



Florida Chamber Global Florida Webinar



International Business Council



Dan Tapia

Manager, International Strategy & Policy,
Florida Chamber of Commerce

Agenda

Global Florida: Trade Topics and Trends

- I. **Welcome | Dan Tapia**, Manager, International Strategy & Policy, Florida Chamber of Commerce
- II. **Guest Speakers:**
 - **Christopher Wenk**, Executive Director, International Policy, US Chamber of Commerce
 - **Nicole Bivens Collinson**, President, International Trade & Government Relations, Sandler, Travis & Rosenberg, P.A.
 - **Alice Ancona**, Director, International Strategy & Policy, Florida Chamber of Commerce
- IV. **Audience comments**
- V. **Adjourn**





Christopher Wenk

Executive Director, International
Policy, US Chamber of Commerce

Trade Update and Outlook: A View from Washington



**Florida Chamber of Commerce
June 6, 2017**



The Opportunity of Trade

- **JOB**S: 41 million American jobs depend on international trade
- **GROWTH**: Exports rose by 50% in 2009-2014
 - *Led by growth in exports to Mexico and Canada*
- **MANUFACTURING**: 1/2 of the 12 million U.S. manufacturing jobs depend on exports
- **AGRICULTURE**: 1 in 3 acres on U.S. farms planted for export

Opportunity for Florida

- **\$53.9 billion in exports**
- **Canada, Brazil, Mexico are top markets**
- **Trade supports 2.5 million Florida jobs**
- **In 2015, 40% of all FL exports went to FTA partners**
- **Since 2005, exports from Florida to FTA partners have grown by 69%**
- **58,404 small and midsized exporters**

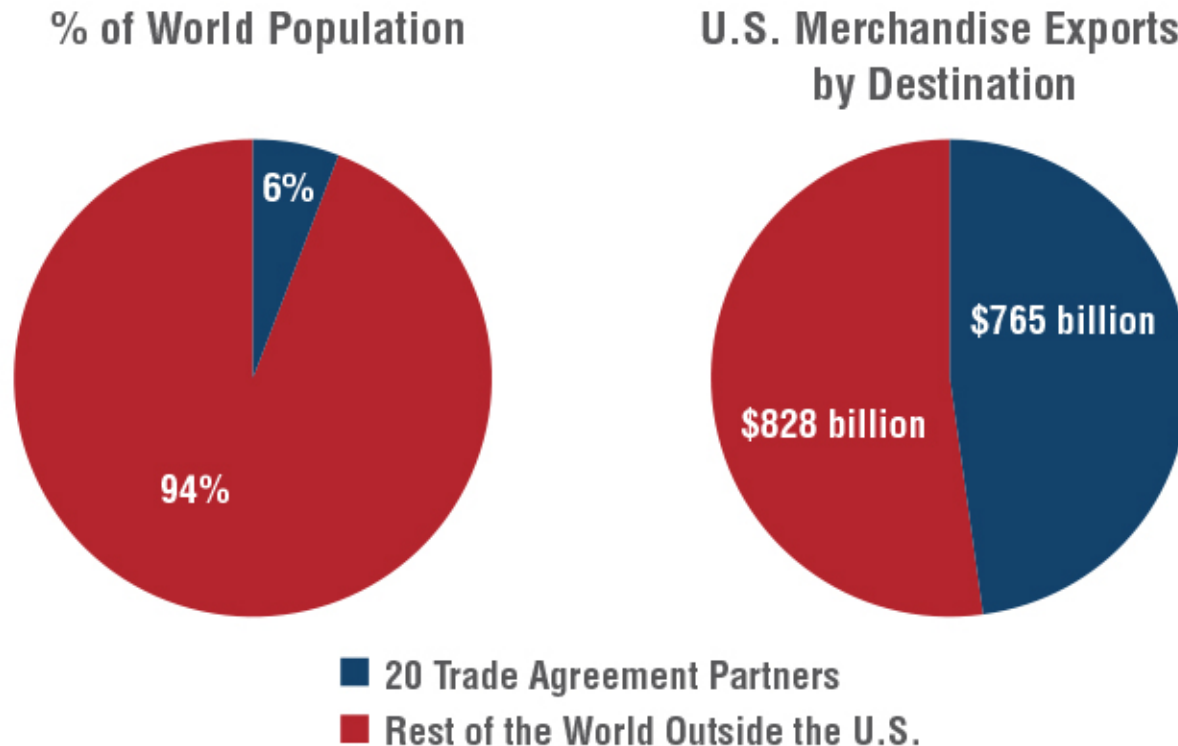
The Challenge of Trade

- **U.S. market largely open to imports, but tariffs in developing countries much higher**
- **It's like going into a basketball game down by a dozen points from the tip-off**
- **Discriminatory regulations and non-tariff barriers can make it even worse**

The Solution?

