will continue working to persuade Congress to provide a long-term reauthorization of the bank's charter as soon as possible. You can take action now by visiting www.nam.org/exim. For additional information, please contact Lauren Airey.

World Trade Organization director general seeks to revitalize the organization in its 20th anniversary year.

The World Trade Organization (WTO) entered into force 20 years ago on January 1, 1995. WTO Director General Roberto Azevêdo is seeking to bring the newly agreed Trade Facilitation Agreement (TFA) into force among the WTO's 161 members and to advance and potentially conclude work on elements of the long-stalled Doha Development Agenda (DDA), as well as other negotiations on information technology and environmental goods.

- TFA: Following the November 27 decision of the WTO General Council, WTO member countries are working to complete domestic ratification procedures; two-thirds of WTO members must ratify before the TFA will enter into force. 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.

- Information Technology: Efforts to expand the Information Technology Agreement (ITA) at the end of December 2015 stalled again as China, South Korea and Taiwan resisted each other's proposals on the list of new products on which tariffs would be eliminated. Manufacturers were disappointed by the failure to move to the next stage of negotiations and will continue working to support the finalization of the product list as soon as possible given the benefits for both producers of new high-tech equipment, and also for manufacturers that, as consumers, would benefit from lower costs and greater innovation.

- Environmental Goods: Following the third round of talks in December, WTO environmental goods negotiators will be holding the next round of talks January 25–30, with a focus on energy and energy efficiency. The fifth round will take place March 16–20 and focus on environmental monitoring and analysis and other environmental products. As co-chair of the Coalition for Green Trade, the NAM is continuing to push hard on an expansive list of products.

- DDA Work Program: More broadly, Director General Azevêdo will seek to move forward to create a "clearly defined work program" on the remaining elements of the DDA by July 1. Starting on January 21, Director General Azevêdo will convene information Trade Negotiation Committee meetings with the heads of delegations. Work will also continue on other issues. The WTO is planning to hold its 10th ministerial conference in Nairobi, Kenya, December 15–18.

United States and China hold Joint Commission on Commerce and Trade, and China makes sixth offer to join the WTO Agreement on Government Procurement.

The United States and China held their 25th Joint Commission on Commerce and Trade December 16–18 in Chicago. As summarized in the U.S.-China joint fact sheet, discussions covered a wide number of trade issues, from export controls, technology localization, biotechnology and government procurement to market access and intellectual property protection and competition policy. On December 22, China submitted its sixth offer to join the WTO Agreement on Government Procurement (GPA) that would open its procurement markets to participation on a nondiscriminatory basis to foreign suppliers. While the offer lowers the monetary threshold at which its commitments would apply to particular procurements and expands the number of provinces covered, China's offer is reported to provide significantly less coverage than existing WTO GPA members provide.

International Trade Commission highlights cost of India's trade barriers as President Obama prepares to head to Delhi.

The International Trade Commission's (ITC) report on the impact of India's industrial policies on the U.S. economy, released just before the holidays, underscores the significant potential of that market for manufacturers in the United States and the many challenges that remain. In advance of President Obama's visit to India on January 26 and over the coming months, the NAM will continue to work with the Administration and our partners in the Alliance for Fair Trade with India (AFTI) to promote market-opening reforms and stronger intellectual property protection and enforcement in India. Among other things, the NAM will provide comments on India's draft National IPR Policy, released on December 19, and contribute to a follow-on ITC investigation of India's trade and investment policies requested by the House Ways and Means and Senate Finance committees in September. For additional information, please contact Chris Moore.

Asia-Pacific trade talks continue in January 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 will resume talks on January 26 in the United States to discuss outstanding issues and move forward a plan for a ministerial meeting, expected to be held in late February through early March. Efforts to make progress in the discussions will also be part of high-level bilateral U.S. discussions with several countries, including during the just-concluded High-Level Economic Dialogue with Mexico and an expected visit to the United States by Japanese Prime Minister Shinzo Abe this spring.

European Commission to announce investment results ahead of February trade round.

