



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

# U.S. Trade Agenda

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# Presentation Outline

## Putting Trade in Context

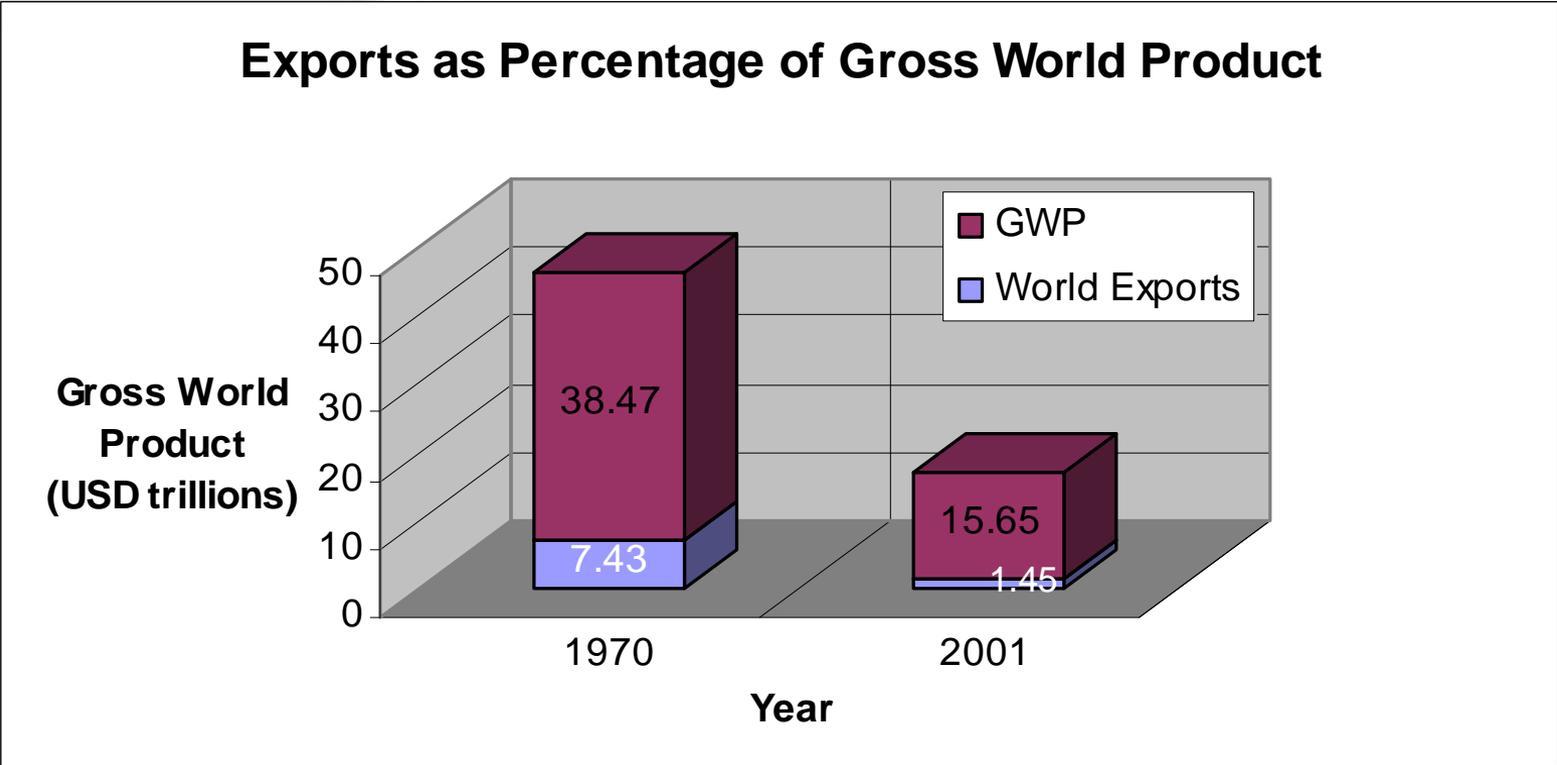
- Significance of trade in the world economy
- Benefits of world trade

## U.S. Trade Policy

- Key Stakeholders
- U.S. Free Trade Agreements
- Multilateral Trade
- Regional Trade

## Questions Welcome

# Importance of Trade to the World Economy



- Gross World Product (GWP) steadily increasing over the last 35 years, with exports composing more of the economy
  - \$1.45 trillion in world exports in 1970
  - \$7.43 trillion in world exports in 2001

# Benefits of More Trade

- Employment generation
- Spurs innovation
- More consumer choices
- Stronger business environments
- Comparative advantage:
  - Efficiency
  - Strategic Resource allocation
- Economic growth



# Key Stakeholders in U.S. Trade Policy

<b>U.S. Trade Representative (Lead)</b>	<b>U.S. Industry Associations (Consultation)</b>
<b>U.S. Government Agencies (Contributors)</b>	<b>U.S. Companies/Individuals (Consultation)</b>
<b>U.S. Congress (Consultation &amp; Ratification)</b>	<b>International Counterparts</b>

