A Publication of the National Association of Manufacturers

GLOBAL MANUFACTURING ECONOMIC UPDATE

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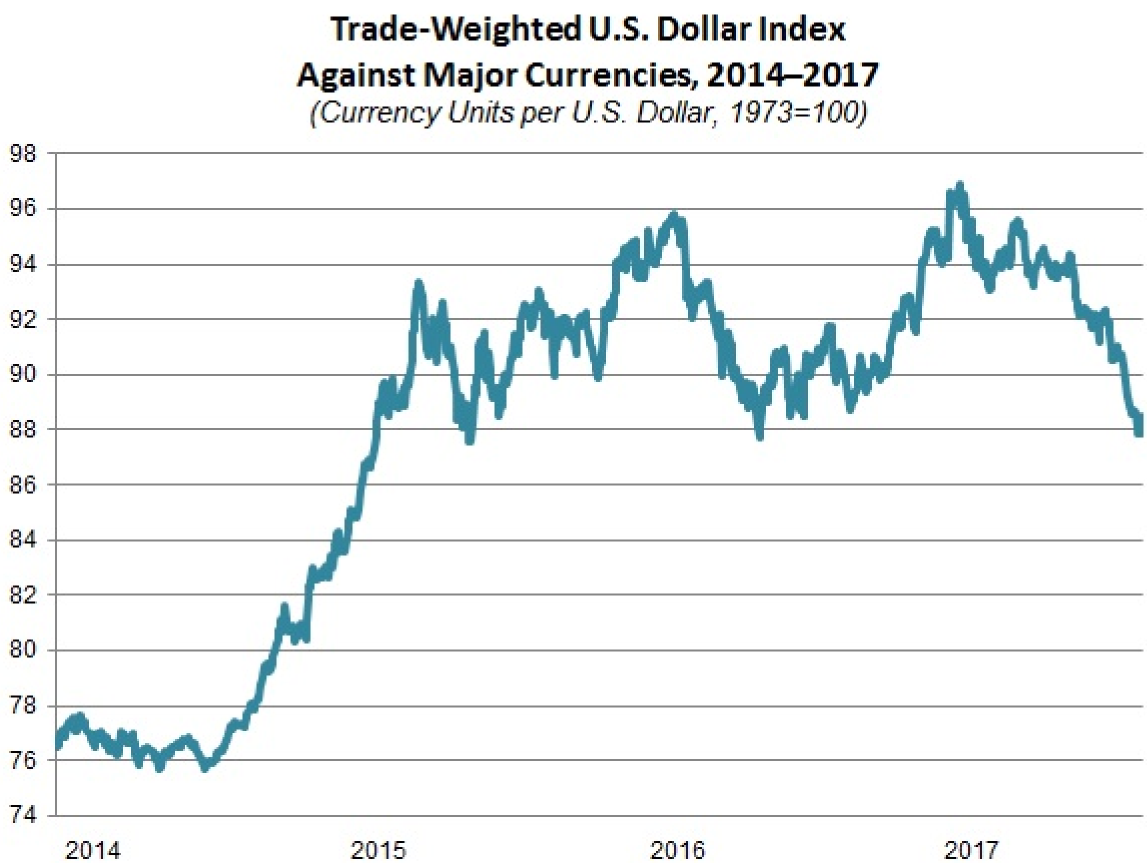

The global manufacturing sector has turned a corner, expanding modestly on improving demand and buoyed by stronger economic growth in key export markets and by a weaker U.S. dollar. On that latter point, the U.S. dollar has depreciated 7.6 percent year to date in 2017 against major currencies, but it remained nearly 17 percent higher than it was three years ago. For manufacturers, growth in the dollar's value over the past three years presents a real challenge as firms seek to increase exports. Yet, that drag was lessened recently, especially with sizable depreciation in the dollar so far this year. Using non-seasonally adjusted data, U.S.-manufactured goods exports have risen 3.9 percent year to date in June relative to the same time period last year—a welcome development after weaker data the past two years. For its part, the International Monetary Fund predicts 3.5 percent and 3.6 percent economic growth globally in 2017 and 2018, respectively, up from 3.2 percent growth in 2016.

