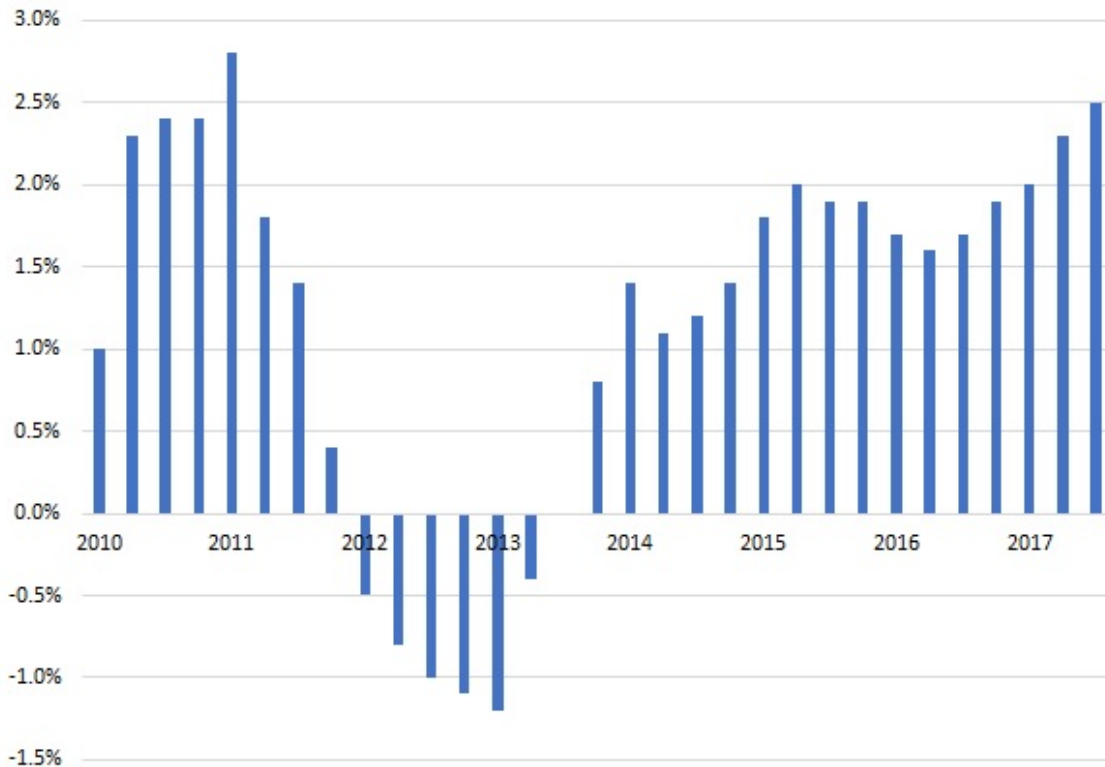




GLOBAL MANUFACTURING ECONOMIC UPDATE

November 9, 2017

Eurozone Year-Over-Year Real GDP Growth, 2010–2017



When considering why manufacturers remain so upbeat in their [outlook](#) right now, it is hard to ignore the positive impact of stronger growth internationally. The data continue to suggest that the sector has turned a corner. Indeed, the [J.P. Morgan Global Manufacturing PMI](#) rose from 53.3 in September to 53.5 in October, its fastest pace since March 2011. New orders, output, exports and employment are expanding at modest rates, with demand at a seven-month high and hiring at levels not seen since May 2011. Survey respondents are also optimistic for robust growth in production over the next six months. Moreover, all but one of the top-15 markets for U.S.-manufactured goods expanded in October, with [Mexico](#) contracting for the first time since July 2013, largely from the September 19 earthquake in Mexico City. It is expected that Mexican activity will expand once again in November.