# Role of Congress

- Decides on the mandate with which the Executive Branch has the authority to negotiate



**Trade Promotion Authority**

- Debates and proposes policy suggestions to the Executive Branch



**Ways and Means Committee**  
(House of Representatives)

- Consults actively on prospective trade policies while they are being formulated



**Finance Committee**  
(Senate)

# Trade Promotion Authority

## Objectives

- Expedite consideration of trade agreement implementation legislation as negotiated and with limited debate
- Address the potential negative effects of trade policy/globalization

## Factoids

- Through 2006, U.S. exports to FTA partners are growing twice as fast as our exports to the rest of the world.
- Our current FTAs in force account for seven percent of the world GDP (excluding U.S.) and 42 percent of U.S. exports.

TPA mandate expired June 30, 2007

# Congressional Concerns



## Different Context for Decisionmaking

- *Democrats capture majority rule of the House of Representative and the Senate for the first time in 12 years – November 2006*

## Policy Considerations

- Labor Standards
- Environment Standards and Public Health
- Trade Adjustment Assistance
- Trade Remedies
- Temporary Entry

# Bi-Partisan Trade Deal – May 10, 2007

<b>Labor</b>	<b>Environment</b>	<b>Intellectual Property</b>
<b>Investment</b>	<b>Government Procurement</b>	<b>Port Security</b>

# U.S. Free Trade Agreements - History

Concluded a total of 15 FTAs with 20 countries

- First two FTAs were with Israel (1985) and Canada (1989). The U.S.-Canada FTA was suspended when NAFTA (1994) went into effect.
- Middle East & North Africa
  - Bahrain (2006), Israel (1985), Jordan (2001), Morocco (2006)
- Asia & Oceania
  - Singapore (2004), Australia (2005), Korea (signed 2007)
- Western Hemisphere
  - Canada (1994), Chile (2004), Colombia (signed 2007), Dominican Republic (2007), El Salvador (2006), Guatemala (2006), Honduras (2006), Mexico (1994), Nicaragua (2006), Panama (signed 2007), Peru (signed 2006)
- Implementation is pending with Costa Rica and Oman agreements

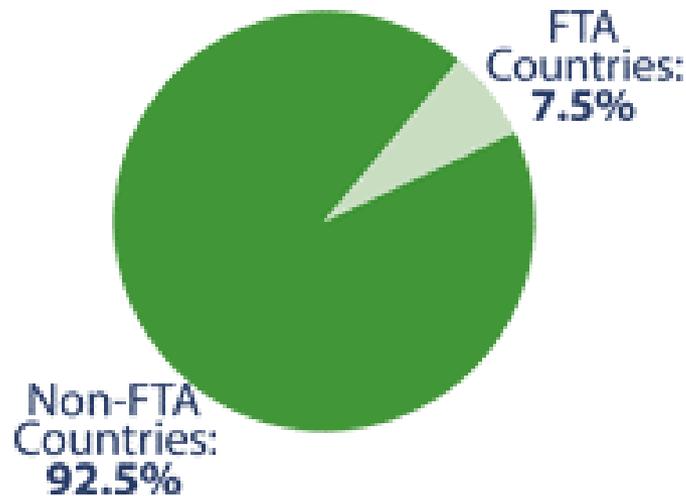
# U.S. Free Trade Agreements - Scope

These 15 agreements are comprehensive and in many cases carry immediate benefits. They contain broad commitments that provide a predictable environment for our exporters and investors, including chapters on:

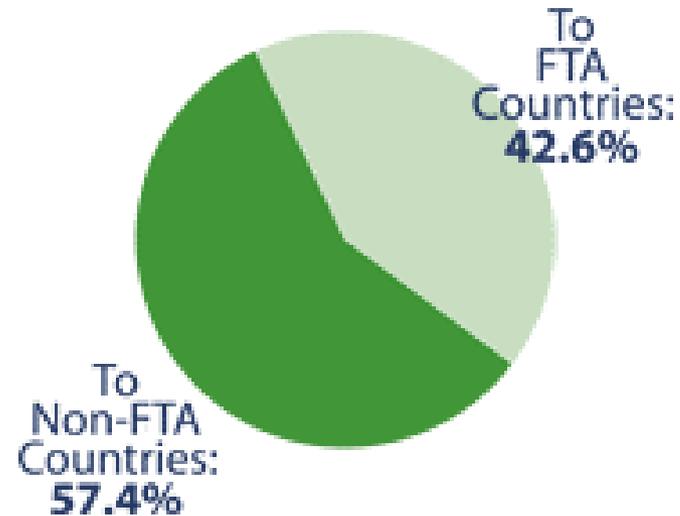
- Agriculture
- Environment
- Financial Services
- Government Procurement
- Investment
- Labor
- Services
- Transparency