Europe continued to dominate the list of the top export markets with strong manufacturing growth. Among the top 15 markets for U.S.-manufactured goods exports, those countries with the highest purchasing managers' index (PMI) readings in the sector in July included the Netherlands, Germany, the United Arab Emirates, Canada, the United Kingdom and France. Manufacturing activity in the Netherlands once again notched its best reading since April 2011, with Austria and Germany easing in July but at paces not far from their six-year highs. Nonetheless, July showed some slippage in the data among the top-15 markets, especially considering none in that group contracted in June. South Korea returned to negative terrain in July, contracting for the 11th time in the past 12 months on sharp reductions in output and exports. At the same time, Brazil fell back to neutral territory, ending three straight monthly expansions but with still growing—but slower—demand and production.

Real GDP in the Eurozone increased 0.6 percent in the second quarter. That translated into 2.1 percent growth year-over-year, its quickest pace since the first quarter of 2011. We will get new industrial production data for June on August 14. In May, industrial production jumped 1.3 percent, the fastest monthly rate since November and led by strength in energy and consumer goods. On a year-over-year basis, industrial production has risen 4.0 percent, a pace not seen since August 2011. Retail sales rose 0.5 percent in June, a three-month high. Over the past 12 months, retail spending has risen 3.1 percent, continuing an accelerating trend. Meanwhile, the unemployment rate in June dropped to 9.1 percent, its lowest level since February 2009.

We have also seen stronger growth in the Chinese manufacturing sector. The Caixin China General Manufacturing PMI rose for the second straight month to its fastest pace since March. It was the 11th time in the past 13 months the headline index has expanded, illustrating continued progress in the economic outlook after weaknesses in 2015 and early 2016. Overall, the Chinese economy grew 6.9 percent year-over-year in the second quarter, the same pace as in the first quarter. This reflects an acceleration after struggles over much of the past year or so, with 6.7 percent growth in 2016. Along those lines, industrial production rose from 6.5 percent year-over-year in May to 7.6 percent in June, matching the rate in March and definite progress from the 6.2 percent average in 2016. There was a similar trend for retail sales, but fixed-asset investment has cooled since the spring. We will get new data for each of these measures for July on August 14.

Closer to home, the IHS Markit Canada Manufacturing PMI increased from 54.7 in June to 55.5 in July, its best reading since April's six-year high. The pace of new orders matched the index in March, with both at levels last seen in October 2014. That would seem to indicate that the Canadian manufacturing sector has begun to recover from challenges across the past two years. Real GDP in Canada grew 0.9 percent in the first quarter, picking up from the 0.7 percent gain in the fourth quarter. That translated into 3.7 percent growth at the annual rate in the first quarter, with both consumer and business spending boosting the Canadian economy. In addition, manufacturing sales and retail spending saw healthy gains in May and in year-over-year data. Meanwhile, the unemployment rate declined to 6.3 percent in July, its lowest level since October 2008, and manufacturers added 13,700 workers in July, with year-over-year growth of 53,000 employees.

Negotiations to modernize the North American Free Trade Agreement (NAFTA) will launch on August 16 as the NAM leads business efforts to ensure that core property protection provisions and investment enforcement tools are maintained and upgraded. Business groups across the country also join the NAM in opposing the nomination of Scott Garrett to lead the U.S. Export-Import (Ex-Im) Bank. New legislation imposes sanctions on Russia, Iran and North Korea, while U.S.–China commercial dialogue does not produce concrete results.

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Global Economic and Trade Trends

Global manufacturing continued to expand modestly.
The J.P. Morgan Global Manufacturing PMI edged higher, up from 52.6 in June to 52.7 in July, its highest level since April. However, the underlying data points provided mixed news. New orders picked up slightly (up from 53.3 to 53.6), helping to buoy the headline number. In contrast, output (down from 53.2 to 53.1), exports (down from 52.6 to 52.5) and employment (down from 51.7 to 51.5) each declined marginally for the month, even as they remained positive. Looking ahead six months, manufacturing leaders continued to be very upbeat in their outlook, even with the index for future output easing a bit (down from 63.8 to 63.5). Readings greater than 60 suggest robust growth for the next six months, illustrating the optimism for the second half of 2017.