Europe continued to dominate the list of the top export markets with strong manufacturing growth. The [IHS Markit Eurozone Manufacturing PMI](#) increased to its highest level since February 2011, buoyed by the best readings in [France](#), [Germany](#), [Italy](#) and the [Netherlands](#) in more than six years. Moreover, [real GDP](#) in the Eurozone rose 0.6 percent in the third quarter. That translated into 2.5 percent growth year-over-year, the quickest pace since the first quarter of 2011. New industrial production figures will be released on November

14, which it is hoped will build on August's [increase](#) of 1.4 percent. Over the past 12 months, industrial production has jumped 3.8 percent. In a similar way, [retail sales](#) bounced back strongly in September, up 0.7 percent for the month and rising 3.7 percent year-over-year. Indeed, [consumer confidence](#) continues to move in the right direction, increasing once again in October to 10-year highs. Meanwhile, the [unemployment rate](#) in September fell to 8.9 percent, the lowest level since January 2009.

Along with stronger economic growth globally, manufacturers in the United States have also benefited from a “cheaper” dollar year to date, which has helped them better compete in export markets. For instance, the [trade-weighted U.S. dollar index](#) against major currencies has fallen 6.2 percent so far in 2017. More recently, the U.S. dollar has appreciated 4.4 percent since September 8, and overall, the dollar continues to be strong, up 17.1 percent since June 30, 2014. Growth in the dollar's value over the past three years presents a real challenge as firms seek to increase international demand. Nonetheless, that drag has lessened since December.

Indeed, U.S.-manufactured goods exports [have risen](#) 3.85 percent through the first three quarters of 2017 relative to the same time period in 2016. This is a welcome development after declining export sales across the past two years. While the [U.S. trade deficit](#) edged up in September, goods exports rose to their highest level since December 2014. The increased deficit stemmed from an increase in goods imports that was enough to offset the jump in goods exports. Beyond goods, service-sector exports and imports both rose to new all-time highs.

President Donald Trump travels to major economies in Asia, as the United States, Canada and Mexico prepare to start the fifth round of North American Free Trade Agreement (NAFTA) negotiations in Mexico City next week. Congress holds hearings on a new Miscellaneous Tariff Bill (MTB) and nominations to the U.S. Export-Import (Ex-Im) Bank Board of Directors. The NAM urges concrete action on foreign trade barriers and seeks progress in U.S.–India commercial dialogues. Congressional action is needed to renew the Generalized System of Preferences (GSP) program by year's end as administration plans major review of country eligibility.

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Global Economic and Trade Trends

Global manufacturing expanded in October at its fastest pace since March 2011.

The [J.P. Morgan Global Manufacturing PMI](#) rose from 53.3 in September to 53.5 in October. The underlying data were mixed but still quite encouraging. New orders (up from 53.8 to 54.2), exports (up from 52.5 to 52.7) and employment (up from 52.2 to 52.7) accelerated in October, with demand at a seven-month high and hiring at levels not seen since May 2011. Output edged down marginally (down from 53.9 to 53.8), even as it continued to increase modestly. Looking ahead six months, manufacturing leaders remained very upbeat in their global outlook despite a slight easing in the index for future output (down from 63.5 to 62.6). Readings greater than 60 suggest robust growth in overall production for the next six months.

In October, all but one of the top-15 markets for U.S.-manufactured goods expanded, with [Mexico](#) contracting for the first time since July 2013 (down from 52.8 to 49.2). Mexican activity is expected to return to positive territory in November, with the decline in the latest survey stemming largely from the September 19 earthquake in Mexico City. In general, there have been significant improvements in international markets over the past year, and it is expected that trend will continue moving forward. For instance, half of these

economies contracted in August 2016, with no markets contracting in September. (There is no manufacturing PMI for comparison purposes for Belgium, which is our 10th-largest trading partner.)

Meanwhile, Europe continued to dominate the list of the top export markets with strong manufacturing growth. Those countries with the highest PMI readings in the sector in October included [Germany](#) (unchanged at 60.6), the [Netherlands](#) (up from 60.0 to 60.4), [France](#) (unchanged at 56.1), the [United Kingdom](#) (up from 56.0 to 56.3), the [United Arab Emirates](#) (up from 55.1 to 55.9) and [Canada](#) (down from 55.0 to 54.3). Manufacturing activity in France, Germany and the Netherlands once again grew at their quickest paces since early 2011.

The U.S. dollar has appreciated 4.4 percent since September 8; yet, it remains down 6.2 percent year to date.

