

INTERNATIONAL TRADE

The Partnership supports a robust trade agenda so Iowa companies can continue to export 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 2016, Iowa exported \$12.1 billion in manufactured and value-added agricultural goods. Iowa's largest market was Canada, which posted merchandise exports of \$3.35 billion or 27.6 percent of the state's total. Iowa's largest merchandise export category is machinery, which accounted for \$2.4 billion. In 2015, the Des Moines-West Des Moines metropolitan area recorded \$1.05 billion in merchandise exports.

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 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 of a 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 (FTAs) in force; the United States has FTAs in effect with 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:

- Negotiate and implement new trade and investment agreements at the bilateral,

regional, plurilateral and multilateral level, and modernize existing ones to reflect 21st Century challenges and opportunities as per the priorities laid out in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA Law).

- Negotiate additional bilateral investment treaties with major markets around the globe and complete ongoing Bilateral Investment Treaty (BIT) negotiations with China and India.
- 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.
- Continue the process of normalizing relations with Cuba by removal of remaining trade and financial restrictions.
- Approve nominees to the Export-Import Bank of the United States to give the board the quorum it needs to approve transactions over \$10 million.

IOWA ECONOMIC DEVELOPMENT AUTHORITY EXPORT ASSISTANCE

The Partnership supports continued funding of the State Trade and Export Promotion (STEP) grant program administered by the U.S. Small Business Administration (SBA).

Iowa has been fortunate to receive substantial funds via the STEP program in recent years. 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 that 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.