New, Market-Opening Trade Agreements

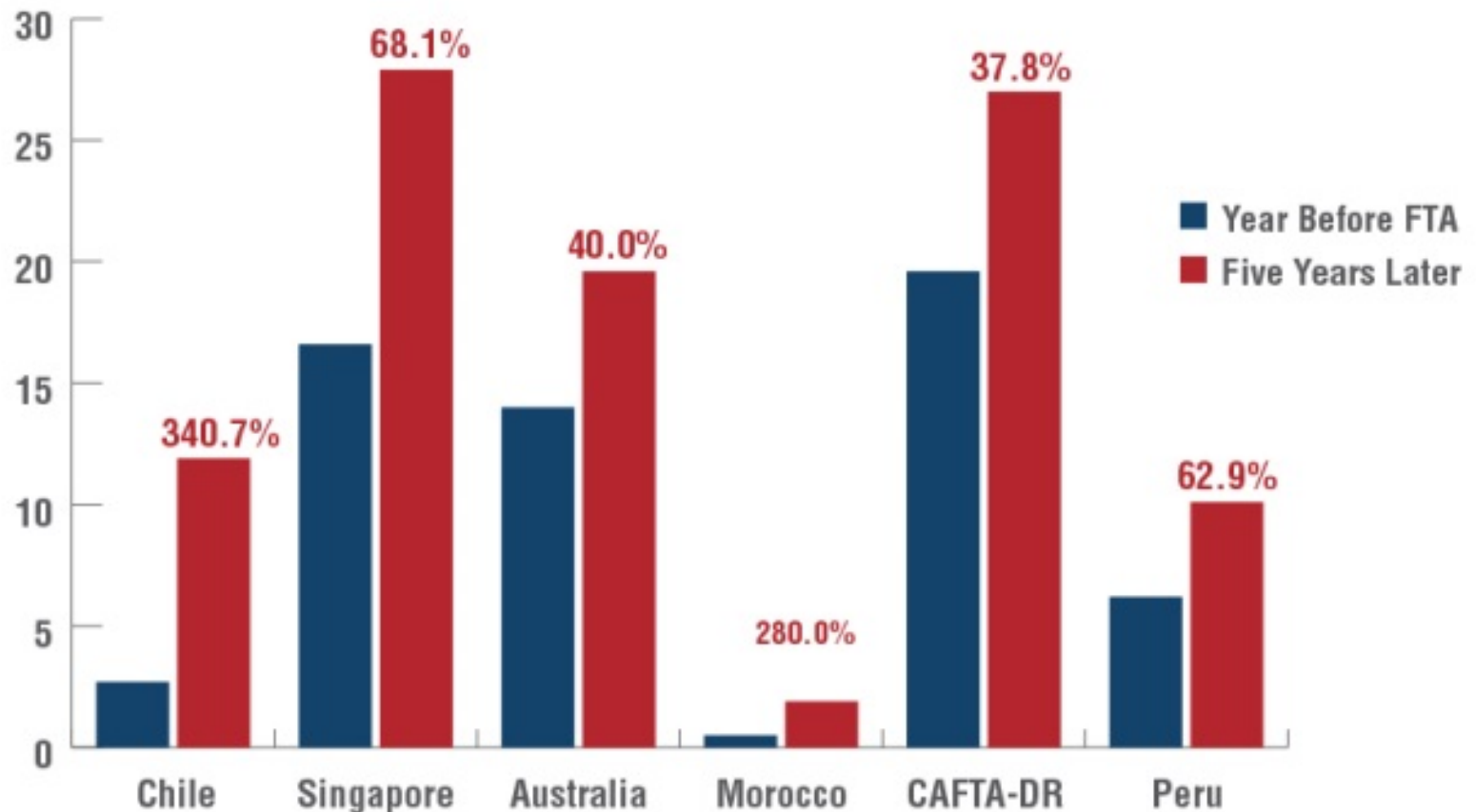
Trade Agreements Make BIG MARKETS Even Out of Small Economies



