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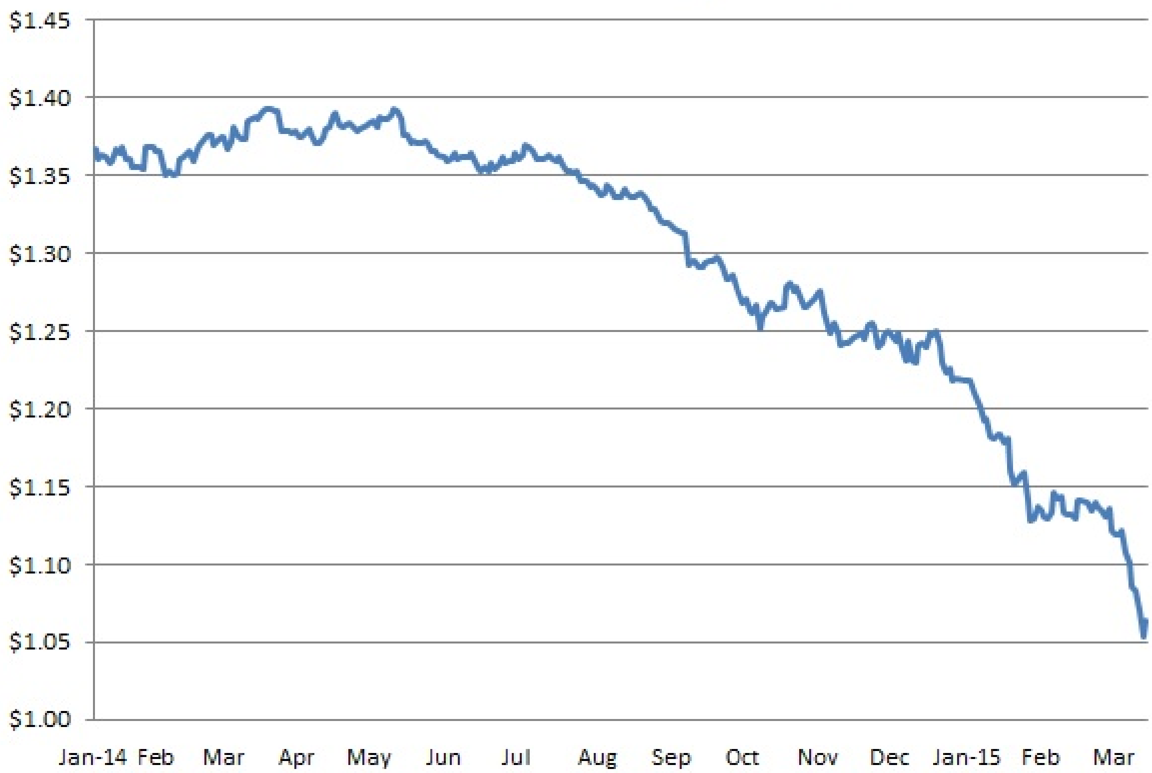
GLOBAL MANUFACTURING ECONOMIC UPDATE

March 13, 2015

U.S. Dollars to One Euro Exchange Rate, 2014–2015



Manufacturers are facing some significant headwinds from sluggish growth abroad and from a U.S. dollar that has strengthened sharply over the past few months. 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 91.5660 on March 6, a 21.0 percent increase. Along those lines, the euro has fallen to its lowest levels since January 2003. It peaked in 2014 on May 6 at $1.3924 for each euro. On March 12, it closed at $1.0640 to the euro, with some expectations that it will move to parity soon. It last reached parity in November 2002. Overall, these developments could hurt the ability of manufacturers in the United States to grow exports. (Some recent comments from me in the media on this topic can be found in the *Financial Times*, *The New York Times* and *The Washington Post*.)

Reduced crude oil prices have posed another challenge. Beyond the negative impacts seen throughout the energy sector and its supply chain in the United States, lower petroleum prices have also hampered growth in Canada, our largest trading partner. The Royal Bank of Canada (RBC) Canadian Manufacturing PMI dropped from 51.0 to 48.7, its first contraction since March 2013. Canada was one of two countries among our top 10 markets for U.S.-manufactured goods—the other being Brazil—that had negative sentiment in February. Each slipped below the threshold level of 50 in their PMI values for the month, with China and Hong Kong shifting into the growth column this time. In contrast to these nations, Mexico and the United Kingdom had the fastest paces of expansion in their manufacturing sectors among our top 10 trading markets last month.