The [trade-weighted U.S. dollar index](#) against major currencies from the Federal Reserve Board has risen from 86.0353 on September 8 to 89.8369 on November 3. This index reflects currency units per U.S. dollar, suggesting that the dollar can now purchase less than it could before and vice versa. With that said, the index was 75.7513 on June 30, 2014, illustrating the dollar's continued strength, up 17.1 percent over that time frame. For manufacturers, growth in the dollar's value over the past three years presents a real challenge as firms seek to increase international demand. Nonetheless, that drag has lessened since December, with a sizable depreciation in the dollar so far this year. The "cheaper" dollar year to date has helped manufacturers in the United States better compete in export markets.

Manufacturing activity in the Eurozone grew strongly in October at six-and-a-half-year highs.

The [IHS Markit Eurozone Manufacturing PMI](#) increased from 58.1 in September to 58.5 in October, its highest level since February 2011. The underlying data increased for the most part, including new orders (up from 58.5 to 58.8), exports (up from 57.3 to 57.9) and employment (up from 56.5 to 57.3). Hiring grew at the quickest pace in the survey's 20-year history. At the same time, output slipped a little but remained healthy (down from 59.2 to 58.8). A similar story occurred for future output (down from 67.1 to 66.1), which continued to reflect optimism about robust production growth over the next six months. The current index for future output was not far from June's figure (67.4), which had been the fastest rate since the question was added to the survey in July 2012.

As noted earlier, many of the best PMI readings globally occurred in Europe, showing how much the continent's economies have turned a corner over the past year. Manufacturing activity in [France](#) (unchanged at 56.1), [Germany](#) (unchanged at 60.6), [Italy](#) (up from 56.3 to 57.8) and the [Netherlands](#) (up from 60.0 to 60.4) once again grew at their quickest paces in more than six years. The following economies also saw healthy gains, even with easing in some markets: [Austria](#) (unchanged at 59.4), [Ireland](#) (down from 55.4 to 54.4), [Spain](#) (up from 54.3 to 55.8) and the [United Kingdom](#) (up from 56.0 to 56.3). Meanwhile, [Greek](#) manufacturing activity slipped somewhat in October (down from 52.8 to 52.1) but remained promising, pulling back from September's best pace since June 2008.

[Real GDP](#) in the Eurozone rose 0.6 percent in the third quarter, off slightly from a gain of 0.7 percent in the second quarter. That translated into 2.5 percent growth year-over-year, the quickest pace since the first quarter of 2011. New industrial production figures will be released on November 14, which it is hoped will build on August's [increase](#) of 1.4 percent. Over the past 12 months, industrial production has jumped 3.8 percent. In a similar way, [retail sales](#) bounced back strongly in September, up 0.7 percent for the month and rising 3.7 percent year-over-year. Indeed, [consumer confidence](#) continues to move in the right direction, increasing once again in October to 10-year highs. Meanwhile, the [unemployment rate](#) in September fell to 8.9 percent, the lowest level since January 2009.

Canadian manufacturing continued to show signs of progress, even with a slight easing in growth in October.

The [IHS Markit Canada Manufacturing PMI](#) decreased from 55.0 in September to 54.3 in October. One year ago, the figure was 51.1, with the Canadian economy improving significantly since then, buoyed by stabilized energy markets. In October, manufacturers in Canada reported slower—but still modest—expansions in new orders (down from 54.9 to 53.2) and output (down from 54.8 to 54.2); however, exports contracted marginally

for the month for the first time in 12 months (down from 51.3 to 49.8). More positively, employment (up from 54.4 to 55.4) and future output (up from 68.1 to 68.2) both accelerated, with the latter at a six-month high. The latest regional data matched the headline numbers, with softer growth reported for Alberta and British Columbia (down from 57.3 to 56.5), Ontario (down from 53.0 to 52.4), Quebec (down from 53.3 to 53.2) and the rest of Canada (down from 53.8 to 53.2).