Sources: Derived from U.S. Census Bureau, U.S. Bureau of Economic Analysis data

Billions of U.S. dollars

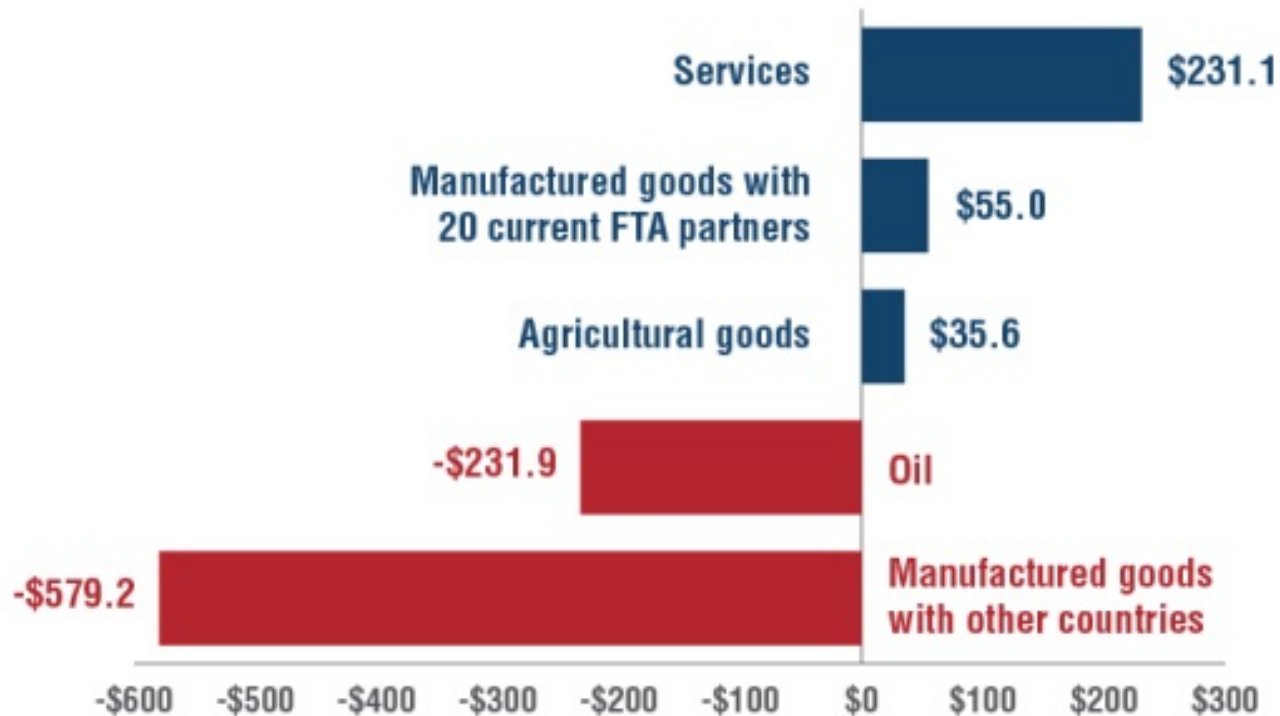
U.S. Merchandise Exports Boom



Sources: Derived from U.S. Census Bureau, U.S. Bureau of Economic Analysis data

Billions of U.S. dollars

Breaking Down the U.S. Trade Balance



Notes: Billions of U.S. dollars. 2014 data. Services exports and imports as reported in Table 1. U.S. International Trade in Goods and Services; manufactured goods include all products in NAICS categories 31-33; agricultural goods includes all products in NAICS categories 111-112; oil includes all products in NAICS categories 211.