In June, none of the top-15 markets for U.S.-manufactured goods contracted—a major accomplishment and a sign of the tremendous progress in the international economy over the past year. July showed some slippage in that gauge, with the two most challenged economies slowing once again. South Korea returned to negative terrain in July (down from 50.1 to 49.1), contracting for the 11th time in the past 12 months on sharp reductions in output and exports. At the same time, Brazil fell back to neutral territory (down from 50.5 to 50.0), ending three straight monthly expansions but with still growing—but slower—new orders and production. On the positive side, 12 of the top-15 markets for U.S.-manufactured goods expanded in July, and the overall trend lines globally for the sector remain encouraging. (There is no manufacturing PMI for comparison purposes for Belgium, which is our 10th-largest trading partner.)

Meanwhile, Europe continued to dominate the list of the top export markets with strong manufacturing growth. Those countries with the highest PMI readings in the sector in July included the Netherlands (up from 58.6 to 58.9), Germany (down from 59.6 to 58.1), the United Arab Emirates (up from 55.8 to 56.0), Canada (up from 54.7 to 55.5), the United Kingdom (up from 54.2 to 55.1) and France (up from 54.8 to 54.9). Manufacturing activity in the Netherlands once again grew at its quickest pace in more than six years.

The U.S. dollar depreciated 7.6 percent year to date in 2017, but it remained nearly 17 percent higher than it was three years ago.
The trade-weighted U.S. dollar index against major currencies from the Federal Reserve Board has declined from 95.7631 on December 30 to 88.5259 on August 4. This index reflects currency units per U.S. dollar, suggesting that the dollar can now purchase less than it could before and vice versa. With that said, the index was 75.7513 on June 30, 2014, illustrating the dollar’s continued strength. For manufacturers, growth in the dollar’s value over the past three years presents a real challenge as firms seek to increase international demand. Yet, that drag was lessened recently, especially with sizable depreciation in the dollar so far this year.

Manufacturing activity in the Eurozone pulled back from a 74-month high but remained quite strong.
The IHS Markit Eurozone Manufacturing PMI decreased from 57.4 in June—its highest level since April 2011—to 56.6 in July. Employment was the lone index that inched higher for the month (up from 55.9 to 56.0), with July’s pace just shy of the all-time high recorded in May (56.1). Other key indicators decelerated in July, even as Eurozone manufacturers continued to report healthy expansions overall, including new orders (down from 58.7 to 57.0), output (down from 58.7 to 56.5) and exports (down from 57.4 to 56.8). In addition, respondents felt very upbeat about output over the next six months (down from 67.4 to 66.3) despite the forward-looking measure declining from the June pace, which had been the fastest rate since the question was added to the survey in July 2012.

As noted earlier, many of the best PMI readings globally occurred in Europe, showing how much the continent’s economies have turned a corner over the past year. The Netherlands (up from 58.6 to 58.9) once again notched its best reading since April 2011, with Austria (down from 60.7 to 60.0) and Germany (down from 59.6 to 58.1) easing in July but at paces not far from their six-year highs. Moreover, France (up from 54.8 to 54.9), Ireland (down from 56.0 to 54.6), Italy (down from 55.2 to 55.1), Spain (down from 54.7 to 54.0) and the United Kingdom (up from 54.2 to 55.1) continued to expand at decent rates, even as some of those markets decelerated a bit in the latest data. At the same time, Greece’s manufacturing sector (unchanged at 50.5) grew for the second straight month despite some lingering challenges.