[Real GDP](#) grew 1.1 percent in the second quarter, accelerating from the 0.9 percent gain in the first quarter. That translated into 4.5 percent growth at the annual rate in the second quarter, with consumer spending and exports boosting the Canadian economy. [Manufacturing sales](#) rose 1.6 percent in August, bouncing back after declining in both June and July, largely on better motor vehicles and parts, machinery and petroleum and coal products demand. In addition, sales of manufactured goods have risen 4.3 percent year-over-year. In contrast, [retail spending](#) declined 0.3 percent in August, but Canadians spent a whopping 6.9 percent more year-over-year in that release. That would indicate better consumer numbers than the headline figure might suggest.

Meanwhile, the [unemployment rate](#) ticked up from 6.2 percent in September—its lowest level since October 2008—to 6.3 percent in October. At the same time, manufacturers [added](#) 7,800 workers for the month, with year-over-year growth of 50,600 employees.

The recent earthquake in Mexico sent activity into negative territory for the first time in more than four years.

The [IHS Markit Mexico Manufacturing PMI](#) dropped from 52.8 in September to 49.2 in October. This decline—the first since July 2013—is likely temporary, and it would be expected for modest growth to resume in November. Along those lines, manufacturers in Mexico remained very upbeat, even with some easing, about future output (down from 72.3 to 67.1), which should bode well for strong gains in production over the next six months. In October, however, the data all saw declines, including new orders (down from 54.1 to 49.3), output (down from 53.4 to 47.8), exports (down from 52.1 to 50.0) and employment (down from 52.0 to 49.6). Beyond those measures, input prices accelerated for the month on exchange rate volatility (up from 56.5 to 57.6).

[Real GDP](#) decelerated from 2.8 percent year-over-year in the first quarter to 1.8 percent in the second quarter. New data will be released on November 10, but [industrial production](#) increased 0.3 percent in August, with manufacturing output rising 0.5 percent. On a year-over-year basis, industrial production has fallen 0.6 percent since August 2016, but manufacturing production has grown 3.1 percent over that time frame. Meanwhile, the [unemployment rate](#) was 3.6 percent in September, hovering between 3.2 percent and 3.6 percent so far this year. Yet, the unemployment rate has drifted lower since registering 4.1 percent in September 2016.

Chinese manufacturing activity expanded for the fifth consecutive month.

The [Caixin China General Manufacturing PMI](#) did not change in October at 51.0, but growth remained at its slowest pace since June. The underlying data provided mixed results. On the positive side, new orders (up from 51.2 to 52.4) and exports (up from 51.1 to 51.6) both accelerated in October, but output (down from 52.1 to 50.8) and future output (down from 56.5 to 55.0) slowed in the latest survey. In addition to those measures, employment continued to contract (down from 49.0 to 48.8), with net hiring pulling back in every month since October 2013. Meanwhile, the official Manufacturing PMI from the National Bureau of Statistics of China also [pulled back](#), down from 52.4 in September—its highest point in more than five years—to 51.6 in October. Large firms reported expanding levels of activity, but small and medium-sized enterprises cited lingering weaknesses.

The Chinese economy [grew](#) 6.8 percent year-over-year in the third quarter, edging down slightly from 6.9 percent in the first and second quarters. Reflecting stronger growth of late, [industrial profits](#) in the manufacturing sector jumped 19.6 percent year-over-year in September. On November 14, new data will be released on many of the key measures of importance for October, and it is hoped that more signs of progress will be seen after activity accelerated in September. Indeed, [industrial production](#) (up from 6.0 percent year-over-year to 6.6 percent) and [retail sales](#) (up from 10.1 percent year-over-year to 10.3 percent) both

expanded at three-month highs in September. In contrast to those measures, [fixed-asset investment](#) continued to decelerate (down from 7.8 percent year-over-year to 7.5 percent), slowing from 9.2 percent year-over-year in March.

Japanese manufacturing continued to expand modestly.

The [Nikkei Japan Manufacturing PMI](#) declined ever so slightly from 52.9 in September to 52.8 in October, but growth has been positive now in every month since September 2016. Employment was one of the bright spots in the October survey (up from 51.3 to 52.2), picking up a little from September's 13-month low. Other key indicators softened for the month while remaining modest overall, including new orders (down from 52.5 to 52.4), output (down from 53.5 to 52.6) and exports (down from 53.1 to 52.5). Looking ahead six months, respondents felt mostly positive about future output (down from 60.4 to 57.5) despite that index dropping to its lowest point of the year so far.

