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****AS PREPARED FOR DELIVERY****

Thank you for the introduction, Ron [Langston]. Welcome, everyone. I am delighted to be able to join you for this MED Week, activity today. I had a chance to touch base with owners of small and medium-sized businesses here today, and some of the sponsors. The bottom line is that you are the ones who benefit the most from what the team at the U.S. Trade Representative office and I do – opening markets for you.

Now, a major U.S. corporation or multinational, when they come across a trade barrier overseas, they can go behind that barrier and invest in a facility. They can open a storefront. As small and medium-sized businesses owners, you don't have that luxury, you don't have that kind of capital, and you need to confront those barriers head on.

That's where the Office of the U.S. Trade Representative comes in.

It is our job to knock down these barriers, to negotiate down these barriers, to create a level playing for American workers, American farmers, American businesses for those of you, who have an interest in doing business outside of our borders. We do this by negotiating multilateral trade agreements, bilateral, regional trade agreements and by enforcing existing agreements.

Now, it doesn't come as a surprise to anyone here to know that there are segments of our economy that are under stress, but our exports are booming.

Over the four most recent quarters of our economy, U.S. exports accounted for 60 percent of our economic growth. It is very clear that many U.S. companies, many U.S. entrepreneurs have recognized the importance of access to foreign markets and of diversifying their customer base. The fact of the matter is, international trade means jobs.

And those jobs are not just jobs in the firms that happens to be exporting. Trade is a positive sum game. It is a positive sum game because of its multiplier effect. It's a positive sum game because it's not just the American partners, but also the international partners, who benefits from trade.

Now in my business, we throw around a lot of aggregate statistics, a lot of big numbers – a lot of big numbers that many small and medium-sized companies can't necessarily identify with. But in the international trade business, every one of those numbers is made up of one transaction at a time, one deal at a time, one entrepreneurial exchange at a time.

Therefore, behind all of our statistics are very real entrepreneurs, people who are living the American Dream. And these individuals, and these companies don't limit themselves to the American market, but are interested in selling to the other 95 percent of the world population that lives outside our borders.

These are people like Lisa Phillip, president and owner of Hybas International.

Lisa is the African-American president and owner of an export trading company. She started the business a few years ago and sells all types of processed foods, including coffee, canned goods and toothpaste. And at the request of the customers, Hybas has expanded its sales in recent years to include chemicals and industrial goods.

She now sells her products in countries as diverse as Trinidad and Tobago, Belarus, Dubai and Singapore, with plans to spread into other markets as well.

Another person who can testify to the power of working across borders is Cecilia Ochoa Levine. She is the president of MFI International and she works with manufacturers on both sides of the border between her native Mexico and her long-time home, here in the United States.

And she has been incredibly successful working with U.S. companies to remain competitive in the world market by setting up production sharing arrangements across borders, sharing arrangements between the United States, Latin America and Asia. She also works with European companies that want to locate closer to the U.S. market.

Her job is to help them establish a manufacturing presence along the U.S.-Mexican border and to locate high quality suppliers to support their operations. In fact, President Bush recognized her success by appointing her to the President's Export Council of leading trade advisors.

Ms. Levine is a naturalized U.S. Citizen and is living proof that U.S. minority firms can have a real competitive advantage when it comes to exporting due their language skills, ease of movement between cultures and business agility.

She is also proof that the United States is still a leader in manufacturing.

It never ceases to amaze me, particularly in this political season, when you listen to Congress and media pundits decry the demise of U.S. manufacturing or U.S. competitiveness in manufacturing or services. They claim that we are exporting all of our jobs overseas.

In actual fact, not only do Americans still make "stuff," but according to the World Bank, the United States remains the Number 1 manufacturer in the world. You wouldn't know that by listening to many of our politicians or media pundits. Yet, we are still by far the largest manufacturing country in the world with value added of \$1.7 Trillion.

We produced almost two times more than the second largest, principle manufacturer of the world – Japan. And significantly more than China, the third largest manufacturer. Again, look at the facts.

And for all the negative and misleading statements you hear about NAFTA, according to the Commerce Department, U.S. manufacturing output went up in the 14 years after NAFTA, went up by 61 percent. That is almost twice as fast as the growth rate in U.S. manufacturing in the fourteen years before NAFTA. Again, look at the facts.

