TTIP: Time to Get It Done Right
NAM Presentation at the TTIP 13th Round Stakeholder Event
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For manufacturers, trade is not a choice. It is the way we do business. Whether our companies are selling across town or across the globe, manufacturers in the United States and in Europe are on the front-lines of the global economy every day.

With 95 percent of the world's customers outside our borders, manufacturers in the United States are increasingly looking for new opportunities and new customers – both domestically and overseas. They are not asking whether to compete, but how they can compete to win.

Manufacturing – and growth in manufacturing – is as critical for both economies now as it has ever been. When manufacturers win, we all win: For every $1.00 spent in manufacturing here in the United States, another $1.40 is added to the economy. That is the highest multiplier effect of any economic sector.

Furthermore, exports support higher-paying jobs for an increasingly educated and diverse workforce. Jobs supported by exports pay, on average, 18 percent more than other jobs in the United States. And employees in the most trade-intensive industries earn an average compensation of nearly $94,000, or more than 56 percent more than those in manufacturing companies that were less engaged in trade.

The TTIP negotiations present a critical opportunity to support more higher-paying jobs by opening markets, strengthening manufacturing competitiveness and putting in place fair, strong and transparent rules that can be enforced.

The United States and European Union already benefit from strong economic ties, with $5 trillion in total commercial sales each year. Our manufacturers are already well-integrated, with more than three-fifths of U.S.-German trade between related parties, and more than two-fifths of U.S. trade with the United Kingdom and France between related parties.

But those ties can be stronger – and in fact must be stronger in a new global economy that features other rising economic powers. We can make choices with the TTIP that will set global standards and help manufacturers in the United States and European Union be more competitive as we compete to win in many other countries around the world.

Manufacturers strongly want the TTIP to move forward quickly – and, most importantly, in an ambitious manner that will enhance our competitiveness and spur much-needed growth across both sides of the Atlantic. As we've indicated in statements and previous presentations, we're calling for a TTIP that, among other things:

1. Fully eliminates all manufactured goods tariffs.

2. Eliminates costly, duplicative testing and regulatory requirements, and just as important, addresses costs associated with compliance services that serve manufacturers, as we are

hurting each other and our ability to compete with China and elsewhere by raising costs for each others' products.

3. Provides greater transparency and good regulatory processes and faster movement on sectoral standards.

4. Puts in place strong rules on core principles for transparency, intellectual property and investment that will set global standards for countries like China and India. Now is not the time to reverse course and put in place substantial exceptions from core rules and neutral processes.

5. Embraces the rules-based trading system by establishing fair and effective enforcement mechanisms.

So why is such an ambitious agreement so urgent? Well, TTIP represents a massive opportunity to boost growth and opportunity during a time of slowing global growth and other challenges around the world:

1. According to preliminary April figures, U.S. manufacturing activity grew at its slowest pace since September 2009, with the Markit Flash U.S. Manufacturing Purchasers Managers' Index (or PMI) decreasing to 50.8 compared to 51.5 in March. Activity in the sector has decelerated significantly over the past 12 months, with the main PMI number down from 54.2 in April of last year.

2. Although Eurozone manufacturers have collectively reported expanding activity levels every month since June 2013, growth has been weaker than desired, showing that Europe is not immune to the softening in manufacturing activity seen worldwide. Specifically:

    a. For **France**, the preliminary April 2016 PMI came in at 48.3, down from the previous month and well below market expectations. It was the lowest reading since last August.

    b. For **German**y, the preliminary April 2016 PMI came in at 51.9, higher than the previous month and market expectations, but still well below the all-time high of 62.7 reached in February 2011.

    c. And for the **United Kingdom**, the March 2016 PMI came in at 51.0, slightly up from February but below market expectations, with output growth unchanged from February's seven-month low.

3. Also, in the first quarter of 2016, just 56.6 percent of manufacturers in an NAM survey characterized the current business outlook as somewhat or very positive, down from 91.2 percent in the fourth quarter of 2014.

4. And in that same survey, 61.5 percent of manufacturers responded that the recent slowdown in global growth has had a somewhat or significant negative impact on their company's export sales.

To reverse these trends, we need an ambitious TTIP that will turbocharge growth in manufacturing across the Atlantic. The NAM is working hard to determine how quickly we can move this agreement to an ambitious conclusion. It's time to get it done right.