New GDP and industrial production data will be released on November 14. [Real GDP](#) grew 0.6 percent in the second quarter, its strongest pace since the first quarter of 2016. That translated to 2.5 percent growth on an annualized basis. Meanwhile, [industrial production](#) declined 1.1 percent in September, down from a gain of 2.0 percent in August and continuing to seesaw from month to month year to date. On a year-over-year basis, industrial production has risen 2.5 percent since September 2016.

Manufacturing activity in the emerging markets eased a bit in October but continued to show progress.

The IHS Markit Emerging Markets Manufacturing Index edged down from 51.7 in August—its best reading since January 2013—to 51.4 in September and 51.2 in October. More importantly, the headline index has now expanded for 16 straight months, reflecting improvements in the emerging markets over that time frame. In October, new orders expanded a little stronger (up from 52.0 to 52.4), with exports continuing to grow modestly (unchanged at 51.2). The weaker headline number, however, came from decelerating activity for output (down from 52.4 to 51.4) and future output (down from 61.7 to 59.8), with the latter at its lowest point since December 2015. In addition, employment remained in contraction territory (down from 49.8 to 49.7)—where it has been in every month since February 2015—despite stabilizing somewhat in recent months to being nearly neutral.

The country-by-country data provided mixed results, but a number of emerging markets made marked improvements in October. For instance, the [Czech Republic](#) expanded at its fastest pace since April 2011 (up from 56.6 to 58.5), mirroring many of its European neighbors. Other economies with notable gains in the latest surveys include [Nigeria](#) (up from 54.9 to 55.8), the [Philippines](#) (up from 50.8 to 53.7), [Saudi Arabia](#) (up from 55.5 to 55.6) and the [United Arab Emirates](#) (up from 55.1 to 55.9), with [Chinese manufacturers](#) reporting unchanged growth, as noted earlier. At the same time, slower growth occurred in the following emerging markets: [Hong Kong](#) (down from 51.2 to 50.3), [India](#) (down from 51.2 to 50.3), [Poland](#) (down from 53.7 to 53.4), [Russia](#) (down from 51.9 to 51.1), [South Korea](#) (down from 50.6 to 50.2), [Taiwan](#) (down from 54.2 to 53.6) and [Vietnam](#) (down from 53.3 to 51.6). Encouragingly, [Myanmar](#) expanded for the first time since May (up from 49.4 to 51.1), ending four straight months of contraction.

In contrast, manufacturing activity in [Kenya](#) deteriorated at the fastest rate in the survey's nearly four-year history (down from 40.9 to 34.4), with its economy plagued by political unrest. Other markets also continued to struggle, including [Egypt](#) (up from 47.4 to 48.4), [Lebanon](#) (down from 46.0 to 45.8), [Malaysia](#) (down from 49.9 to 48.6) and [South Africa](#) (up from 48.5 to 49.6).

U.S.-manufactured goods exports have improved so far in 2017.

For manufacturers, exports have trended in the right direction through the first three quarters this year—a welcome development after weaker data across the past two years. Using non-seasonally adjusted [data](#), U.S.-manufactured goods exports totaled \$813.12 billion year to date in September, up 3.85 percent from \$782.94 billion one year ago.

This reflects better year-to-date figures in five of the top-six markets for U.S.-manufactured goods: Canada (up from \$201.42 billion to \$210.15 billion), Mexico (up from \$170.99 billion to \$179.49 billion), China (up from \$79.23 billion to \$91.01 billion), Japan (up from \$46.36 billion to \$49.87 billion) and Germany (up from

\$36.85 billion to \$39.42 billion). The lone exception occurred with our fifth-largest trading partner, the United Kingdom (down from \$42.10 billion to \$41.63 billion), with marginally softer exports to that nation year to date this year versus last.

Goods exports rose to their highest levels in September since late 2014.