Despite some challenges, the global economy continues to expand modestly. The J.P. Morgan Global Manufacturing PMI edged marginally higher, up from 51.7 in January to 52.0 in February. This marks the fastest pace in four months. This measure not only reflects improvements in the U.S. economy, but also some incremental progress in China, Europe and the emerging markets. Each had slightly better data on new orders and output. Yet, weaknesses persist. Eurozone real GDP grew 0.3 percent in the fourth quarter, or 1.3 percent on a year-over-year basis. In addition, industrial production in the Eurozone declined 0.1 percent in January. Many observers continue to worry about deflation, with the latest annual inflation data showing a decline of 0.3 percent in February exacerbating those concerns. Moreover, the unemployment rate remains elevated at 11.2 percent. It is for that reason that the European Central Bank will spend 1 trillion euros over the next 18 months to help stimulate the European economy as part of its quantitative easing program.

Meanwhile, manufacturing activity in China bounced back from two straight months of decline, but its economy continues to decelerate. After growing 7.3 percent year-over-year in the fourth quarter, China has reduced its target real GDP growth rate for 2015 to 7 percent. Along those lines, a number of recent indicators have reflected slower paces of growth. This included industrial production, fixed asset investments and retail sales. Investments from manufacturers have fallen from 13.5 percent year-over-year in December to 10.6 percent in January/February. It is worth noting that each of these growth rates is strong relative to other nations, but the challenge is that growth remains much less than what we have become accustomed to for China.

Action on trade legislation, particularly Trade Promotion Authority (TPA), is now expected in the April–May timeframe, as efforts to negotiate a bipartisan, bicameral TPA bill continue. New legislation reauthorizing the Export-Import (Ex-Im) Bank has been introduced in the House, while work on crafting a bipartisan Senate bill continues. Other manufacturing legislative priorities are also stacking up. Trans-Pacific Partnership (TPP) talks are ongoing in Hawaii this week, and the next round of the U.S.–EU talks move forward in mid-April. Efforts to negotiate sectoral tariff-cutting talks and broader multilateral talks are ongoing at the World Trade Organization (WTO). Product-specific export control reform also continues.

Chad Moutray
Chief Economist
National Association of Manufacturers

Global Economic and Trade Trends

The global economy continues to expand modestly, but significant challenges remain.
The J.P. Morgan Global Manufacturing PMI edged marginally higher, up from 51.7 in January to 52.0 in February. This marks the fastest pace in four months, but stays mostly in line with the 52.2 average observed since the end of 2013, suggesting very modest growth. The underlying data for February were

mixed. Output (up from 52.9 to 53.3) picked up slightly, but the pace of export sales growth (down from 51.0 to 50.9) ticked ever-so-slightly lower. At the same time, measures for employment (51.1) and new orders (52.3) remained unchanged.

To be fair, improvements in the United States, which accounts for about one-quarter of the Global PMI's weighting, could have skewed the overall results. The Markit U.S. Manufacturing PMI rose from 53.9 to 55.1, reaching a four-month high. New orders (up from 55.0 to 55.8) and output (up from 55.7 to 57.3) both grew at decent rates for the month, with some progress on the export front (up from 51.2 to 51.7). Hiring (down from 53.4 to 52.8) slowed slightly, but remained at a modest pace. With that said, the Markit data contrasted with softer data in the competing survey from the Institute for Supply Management (ISM). That measure weakened to its slowest pace since January 2014 on challenges created by the West Coast ports slowdown and reduced energy prices. ISM respondents also reported contracting levels of exports for the second straight month due to a stronger U.S. dollar and sluggish growth abroad.

Looking at the top 10 markets for U.S.-manufactured goods, eight countries had expanding levels of manufacturing activity in February, the same number observed in January. Yet, the two countries experiencing contractions this time differed: Brazil (down from 50.7 to 49.6) and Canada (down from 51.0 to 48.7). Canadian manufacturers have been hurt by lower energy prices, among other things. Meanwhile, both China (up from 49.7 to 50.7) and Hong Kong (up from 49.4 to 50.7) shifted from contraction to slight growth this month. Among the other nations, Mexico (down from 56.6 to 54.4) and the United Kingdom (up from 53.1 to 54.1) experienced the fastest pace of expansion in their manufacturing sectors in February. Mexico's PMI figure eased a bit for the month, however, after rising to a two-year high in January.

