Trade and American
Competitiveness Coalition

Increased Exports = More U.S. Jobs

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"The more products we make and sell to other countries, the more jobs we support right here in America… If America sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores"

President Obama, State of the Union Address

To double U.S. exports within the next five years, time is of the essence; the costs of delay are mounting.

Exporting has numerous benefits to the U.S. economy. Exports...

- Fuel consistent growth. In the past 25 years, U.S. exports went from $224 billion to over $1.1 trillion in 2004.
- Support about one in every five factory jobs; workers in jobs supported by goods exports receive higher wages.
- Create more jobs overall. Exporting increases the number of small businesses, which equals 70% of our new jobs.
- Every billion in exports supports more than 6,000 jobs.

FTA partners account for a significant amount of U.S. trade – 42% of U.S. exports and in 2007 alone, accounting for $1 trillion in overall trade – or 34% of total U.S. global trade.

And, once FTAs are implemented, trade growth is often immediate:

- In the first year of the U.S.-Singapore agreement, our surplus with Singapore more than tripled to $4.3 billion.
- Four months into the U.S.-Australia trade agreement, the U.S. trade surplus with Australia increased by nearly 32% – to more than $2 billion. Similar growth trends occurred with all the other FTAs and are expected with the pending FTAs with Colombia, Panama and South Korea.

Why Colombia, Panama, and South Korea?

- Colombia, Panama, and South Korea bought $60 billion in American goods and services last year. Imagine how much more they would be buying from us <u>with</u> the FTAs.
- FTAs with Colombia, Panama, and South Korea are estimated to increase U.S. exports of goods and services by more than 1% and could create over 250,000 American jobs.

The Cost of Delay is Adding Up

- We are already losing in **Colombia**. Implementation of the Argentina-Colombia agreement caused U.S. share in the Colombian market for corn, wheat, and soybeans (the key products where Argentina and the United States are competitors) to plunge from 71% in 2008 to 38% in 2009 to 27% through the first ten months of 2010. <u>The 44 percentage points of lost market share have been nearly exactly matched by the 37 percentage point increase in market share for Argentina over the same time period</u>. And the market losses in other industry sectors for U.S. products are growing too.
- In the days since the U.S.-**Panama** FTA was signed in 2007, U.S. businesses have paid in excess of $1.3 billion dollars in tariffs that would be eliminated upon full implementation of the agreement, making US products more cost-competitive.
- If the U.S.-**South Korea** FTA isn't implemented and the EU-South agreement is, U.S. exports to South Korea of machinery and equipment, for example, would decline by 7%, totaling nearly a *half billion* dollars in lost revenue. The same holds true in many other product categories.

FTAs are "no cost stimulus" - providing U.S. job creation and consumer gains without any additional U.S. government spending!

The Trade and American Competitiveness Coalition is made up of U.S. business enterprises that support policies and legislation that will enhance U.S. competitiveness in the international economy to promote growth and prosperity for America's businesses, workers and consumers.