The [U.S. trade deficit](#) edged up from \$42.77 billion in August to \$43.50 billion in September. In the latest figures, goods exports grew to their highest level since December 2014 (up from \$128.79 billion to \$130.58 billion), but higher goods imports offset that increase (up from \$193.60 billion to \$195.97 billion). Beyond goods, service-sector exports (up from \$65.96 billion to \$66.24 billion) and imports (up from \$43.91 billion to \$44.34 billion) both rose to new all-time highs.

The underlying goods exports data provided mixed results. Exports increased for industrial supplies and materials (up \$1.86 billion), other goods (up \$752 million) and foods, feeds and beverages (up \$83 million), which were enough to outweigh reduced exports for consumer goods (down \$225 million), non-automotive capital goods (down \$205 million) and automotive vehicles, parts and engines (down \$182 million). In contrast, the goods imports data increased for the most part, including non-automotive capital goods (up \$1.47 billion), industrial supplies and materials (up \$1.09 billion), consumer goods (up \$357 million) and foods, feeds and beverages (up \$208 million). At the same time, goods imports for automotive vehicles, parts and engines (down \$553 million) and other goods (down \$111 million) both decreased.

International Trade Policy Trends

President Trump focuses on security and trade during five-country Asia trip.

President Trump and his team are in the midst of a five-nation Asia trip widely seen as a signal of the United States' continued commitment to the region and an indication of the administration's policy direction in Asia. The trip, running from November 3–13, includes stops in Japan, South Korea, China, Vietnam and the Philippines and bilateral meetings with the top leader in each country. President Trump will also be attending the Asia-Pacific Economic Cooperation leaders' meetings in Vietnam and the Association of Southeast Asian Nations summit in the Philippines.

President Trump kicked off his visit in Japan on November 6 with Prime Minister Shinzo Abe with a [full schedule](#) and a [joint press conference](#) that stressed the “close relationship” between the two countries. They noted the ongoing [U.S.–Japan Economic Dialogue](#), led by Vice President Mike Pence and Deputy Prime Minister Taro Aso, with President Trump emphasizing the need to ensure “equal and reliable access for American exports to Japan’s markets in order to eliminate our chronic trade imbalances and deficits with Japan.” In Korea, President Trump met with President Moon Jae-in, stating at a [joint press conference](#) that he is confident the two sides can “reach a free, fair and reciprocal trade deal as we renegotiate” the U.S.–Korea (KORUS) Free Trade Agreement (FTA). As noted in this White House [release](#), the two leaders instructed trade officials to “conclude an improved agreement expeditiously.” President Trump landed in Beijing on November 8, attending a welcome ceremony and state dinner on November 9 that is expected to include a candid conversation on trade. For more information about these issues, please contact NAM Director of International Business Policy [Ryan Ong](#).

Negotiators prepare for fifth round of NAFTA negotiations next week, after fourth round reveals significant divisions.

The United States, Canada and Mexico will meet for the fifth round of NAFTA negotiations in Mexico City, officially scheduled for November 17–21, with some discussions starting as early as November 15. With the fourth round of negotiations, during which U.S. negotiators made multiple controversial proposals, each of the countries has made “substantially all” of their initial text proposals. The U.S., Canadian and Mexican governments issued a [trilateral statement](#) at the end of the fourth round in October in which they indicated that discussions on the chapter on competition have been substantively completed and that progress has

been made in areas including customs and trade facilitation, digital trade, good regulatory practices and certain sectoral annexes. The three countries also noted that new proposals (which were not identified but likely include provisions to weaken or eliminate dispute settlement mechanisms, impose substantially changed automotive rules of origin and potentially seek a time limit or so-called “sunset” on the duration of the agreement) have created challenges and that there are “significant conceptual gaps” on these issues. In his [closing statement](#), U.S. Trade Representative Robert Lighthizer said that he is “surprised and disappointed by the resistance to change from our negotiating partners” and that “we have seen no indication that our partners are willing to make any changes that will result in a rebalancing and a reduction in these huge trade deficits.” The three parties agreed to continue the talks through the first quarter of 2018. Consistent with the [NAM's NAFTA paper](#), the NAM continues to communicate directly with senior officials throughout the administration and on Capitol Hill regarding the NAM's priorities for an updated, modernized and improved NAFTA, as well as identifying outcomes that would undermine American competitiveness and put at risk manufacturing jobs dependent on exports to and trade with Canada and Mexico. The sixth round of negotiations is expected to take place in Washington, D.C., in December with additional rounds expected through the first quarter of 2018. For more information about the NAM's work on NAFTA, please contact [NAM Vice President of International Economic Affairs Linda Dempsey and NAM Director of International Trade Policy Ken Monahan](#).

