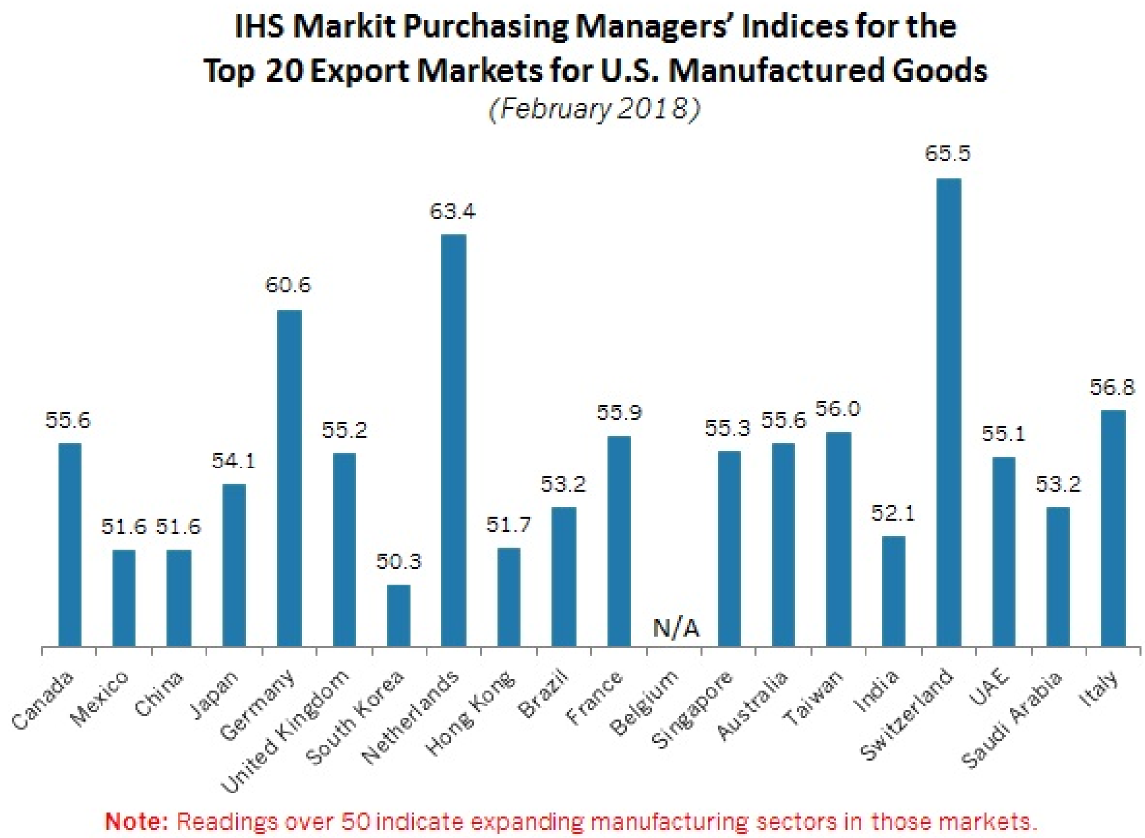
A Publication of the National Association of Manufacturers

GLOBAL MANUFACTURING ECONOMIC UPDATE

March 8, 2018



Financial markets have been quite volatile over the past few weeks. Fortunately, the global manufacturing sector continues to be healthy. In February, all of the top-20 markets for U.S.-manufactured goods expanded, illustrating the strength of the international economy once again. In addition, the J.P. Morgan Global Manufacturing PMI edged down from 54.4 in January to 54.2 in February, and it remained just shy of December's pace, which represented the fastest pace since February 2011. New orders, output and exports were somewhat softer in February but still quite positive. Hiring growth was not far from the December reading, which—like the headline index—was the best since early 2011. Manufacturing leaders remain very upbeat in their global outlook for the next six months, with the measure for future output at a three-year high.

As has been the case for several months, Europe once again dominated the list of top export markets with strong manufacturing growth. However, other regions were also well represented. Those countries with the highest PMI readings in the sector in February included Switzerland, the Netherlands (an all-time high), Germany, Italy, Taiwan, France, Australia, Canada, Singapore, the United Kingdom and the United Arab Emirates. Looking just at Europe, the IHS Markit Eurozone Manufacturing PMI has fallen from 60.6 in December—its best reading since the survey began in June 1997—to 59.6 in January to 58.6 in February.

Although that was a four-month low, the data remain consistent with strong growth overall for European manufacturers. Along those lines, the Eurozone index for future output (down from 68.2 to 67.1) eased from January's reading, which was the highest since the question was added in July 2012. The index remains very promising for production over the next six months.

