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Progress Report on the National Export Initiative

- The President provided a progress report today on the National Export Initiative, which aims to create jobs and improve the economy for all Americans. The NEI has five objectives, all of which we have made progress on since the President announced this effort in his State of the Union Address:
 - *Improved advocacy efforts on behalf of U.S. exporters:* The Department of Commerce has coordinated 18 trade missions with over 160 companies participating in 24 countries.
 - *Increased access to export financing:* Ex-Im has more than doubled its loans to support American exporters from the same period last year, helping to support nearly 110,000 jobs.
 - *Reinforced efforts to remove barriers to trade:* In March, the United States reached an agreement with China to reopen the Chinese market to U.S. pork and pork products. In June, the United States agreed with Russia to reopen the Russian market to U.S. poultry exports. These steps are worth more than \$1 billion.
 - *Enforcement of trade rules:* Last week the WTO ruled that European governments subsidized Airbus's large civil aircraft. This ruling is expected to sustain and even restore jobs to American aerospace workers by leveling the playing field for the U.S. aerospace industry.
 - *International promotion of policies leading to strong, sustainable and balanced economic growth:* These last 18 months have been the most effective period of international economic cooperation in generations with global growth replacing economic contraction.
- As a result of these policies, and a global economic rebound, exports in the first four months of 2010 grew almost 17 percent from the same period last year. ***This puts the U.S. on track to reach the President's goal of doubling exports and supporting several million new jobs over five years.***
- The President met yesterday with his Export Promotion Cabinet, which reported on its successes in improving the international climate for U.S. exports.
- And this morning, the President announced the formation and membership of his Export Council, which includes a group of business and labor leaders who will offer

advice on how to promote U.S. exports, jobs, and growth, including James McNerney, Chairman, President and CEO, the Boeing Company.

The role of exports in supporting jobs and growth

Exports have been a key driver of jobs and growth

- In 2008, exports supported 10.3 million jobs, accounted for 6.9 percent of total U.S. employment and represented a record 12.7 percent of the Gross Domestic Product (GDP). These jobs are higher paying on average.
- Fully 36 percent of all manufacturing jobs are tied to exports and 19 percent of all agriculture employment. Exports from the services sector supported 2.8 million jobs.
- Increasing exports will support millions of additional jobs in a deficit friendly manner.

The goal of doubling exports is on track

- The Council of Economic Advisers' analysis shows that over the past nine months, the increase in US exports contributed more than one percentage point to the US growth rate. During our recovery, exports have contributed as much as domestic consumption to our growth.
- Exports are playing a critical role in supporting jobs and creating prosperity in America.

Our National Export Initiative

Export growth does not just happen on its own.

- With the President's National Export Initiative (NEI), the Administration committed to use all of the tools at its disposal to help American exporters grow their markets and support additional jobs. America's businesses are the engine of growth and exports, and we will do all we can to support their efforts.
- The NEI has five components, improved advocacy efforts on behalf of U.S. exporters, increased access to export financing, reinforced efforts to remove barriers to trade, enforcement of trade rules, and the international promotion of policies leading to strong, sustainable and balanced economic growth.

The Administration has stepped up advocacy and boosted export finance

- Since February, the Department of Commerce has coordinated an unprecedented 18 trade missions with over 160 companies participating in 24

countries. Most recently, Secretary Locke and USTDA Director Zak led 46 U.S. business executives on a clean energy trade mission to China and Indonesia.

- The Department of Commerce's Advocacy Center has assisted U.S. companies competing for international contracts and other U.S. export opportunities, supporting \$11.4 billion in U.S. export content, or an estimated 70,000 jobs. There are over 380 more active cases in the pipeline.
- Secretary Clinton held a major commercial event in Shanghai on May 23rd at the Boeing Maintenance Facility, which included a roundtable with corporations.
- The Export-Import Bank (Ex-Im) has more than doubled its loan authorizations (deals) in the first half of the current fiscal year over the same period last year:
 - From \$5.9 billion in FY '09 to \$13.2 billion in FY '10.
 - Small business authorizations have increased from \$1.7 billion to \$2.3 billion.
 - Estimated number of US jobs supported by Ex-Im financing has almost doubled from 61,000 to 109,000.