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 91.5660 on March 6, a 21.0 percent increase. This marks the U.S. dollar's strongest weighting since September 2003. 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 January 2003. It peaked in 2014 on May 6 at $1.3924 for each euro. On March 12, it closed at $1.0640 to the euro, with some expectations that it will move to parity soon. (It last reached parity in November 2002.) Overall, these developments could hurt the ability of manufacturers in the United States to grow exports.

Canadian manufacturers reported their first contraction since March 2013.

As noted above, lower crude oil prices have hampered growth in Canada, particularly in "energy-intensive regions" such as Alberta and British Columbia, according to Craig Wright, senior vice president and chief economist at Royal Bank of Canada (RBC). The RBC Canadian Manufacturing PMI dropped from 51.0 to 48.7. The underlying data were down across the board, including new orders (down from 51.0 to 48.1), output (down from 51.8 to 48.2) and exports (down from 50.1 to 47.2). The unemployment rate edged a bit higher, up from 6.6 percent in January to 6.8 percent in February, and there were 19,900 fewer workers in the manufacturing sector. Over the past 12 months, manufacturing employment has declined 38,100 in Canada.

In contrast to Canada, Mexican manufacturing sentiment remained decent despite some easing in February. The HSBC Mexico Manufacturing PMI decreased from 56.6 to 54.4. Still, the pace of growth for new orders (down from 59.5 to 57.5) and output (down from 59.1 to 55.8) maintained relatively healthy levels. Hiring (down from 53.6 to 52.7) also ticked lower, but continued to reflect modest gains. Exports (up from 50.3 to 51.3) bounced back from being roughly flat in January. Still, despite these better figures, Mexican economic growth still has room for improvement. This morning, we learned that Mexican industrial production declined 0.4 percent in January. On a year-over-year basis, manufacturing output was up just 1.2 percent.

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

The Markit Eurozone Manufacturing PMI held steady at 51.0 in February. Yet, many of the subcomponents picked up a little for the month, including new orders (up from 50.6 to 51.0), exports (up from 50.7 to 51.8) and employment (up from 50.6 to 50.7). Production continued to grow very modestly (unchanged at 52.1). Export sales reached their fastest pace in seven months, likely lifted by the weaker euro relative to the U.S. dollar and other currencies *(see above)*.

Economic health varies from country to country. Ireland (up from 55.1 to 57.5) and the United Kingdom (up from 53.1 to 54.1) are two of the strongest markets in the Eurozone, with steady growth in demand and production. This is particularly true in Ireland, with its PMI value reaching the highest level since December 1999. Germany (up from 50.9 to 51.1), Italy (up from 49.9 to 51.9), the Netherlands (down from 54.1 to 52.2) and Spain (down from 54.7 to 54.2) have experienced more modest growth, with the latter two easing somewhat in February. Still, despite the lower headline number in Spain, new orders hit its fastest pace in almost eight years, which was encouraging. In contrast to those nations, Austria (up from 48.5 to 48.7), France (down from 49.2 to 47.6) and Greece (up from 48.3 to 48.4) have each contracted now for at least six months, with activity deteriorating further in both France and Greece. Perhaps the four-month extension on repaying the Greek debt as part of its European bailout will help, even if only temporarily.

Real GDP grew 0.3 percent in the fourth quarter, up slightly from 0.2 percent growth in the third quarter. This marks the sixth consecutive month with positive economic growth; yet, it is clear that expansion has been soft at best. On a year-over-year basis, real GDP was 1.3 percent higher. Retail sales also accelerated a bit, rising 1.1 percent in January, mirroring an increase in economic sentiment. The unemployment rate fell to 11.2 percent in January, its lowest level since May 2012 (but still highly elevated). Of course, many observers continue to worry about deflation, and indeed, the latest data suggest that annual inflation declined 0.3 percent in February. Earlier today, we learned that industrial production decreased 0.1 percent in January, its first decline in five months.