House Ways and Means Trade Subcommittee holds MTB hearing, seeks to move bill.

On October 25, representatives from three manufacturing companies—[Gowan USA](#), [Lasko Products LLC](#) and [W.L. Gore & Associates](#)—testified at a House Ways and Means Trade Subcommittee [hearing](#) to explain why the MTB is so important to manufacturers. In a [blog](#) published in advance of the hearing, NAM Director of International Trade Policy Ken Monahan highlighted the stories of two additional manufacturers—Albaugh, LLC and Glen Raven, Inc.—and called on Congress to move the MTB as quickly as possible. In a [press release](#) following the hearing, Trade Subcommittee Chairman Dave Reichert (R-WA) highlighted a story shared by Rep. Lynn Jenkins (R-KS) on the importance of the MTB to The Goodyear Tire & Rubber Company, as well as data prepared by the NAM and shared by Rep. George Holding (R-NC) at the hearing on the economic impact of the MTB for North Carolina. In his press release, Chairman Reichert reiterated his commitment to move “swiftly to deliver tariff relief to U.S. businesses and consumers.” For additional information about the MTB, please contact [Ken Monahan](#).

Senate Banking Committee holds hearing on nominees for Ex-Im Bank Board of Directors.

On November 1, the Senate Banking, Housing and Urban Affairs Committee [held its hearing](#) on the five nominees to the Ex-Im Bank Board of Directors and the nominee for Ex-Im inspector general. The NAM and its coalition partners amplified their voices in the weeks before the hearing to express their opposition to former Rep. Scott Garrett (R-NJ), who has been nominated as Ex-Im Bank president, including in an [NAM-produced web ad](#), numerous [op-eds](#) and in a direct [request](#) to Rep. Garrett to withdraw. During the hearing, the other four board nominees—Kimberly Reed, former Rep. Spencer Bachus (R-AL), Judith Pryor and Claudia Slacik—expressed strong support for the Ex-Im Bank, and the nominee for inspector general, Mark Greenblatt, focused on how he would carry out his role in ways that would be supportive of the bank's mission. Garrett, however, stuck closely to his very limited [statement for the record](#). Despite multiple opportunities, Garrett refused to disavow any prior comment he made about ending the Ex-Im Bank or his criticism of the agency, stating merely that the administration had changed. Press reporting on the hearing noted the tough questioning and deep skepticism expressed by many senators over Garrett's ability to carry out the mission of the bank given his longstanding opposition. [Reuters](#) reported that while Garrett stated his intention to run the Ex-Im Bank consistent with the law, he “refused to tell skeptical senators at his confirmation hearing that his past views about Ex-Im were wrong and did little to explain his change of heart about the institution.” There are multiple other press stories, including in [The Wall Street Journal](#), [Morning Consult](#), [The Hill](#) and [Bloomberg News](#). Banking Committee Chairman Mike Crapo (R-ID) and Sens. Pat Toomey (R-PA) and Richard Shelby (R-AL) indicated their support for Garrett, with Sens. Toomey and Shelby vowing to hold up the other Ex-Im Bank nominees if Garrett's nomination does not proceed. Following the hearings, the NAM issued a [strong statement](#) from NAM President and CEO Jay Timmons emphasizing that Garrett had failed to make the case and his nomination should be rejected. For additional information about the NAM's Ex-Im Bank activities, please contact NAM Vice President of International Economic Affairs [Linda](#)

[Dempsey](#).

NAM urges concrete action on global trade barriers and the need for a strategic, proactive market-opening trade agenda.

