

INTERNATIONAL TRADE

The Partnership supports a robust trade agenda so Iowa companies can continue to export their goods and services around the globe to create jobs for American workers. With that goal in mind, The Partnership is part of The Exchange, a network of 28 metropolitan areas committed to increased global trade and economic competitiveness. The Partnership has dedicated itself to building Central Iowa's global presence through increasing exports and foreign direct investment. Those two goals are integral parts of the Global DSM plan, which was developed as part of the Global Cities Initiative, a joint project of the Brookings Institution and JP Morgan Chase. The program equips metropolitan leaders with the information, policy ideas and global connections needed to bolster regional positions in the global economy. As part of this work, The Partnership has also endeavored to establish metro-to-metro relationships and to share best practices in globally-oriented economic development.

In 2015, Iowa exported \$13.1 billion in manufactured and value-added agricultural goods. Iowa's largest market was Canada, which posted merchandise exports of \$3.8 billion or 29.3 percent of the state's total. Iowa's largest merchandise export category is machinery, which accounted for \$2.3 billion. In 2014, the Des Moines-West Des Moines metropolitan area recorded \$1.4 billion in merchandise exports (13.6 percent of the state total), slightly above the \$1.3 billion recorded in 2013.

Foreign markets represent 80 percent of the world's purchasing power, 92 percent of its economic growth and 95 percent of its consumers. Developing countries buy more than half of all U.S. exports. More than 38 million Americans jobs depend on trade. One in three manufacturing jobs depends on exports, and one in three acres on American farms is planted for hungry consumers overseas. Trade is important for both big and small companies. Often overlooked in the U.S. trade debate is the fact that more than 97 percent of the quarter million U.S. companies that export are small and medium-sized enterprises.

To help accomplish these goals, it is important for Congress and the Administration to support pro-trade policy initiatives, trade and investment policies and agreements that will help American companies and workers to remain the most competitive in world. Many foreign countries still maintain steep tariffs and other barriers against U.S. exports, while the U.S. market is largely wide open. Across the world, there are about 300 free trade agreements in force; the United States is a party to 14 agreements in 20 countries. American workers and farmers deserve the opportunity to compete – and succeed – on a level playing field.

Accordingly, The Partnership supports the following pro-growth international trade and investment policies and principles:

- Reach new trade and investment agreements to ignite U.S. economic growth, including the Trans-Pacific Partnership (TPP), Transatlantic Trade and Invest Partnership (TTIP) and the proposed International Services Agreement.
- Negotiate additional bilateral investment treaties with major markets around the globe.
- Modernize U.S. export controls to enhance national security and competitiveness.
- Boost business and leisure travel and the jobs it sustains by improving the visa process and expanding the Visa Waiver program.
- Renew the Generalized System of Preferences and the Africa Growth and Opportunity Act.
- Normalize relations with Cuba by removal of trade and financial restrictions.
- Approval of nominees to the Export Import Bank of the U.S.

IOWA ECONOMIC DEVELOPMENT AUTHORITY EXPORT ASSISTANCE

The Partnership supports funding the State Trade and Export Promotion (STEP) grant program at \$20 million. For small business exports by including \$20 million for the STEP grant program at the U.S. Small Business Administration (SBA).

Since 2011, Iowa has been fortunate to have received approximately \$479,000 in STEP funds. These funds have been awarded predominantly to small businesses as grants for activities that increase international sales (i.e. exhibiting in international trade shows and trade missions). The success of this program is demonstrated through this phenomenal return on investment. In addition, these funds have assisted small businesses who might not have considered exporting due to limited budgets.

In addition, The Partnership supports funding for an Economic Development Administration program to assist with the development and implementation of Regional Export Plans.