Chinese manufacturers returned to positive growth for the first time in three months, but growth continues to decelerate overall.

The HSBC China Manufacturing PMI increased from 49.7 to 50.7, bouncing back from two consecutive months of contraction. New orders (up from 50.1 to 51.2) and production (up from 50.3 to 51.7) expanded modestly after being essentially flat the month before. Yet, not all news was good, with export orders (down from 50.2 to 48.5) and employment (up from 49.5 to 49.8) below the key threshold of 50. Indeed, hiring has remained in negative territory for 16 straight months. Meanwhile, the official manufacturing PMI figures from the National Bureau of Statistics of China continued to indicate a contraction, albeit only barely, with the headline index up from 49.8 to 49.9. The other trends largely followed suit.

Overall, the Chinese economy continues to decelerate. After growing 7.3 percent year-over-year in the fourth quarter, China has reduced its target real GDP growth rate for 2015 to 7 percent. Along those lines, a number of recent indicators have reflected slower paces of growth. This included industrial production (down from 7.9 percent year-over-year in December to 6.8 percent in January/February), fixed asset investments (down from 18.1 percent to 14.7 percent) and retail sales (down from 11.9 percent to 10.7 percent). Investments from manufacturers have fallen from 13.5 percent year-over-year in December to 10.6 percent in January/February. To be fair, however, it is worth noting that each of these growth rates remain elevated relative to other nations, but the challenge is that growth remains much less than what we have become accustomed to for China.

The emerging markets continue to improve.

The HSBC Emerging Market Index rose from 51.2 to 51.9, with the manufacturing component increasing from 50.9 to 51.2. New orders (up from 51.6 to 51.9), output (up from 52.0 to 52.1) and hiring (up from 50.3 to 50.6) had slightly better data. Demand and production have now expanded for 10 straight months, suggesting that some of the weaknesses seen at the beginning of last year have dissipated. With that said, exports (down from 50.6 to 49.7) declined marginally in February, contracting for the first time since August 2013. Overall, though, business leaders remained mostly positive about the coming months, with the future output index up from 62.7 to 65.0, its highest level in 10 months.

Looking at specific countries, the Czech Republic (down from 56.1 to 55.6) and Poland (down from 55.2 to 55.1) stand out as two of the strongest markets for demand and production growth, even as both eased a bit in February. Several other nations experienced modest growth in their manufacturing sectors, including China (up from 49.7 to 50.7), India (down from 52.9 to 51.2), South Korea (unchanged at 51.1), Taiwan (up from 51.7 to 52.1) and Vietnam (up from 51.5 to 51.7). South Africa (up from 49.8 to 50.0) had stagnant new orders and exports, but output picked up a little. In contrast, the following markets continued to report softness, each contracting for at least a couple of months: Brazil (down from 50.7 to 49.6), Indonesia (down from 48.5 to 47.5), Russia (up from 47.6 to 49.7) and Turkey (down from 49.8 to 49.6).

The U.S. trade deficit narrowed somewhat in January.
The trade deficit declined from $45.60 billion in December to $41.75 billion in January. December's figure exceeded the average of $42.06 billion observed in 2014 as a whole, hitting its highest level of the year. For January, both goods exports (down from $134.22 billion to $128.71 billion) and goods imports (down from $199.23 billion to $190.33 billion) were lower, with the latter falling by more. The trade surplus in the service sector widened marginally, up from $19.42 billion to $19.87 billion.

Much of the reduction in goods exports and imports stemmed from petroleum, with lower crude oil prices reducing the nominal data points. Petroleum exports declined from $10.29 billion to $8.76 billion, with petroleum imports decreasing from $24.89 billion to $19.45 billion. In contrast, the non-petroleum trade deficit widened, up from $48.87 billion to $49.96 billion.

Indeed, goods exports mostly fell. For instance, the following categories saw lower levels of goods exports: industrial supplies and materials (down $2.2 billion), foods, feeds and beverages (down $1.08 billion), automotive vehicles and parts (down $950 million) and non-automotive capital goods (down $545 million). The bulk of the decline in industrial supplies came from lower petroleum costs. The one (marginally) positive figure in this report was the increase in goods exports for consumer goods (up $38 million).