Real GDP in the Eurozone increased 0.6 percent in the second quarter. That translated into 2.1 percent growth year-over-year, its quickest pace since the first quarter of 2011. We will get new industrial production data for June on August 14. In May, industrial production jumped 1.3 percent, the fastest monthly rate since November and led by strength in energy and consumer goods. On a year-over-year basis, industrial production has risen 4.0 percent, a pace not seen since August 2011. Retail sales rose 0.5 percent in June, a three-month high. Over the past 12 months, retail spending has risen 3.1 percent, continuing an accelerating trend. Meanwhile, the unemployment rate in June dropped to 9.1 percent, its lowest level since February 2009.

Canadian manufacturing picked up in July, expanding modestly and continuing to reflect progress year to date.

The IHS Markit Canada Manufacturing PMI increased from 54.7 in June to 55.5 in July, its best reading since April's six-year high. The underlying data were mostly positive, including better growth for new orders (up from 55.1 to 56.4), output (up from 54.5 to 56.3) and employment (up from 54.7 to 54.9). The pace of new orders matched the index in March, with both at levels last seen in October 2014. That would seem to indicate that the Canadian manufacturing sector has begun to recover from challenges across the past two years. Increased strength in Alberta and British Columbia (up from 56.1 to 57.8), Ontario (up from 53.1 to 53.7) and the rest of Canada (up from 53.0 to 53.1) boosted the headline number in July, with somewhat softer growth in Quebec (down from 55.3 to 54.9).

Real GDP grew 0.9 percent in the first quarter, picking up from the 0.7 percent gain in the fourth quarter. That translated into 3.7 percent growth at the annual rate in the first quarter, with both consumer and business spending boosting the Canadian economy. In addition, manufacturing sales jumped 1.1 percent in May, expanding for the third straight month on strength in motor vehicles and chemicals, among other sectors. Most impressively, sales in the sector have jumped 8.7 percent year-over-year. Similarly, retail spending also saw healthy gains, up 0.6 percent in May, with year-over-year growth of 7.3 percent.

Meanwhile, the unemployment rate declined to 6.3 percent in July, its lowest level since October 2008. Manufacturers added 13,700 workers in July, with year-over-year growth of 53,000 employees.

Mexican sentiment pulled back in July from June's 13-month high.

The IHS Markit Mexico Manufacturing PMI declined from 52.3 in June to 51.2 in July. New orders (down from 53.6 to 52.3) and output (down from 52.6 to 50.7) decelerated in July, but employment strengthened (up from 52.4 to 52.9), expanding modestly at its fastest rate since February 2016. In contrast to those measures, exports (down from 51.5 to 48.3) contracted in the latest survey for the first time in 12 months. Looking ahead, manufacturers in Mexico remained very upbeat about future output (down from 72.8 to 71.8), even with some easing. This would indicate strong gains in production over the next six months.

Real GDP increased 2.8 percent year-over-year in the first quarter, its best reading since the third quarter of 2015. There will be new industrial production figures for June released on August 11. In May, Mexican industrial production rebounded, up 1.0 percent after falling 4.2 percent in April. Output in the manufacturing sector rose 5.0 percent in May. Meanwhile, the unemployment rate decreased from 3.6 percent in May to 3.3 percent in June. This was lower than the 4.1 percent rate in September, continuing a mostly downward trend since then.

Chinese manufacturing activity notched its strongest growth in July since March.

The Caixin China General Manufacturing PMI rose from 50.4 in June to 51.1 in July, growing for the second straight month. It was the 11th time in the past 13 months the headline index has expanded, illustrating continued progress in the economic outlook after weaknesses in 2015 and early 2016. The pace of growth widened for new orders (up from 51.0 to 52.8), output (up from 50.6 to 52.3) and exports (up from 50.9 to 53.5). With that said, employment, which has been a net negative in every month since October 2013, declined at its fastest rate since September (down from 48.7 to 47.4). The index for future output signaled modest growth moving forward (down from 56.8 to 54.9), despite slowing once again from February's fastest rate since May 2015 (60.3).