The U.S. dollar has trended higher over the past few weeks, up 1.9 percent since January 25. The trade-weighted U.S. dollar index against major currencies from the Federal Reserve Board has risen from 84.6338 on January 25—its lowest level since December 18, 2014—to 86.2256 on March 2. This index reflects currency units per U.S. dollar, suggesting that the dollar can now purchase somewhat more than it could before. The index registered 75.7513 on June 30, 2014, illustrating the dollar's continued strength, up 13.9 percent over that time frame. With that said, one of the most significant stories last year was the depreciating U.S. dollar. Since the end of 2016, it has declined 9.9 percent against major currencies.

The weaker dollar—and a strengthened global economy—in 2017 helped to spur more export growth, which benefited manufacturers in the United States. According to seasonally adjusted data from TradeStats Express, U.S.-manufactured goods exports totaled $1.32 trillion in 2017, up 4.66 percent from 2016. That was much better than the declines of 6.20 percent and 4.04 percent in 2015 and 2016, respectively. More importantly, exports have started 2018 on a positive note, extending the nice rebound seen in 2017. In the most recent non-seasonally adjusted data, U.S.-manufactured goods exports were $86.36 billion in January, up 3.94 percent from $83.09 billion one year ago. In addition, trade volumes have risen significantly over the past year as the international economy has improved.

The Senate confirmed several trade nominees, and the Office of the U.S. Trade Representative (USTR) released its 2018 Trade Policy Agenda. President Donald Trump prepares coming trade actions on steel and aluminum imports, while other investigations are ongoing. Negotiations to update and modify the North American Free Trade Agreement (NAFTA) made progress on noncontroversial issues, but remain stalled on major issues. Manufacturers continue to press for quick action to enact the Miscellaneous Tariff Bill (MTB) and to ensure a fully functioning Export-Import (Ex-Im) Bank. Political changes in China are being watched closely.

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Global Economic and Trade Trends

Global manufacturing continued to be healthy in February, even with a slight pullback in the headline index for the second straight month from December's pace, which was the fastest since February 2011.
The J.P. Morgan Global Manufacturing PMI edged down from 54.4 in January to 54.2 in February. The underlying data were also somewhat lower in February, even as performance in the sector worldwide remained strong. This included softer—but still quite positive—growth for new orders (down from 55.5 to 55.1), output (down from 55.7 to 54.8) and exports (down from 54.1 to 53.3). Employment (unchanged at 53.0) was just shy of its December reading (53.1), which was the best since March 2011. Input prices (down from 61.4 to 60.7) decelerated marginally in February, but that index has exceeded 60—signifying robust growth—for six consecutive months. Manufacturing leaders remain very upbeat in their global outlook for the next six months (up from 64.4 to 64.7), a three-year high.

In February, all of the top-20 markets for U.S.-manufactured goods expanded, illustrating the strength of the international economy once again. (There is no manufacturing PMI for comparison purposes for Belgium, which was our 12th-largest trading partner in 2017.)

As has been the case for several months, Europe once again dominated the list of top export markets with strong manufacturing growth. However, other regions were also well represented. Those countries with the highest PMI readings in the sector in February included Switzerland (up from 65.3 to 65.5), the Netherlands (up from 62.5 to 63.4—an all-time high), Germany (down from 61.1 to 60.6), Italy (down from 59.0 to 56.8), Taiwan (down from 56.9 to 56.0), France (down from 58.4 to 55.9), Australia (up from 55.4 to 55.6), Canada (down from 55.9 to 55.6), Singapore (up from 53.6 to 55.3), the United Kingdom (down from 55.3 to 55.2) and the United Arab Emirates (down from 56.8 to 55.1).

The U.S. dollar has trended higher over the past few weeks, up 1.9 percent since January 25.
The trade-weighted U.S. dollar index against major currencies from the Federal Reserve Board has risen from 84.6338 on January 25—its lowest level since December 18, 2014—to 86.2256 on March 2. This index reflects currency units per U.S. dollar, suggesting that the dollar can now purchase somewhat more than it could before. The index registered 75.7513 on June 30, 2014, illustrating the dollar's continued strength, up 13.9 percent over that time frame. With that said, one of the most significant stories last year was the depreciating U.S. dollar. Since the end of 2016, it has declined 9.9 percent against major currencies. The weaker dollar in 2017 helped to spur more export growth, which benefited manufacturers in the United States.

U.S.-manufactured goods exports rebounded strongly in 2017—a nice turnaround after global economic weaknesses in the two prior years—a trend that has continued into 2018.
According to seasonally adjusted data from TradeStats Express, U.S.-manufactured goods exports totaled $1.32 trillion in 2017, up 4.66 percent from 2016. That was much better than the declines of 6.20 percent and 4.04 percent in 2015 and 2016, respectively. This reflects export growth to the top-five markets for U.S.-manufactured goods in 2017: Canada (up 4.51 percent), Mexico (up 5.65 percent), China (up 10.43 percent), Japan (up 1.97 percent) and Germany (up 7.59 percent). Unfortunately, exports to the United Kingdom (down 2.79 percent) were somewhat lower last year. Digging further into the data, durable and nondurable goods exports were up 3.27 percent and 7.61 percent in 2017, respectively.