Opening markets for our companies and workers

- The United States' competitors for export markets are not sitting still and the Administration is taking active steps to open foreign markets to our goods and services.
- In March, Secretary Vilsack and USTR Kirk announced that the United States and China have reached an agreement to reopen the Chinese market to U.S. pork and pork products. Twenty percent of U.S. pork production was exported in 2009, supporting American hog producers and agriculture jobs at home. Prior to H1N1 trade constraints, U.S. pork and pork variety meats exports to China were valued at nearly \$275 million in 2008.
- The United States and Russia agreed during the recent visit by President Medvedev to reopen the Russian market to U.S. poultry exports, which has been a \$760 million market for U.S. products. Also announced during the visit was the sale of 50 Boeing airplanes worth an estimated \$4.0 billion that had been advocated for by the Administration.
- Last week President Obama announced that he is instructing USTR Kirk to begin discussions with his Korean counterpart to resolve outstanding issues with the Korean Free Trade Agreement. The Korean FTA would increase goods exports by an estimated \$10-11 billion, which would support an estimated 70,000 jobs, and the gains from the agreement could significantly exceed that estimate when reductions in non-tariff barriers and increases in services exports are included.
- USTR has released two new reports on sanitary and phytosanitary barriers and technical barriers to trade that harm the ability of America's agricultural producers and manufacturers to export around the world. These reports will help focus U.S. efforts on opening new markets for U.S. exporters.

Enforcing our agreements

- Where American producers are facing unfair trading practices, the United States is using all of its enforcement tools to level the playing field for U.S. exporters and promote jobs for Americans.
- Last week the WTO ruled in favor of the U.S. on a case that found that European government subsidies worth billions have been used to subsidize the creation of every model of large civil aircraft produced by Airbus, which has damaged Boeing and its workers. This ruling is expected to sustain and even restore jobs to American aerospace workers by leveling the playing field for the U.S. aerospace industry.

Promoting strong, sustainable and balanced growth

- The Administration is not only focused on improving U.S. performance in individual markets and leveling the playing field for U.S. producers, but in creating conditions for strong global growth that support exports and jobs in the United States.
- Secretary Geithner is promoting balanced and strong growth in the global economy through the G-20 process. These last 18 months have been the most effective period of international economic cooperation in generations. Globally, economic contraction has given way to economic growth, and emerging economies in particular are seeing impressive growth. Our efforts to support exports positions America to take advantage of global recovery as it progresses.

Export Control System Reform

- Efforts continue on the recently announced reform program that will enhance national security by focusing on the enforcement of strict controls around the export of the most critical technologies and products. This reform will strengthen the competitiveness of key manufacturing industries in the U.S. by streamlining the regulations that apply to their exports.

How we organize our work

Today, the President introduced his Export Council (PEC), a group of business and labor leaders who will offer advice from outside of the Administration. The business leaders come from companies with tremendous success in increasing exports for their products. The Chair and Co-chair of the PEC are James McNerney, Chairman, President and CEO, the Boeing Company and Ursula Burns CEO, Xerox, who will serve along with 18 other Presidential appointees as appointees from the Administration, the Senate and the House.

The President also announced plans to hold his Export Promotion Cabinet meetings quarterly to ensure the NEI is properly implemented and pursued. The Export Promotion Cabinet will be providing its 180 day report to the President in September.

The Administration plans to conduct 8 more trade missions over the next three months. On July 16, Secretaries Clinton and Locke plan to host a business roundtable with the CEOs of multinational corporations and small and medium-sized enterprises to discuss barriers to U.S. exports.