Meanwhile, goods imports also dropped significantly, as noted above. Industrial supplies and materials (down $5.98 billion), consumer goods (down $2.11 billion) and automotive vehicles and parts (down $562 million) declined significantly for the month. At the same time, goods import levels for foods, feeds and beverages (up $144 million) and non-automotive capital goods (up $95 million) ticked up slightly.

The data suggest that the stronger U.S. dollar, sluggish growth overseas and reduced energy prices have negatively impacted trade. Indeed, these headwinds have dampened demand for manufactured goods exports. Moving forward, policymakers can also help by pursuing opportunities that will open up new markets, including passing Trade Promotion Authority and enacting trade agreements in Asia and Europe. Moreover, the Export-Import Bank needs to be reauthorized long term, ending financial uncertainty for manufacturers and their customers.

International Trade Policy Trends

Efforts to craft a bipartisan, bicameral TPA bill continue as manufacturers call for action and put out new state fact sheets.
Manufacturers continue to call for legislation that would renew Trade Promotion Authority (TPA) and to lay

the groundwork for swift action once a bill is introduced. Senate Finance Committee Chairman Orrin Hatch (R-UT), Ranking Member Ron Wyden (D-OR) and House Ways and Means Committee Chairman Paul Ryan (R-WI) are continuing efforts to work out the details of legislation that could move as early as April. To prepare for a strong bill that reflects manufacturing priorities, the NAM is engaging federal lawmakers and working on all fronts to build support for quick passage. NAM Vice President of International Economic Affairs Linda Dempsey spoke on TPA and manufacturing trade priorities at a March 3 Capitol Hill briefing hosted by the House Manufacturing Caucus. As part of a wider series of events in congressional districts across the country, the NAM organized a policy roundtable focused on trade and TPA with Ways and Means Committee Member Kristi Noem (R-SD) in Brookings, S.D., on March 9. The NAM has also updated its state fact sheets with new 2014 data. It will host a special TPA Shopfloor Briefing for congressional staff on Capitol Hill during the week of March 16. For additional information, please contact NAM Senior Director of International Business Policy Chris Moore.

The NAM calls for action on manufacturing intellectual property concerns as U.S. government reviews foreign government practices.

NAM Senior Director of International Business Policy Chris Moore testified on intellectual property (IP) challenges facing manufacturers in overseas markets at a February 24 public hearing organized by the Office of the U.S. Trade Representative (USTR). The hearing was held in connection with the Administration's forthcoming *2015 Special 301 Report*. Moore urged particular attention to laws and policies that deny adequate and effective protection of U.S. patents, trademarks, copyrights and trade secrets in India, China and Canada. He called for urgent action to combat piracy and counterfeiting, which harms businesses of all sizes and imposes particular burdens on smaller firms. Moore based his testimony on written comments the NAM submitted for the *2015 Special 301 Report* earlier this year. For additional information, please contact Moore.

Small businesses rally for Ex-Im Bank in Washington.

More than 700 people from 41 states, representing a broad spectrum of manufacturing sectors and along the breadth of the supply chain, came to Washington on February 24–25 to meet with nearly 400 members of Congress and discuss the vital role the Ex-Im Bank plays in their successes. The Exporters for Ex-Im Coalition fly-in brought business executives and other leaders from places like Indiana, Ohio, Texas and Minnesota together to voice their collective support for a long-term reauthorization of the Ex-Im Bank. Sen. Lindsey Graham (R-SC) spoke out in support of Ex-Im Bank reauthorization at a forum hosted by the Ex-Im Coalition, and Sens. Mark Kirk (R-IL) and Joe Manchin (D-WV) hosted small businesses for a discussion of their pending reauthorization legislation. Also last month, House Democratic leaders introduced a bill to reauthorize the Ex-Im Bank for seven years. Reps. Maxine Waters (D-CA), Gwen Moore (D-WI), Denny Heck (D-WA) and Steny Hoyer (D-MD) introduced the Promoting U.S. Jobs Through Exports Act (H.R. 2031) on February 24, quickly gathering significant support from their party. Find videos featuring fly-in participants on YouTube here, and follow the Twitter conversation using the hashtag #ExIm4Jobs. You can also find additional details about Ex-Im Bank users in every state, stories of local companies that have grown their business using the Ex-Im Bank and additional background information regarding the impact of the Ex-Im Bank on American jobs and global competitiveness.