Exports have started 2018 on a positive note, extending the nice rebound seen in 2017. In the most recent non-seasonally adjusted data, U.S.-manufactured goods exports were $86.36 billion in January, up 3.94 percent from $83.09 billion one year ago.

In addition, it is clear that trade volumes have risen significantly over the past year as the overall health of the global economy has strengthened. Goods exports have increased from $127.51 billion in January 2017 to $134.25 billion in January 2018, up 5.3 percent over the past 12 months. Goods imports jumped 7.2 percent year-over-year, up from $196.51 billion to $210.74 billion. Nonetheless, the U.S. trade deficit rose from $53.91 billion in December to $56.60 billion in January, its highest level since October 2008, largely on declines for non-automotive capital goods (especially aircraft, which can be highly volatile from month to month) and industrial supplies and materials.

Manufacturing activity in the Eurozone pulled back in February for the second straight month after notching an all-time high in December's survey.
The IHS Markit Eurozone Manufacturing PMI has fallen from 60.6 in December—its best reading since the survey began in June 1997—to 59.6 in January to 58.6 in February. Although that was a four-month low, the data remain consistent with strong growth overall for European manufacturers. The key underlying data were lower across the board, consistent with the slower headline number. This included new orders (down from 59.6 to 58.0), output (down from 61.1 to 59.6), exports (down from 58.4 to 57.0) and employment (down from 57.9 to 57.4). The index for future output (down from 68.2 to 67.1) eased from January's reading, which was the highest since the question was added in July 2012, but remained very promising for production over the next six months.

As noted earlier, many of the best PMI readings globally occurred in Europe, led by accelerating manufacturing activity in the Netherlands (up from 62.5 to 63.4—an all-time high) and Greece (up from 55.2 to 56.1—the best reading since June 2000). Spain (up from 55.2 to 56.0) and Switzerland (up from 65.3 to 65.5) also experienced stronger expansions in February. In contrast, most of the other large markets in the

Eurozone slowed somewhat in the latest surveys, even as each continued to show healthy rates of growth overall. Those markets include Austria (down from 61.3 to 59.2), France (down from 58.4 to 55.9), Germany (down from 61.1 to 60.6), Ireland (down from 57.6 to 56.2), Italy (down from 59.0 to 56.8) and the United Kingdom (down from 55.3 to 55.2).

Real GDP in the Eurozone rose 0.6 percent in the fourth quarter, with 2.7 percent growth year-over-year. This matched the pace seen in the third quarter, which was the fastest pace since the first quarter of 2011. There will be new industrial production data for January out on March 14. After seeing expansion for three straight months, experts hope that output will also grow in January. In December, industrial production rose 0.4 percent, with robust year-over-year growth of 5.2 percent. The unemployment rate fell to 8.6 percent in January, its lowest level since December 2008.

Unfortunately, retail sales edged down 0.1 percent in January, off for the second straight month, with reduced spending on non-food products and food, drinks and tobacco. Over the previous 12 months, retail sales were up 2.3 percent.

Canadian manufacturers reported continuing growth in activity, led by strong exports.
The IHS Markit Canada Manufacturing PMI inched down from 55.9 in January to 55.6 in February. Despite the slight easing, the data remain consistent with improvements in the Canadian economy that began last year as the energy market stabilized. In particular, exports (up from 53.3 to 54.4) expanded at their fastest pace since November 2014, with hiring (up from 55.9 to 56.0) and future output (up from 66.7 to 67.9) also accelerating. In contrast, new orders (down from 56.4 to 55.6) and output (down from 56.2 to 54.8) slowed somewhat in the latest figures. The regional data were mixed, with healthier growth in Quebec (up from 51.8 to 54.0) and the rest of Canada (up from 52.2 to 52.7) but eased expansions for Alberta and British Columbia (down from 59.9 to 58.3) and Ontario (down from 56.6 to 55.2).

Real GDP grew 0.4 percent in the fourth quarter, which translated into 1.7 percent growth at the annual rate, up from 1.5 percent in third quarter. Consumer and business spending and exports were primary drivers of growth in the fourth quarter, with drags from inventories and imports. Nonetheless, manufacturing sales were off 0.3 percent in December, mostly on reduced fabricated metal products, food, petroleum and coal products and primary metals demand. Still, manufactured goods sales have risen 3.7 percent year-over-year. Similarly, retail spending declined 0.8 percent in December, but Canadians spent a whopping 6.7 percent more over the past 12 months.

Meanwhile, we will get a new unemployment rate for February on March 9. In January, it rose to 5.9 percent, up from 5.7 percent in December, its lowest rate since comparable data became available in January 1976. Manufacturers added 800 workers on net in January, with 86,500 employees added over the past 12 months.