And even though technology and increased productivity can mean that manufacturing increases don't always mean more manufacturing jobs, you might be surprised to learn that almost 13.5 million Americans are still employed in the manufacturing industry, and that does not reflect the multiplier impact on supporting services jobs.

So don't let anyone fool you into thinking U.S. manufacturing is dead. It is not only alive and well – it is top quality and it is selling around the world.

So how do you take maximum advantage of the U.S. ingenuity and competitiveness – particularly in our small and medium-sized enterprises, particularly for minority business enterprises? That's where trade agreements enter into the picture.

Trade agreements are particularly important to American small and mid-sized companies for a variety of reasons, including logistical and financial.

On the logistical front, small and mid-sized companies – unlike most multi-nationals – cannot necessarily put a person on the ground in other countries. This means you must find qualified, honest agents, distributors and partners in-country to represent you. Building and maintaining relationships are very important if you want to work around the globe.

The fact is, in this day and age, anyone who has a cool idea or product, access to the Internet and express package delivery services can be a global business.

In the financial realm, you face the same challenges as multinationals, but without the resources to sustain business while you navigate through the trade system. You face the dual challenges of not having deep pockets nor “patient capital.” In other words, you have smaller margins and shorter time frames within which to develop your cash flow.

With these challenges in mind, our office works diligently with other nations and with other enterprises and activities within the United States government to help create an environment that allows companies, such as many of the ones you represent, to break into new markets and compete on the merits of your products and services.

In fact, minority-owned firms benefit most from the kind of trade agreements that we negotiate because you are twice as likely to generate sales through exports compared to non-minority firms.

We believe in American ingenuity, American persistence and the American Dream. We believe in you!

For those who think working in Singapore or Mexico sounds intimidating, I've got some very important news to share. Did you realize that as an American taxpayer you have your very own sales force in more than 80 countries around the world?

You can take advantage of this workforce by contacting the U.S. and Foreign Commercial Service and their SBA colleagues in U.S. Export Assistance Centers. They are perfect places to build those important relationships that I mentioned earlier and they are also great venues to interact with District Export Councils, made up of private sector entrepreneurs and community participants who have experience in international trade and who are delighted to help contribute that experience.

I used to head up the U.S. Commercial Service, also part of the Department of Commerce, who worked closely with our minority business development partners and so I can personally recommend their services. You can find out more about them at www.export.gov. And if you're interested in details on our trade agreements, you can find out more at www.tradeagreements.gov.

Even though we have come a long way in helping U.S. companies compete around the world, we still have a long way to go. I would like to take just a few moments to discuss the current state of play in the Bush Administration's Pro-Trade Agenda, because it has a bearing on current, and above all, on future potential markets for your goods and your services.

We are, needless to say, in a sprint to the finish. Congress will return next week and when it comes to international trade, they have a lot left to finish before they go home for the year.

We do, too.

To help open doors for American entrepreneurs, we are focused on three principal activities: (1) concluding a successful Doha Round of multilateral trade negotiations in the World Trade Organization (WTO); (2) gaining Congressional approval of pending trade agreements with Colombia, with Panama, with Korea; and (3) aggressively enforcing existing trade agreements.

Our most ambitious effort, in terms of negotiations, has been to come to an agreement with the 150-plus countries that are part of the WTO, known as the Doha Round of trade negotiations.

As many of you are no doubt aware, this effort suffered a setback in July. The fact is we made tremendous progress and certainly haven't given up continuing to move the negotiations forward this year. This is the multilateral negotiation focusing particularly on economic development, the alleviation of poverty, and growing economies through trade, not aid.

And it is an opportunity particular for the advanced developing countries, the Chinas, the Brazils, the Indias of this world, to contribute to as well as gain from a multilateral trading system that has had such a positive impact on their development. It is a matter of giving back and helping to generate global economic growth. In the next five years, by some estimates, 50 percent of that growth will come from countries such as China, India, Brazil, Argentina, South Africa, the ASEAN countries of Southeast Asia.

On the bilateral front, we've also made a huge amount of progress for the course of this Administration. But there are trade agreements pending that you will not benefit from unless, and until, Congress actually enacts them into law.

When this Administration came into office, the United States had trade agreements with only three countries – Canada, Mexico and Israel.

Since then, we have put into effect bilateral trade agreements with 11 additional countries, including agreements with our Central American allies, as well as countries such as Morocco, Bahrain, Singapore and Australia.