The Chinese economy grew 6.9 percent year-over-year in the second quarter, the same pace as in the first quarter. This reflects an acceleration after struggles over much of the past year or so, with 6.7 percent growth in 2016. Along those lines, industrial production rose from 6.5 percent year-over-year in May to 7.6 percent in June, matching the rate in March and definite progress from the 6.2 percent average in 2016. There was a similar trend for retail sales, with the year-over-year rate growing from 10.7 percent in May to 11.0 percent in June, its fastest pace since December 2015. On the other hand, fixed-asset investment has cooled since the spring, down from 9.2 percent year-over-year in March to 8.6 percent in June. We will get new data for each of these measures for July on August 14.

Japanese manufacturing continued to expand modestly, albeit with continued easing in July.
The Nikkei Japan Manufacturing PMI declined from 52.4 in June to 52.1 in July, slipping to its lowest level since November but expanding for the 11th straight month. The underlying data mostly reflected that deceleration, including slower expansions for new orders (down from 52.3 to 51.8), output (down from 52.2 to 51.4), exports (down from 53.4 to 50.9) and employment (down from 53.2 to 52.9). Despite softer current figures, the index of future output strengthened (up from 60.8 to 63.7), exceeding 60 for the sixth time this year and rising to the best reading in the survey's five-year history. This would indicate strong growth moving forward for the second half of this year.

We will get new GDP data on August 14. In the first quarter, real GDP increased 0.5 percent, its strongest pace since the first quarter of 2016. That translated to 2.2 percent growth on an annualized basis. Looking specifically at manufacturing, industrial production rose 1.6 percent in June, rebounding somewhat after dropping 3.6 percent in May. This measure has seesawed from month to month year to date. Yet, the longer-term trend remained favorable, with industrial production up 4.9 percent since June 2016.

Manufacturing activity in the emerging markets picked up slightly in July.
The IHS Markit Emerging Markets Manufacturing Index increased from 50.8 to 50.9, a three-month high. More importantly, the headline index has now expanded for 13 straight months, reflecting improvements in the emerging markets over the past year. In July, the data increased for the most part, including new orders (up from 51.7 to 52.1), output (up from 51.4 to 51.8) and exports (up from 51.1 to 52.1). On the other hand, employment slipped further into negative territory (down from 49.4 to 48.6). Encouragingly, however, the forward-looking index for future output continued to suggest decent growth in the months ahead despite that measure easing somewhat in July (down from 62.0 to 60.7).

The country-by-country data were mixed, but a number of emerging markets made marked improvements in July, including China (up from 50.4 to 51.1), the Czech Republic (up from 55.3 to 56.4), Hong Kong (up from 51.1 to 51.3), Nigeria (up from 52.9 to 54.8), Russia (up from 50.3 to 52.7), Saudi Arabia (up from 54.3 to 55.7), Taiwan (up from 53.3 to 53.6) and the United Arab Emirates (up from 55.8 to 56.0). At the same time, the Philippines (down from 53.9 to 52.8), Poland (down from 53.1 to 52.3) and Vietnam (down from 52.5 to 51.7) continued to experience modest growth despite decelerating for the month. In addition, as noted earlier, Brazil slowed to neutral growth in July (down from 50.5 to 50.0), ending three straight monthly expansions. South Africa grew again—albeit barely—in July (up from 49.0 to 50.1) after orders fell in June.

In contrast to those markets, India (down from 50.9 to 47.9) and South Korea (down from 50.1 to 49.1) contracted in July. India's deterioration in activity stemmed largely from the introduction of a new goods and services tax, which dampened demand and led to its first contraction since December. Other markets that continued to struggle in July included Egypt (up from 47.2 to 48.6), Kenya (up from 47.3 to 48.1), Lebanon (up from 46.1 to 46.3), Malaysia (down from 48.3 to 46.9) and Myanmar (down from 49.4 to 49.1).

U.S.-manufactured goods exports have improved so far in 2017.
For manufacturers, exports have trended in the right direction in the early months of this year—a welcome development after weaker data the past two years. Using non-seasonally adjusted data, U.S.-manufactured goods exports totaled $541.15 billion year to date in June, up 3.86 percent from $521.04 billion one year ago.

