



INTERNATIONAL
TRADE
ADMINISTRATION



April 18, 2011

NATIONAL EXPORT INITIATIVE OVERVIEW

- President Obama announced the National Export Initiative in his 2010 State of the Union address and set the ambitious goal of doubling U.S. exports by 2015 to support millions of jobs here at home. Helping U.S. companies become more competitive internationally is a critical step to “winning the future.”
- There have, of course, been previous efforts by the federal government to promote exports. What sets the NEI apart is that it is the first time the United States has a Presidential-led, government-wide export promotion strategy.
- The decision to export is one fundamentally made by U.S. business owners, entrepreneurs, and farmers. U.S. companies, particularly small and medium-sized enterprises, often face hurdles when trying to close an export sale, including lack of readily available information about exporting and market research, challenges obtaining export financing, strong competition from foreign companies and obstacles thrown up by foreign governments. This suggests an important role for the federal government.
- The NEI is the Obama Administration’s commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide, within global trading rules. The NEI is focused on (1) improving **trade advocacy and export promotion** efforts; (2) increasing **access to credit**, especially for small and midsize businesses; (3) **removing barriers** to the sale of U.S. goods and services abroad; (4) **robustly enforcing trade rules**; and (5) pursuing policies at the global level to **promote strong, sustainable, and balanced growth**.

EXPORTS AT A GLANCE (year-end 2010 figures and February 2011 trade data)

- Exports contributed greatly to growing our economy in 2010. U.S. exports of goods and services in 2010 increased nearly 17% over 2009 -- the largest year-to-year percentage change in over 20 years. This puts us on pace to achieve President Obama’s goal of doubling exports by 2015.
- Exports comprised 12.5% of U.S. GDP in 2010, up from the 11.2% recorded in 2009. Exports contributed nearly half of the 2.9 percentage point growth in real GDP in 2010.
- The \$1.83 trillion total in 2010 exports of U.S. goods and services represents the second highest annual total on record.

- Although U.S. exports decreased in February 2011 by 1.4 percent from January 2011 to \$165.1 billion, exports of goods and services over the last twelve months (March 2010-February 2011) totaled \$1.88 trillion – 16.8% above the same period the prior year (March 2009-February 2010) and above the pace needed to double exports by 2015.

Travel and Tourism Highlights

- In 2010, total travel and tourism exports were \$134.5 billion, up 12% compared to 2009. Travel and tourism exports grew every month in 2010.

Agriculture

- Exports of agricultural goods in 2010 grew 18% over 2009, to \$119.3 billion.

THE ADMINISTRATION MADE PROGRESS ACROSS ALL FIVE KEY COMPONENTS OF THE NEI DURING 2010, AND CONTINUES TO BUILD ON THAT SUCCESS IN 2011.

1. Improving Trade Advocacy and Export Promotion Efforts

In 2010, the Administration unveiled a new interface for www.export.gov, the federal government's website that provides U.S. companies relevant information about exporting, overseas markets, and federal government resources in one place. Commerce's International Trade Administration assisted over 5,500 U.S. companies export for the first time or increase their exports overseas, 85% of which were small and midsize businesses.

- **Advocacy:** In 2010, the Department of Commerce's Advocacy Center assisted U.S. companies competing for international contracts and other U.S. export opportunities, worth \$18.7 billion in U.S. export content, supporting an estimated 101,000 jobs.
- **Trade Missions:** In 2010, Commerce coordinated an unprecedented 35 trade missions to 31 different countries with nearly 400 companies participating. Participating companies anticipate \$2 billion in increased exports from these missions.
- **Bringing Foreign Buyers to the United States:** In 2010, Commerce's International Trade Administration recruited nearly 13,000 foreign buyers to visit major U.S. trade shows here in the United States and directly connect with U.S. companies, resulting in approximately \$770 million in export successes.

As part of the 2010 Report to the President on the National Export Initiative, the Export Promotion Cabinet committed to conducting a National Outreach Campaign targeted at small and medium-sized companies highlighting the benefits of exporting and educating them about resources that can facilitate their export growth. To implement this recommendation in 2011:

- Secretary Locke and other members of the Export Promotion Cabinet have launched the *New Markets, New Jobs: National Export Initiative Small Business Tour* with a goal of providing information on export opportunities and federal government resources to over 3500 companies. This national outreach campaign has so far reached over 600

companies with stops in Minneapolis, Minnesota; Los Angeles, California; and New Orleans, Louisiana.

- Export-Import Bank Chairman Fred Hochberg is partnering with the U.S. Chamber of Commerce and National Association of Manufacturers to hold 20 Global Access Forums around the country to help make U.S. companies aware of export financing opportunities.