Mexican manufacturing activity expanded for the fourth straight month, but was softer than desired once again.
The IHS Markit Mexico Manufacturing PMI decreased from 52.6 in January to 51.6 in February. Most of the key measures were lower in the latest survey, including new orders (down from 53.8 to 52.0), output (down from 52.3 to 51.2), exports (down from 52.0 to 49.8) and employment (down from 52.6 to 51.7). It was the first contraction in export sales since July. More favorably, the index for future output (up from 64.1 to 65.9) strengthened in February, suggesting optimism about production over the next six months. With that said, the future output measure was 71.8 in November, indicating some deceleration in sentiment over the past three months.

Overall, Mexico continued to underperform. Along those lines, real GDP decelerated from 1.6 percent year-over-year in the third quarter to 1.5 percent in the fourth quarter, the slowest growth rate in four years. Industrial production declined 0.7 percent year-over-year in December, falling for the sixth time in the past seven months. Manufacturing—which had fared better for much of the past year—was off 0.1 percent year-over-year in December, down from 2.5 percent in November and 5.0 percent in May. Meanwhile, the unemployment rate ticked up to 3.4 percent in January, up from 3.1 percent in December, the lowest rate since December 2007.

Chinese manufacturing activity expanded for the ninth consecutive month, at its fastest pace since August.
The Caixin China General Manufacturing PMI inched up from 51.5 in January to 51.6 in February. New orders (up from 52.3 to 52.8) and future output (up from 56.4 to 57.8) accelerated in February, but other measures slowed somewhat while remaining very modest, including output (down from 52.8 to 52.4) and exports (down from 52.4 to 52.0). Net hiring (down from 49.4 to 48.9) has contracted every month since October 2013, and that measure showed a decline that picked up in February.

Separately, the official manufacturing PMI from the National Bureau of Statistics of China fell for the third straight month, down from 51.3 in January to 50.3 in February. This suggests growth that is only marginally above being neutral. Large firms reported expanding activity levels, whereas small and medium-sized manufacturers cited lingering weaknesses.

The Chinese economy grew 6.8 percent year-over-year in the fourth quarter, the same rate as in the third quarter. For the year, Chinese real GDP rose 6.9 percent, which was better than expected. New data on industrial production for January will come out on March 14. In December, industrial production ticked higher in the latest data, up from 6.1 percent year-over-year to 6.2 percent. At the same time, fixed asset investment, which was unchanged at 7.2 percent year-over-year, has decelerated since its recent peak of 9.2 percent year-over-year in March. Meanwhile, retail sales weakened noticeably in the latest data, down from 10.2 percent year-over-year in November to 9.4 percent in December. Retail spending registered 11.0 percent year-over-year as recently as June.

Economic data in Japan continue to be mixed.
On the positive side, manufacturing sentiment has trended higher in recent months, even with the Nikkei Japan Manufacturing PMI easing from 54.8 in January to 54.1 in February. That headline index has averaged 54.3 over the past three months and has drifted in the right direction since being 52.1 in July. In the latest survey, employment (up from 53.7 to 54.1) expanded at its best pace since February 2007, which was encouraging. Other measures slowed somewhat in February, including new orders (down from 56.8 to 54.7), output (down from 54.7 to 53.4), future output (down from 60.7 to 59.5) and exports (down from 57.4 to 54.1). Even with some deceleration, the data are consistent with decent growth in the Japanese manufacturing sector over the next six months.

Yet, real GDP increased by just 0.1 percent in the fourth quarter, down from 0.6 percent growth in the third quarter and its weakest quarter in two years. That translated into 1.5 percent year-over-year growth in real GDP in the fourth quarter, off from 1.9 percent in the third quarter. Residential investment and government spending were drags on real GDP at the end of 2017, with consumer and business spending and trade being positives. Moreover, industrial production fell 6.6 percent in January, beginning 2018 on a weak note. Over the past year, output has risen 2.7 percent, which was more promising. However, the rate of growth was subpar relative to past reports, with the year-over-year rate down from 4.4 percent in December.

Manufacturing activity in the emerging markets was unchanged in February.
The IHS Markit Emerging Markets Manufacturing Index remained at 52.0 in February, but this was not far from December's pace, which was the best rate since January 2013. Despite some slippage, the data mostly continue to show improvements in emerging market economies, which is encouraging. In February, the data were mixed. New orders (up from 52.7 to 53.1) and future output (up from 61.9 to 62.8) both accelerated for the month, with the latter at an 11-month high. This bodes well for production growth over the next six months. Other key measures eased somewhat in the latest survey, including output (down from 53.5 to 52.9), exports (down from 52.2 to 51.5) and employment (down from 50.2 to 50.1).

On a country-by-country basis, there was increased momentum in the manufacturing sectors in Brazil (up from 51.2 to 53.2), China (up from 51.5 to 51.6), Hong Kong (up from 51.1 to 51.7), Kenya (up from 52.9 to 54.7—best since April 2016), Myanmar (up from 51.7 to 52.6—best orders in two years), Saudi Arabia (up from 53.0 to 53.2) and Vietnam (up from 53.4 to 53.5). At the same time, several markets continued to expand, despite some of them decelerating in February, including the Czech Republic (down from 59.8 to 58.8), India (down from 52.4 to 52.1), Nigeria (down from 57.3 to 56.0), the Philippines (down from 51.7 to

50.8), Poland (down from 54.6 to 53.7), South Korea (down from 50.7 to 50.3), Taiwan (down from 56.9 to 56.0) and the United Arab Emirates (down from 56.8 to 55.1). In addition, activity was the slowest since July 2016 in Russia (down from 52.1 to 50.2), but exports were the best since November 2011. Encouragingly, South Africa (up from 49.0 to 51.4) expanded for the first time since July 2017.