Manufacturers continue to push for action on other key trade legislation.

The NAM continues to work with members on both sides of Capitol Hill to move forward key legislation, including long-stalled Miscellaneous Tariff Bill (MTB), customs and enforcement legislation, and the Generalized System of Preferences. While new legislation has not yet been introduced, the NAM is continuing to educate members and press for action, which may be in conjunction with movement on TPA.

TPP negotiators meet in Hawaii this week to move forward negotiations, as ministerial-level discussion is expected in the spring.

Negotiators for the United States and 11 other countries participating in the Trans-Pacific Partnership (TPP) negotiations are meeting this week in Hawaii to narrow differences in many of the negotiating texts and to move forward a plan for a ministerial meeting. U.S. and Japanese negotiators have also continued bilateral discussions through February and into March to move forward on market access and related issues in both agriculture and manufacturing. Efforts to schedule a Ministerial meeting in early spring appear to have been delayed at least in part because of the delay on moving forward TPA legislation. The NAM continues to push forward with officials from the United States and other TPP countries on 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. On Monday, NAM Vice President of International Economic Affairs Linda Dempsey joined Information Technology and Innovation Foundation (ITIF) President Rob Atkinson on a press call to talk about the importance of securing strong intellectual property protection and enforcement commitments in the TPP and posted this follow-up blog that emphasized that intellectual property protections and enforcement are critical to support and grow higher-paying American jobs.

Investor-state debate takes off as manufacturers continue to press for strong outcomes in TPA and ongoing trade talks.

Debate over the longstanding investor-state dispute settlement (ISDS) mechanism that has been included in more than 3,000 treaties intensified in the past few weeks with Sen. Elizabeth Warren (D-MA) repeating common misconceptions about this important enforcement tool. National Economic Council Director Jeffrey Zients put out a lengthy blog emphasizing why successive Republican and Democratic Administrations have emphasized this important mechanism and debunking common myths. On Thursday, *The Washington Post* Editorial Board weighed in also emphasizing the importance of this enforcement tool and laying out the facts that anti-ISDS critics continue to ignore. The NAM continues to advocate strongly for ISDS in TPA, TPP and U.S.–EU talks, including in this piece by NAM Vice President of International Economic Affairs Linda Dempsey emphasizing the importance of ISDS to the manufacturing sector. Amway also put out a strong defense of ISDS, as did the USTR.

Industry scores victory at the WHO.

In a significant win for manufacturers worldwide, a World Health Organization (WHO) commission agreed unanimously earlier today in Vienna, Austria, not to impose global restrictions on two substances widely used in a broad range of industrial applications. The NAM worked closely with Council of Manufacturing Associations partners on this issue and submitted public comments last month in response to an Administration request highlighting the importance of the two substances—gamma butyrolactone (GBL) and 1,4 butanediol (BDO)—for the U.S. economy and the significant damage unnecessary new restrictions would have on manufacturing and jobs. For additional information, please contact NAM Senior Director of International Business Policy Chris Moore.

WTO negotiations and discussions move forward.

NAM members heard from World Trade Organization (WTO) Deputy Director-General Dave Shark this week on ongoing WTO activities, including implementation of the Trade Facilitation Agreement (TFA) and negotiations to conclude the long-stalled Doha Development Agenda (DDA) and the information technology expansion talks.

- Environmental Goods: The fifth round of talks to create an Environmental Goods Agreement (EGA) will take place next week (March 16–20) and will focus on environmental monitoring and analysis and other environmental products. The negotiating parties have set April 1 as the deadline to make all nominations of products to be considered to be eligible for tariff cuts. 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 of products. 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. Subsequent discussions have been held culminating in the report by the Chairman of the Trade Negotiations Committee on February 20 that emphasized the importance of "doability" of any final package "for all members—not just some." The WTO is planning to hold its 10th ministerial conference in Nairobi, Kenya, December 15–18.