2. Increasing Access to Credit, Especially for Small and Midsize Businesses

Small Business Jobs Act: On September 27, 2010, President Obama signed into law the Small Business Jobs Act, which significantly expanded financing capacity and long-term support for small-and-medium sized companies looking to export. This law:

- Made the SBA Export Express pilot loan program permanent with 90% guarantees for loans up to \$350,000 and 75% guarantees for loans between \$350,000 and \$500,000.
- Increased the maximum loan size for SBA's Export Working Capital loans and International Trade Loans from \$2 million to \$5 million dollars.
- Created a new \$90 million grant program to help states expand their trade and export promotion efforts. The State Trade and Export Promotion (STEP) grants pilot will be launched in 2011.

Trade Finance: During 2010, the Small Business Administration authorized over 1,200 loans totaling \$532 million to help small and medium-sized companies engage in exporting.

Export Import Bank: Export-Import Bank financing enables U.S. exporters to compete on a level playing field by providing capital not available through commercial markets and minimizing U.S. exporters' international commercial and political risk.

- For fiscal year 2010, the Export-Import Bank authorized a record high of approximately \$24.5 billion in loans, guarantees and insurance, including more than \$5 billion in authorizations for small businesses. Export-Import Bank financing supported some 227,000 jobs at 3,300 companies through \$34 billion in export sales.
- The Export-Import Bank also developed new financing tools including Solar Express, designed for renewable energy projects under \$10 million, and Supply-Chain Financing to increase liquidity for small business suppliers that sell to U.S. exporters.

3. Removing Barriers and Expanding Access to Markets

U.S. Korea Trade Agreement: In December 2010, President Obama announced the successful resolution of several outstanding issues with the U.S.-Korea trade agreement (KORUS), setting the stage for Congressional consideration of a landmark trade agreement that will further the National Export Initiative.

- KORUS is the United States' most commercially significant trade agreement in more than 16 years.
- Korea is the United States' 7th largest trading partner, and U.S. goods exports to Korea through February 2011 jumped 10.9 percent compared to the same period in 2010.
- By expanding access to Korea, the 12th largest economy in the world, the agreement will support tens of thousands of American jobs, open Korea's \$580 billion services market to

American companies, eliminate Korean tariffs on 95 percent of U.S. exports of industrial and consumer goods within five years, and immediately eliminate Korean tariffs on over two-thirds of U.S. agricultural exports.

U.S. Colombia Trade Agreement: In April 2011, the Obama Administration announced progress on several outstanding issues with the U.S.-Colombia Trade Promotion Agreement. The result is an agreed “Action Plan Related to Labor Rights” that will lead to greatly enhanced labor rights in Colombia and clear the way for the U.S.-Colombia Trade Promotion Agreement to move forward to Congress.

- Moving forward on the U.S.-Colombia Trade Promotion Agreement is an important step to take now that our concerns are being addressed in a way that is consistent with our values and that levels the playing field for American workers.
- Colombia is the 3rd largest economy in Central and South America and one of our most important strategic partners in the region.
- The Agreement will further the National Export Initiative by reducing barriers to U.S. exports and creating new opportunities for our businesses, workers, farmers and ranchers, thereby supporting more and better jobs for Americans. The U.S.-Colombia Trade Agreement will expand U.S. goods exports alone by more than \$1.1 billion and give key U.S. goods and services duty free access in sectors from manufacturing to agriculture.

4. Robust Enforcement of Trade Rules to Maintain a Level Playing Field

Trade Law Enforcement Package: In August 2010, Commerce’s International Trade Administration (ITA) announced 14 proposals to strengthen the administration of the nation’s antidumping (AD) and countervailing duty (CVD) laws, which provide U.S. industries and workers with a reliable and transparent mechanism to seek relief from the unfair trade practices that hinder their competitiveness in the U.S. market and abroad. The process for implementing many of these proposals has already begun.

AD/CVD Enforcement: At the end of 2010, ITA had approximately 300 AD and CVD orders in place, covering over 120 products from 40 countries.

Foreign Trade Remedy Actions Against U.S. Exports: ITA also advocates on behalf of U.S. exporters subject to foreign trade remedy actions overseas. In 2010, the ITA assisted more than 90 U.S. exporting companies, employing over 1.6 million U.S. workers, and accounting for over \$6 billion in U.S. exports.

5. Pursuing Policies at the Global Level to Promote Strong, Sustainable, and Balanced Growth.

Working with our G-20 and WTO partners, the Administration continued to support a strong global economic recovery and continued efforts to ensure the global economy shifts smoothly to more diversified sources of economic growth.