

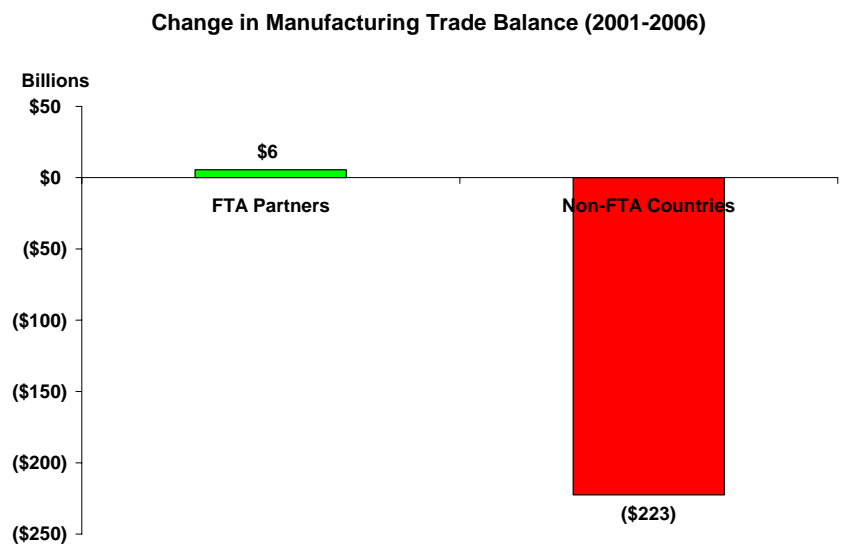
# ManuFACTS

## Renewing Trade Promotion Authority is “a Must”

- Trade Promotional Authority (TPA) enables the United States to implement advantageous Free Trade Agreements (FTA). Over the past 5 years, the U.S. manufacturing trade balance with FTA partners has improved by \$6 billion, while the trade balance with non-FTA countries has deteriorated \$223 billion.
- The Europeans, Japanese and others are starting to negotiate bilateral trade agreements with high-barrier countries such as Brazil and India – meaning that our competitors will get into those markets duty-free, while U.S. manufacturers will continue to pay high tariffs.
- TPA is the foundation for effective trade negotiations. Without TPA, hopes for a successful WTO Doha Round are dead.
- Failure to pass TPA will be the equivalent of legislating incentives for sending U.S. manufacturing jobs overseas.
- TPA expires in June 2007. Without TPA, foreign trade barriers will remain high. This will undercut U.S. manufacturers’ global competitiveness.

### HOW CONGRESS CAN HELP:

- Renew TPA so the Doha Round and new FTAs can be negotiated.

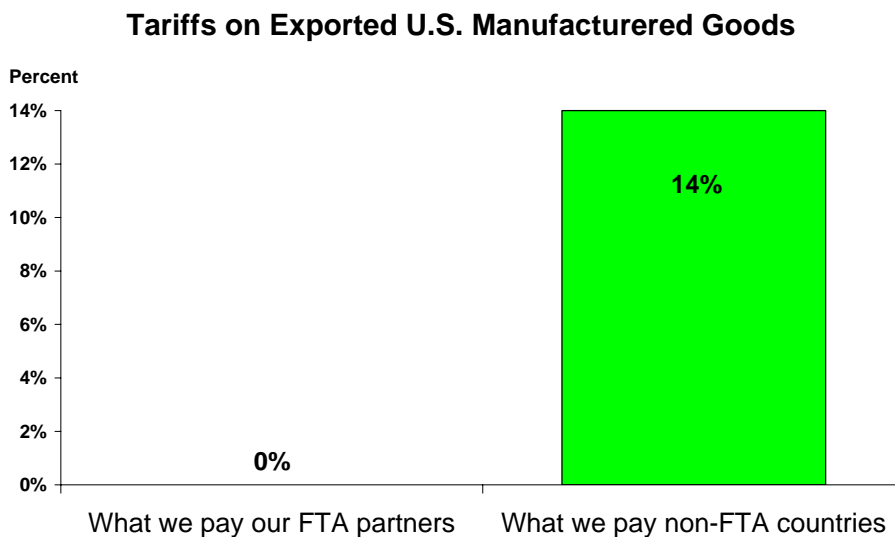


Source: U.S. Department of Commerce

**Fact:**

Since 2001, the entire increase in the U.S. trade deficit with our NAFTA partners has been due to U.S. imports of petroleum and natural gas, which are needed to fuel our economy. The U.S. manufactured trade balance with our NAFTA partners has actually improved by \$558 million over the past five years.

The United States is one of the most open markets in the world. 70 percent of imports into our country face no barriers whatsoever, and the average U.S. tariff on the remaining imports is only 4 percent. U.S. manufactures face an average tariff rate of 14 percent in countries with which we have no FTAs.



Source: WTO World Trade Report, 2005

**Bottom Line:**

Renewing TPA is critical to improving the competitiveness of U.S. manufacturers. TPA enables U.S. trade negotiators to effectively lower barriers in overseas markets, which levels the playing field.

**NAM Resources**

For more information on the NAM and this issue, please go to: [www.nam.org/manufacts](http://www.nam.org/manufacts)

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