# U.S. Free Trade Agreement Partners in the Global Economy

Percent of World GDP, 2006



Percent of U.S. Exports, 2006



# Signed Free Trade Agreements (Pending)

Peru



Colombia



Panama



South Korea



- Working to share information about the benefits of the agreements, as negotiated
- <http://trade.gov/fta/index.asp>

# World Trade Organization: U.S. Goals and Benefits

- Eliminate or significantly reduce tariffs on industrial and consumer goods
- Address remaining non-tariff barriers
- Lower barriers to services trade
- Fundamental reform of agriculture
- Trade liberalization would increase global welfare by almost \$300 billion per year by 2015
- Eliminating tariffs alone will add \$95 billion to America's national income
- Opening markets for exporters; leveling the playing field

# WTO Work In Progress

## Multilateral discussions

- Market access for agricultural products/  
reduction of agriculture subsidies
- Non-agricultural market access through  
tariff reductions
- Assurances for existing GATS commitments/  
Further liberalization

Bilateral accession talks (Cambodia, 2004; Vietnam, 2007)

Internal TPA renewal efforts

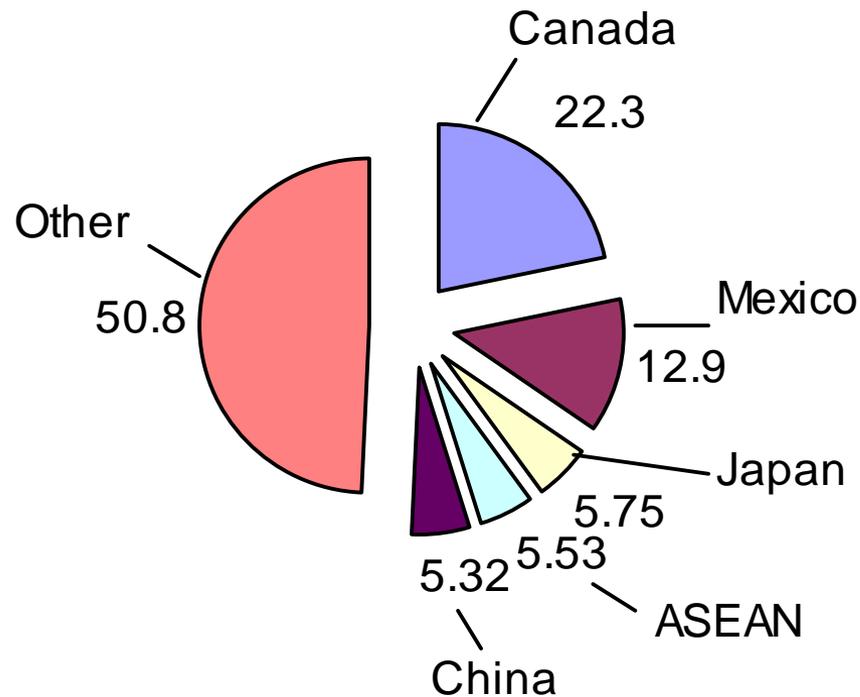
# ASEAN



[www.countryreports.org/map/southeastasia.aspx](http://www.countryreports.org/map/southeastasia.aspx)

# Significance of ASEAN

## U.S. Exports to Key Markets in 2006



# U.S. Exports to Key Asian Markets

	US\$bn
<b>Japan</b>	<b>59.6</b>
<b>ASEAN</b>	<b>57.3</b>
Singapore	24.7
Malaysia	12.5
Thailand	8.1
Philippines	7.6
Indonesia	3.1
<b>China</b>	<b>55.2</b>
<b>South Korea</b>	<b>32.4</b>
<b>Taiwan</b>	<b>23.0</b>

# Regional Efforts

- **ASEAN Enhanced Partnership (July 2006)**
  - A five-year master plan for cooperation in economic security, development and education
- **ASEAN TIFA (August 2006)**
  - A platform for strengthening the already deep trade and investment ties between the United States and ASEAN countries.
    - ASEAN Single Window
    - Sanitary and Phytosanitary Framework Agreement
    - Harmonized Standards
- **Bilateral FTA Negotiations**
  - Singapore (entered into force 1/1/04), Thailand, Malaysia

# Internet Resources

Overview of U.S. FTAs:

<http://trade.gov/fta/index.asp>

Trade Policy Initiatives/News/Agreement Texts

<http://www.ustr.gov/>

Trade Promotion Authority:

<http://www.nationalaglawcenter.org/assets/crs/RL33743.pdf>

Bipartisan Trade Deal:

[http://www.ustr.gov/assets/Document\\_Library/Fact\\_Sheets/2007/asset\\_upload\\_file127\\_11319.pdf](http://www.ustr.gov/assets/Document_Library/Fact_Sheets/2007/asset_upload_file127_11319.pdf)

Business Matching Services:

<http://trade.gov/cs/index.asp> and  
[http://www.buyusa.gov/asianow/southeastasia\\_home.html](http://www.buyusa.gov/asianow/southeastasia_home.html)



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# Questions

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