Meanwhile, Malaysia (down from 50.5 to 49.9) slipped back into contraction, suggesting that sustained growth remains elusive, just as it has been for much of the past three years in that country. Other emerging markets that remain troubled include Egypt (down from 49.9 to 49.7) and Lebanon (up from 47.1 to 47.3).

International Trade Policy Trends

USTR releases 2018 Trade Policy Agenda and 2017 Annual Report.
On February 28, the Office of the USTR released the Trump administration's 2018 Trade Policy Agenda and 2017 Annual Report. This is an annual review required by statute. The policy agenda contains five major elements:

- Supporting national security, including by preserving U.S. national sovereignty, responding to economic competitors, such as China, and recognizing the importance of technology
- Strengthening the U.S. economy
- Negotiating better trade deals, including NAFTA and the U.S.–Korea Free Trade Agreement (KORUS), negotiating with countries of the Trans-Pacific Partnership, expanding trade and investment with the United Kingdom and declaring the administration's intention to ask Congress to extend Trade Promotion Authority
- Aggressively enforcing U.S. trade laws by using "all tools available, including unilateral action where necessary"
- Strengthening the multilateral trading system, including by working with World Trade Organization (WTO) members to address Appellate Body concerns, negotiating "free, fair and reciprocal agreements, with the expectation that participants to these agreements will contribute commensurate with their status in the global economy" and countering WTO members that flout WTO rules

In a statement on the Trade Policy Agenda, Senate Finance Committee Chairman Orrin Hatch (R-UT) said that "the administration's announcement of its intention to seek an extension of bipartisan Trade Promotion Authority (TPA) is welcome news," but he also declared that "I look forward to reviewing the administration's conduct of trade policy over the next several months and its explanation of how it would use the authority to achieve the TPA negotiating objectives, if extended."

President expected to impose steel and aluminum tariffs pursuant to Section 232 reports this week.
On March 1, President Trump indicated that he was preparing to impose tariffs on both steel and aluminum imports pursuant to the Commerce Department's Section 232 reports on the national security implications of steel and aluminum imports. President Trump stated that he would be imposing tariffs of 25 percent on steel imports and 10 percent on aluminum imports at that meeting. Final decisions on country and product coverage, as well as the level of tariffs, are expected as early as March 8. Once proclamations are signed, tariffs could be imposed as soon as 15 days after the order is finalized or be delayed by 30 or more days. President Trump and USTR Robert Lighthizer have indicated that Canada and Mexico could perhaps get an exclusion if there is a good deal on NAFTA, and recent reports indicate that there may be a short-term, but time-limited, exclusion from tariffs on imports from those two countries. The underlying reports provide background on import trends and national security issues related to imports in each sector, as well as details on the steel and aluminum products that could potentially be covered. The reports indicate that a product exclusion process is recommended for products not available or needed for national security reasons. That process will not begin or be defined until after a final decision is made. The European Union (EU) has indicated that it will impose approximately $3.5 billion in retaliatory tariffs on the following list of products if the

United States imposes Section 232 tariffs on steel and aluminum imports from the EU. As with the 2002 Section 201 action on steel tariffs, it is expected that EU tariffs could be imposed as soon as 90 days after U.S. action. Canada, Mexico, China and other countries are also considering retaliatory tariffs. Reaction from Capitol Hill has been mixed, with House Speaker Paul Ryan (R-WI), Senate Majority Leader Mitch McConnell (R-KY), trade committee chairs Orrin Hatch (R-UT) and Kevin Brady (R-TX) and others expressing opposition to broad-based tariffs, preferring a more targeted approach. Some other members of Congress, including Sens. Sherrod Brown (D-OH), Bob Casey (D-PA) and Joe Manchin (D-WV), have expressed support for the president's approach.

Senate confirms multiple trade nominees.

Over the past two weeks, the Senate confirmed the following trade nominees by unanimous consent:

- Jeffrey Gerrish, as a deputy USTR (to handle industrial competitiveness, Asia, Europe and the Middle East), with the rank of ambassador
- C.J. Mahoney, as a deputy USTR (to handle investment, services, labor, environment, Africa, China and the Western Hemisphere), with the rank of ambassador
- Dennis Shea, as a deputy USTR and ambassador to the WTO
- Gregory Doud, as chief agricultural negotiator, Office of the USTR, with the rank of ambassador
- Jason Kearns, as a commissioner of the U.S. International Trade Commission

Several other trade nominees were not confirmed given objections:

- Gilbert Kaplan, to be undersecretary of commerce for international trade
- Kevin McAleenan, to be commissioner of U.S. Customs and Border Protection

In addition, the four nominees to the Ex-Im Bank Board also remain blocked and were not moved forward.

