



Doubling Exports in Five Years: The U.S. Chamber's Plan

In his 2010 State of the Union address, President Barack Obama said: "We will double our exports over the next five years, an increase that will support two million jobs in America." The U.S. Chamber of Commerce has welcomed this goal, and in fact began calling for such a national objective in September 2009.

This is an achievable goal. U.S. exports doubled in the 1970s and early 1980s, and they nearly doubled (rising by 79%) in the five years ending in 2008. Success will depend in part on the dollar's exchange rate against other major currencies and the pace of economic growth in key export markets. However, there are specific policies that are entirely within Washington's control that can help bring this goal within reach, as laid out in the Chamber's five-point plan to boost U.S. exports:

1) Open Foreign Markets: Many Americans rightly sense the international playing field for trade is tilted against them. While our market is largely open to imports, U.S. manufactured goods often face tariffs of 10% or higher when they enter foreign markets, and our farm products face even steeper barriers. The good news is that our trade agreements do a spectacular job eliminating foreign market barriers and creating a level playing field.

Congress must begin by approving the pending trade agreements with Colombia, Panama, and Korea. These accords will create good American jobs, bolster important allies, and confirm that America is not ready to cede its global leadership role. If we don't move forward, American workers will pay a stiff price. South Korea, for example, has inked a free trade agreement with the EU, and Colombia has concluded an agreement with Canada. If those plans go ahead while Washington delays, the Chamber estimates 380,000 more Americans will lose their jobs.

In addition, the United States must negotiate more market-opening agreements, including the global Doha Round, which could provide a global economic stimulus worth hundreds of billions of dollars, and the Trans-Pacific Partnership, an emerging trade pact that was recently embraced by the Obama administration.

2) Enforcing Trade Agreements: International accords aren't worth the paper they're written on if we don't act to enforce them. If other governments are

subsidizing their goods or selling them below cost (“dumping”), it’s appropriate for Washington to respond with anti-subsidy or anti-dumping duties. Also, Washington should not hesitate to use the dispute settlement system of the World Trade Organization when other nations fail to live up to their commitments.

3) Export Control Modernization: America’s outdated limits on the foreign sale of certain technologies cost U.S. businesses billions in lost sales annually. As Defense Secretary Robert Gates has argued, highly sensitive technologies with military applications must be protected, but when technologies are already widely available from America’s trade competitors, controls make no sense.

A recent study by the Milken Institute found that modernizing U.S. export controls could boost America’s GDP by \$64 billion and create 340,000 jobs. That’s an opportunity we need to seize with both hands.

4) Resist Economic Isolationism: In addition, policymakers must resist the siren song of protectionism. Measures such as “Buy American” rules in the Recovery Act delayed shovel-ready projects, added to costs, and elicited retaliation from our trading partners. Also, failure to comply with our own obligations under trade agreements endangers American jobs and cuts us off from lucrative export markets, as witnessed in the case of U.S. refusal to implement NAFTA’s provisions on U.S.-Mexico cross-border trucking.

5) Export Promotion: Finally, there are thousands of companies that need to be brought into the exporting business. More than a quarter million of America’s small businesses export, and they account for nearly a third of U.S. merchandise exports, but that’s just one of every 100 companies. The administration can help America’s small businesses start exporting by providing some of the tools, training, financing, and contacts they need to sell overseas.

The National Export Initiative unveiled in February by Commerce Secretary Gary Locke includes commitments to step up the efforts of the U.S. Commercial Service to help American exporters and work with other agencies, such as the U.S. Export-Import Bank, to help small businesses tap foreign markets.