This reflects better year-to-date figures in five of the top-six markets for U.S.-manufactured goods: Canada (up from $134.57 billion to $139.86 billion), Mexico (up from $113.09 billion to $118.79 billion), China (up from $51.23 billion to $59.24 billion), Japan (up from $30.10 billion to $32.77 billion) and Germany (up from $24.40

billion to $26.12 billion). The lone exception was our fifth-largest trading partner, the United Kingdom (down from $27.50 billion to $27.40 billion), with marginally softer exports to that nation this year versus last.

The U.S. trade deficit narrowed further in June.
The U.S. trade deficit declined from $46.39 billion in May to $43.64 billion in June, its lowest level since October. In June, the reduced trade deficit was largely the result of an increase in goods exports (up from $127.26 billion to $129.01 billion) to a two-year high, with goods imports slipping a little (down from $194.65 billion to $194.25 billions). Meanwhile, the service-sector surplus also rose to its highest point since June 2015, up from $21.00 billion in May to $21.60 billion in June.

The underlying goods exports data were mostly higher. Exports increased for non-automotive capital goods (up $826 million), foods, feeds and beverages (up $664 million), automotive vehicles and parts (up $386 million) and industrial supplies and materials (up $192 million), with reduced exports for consumer goods (down $325 million). In contrast, higher goods imports for automotive vehicles (up $1.01 billion), non-automotive capital goods (up $84 million) and foods, feeds and beverages (up $72 million) were offset by declines for industrial supplies and materials (down $1.06 billion) and consumer goods (down $719 million).

International Trade Policy Trends

The Trump administration releases NAFTA negotiating objectives, prepares for first round of talks in Washington.
On July 17, the Trump administration released its NAFTA negotiating objectives, and the NAM issued a press release in which NAM Vice President of International Economic Affairs Linda Dempsey underscored the NAM's continued commitment "to work closely with the administration and members of Congress to ensure the best possible outcome for manufacturers in the United States and their workers." Key congressional stakeholders issued statements upon the release of the negotiating objectives, including House Ways and Means Committee Chairman Kevin Brady (R-TX) and Trade Subcommittee Chairman Dave Reichert (R-WA), House Ways and Means Committee Ranking Member Richard Neal (D-MA) and Trade Subcommittee Ranking Member Bill Pascrell (D-NJ), Senate Finance Committee Chairman Orrin Hatch (R-UT) and Senate Finance Committee Ranking Member Ron Wyden (D-OR). The first round of NAFTA modernization negotiations will begin on August 16 in Washington, D.C., and the second round will likely take place in early September. The NAM continues to work with its members, administration officials, Capitol Hill and others with similar goals to promote the conclusion of NAFTA modernization negotiations that will continue to grow the North American economy as a source of opportunity for manufacturers in the United States. For more information and to become involved in the NAM's NAFTA work, contact Dempsey or NAM Director of International Trade Policy Ken Monahan.

The NAM leads business effort to maintain and update investment provisions of NAFTA.
On August 8, the NAM sent a letter signed by 113 associations representing millions of manufacturing, services, technology, energy and food/agriculture businesses throughout the nation to urge that a modernized NAFTA maintain and upgrade critical investment provisions, including investor-state dispute settlement. As explained in the NAM's Shopfloor blog, the administration has an important opportunity to strengthen enforcement and to export core American values, while protecting U.S. property from mistreatment overseas. For more information, contact NAM Vice President of International Economic Affairs Linda Dempsey.

Business groups join manufacturers in opposing the nomination of Scott Garrett to lead the Ex-Im Bank.
After NAM President and CEO Jay Timmons expressed manufacturers' strong opposition to the nomination of former Rep. Scott Garrett (R-NJ) to lead the Ex-Im Bank in a *Wall Street Journal* op-ed, many state-level business organizations have spoken out in opposition to Garrett's nomination, including South Carolina, New Jersey, Ohio, Texas, Georgia, Illinois, Indiana, Alabama, Nevada, Iowa, Missouri and Washington. The NAM also launched ads in New Jersey, South Carolina and Nevada in July, and conservative figures like George Allen have characterized Garrett as the wrong leader for the agency. Learn more about how the Ex-Im Bank

helps manufacturers compete around the world here, or contact NAM Director of Trade Facilitation Policy Lauren Wilk.