- 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. So far, four WTO members have ratified the TFA—Singapore, Hong Kong, the United States and Mauritius. 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, the USTR and the U.S. Agency for International Development (USAID)—as well as our partners in the business community—to provide feedback on next steps to best support the countries committed to implementation. The WTO's Preparatory Committee on Trade Facilitation has scheduled a meeting for March 24, its first since the WTO adopted the TFA last year. The committee will discuss the Category A commitments that developing countries plan to implement immediately after the deal enters into force, as well as the "Trade Facilitation Facility" that will help connect developing countries with resources for technical and monetary assistance.

- 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 on the list of new products on which tariffs would be eliminated. 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 also for manufacturers that, as consumers, would benefit from lower costs and greater innovation.

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

The NAM continues to work with members and the CBP to preserve—and potentially expand—post-departure filing for eligible companies, following up on its letter to CBP Commissioner R. Gil Kerlikowske last fall, urging that the agency ensure the availability of post-departure filing (Option 4) is retained for eligible companies and to work collaboratively with exporters as the Automated Commercial Environment (ACE) and International Trade Data System (ITDS) are deployed over the coming months. The Border Interagency Executive Council (BIEC) is also hosting a series of webinars for industry stakeholders to provide progress updates from other government agencies toward the interagency single-window system. The first webinar is scheduled for Monday, March 16, at 2:00 p.m. EDT, and it will provide a progress update for the Animal and Plant Health Inspection Service (APHIS), the Environmental Protection Agency (EPA) and the Food Safety and Inspection Service (FSIS). Register online.

Administration releases 2015 Trade Agenda.

On March 1, the USTR released the 2015 Trade Policy Agenda that laid out the Administration's key trade policy priorities from TPA, free trade agreement and multilateral negotiations to enforcement of international commitments.

U.S. government announces new rules for exports of nuclear technology and unmanned aerial systems.

In February, the Department of Energy (DOE) issued a final rule to update the activities and technologies subject to the Secretary of Energy's specific authorization and DOE reporting requirements. The initial Notice of Proposed Rulemaking was issued in September 2011, and the NAM last submitted these comments in 2013. The State Department also released last month its policy regarding the export of U.S.-origin military and commercial unmanned systems: U.S. Export Policy for Military Unmanned Aerial Systems (UAS). The new UAS export policy establishes the standards by which the United States will assess, on a case-by-case basis, potential exports of military UAS's, including armed systems.

State Department reviewing export controls for aircraft and gas turbine engines.

The Departments of Commerce and State are seeking public comments on the recently implemented revisions to U.S. Munitions List (USML) Categories VIII (Aircraft) and XIX (Gas Turbine Engines). As the first USML revisions implemented pursuant to the Export Control Reform (ECR) initiative, the new rules for those categories took effect on October 15, 2013. Both Commerce and State are seeking comments on the condition and efficacy of these categories, and whether they are meeting ECR objectives. A similar review process for each revised USML category is expected, so comments should be limited to these two categories and the complementary Commerce Control List (CCL) sections. Comments are due to both State and Commerce on May 1, 2015.

Exports in Action

Webinar: Identifying the Right REACH Only Representative (OR)

March 18 – 12:00 p.m. (EDT)

Selecting the right REACH Only Representative (OR) can be highly important for U.S. companies looking to maximize their chemical imports to the European Union. In this webinar, The Commercial Service at the U.S. Mission to the European Union will lead participants through strategies to help successfully select and manage a relationship with a professional OR. For more information, click here.

Webinar: Financing Your Export and Getting Paid

March 19 – 1:30 p.m. (EDT)

The Department of Commerce will lead a webinar on the basics of trade finance and export compensation. The interactive session will outline how companies can maximize the direct financing, guarantees and credit insurance in support of exports offered by the U.S. government. Participants are encouraged to ask questions of the presenters. For more information, click here.

Global Commerce: New Trends and Opportunities in the Americas and Beyond

May 14 – 12:30 p.m. (CDT)
Location: Houston, Texas

The Atlantic Council and Baker & McKenzie will host leading experts in global policy and international affairs for a half-day event to discuss the latest developments in international economic affairs and the surrounding legal and policy issues. Discussion topics will include changes to the energy landscape, updates on international sanctions policy, the future of U.S.–Cuba relations and current top trade issues, including the TPP, the Transatlantic Trade and Investment Partnership (TTIP), data privacy and e-commerce. The event will also feature a high-level keynote address and conclude with a networking reception. 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.

Connect with the Manufacturers

Questions or comments?

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