NAFTA negotiators hold seventh round of talks in Mexico City, with the next round expected in April.

The United States, Canada and Mexico held the seventh round of NAFTA negotiations in Mexico City from February 25 to March 5. During the talks, the countries reached an agreement on three chapters—good regulatory practices; administration and publication; and sanitary and phytosanitary measures—and work was completed on sectoral annexes related to chemicals and proprietary food formulas. The United States, Canada and Mexico also agreed to include a separate energy chapter and made substantial progress on telecommunications and technical barriers to trade. They continued to make little progress, however, on any of the controversial U.S. proposals, and efforts to eliminate investor-state dispute settlement were reportedly not finalized. In a closing statement, Ambassador Lighthizer declared that "we have not made the progress that many had hoped in this round," and he reiterated that "changing the agreement so that it no longer encourages outsourcing, developing rules of origin that will fairly treat our manufacturing sector and workers and reshaping the rules of government procurement are very important." It is expected that the eighth round of talks will take place in early April. Consistent with the NAM's NAFTA paper and our detailed recommendations for modernization, the NAM continues to communicate directly with senior officials throughout the administration and on Capitol Hill regarding the NAM's priorities and issues of concern. For more information, contact NAM Vice President of International Economic Affairs Linda Dempsey and NAM Director of International Trade Policy Ken Monahan.

U.S. and Korean negotiators awaiting next round of talks on the KORUS FTA.

The United States and South Korea met from January 31 to February 1 for the second round of formal talks aiming to improve implementation and potentially amend the KORUS FTA. The next round is expected to take place in Washington, D.C., though the United States and South Korea have not yet announced a date for the talks. The KORUS FTA has been important to improve the competitiveness of many manufacturers throughout the United States by eliminating barriers, raising standards and ensuring strong enforcement. The NAM, in close coordination with our members, continues to work to ensure full implementation of all parts of the agreement and to promote even greater manufacturing opportunities through the U.S.–Korea commercial relationship. For more information, contact NAM Vice President of International Economic Affairs Linda Dempsey and NAM Director of International Trade Policy Ken Monahan.

Manufacturers continue to urge action on MTB as early as possible this year.

The NAM continues to lead industry efforts to urge Senate passage of the MTB as quickly as possible in 2018, following passage by the House of Representatives on January 16 of the NAM-backed Miscellaneous Tariff Bill (MTB) Act of 2018 by an overwhelmingly bipartisan vote of 402–0. On March 5, NAM Director of International Trade Policy Ken Monahan wrote a blog that underscores the importance of congressional passage of the MTB Act of 2018 to eliminate unfair, out-of-date, distortive and anticompetitive taxes of more than $1.1 billion over the next three years and boost U.S. manufacturing output by more than $3.1 billion. For more information, contact Ken.

Manufacturers continue to press for fully functioning Ex-Im Bank.

Following our letter earlier this year, the NAM continues to urge the Senate to move quickly to get the Ex-Im Bank back to operating at full strength. The administration has not yet re-nominated or selected a replacement for former Congressman Scott Garrett (R-NJ), whose nomination for Ex-Im Bank chairman and president was defeated in December. The Senate could act, but has not yet done so, on nominations of the four board members the Senate Banking Committee approved in December, although Sen. Pat Toomey (R-PA) and others are opposing action. The NAM is intensifying work to support congressional efforts to include a fix to the quorum issues as part of its 2018 appropriations process. For additional information, contact NAM Vice President of International Economic Affairs Linda Dempsey.

Trade for America continues trade discussion outside the Beltway.

Trade for America, co-led by the NAM, American Farm Bureau Federation, Business Roundtable and U.S. Chamber of Commerce, held its second event this month in Omaha, Nebraska. Union Pacific Corporation Chairman, President and CEO Lance Fritz hosted the event, with Behlen Vice President and General Manager Brian Turner and Congressman Don Bacon (R-NE) attending. The event looked into the impacts of NAFTA on manufacturers, services and farm communities in Nebraska and prospects for NAFTA modernization. Look for future events in the coming weeks. For more information or to let us know if your company would like to participate in future public events, contact NAM Vice President of International Economic Affairs Linda Dempsey.

China proposes to eliminate presidential term limits for Xi Jinping, launches legislative meetings to approve new slate of government officials.