But we have on the books three others that are pending implementation and most importantly for our focus between now and the end of the year – three terrific trade agreements that need to be enacted into law, that need to be ratified by the United States Congress.

First and foremost on that list, is our free trade agreement negotiated almost two years ago with Colombia. In the time since that agreement has been negotiated, American companies, American entrepreneurs have probably spent upwards of a billion dollars in tariffs that didn't need to be paid if that free trade agreement had been in effect.

At this point in time, virtually everything that Colombia produces comes into the United States duty free under our preference program. Whereas U.S. entrepreneurs or U.S. exporters pay duties as high as 35 percent in the Colombian market – consumer goods, industrial goods, and even higher on agricultural products.

Now, this is not Colombia's fault. Colombia is ready to drop those barriers almost immediately when this FTA goes into effect. The fault lies with Congressional inaction.

And, according to the most recent statistics from Department of Commerce, 85 percent of all U.S. companies currently exporting to Colombia – or about 8,500 out of the approximately 10,000 – are small and medium-sized companies. These 8,500 small and mid-sized firms sold over \$2 billion worth of merchandise in Colombia in 2006.

We need the Speaker of the House of Representatives to schedule a vote on the Colombia agreement, and we need for Members of Congress – Republicans and Democrats, House and Senate – to vote their consciences on this very important trade agreement.

In the case of our bilateral agreement with Panama, again, Congress has the opportunity to change one-way free trade into two-way free trade so that U.S. entrepreneurs, U.S. exporters, can take advantage of open access to the Panamanian economy.

In fact, upon entry into force, this Panamanian FTA would eliminate duties on nearly 88 percent of U.S. industrial consumer exports immediately. In 2006, 81 percent of U.S. companies exporting to Panama again were small and mid-sized companies.

The third and final – and by far the largest – free trade agreement pending in the United States Congress today is the FTA with South Korea.

South Korea, obviously, as an advanced economy with a per capita income of close to \$20,000, does not currently receive preferential tariffs in the United States. On average, tariffs on American industrial goods going into Korea are more than twice as high as the average U.S. tariff on Korean goods coming into this market. The average Korean tariff on our farm products is 52 percent!

Again, the government of Korea has agreed to change this.

Our FTA with Korea would eliminate duties within three years on approximately 95 percent of U.S. merchandise exports, and eliminate them immediately on about two-thirds of our agricultural exports. It would also address the non-tariff barriers head-on and significantly improve regulatory transparency.

In 2006, 89 percent of all U.S. companies exporting to Korea were small and medium-sized firms selling over \$9.5 billion in merchandise to their customers in Korea.

Given Korea's \$1 trillion economy, placing it roughly in the top dozen economies worldwide, this agreement is the most commercially significant agreement that has been negotiated by the United States has reached in at least 15 years.

It is an agreement that you could take advantage of if, and only if, the Congress of the United States enacts the FTA into law. Once again, it is a vote by the Congress that stands between you and the potential benefits of this important deal.

Now briefly a note on enforcement, because quiet frankly we consider enforcement of existing agreements as important as negotiating a new agreement.

We have pursued trade cases bilaterally or through the WTO, and ultimately resolving them, contributes to our ability to compete in the international marketplace. Our enforcement activities involve such issues as protection of your intellectual property in China, Russia, and elsewhere; as well as stopping illegal subsidies and product dumping. And we shared these responsibilities in Department of Commerce and other governmental agencies.

Those of us in public life throw around lots of statistics about trade. But in the end of the day, as I noted earlier, each trade statistic is made up of one transaction at a time, one individual contact at a time, and ultimately you are responsible for those transactions. We aren't. We play a facilitative role, but we know that ultimately you are the ones who are accountable to yourselves, to your families, and your communities.

If you benefit from international trade, if you want to benefit, we need you to speak out on the benefits of trade at your local Rotary Club, your local Chamber of Commerce. We need your employees to understand the importance of free trade, whether you're exporter, importer, or supplier to an importer or exporter. Your customers, elected officials all need to hear from you

about the role that trade plays in your business. They need to understand the impact of trade and its multiplier effect on businesses and on the jobs that you create.

They hear from the naysayers; now they need to hear from you! The fact is our economic future may depend on it. Thank you all for coming today. I look forward to working with you as we go forward with our mutual interest in creating economic growth in a stronger economy.

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