President Obama's 2013 Trade Agenda

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KEY ISSUES:

1) Supporting American Jobs through Trade
2) National Export Initiative
3) Implementation of the 3 FTAs
4) Trans-Pacific Partnership
5) Trans-Atlantic Trade & Investment Partnership

Advancing Trade to Support American Jobs

- Opening markets overseas creates opportunities for U.S. farmers, ranchers, manufacturers and service providers to export “made in America” products.

- Since 2009 US exports overall have supported 1.3 million additional American jobs.

  - Every $1 billion in U.S. exports of goods and services supported nearly 5,000 jobs in 2012
  - Every $1 billion in U.S. exports of agricultural products supported 6,800 jobs throughout the U.S. economy in 2011

- Exports are critical to economic growth since 95% of the world’s customers live outside of the U.S.

National Export Initiative (NEI)

- President Obama launched the NEI three years ago
- Goal is to support 2 million additional jobs by 2014
- We are making progress in spite of the head winds the global economy is encountering
  - In 2012, overall exports of good and services set a record of $2.2 trillion
  - Since 2009, exports increased in Agriculture by 44 %
  - 2012 showed an Agricultural **trade surplus** of $42.2 billion.

Implementation of the 3 FTAs

- All 3 FTAs were passed by Congress on Oct 12th, 2011 with significant bipartisan support and signed into law by President Obama on October 21, 2011

- We have already implemented all 3 in record time
  - Korea FTA came into force on March 15th, 2012
  - Colombia FTA came into force on May 15th, 2012
  - Panama FTA came into force on October 31st, 2012

- Full implementation of all 3 FTAs is projected to increase exports by an estimated $11 billion and support nearly 70,000 American jobs

FTA Implementation Benefits to CA

- We have already begun to see increased export gains for commodities important to CA agriculture
- For example, the Korea FTA completely eliminated duties on exports of cherries and wines, and significantly reduced duties on many other key agricultural products
- Exports to Korea March-Dec 2012 vs. March-Dec 2011:
  - Exports of US cherries totaled $87 million, up 87%!
  - Exports of US wines totaled $13 million, up 73%!

FTA Implementation Benefits to CA cont.

- We witnessed similar gains with Colombia due in part to implementation of our new trade agreement.
- For example, Colombia completely eliminated duties on U.S. exports of almonds and grapes to Colombia.
- Exports to Colombia May-Dec 2012 vs. May-Dec 2011:
  - Exports of US almonds totaled $3.1 million, up over 100%!
  - Exports of US grapes totaled $9.3 million, up 36%!

Negotiating New Trade Agreements - TPP

- The Trans Pacific Partnership will advance the U.S. trade agenda in the dynamic Asia Pacific region, a top Administration priority
- Negotiating a comprehensive high-standards regional trade agreement with Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam
- Addressing 21st Century trade issues including:
  - Trade Facilitation
  - Food Safety
  - Environmental Protections
  - Intellectual Property Rights
  - Sanitary and Phytosanitary Barriers to Trade
- Canada and Mexico have already joined negotiations, and we are consulting with Japan as a new entrant to the TPP, a sign that we are moving in the right direction.

Trans-Atlantic Trade & Investment Partnership

- In his State of the Union address on February 12, President Obama announced that the Administration intends to launch negotiations on a Transatlantic Trade and Investment Partnership with the European Union (EU).

- The President's decision recognizes that the U.S.-EU economic relationship is already the world's largest, accounting for one third of total goods and services trade and nearly half of global economic output.

- The Transatlantic Trade and Investment Partnership is envisioned as an ambitious, high-standard trade and investment agreement that would promote U.S. international competitiveness, jobs, and growth.

Trans-Atlantic Trade & Investment Partnership cont.

- A successfully negotiated Transatlantic Trade and Investment Partnership would aim to boost economic growth in the United States and Europe and add to the **over 13 million** American and European jobs already supported by transatlantic trade and investment.

- As we enter our 90 day consultation period with Congress, we look forward to hearing their views and working with them on this important issue.