The Chinese Communist Party (CCP) in late February proposed a series of changes to China's constitution, including a proposal to eliminate existing term limits for the country's president and vice president that would permit President Xi Jinping to remain in office beyond 2023 (beyond the current two five-year term limit). The amendments were proposed at the February 26–28 meeting of the CCP's Central Committee—the second-most inner circle of party leadership, The amendments were passed along for formal approval by China's legislative body—the National People's Congress (NPC)—at its spring meeting, which began March 5 and runs through March 20. The move was not fully unexpected given the failure of last October's CCP congress to anoint a successor. China's press defended the move robustly, arguing the change was important to unify leadership—as President Xi does not face term limits in either of his other critical positions as head of the CCP and the military. Many experts point out that this move follows other recent ones widely seen as institutionalizing the centrality of the CCP and of President Xi, including the addition of "Xi Jinping thought" to the party's constitution and designation of him as China's "core leader" at last October's CCP congress. Yet, China commentators overseas have widely criticized the move as signaling stronger authoritarian rule and a deterioration of the rule of law; some political commentators and netizens in China have even raised concerns. This month's NPC meeting also included the release of key macroeconomic targets for 2018, including language targeting 6.5 percent growth and additional cuts in steel and aluminum capacity. In addition, the NPC will approve a full, new slate of government officials, including not only the president and vice president (expected to be former corruption czar and U.S. economic interlocutor Wang Qishan), but also a full slate of other senior government officials. For more information about the NAM's work on China, contact NAM Director of International Business Policy Ryan Ong.

Exports in Action

Washington Trade Summit

March 26
Seattle, Washington
The Washington Council on International Trade will hold its annual Washington Trade Summit on March 26 at 12:00 p.m. PDT at the Amazon Arizona Building in Seattle, Washington. More than 300 Washington state business, government and community leaders are expected to attend, and featured speakers will include Reps. Dave Reichert, Suzan DelBene, Derek Kilmer, Dan Newhouse and Rick Larsen, as well as Michael Punke, vice president of public policy at Amazon Web Services and former U.S. ambassador to the WTO, and Shawn Donnan, world trade editor at the *Financial Times*. Click here to register.

China LNG & Gas Infrastructure Reverse Trade Mission (RTM)

March 17–28
Washington, D.C.
The U.S. Trade and Development Agency (USTDA) is hosting the China LNG & Gas Infrastructure RTM to introduce senior level decision-makers from China to cutting-edge U.S. technologies, equipment and services across the gas value chain. Participating U.S. firms will have the opportunity to showcase their services, equipment and technologies to the delegation. The event is designed to familiarize delegates with U.S. technologies and industry best practices that can sustain China's natural gas utilization goals, while also creating market access for U.S. companies. As part of the visit, the USTDA will be hosting a business briefing in Houston, Texas, on March 22. The Bilateral Chamber is organizing this event. For more information on how your company can participate in or sponsor this visit, contact Celine Lowe at celine@bilateralchamber.org.

China Heavy Duty Vehicles Technologies RTM

March 19–30
Atlanta, Georgia
The USTDA is hosting the China Heavy Duty Vehicles Technologies RTM. This visit will bring senior representatives from China's transportation industry to the United States to introduce them to U.S. technologies and advanced components to improve the safety and fuel efficiency of heavy duty vehicles. This itinerary will provide opportunities for U.S. companies to meet with and showcase their technologies and equipment to the delegation and learn about upcoming project opportunities. As part of the itinerary, the USTDA will host a business briefing in Louisville, Kentucky, on March 23. The Gas Technology Institute is organizing this event. For more information about how your company can participate, click here or contact Rod Rinholm at rod.rinholm@gastechnology.org or (847) 691-5443.

Brazil Intelligent Transportation System Technologies RTM

April 8–18
Washington, D.C.
The USTDA is hosting the Brazil Intelligent Transportation System Technologies RTM. This visit will bring decision-makers from Brazil's highway concessionaires to the United States to introduce them to U.S. highway and toll road intelligent transportation system (ITS) solutions, including systems, communications, data processing and operations, enforcement and security, incident detection and safety. This itinerary will provide opportunities for U.S. companies to meet with and showcase their highway ITS services and solutions to the delegation and learn about upcoming project opportunities. Brazil is about to embark on a conversion to free-flow systems that will include technology end-cycle upgrades, as well as an expansion to its already extensive network of highway concessions. As part of the itinerary, the USTDA will host a business briefing. Koeppen, Elliott & Associates, Ltd. is hosting this event. For more information about how your company can participate, contact David Elliott or call (757) 342-2149.

Coal-Fired Power Emissions Control Technologies RTM for Turkey, South Africa and Romania

April 11–20
Washington, D.C.
The USTDA will host a Coal-Fired Power Emissions Control Technologies RTM to bring public officials and coal plant operators from Turkey, South Africa and Romania to the United States for site visits and meetings with U.S. businesses. Turkey, South Africa and Romania use a significant amount of coal-fired power and are making plans to retrofit older coal-fired power plants as well as incorporate emissions-control technologies into new ones. As they pursue these goals, delegates will attend meetings with U.S. suppliers of SOx, NOx, VOC, mercury and particulate matter controls and will meet with industry associations and government agencies. The itinerary involves visits to U.S. coal-fired power plants using these technologies. For more information on how your company or organization can participate, contact David Sellers or call (434) 979-0218.