On October 26, the [NAM urged the U.S. government](#) to take concrete actions to eliminate foreign trade barriers and weak standards overseas that are holding manufacturers back with a [detailed submission](#) to the Office of the U.S. Trade Representative (USTR) for its annual "[National Trade Estimate on Foreign Trade Barriers](#)" report. With significant input across the NAM membership, the NAM's submission details a wide variety of trade barriers that manufacturers across multiple sectors confront globally, including those that block U.S. exports, tilt the playing field in favor of domestic competitors and limit manufacturing jobs and growth here at home. These include import and export barriers, investment limitations, forced localization barriers, lack of intellectual property enforcement and discriminatory standards and technical regulations. With the input of NAM members, the submission identified barriers in more than 60 countries and regions around the world; Brazil, China, India, Indonesia and Russia marked the NAM's "top five," with Argentina, Colombia, Ecuador, Korea and Malaysia also featured prominently throughout the submission. The NAM also stressed that fighting foreign trade barriers must be part of a trade strategy that supports strong U.S. exports that promote manufacturing competitiveness and jobs, alongside [efforts to negotiate market-opening, high-standard and enforceable agreements](#). This is fully consistent with the NAM's messaging in other submissions, such as the NAM's *May submission to the Commerce Department and USTR on [trade deficits and its July submission on \[trade violations\]\(#\)](#)*. For more information about this submission or the NAM's work on trade barriers, please contact NAM Director of International Business Policy [Ryan Ong](#).

U.S.–India commercial dialogues wrap up with no breakthroughs; positive but firm discussions.

On October 26 and 27, the USTR and Commerce Department hosted their Indian counterparts for this year's trade policy forum and commercial dialogue with positive, active discussions on a range of commercial issues, but no concrete progress on priority issues for manufacturers in the United States. The October 26 forum between Ambassador Lighthizer and Minister of Commerce and Industry Suresh Prabhu resulted in a commitment to continue the dialogue but not a joint statement (only separate [U.S.](#) and [Indian](#) statements). The October 27 commercial dialogue did result in a [joint statement](#) that emphasized areas of exchange, a commitment to continue the commercial dialogue and to reinvigorate the U.S.–India CEO Forum, but included no meaningful progress on policy challenges facing manufacturers (and other U.S. businesses) in India. In advance of the two dialogues, the NAM had a series of touchpoints with the U.S. and Indian governments, including a [press release](#) and [letter](#) from the NAM-supported Alliance for Fair Trade with India (AFTI) to Ambassador Lighthizer on dialogue priorities and a formal AFTI [statement](#) following the dialogues. For more information on the NAM's India work, please contact NAM Director of International Business Policy [Ryan Ong](#).

GSP renewal required by end of 2017; USTR announces new process to assess GSP country eligibility.

Unless GSP is renewed by the end of 2017, tariffs will be re-imposed on U.S. imports from developing countries currently eligible for duty-free treatment under the GSP starting on January 1, 2018. Work is ongoing in Congress to renew the program. Separately, USTR [announced](#) on October 24 an intensified effort to conclude outstanding GSP country eligibility reviews and a new interagency process to assess country eligibility. Under the new process, USTR will assess each country's compliance with GSP statutory eligibility criteria every three years. If concerns are raised regarding the country's compliance with eligibility criteria, the administration may self-initiate a review of that country's continued eligibility for GSP benefits. The first assessment period will focus on the GSP eligibility of countries in Asia. For additional information about the new GSP process, please contact NAM Director of International Trade Policy [Ken Monahan](#).

2018 edition of “USA Trade Guide” released.

ThinkGlobal Inc., in cooperation with the State International Development Organizations, has released the 2018 edition of the “USA Trade Guide,” an international resource for export and investment promotion. This magazine-style guide, in print and online, is an informational resource and tool for U.S. exporters nationwide and foreign direct investors. The purpose of the guide is to provide U.S. companies and foreign investors with expert advice and answers to frequently asked questions about exporting and investment. It also includes information about key contacts, websites and other resources. For more information, click [here](#).

- *For a listing of upcoming Commerce Department trade missions, click [here](#).*

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Questions or Comments?

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