After a four-month hiatus, U.S. and European negotiators will meet in Brussels in February for an eighth round of Transatlantic Trade and Investment Partnership (TTIP) talks. A weakening European economy has underscored the need for swift progress, and the European Council last month called on Europe and the United States to "make all efforts to conclude negotiations on an ambitious, comprehensive and mutually beneficial TTIP by the end of 2015." But the next round will come against the backdrop of continuing opposition on issues ranging from chlorinated chicken and Cornish pasties to investor-state dispute settlement (ISDS). The European Commission plans to release the results of its public consultation on investment protection and ISDS in the middle of this month, kicking off a process of consultations on "policy options" with the European Parliament and member states. The NAM's U.S.-EU Task Force is working to define top manufacturing priorities for the TTIP negotiations and to develop an advocacy plan to achieve them. For additional information, please contact Chris Moore.

Trade negotiations without the United States continue to move forward.

Several ongoing major multi-country trade negotiations exclude the United States, including the following:

- The Regional Comprehensive Economic Partnership talks with 16 nations, initiated by the Association of Southeast Asian Nations and Australia, China, India, Japan, New Zealand and South Korea. The talks began in 2013 with a target of completing the talks by the end of 2015. Six rounds have taken place, although talks appear to remain in the early stages. If successful, this agreement would bring together about 45 percent of the world's population (3.4 million) and economies with a combined GDP of $21.3 trillion.

- The Eurasian Economic Union (EEU), launched on January 1, seeks to develop a common market among countries in northern Eurasia, starting with Belarus, Kazakhstan and Russia. Armenia and Kyrgyzstan have signed treaties of accession. The EEU seeks to create a common market of more than 175 million people among economies with a combined GDP of $2.5 trillion.
- The Union of South American Nations seeks to join the Andean Community of Nations with MERCOSUR to join together 12 countries into a single customs union. While efforts to move this initiative forward by 2011 fell short, new proposals for integration were made in December. Together, these nations would bring together more than 405 million people and a combined GDP of $4.1 trillion.
- The African Free Trade Zone talks seek to create an FTA among the 26 nations that belong to the East African Community, the Common Market for Eastern and Central Africa and the Southern African Development Community. Negotiators are seeking to bring an agreement into force by the end of 2017 that would cover a combined population of 625 million people and economies with a combined GDP of $1.2 trillion.

President announces shift on Cuba policy.

On December 17, President Obama announced plans to normalize relations with Cuba. 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 in 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/from Cuba. In particular, the new policy will authorize expanded commercial sales/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 White House released this fact sheet in conjunction with the announcement.

Congress approved legislation on Russia sanctions.

Before the 113th Congress closed, it passed the Ukraine Freedom Support Act of 2014(H.R. 5859). The provisions overlap with three executive orders issued earlier in the year (13660 on March 6, 13661 on March 16 and 13662 on March 20). Those orders blocked access to property and restricted entry into the United States for specified individuals responsible for or complicit in undermining the democratic processes in Ukraine or who threatened the peace and security of Ukraine or misappropriated state assets of Ukraine. The President has a national security waiver for the required sanctions, but he will have to report to Congress when the waiver authority is exercised. House Speaker John Boehner (R-OH) encouraged the President to sign the bill, and he did so before Congress adjourned.

U.S. Customs and Border Protection considers changes to importing records.

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.

Exports in Action

Developing a Corporate Export Management and Compliance Program (EMCP)
Date: January 15
Webinar

The U.S. Commercial Service, in collaboration with the Connecticut District Export Council, is offering a unique webinar for U.S. businesses. Developing and implementing an export management and compliance program can be a challenge. While you may create a manual that touches all the correct points and subjects, implementing that manual on the ground may be more challenging than initially planned, especially if you are dealing with multiple sites, products and enterprise resource-planning (ERP) systems. To learn more, click here.

Joint Energy Business Development Mission to China
Date: April 12–17
Location: Beijing, Shanghai and Guangzhou

Commerce Secretary Penny Pritzker and Energy Secretary Ernest Moniz will lead senior executives from about two dozen U.S. companies on a trade mission to China to explore opportunities for clean energy exports. The mission will include government and business-to-business meetings, market briefings and networking events. The application deadline for this mission will be January 23. To learn more, 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 multi-sector 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. For more information, click here.

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Questions or comments?

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

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