International Trade Commission sends final report on MTB petitions to Congress.

On August 8, the U.S. International Trade Commission (ITC) publicly released its final report, also sent to the Senate Finance and House Ways and Means committees, on the approximately 2,600 Miscellaneous Tariff Bill (MTB) petitions submitted to the ITC. The report includes lists of the more than 1,800 petitions deemed by the ITC to have met the requirements of the American Manufacturing Competitiveness Act of 2016 (AMCA) (petitions in Categories I, II, III and IV, which include those petitions for which the ITC recommends modifications) as well as the nearly 700 petitions that, according to the ITC, did not meet the requirements of the AMCA (petitions in Categories V and VI). The Senate Finance and House Ways and Means committees will now review the ITC report and may exclude from a final MTB package to be considered by Congress those petitions included in Categories I, II, III and IV. Congress cannot, however, add petitions included in Categories V and VI. In the coming weeks and months, the NAM will push to ensure that NAM member company petitions are included in the final package and urge for congressional passage as early as the end of 2017. If you have any questions about the MTB process, contact NAM Director of International Trade Policy Ken Monahan.

New legislation imposes sanctions on Russia, Iran and North Korea.

President Donald Trump signed the Countering America's Adversaries Through Sanctions Act (H.R. 3364) into law earlier this month, adding a signing statement that outlines several concerns with the legislation. The Senate (98–2) and House (419–3) previously approved the legislation after key lawmakers negotiated a bipartisan and bicameral deal that addressed manufacturers' concerns. The legislation will codify existing U.S. sanctions against Russia, mandate a congressional review for any changes to existing sanctions and expand sectoral sanctions. For more information, contact NAM Director of Trade Facilitation Policy Lauren Wilk.

Timmons presses manufacturing priorities at U.S.–China Business Leaders Summit on eve of U.S.–China dialogue.

NAM President and CEO Jay Timmons joined 20 CEOs from U.S. and Chinese companies on July 18 at the inaugural U.S.–China Business Leaders Summit to discuss ways that businesses could work jointly to improve the commercial relationship between the two countries. Timmons pressed for some of manufacturers' top priorities, calling for more open and market-driven policies to expand opportunities in China and stronger efforts to tackle market-distorting barriers that impact manufacturers in the United States. The following day, senior U.S. and Chinese government officials concluded the inaugural Comprehensive Economic Dialogue, a "frank exchange" on issues such as the U.S.–China trade deficit and excess capacity issues, but did not produce a joint statement or specific outcomes. U.S. lead negotiators—Commerce Secretary Wilbur Ross and Treasury Secretary Steven Mnuchin—released a statement after the summit thanking their Chinese counterparts and reiterating outcomes announced in May as interim results of the "100-day plan" on trade. For more information and to become involved in the NAM's work on China, contact NAM Director of International Business Policy Ryan Ong.

NAM calls on Congress to ensure the United States engages, defends interests at global institutions.

In a July 27 column for the *Washington Examiner*, NAM Vice President of International Economic Affairs Linda Dempsey wrote that while "manufacturers and voters agree that it is imperative for the United States to keep our seat" at international organizations, "they also want government to defend American interests and promote more accountable outcomes from them." Dempsey's op-ed reflects the NAM's increasing leadership and voice on manufacturers' interests in global institutions, including its work this year to launch and expand Engaging America's Global Leadership, an industry coalition promoting both U.S. leadership and stronger efforts to defend American interests in global institutions, such as the United Nations and the Organisation for Economic Co-operation and Development, that impact U.S. manufacturing jobs and exports. In the op-ed, Dempsey argues that "Americans' frustrations over these institutions stem from failures of accountability and transparency—repeated process fouls that fuel harmful initiatives and policy recommendations that are not based on sound science or good regulatory practice" and which "often stretch far beyond their agencies' core missions." Dempsey concludes that "Congress has an opportunity to strike a positive balance between adequately supporting multilateral institutions and ensuring they are operating efficiently and effectively within the bounds of their core priorities." For more information and to become involved in the NAM's work on international organizations, contact NAM Director of International Business Policy Ryan Ong.