Discover Global Markets

April 30 – May 2
Kansas City, Missouri
Join the U.S. Commercial Service and the Mid-America District Export Council for Discover Global Markets: Design + Construct, a dynamic conference bringing together global leaders in the design and construction sectors. The conference will feature presentations on global construction opportunities as well as prescreened matchmaking and networking sessions to build new business and partnerships. Attendees will include international executives, sales and marketing professionals, project owners, developers, architects, engineers and construction firms. For more information, click here.

South Africa Smart Cities RTM

May 1–10
Silicon Valley, California
The USTDA is hosting the South Africa Smart Cities RTM. This visit will bring representatives from South Africa's information and communications technology sector to the United States to introduce them to U.S. telecommunications technologies and services that can support the country's smart cities development goals. The delegation will include representatives from seven municipalities in South Africa. As part of the itinerary, the delegation will participate in the Smart Cities New York 2018, a conference featuring experts from across the field and a discussion of best practices. This visit will provide opportunities for U.S. companies to meet with and showcase their solutions and equipment to the delegation and learn about upcoming project opportunities. As part of the itinerary, the USTDA will host a business briefing in San Mateo, California, on May 4. The Business Council for International Understanding is organizing this event. For more information about how your company can participate, contact Nina Kundra.

Trade Americas – Business Opportunities in the Caribbean Region Conference

May 6–11
Miami, Florida
The U.S. Commercial Service will host a conference to focus on regional-specific sessions, market-entry strategies and legal, logistics and trade financing resources, as well as prearranged one-on-one consultations with U.S. and Foreign Commercial Service commercial officers and/or Department of State economic/commercial officers with expertise in commercial markets throughout the Caribbean region. For more information, contact Delia Valdivia or click here. Application deadline is March 16.

Brazil Airport Security Technologies RTM

May 6–11
Washington, D.C.
The USTDA is hosting the Brazil Airport Security Technologies RTM. This visit will bring airport decision-makers from Brazil to the United States to introduce them to U.S. aviation sector technologies and best practices. This itinerary will provide opportunities for U.S. companies to meet with and showcase their solutions and equipment to the delegation and learn about upcoming project opportunities in Brazil's aviation sector. As part of the itinerary, the USTDA will host a business roundtable in Washington, D.C., on May

8. Futron Aviation is organizing this event. For more information about how your company can participate, contact Ken Neubauer or call (757) 269-9909.

U.S.–India Aviation Summit

May 9–11
Mumbai, India
In collaboration with the U.S.–India Aviation Cooperation Program and the Government of India, the USTDA is hosting the 6th U.S.–India Aviation Summit in Mumbai, India. This event will convene senior representatives from the public and private sectors in both countries to identify opportunities to advance the robust aviation partnership between India and the United States. The two-day summit will promote high-level dialogue on bilateral aviation issues and will provide a forum to identify solutions that support the rapid growth of India's aviation sector. The American Association of Airport Executives (AAAE) is organizing this visit on behalf of the USTDA. For more information, contact Spencer Dickerson, executive director of the AAAE, by email or phone at (703) 824-0500.

Coal-Fired Power Emissions Control Technologies RTM for India, Indonesia and Vietnam

May 14–23
Washington, D.C.
The USTDA will host a Coal-Fired Power Emissions Control Technologies RTM to bring public officials and coal plant operators from India, Indonesia and Vietnam to the United States for meetings with U.S. businesses. As Asian countries are expected to account for the largest growth in coal demand through 2021, these countries are exploring their options for improving air quality while balancing growing energy demands. Through this visit, delegates will participate in meetings with U.S. suppliers of SOx, NOx, VOC, mercury and particulate matter controls and will meet with industry associations and government agencies. The delegation will also attend site visits to U.S. coal-fired power plants using these technologies. The agenda will include a business briefing in Pittsburgh, Pennsylvania, on May 17. The Eastern Research Group is organizing this event. For more information about how your company or organization can participate, contact David Sellers or call (434) 979-0218.

2018 U.S.–China Aviation Symposium

July 17–20
Beijing, China
The USTDA is sponsoring the 2018 U.S.–China Aviation Symposium, along with the Civil Aviation Administration of China (CAAC) and the U.S.–China Aviation Cooperation Program. This event will allow industry leaders and U.S. government officials to engage in a high-level forum to enhance the U.S. and China's partnership in the aviation sector. Corporations attending this symposium will have the opportunity to learn about emerging issues in the industry, engage with senior CAAC leaders and learn about commercial opportunities in China's aviation sector. The three-day symposium will include a plenary session, workshops and networking opportunities, as well as site visits in or around Beijing. The AAAE is organizing this event on behalf of the USTDA. For more information, contact Spencer Dickerson, executive director of the AAAE, by email or phone at (703) 578-2411.

- ***For a listing of upcoming USTDA missions, click here.***
- ***For a listing of upcoming Commerce Department trade missions, click here.***

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Questions or Comments?

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Center for Manufacturing Research