U.S.–UK officials hold first trade and investment working group discussions.
On July 24 and 25 in Washington, D.C., U.S. Trade Representative Robert Lighthizer, Commerce Secretary Wilbur Ross and UK International Trade Secretary Liam Fox led the first round of U.S.–UK Trade and Investment Working Group discussions. The U.S.–UK talks will focus on four key elements: (1) identifying areas to deepen the trade and investment relationship between the United States and United Kingdom; (2) ensuring the continuity of all commercial arrangements between the United States and the United Kingdom; (3) establishing a foundation for U.S.–UK free trade agreement talks once the United Kingdom leaves the European Union; and (4) identifying areas of potential cooperation between the United States and United Kingdom in international organizations. For more information and to become involved in the NAM's work on U.S.–UK trade issues, contact NAM Director of International Trade Policy Ken Monahan.

NAM submission reviews trade agreements and trade violations and abuses.
On April 28, President Trump issued an executive order directing the Office of the U.S. Trade Representative (USTR) and the Commerce Department to (1) conduct performance reviews of all bilateral, plurilateral and multilateral trade agreements and bilateral investment agreements to which the United States is a party, including World Trade Organization (WTO) agreements and U.S. trade preference programs; and (2) issue a report to the president by late October that identifies violations and abuses. Following the administration's request for comments, the NAM made this submission to the administration, highlighting the importance of trade agreements, preference programs and strong enforcement to address ongoing trade violations and abuses. For more information, contact NAM Vice President of International Economic Affairs Linda Dempsey.

Administration releases report on trade enforcement.
Last week, the Office of the USTR released a new 11-page report detailing various efforts to promote trade enforcement. This report, mandated under Section 601 of the Trade Facilitation and Trade Enforcement Act that passed last year, discusses U.S. enforcement cases and negotiating actions in four priority areas:

o U.S. trade remedy laws and enforcement actions, including core anti-dumping and countervailing duty enforcement actions involving China, India, Brazil, Canada and others
o Enforcement of intellectual property rights, including challenges in markets ranging from China, India and Indonesia to Russia, Saudi Arabia and Argentina
o Efforts to confront barriers stemming from standards, technical regulations and conformity assessment measures
o U.S. enforcement actions on WTO dispute settlement proceedings

The report focuses on cases that have been formally brought or litigated. For more information, contact NAM Vice President of International Economic Affairs Linda Dempsey or NAM Director of International Trade Policy Ken Monahan.

Exports in Action

- ***Midwest Manufacturing Trade Mission to U.S.***
  - *St. Louis, Indianapolis, Detroit and Chicago*
  - *September 5–8*
  - The American-Turkish Council will host its Midwest Manufacturing Trade Mission to U.S. September 5–8, offering participants networking opportunities, state-level government

engagements, featured site visits and targeted meetings with government and project management officials. For more information, click here.

- ***Sustainable Building & Construction Trade Mission to Mexico City and Guadalajara***
    - *October 16–20*
    - The Commerce Department's International Trade Administration is organizing a sustainable building and construction trade mission to Mexico that will introduce U.S. firms to Mexico's sustainable building and construction sector and assist U.S. companies in pursuing export opportunities in the sector. Application deadline is September 1. For more information, click here or contact Oscar Magaña.
- ***Trade Mission to Romania, Bulgaria, Croatia, Serbia and Greece in Conjunction with Trade Winds — Southeastern Europe Business Forum***
    - *October 16–24*
    - Contact Diego Gattesco for more information. Application deadline is August 18. For more information, click here.

For a listing of other upcoming Commerce Department trade missions, click here.

Connect with the Manufacturers

Questions or comments?

Contact Chief Economist Chad Moutray at cmoutray@nam.org.

Center for Manufacturing Research