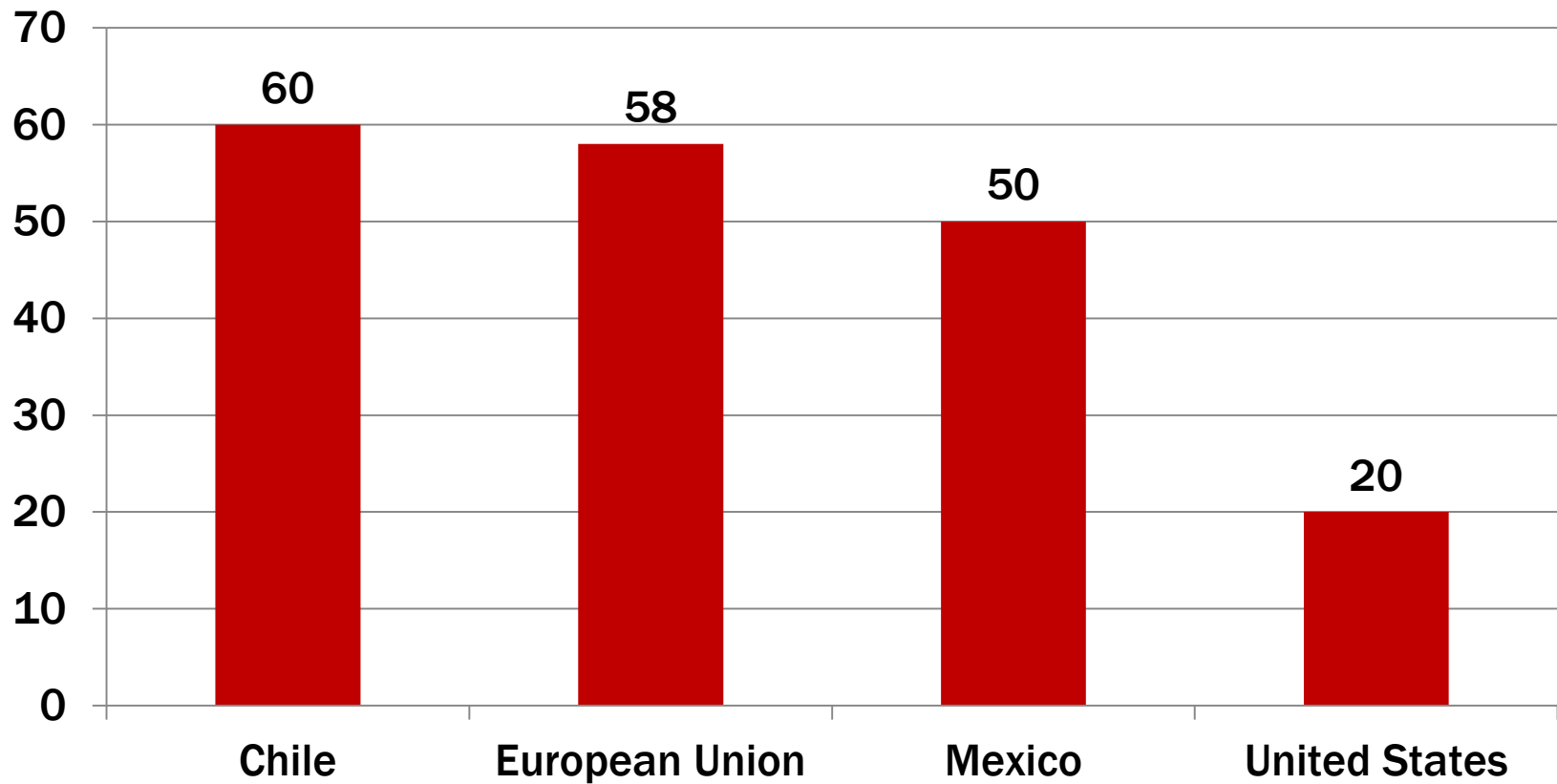
Sources: Derived from U.S. Census Bureau, U.S. Bureau of Economic Analysis data

America Left Behind?

- **U.S. exports rose substantially in 2000-2014**
- **But the U.S. share of global exports fell from 18% in 2000 to 8.5% in 2014**
- **423 FTAs in force, but U.S. has FTAs with just 20 countries**

Others Moving Ahead

No. of FTA Partner Countries



Trump's 7-Part Trade Plan

- 1) Withdraw from the *Trans-Pacific Partnership*
- 2) Appoint tough, smart trade negotiators
- 3) Crack down on violations of trade agreements
- 4) Renegotiate *NAFTA* or withdraw from it
- 5) Label *China* a currency manipulator
- 6) Challenge China subsidies, trade secret theft
- 7) Impose tariffs on imports if needed

Executive Actions

- President Trump Executive Action on January 23, 2017:
I hereby direct you to withdraw the United States as a signatory to the Trans-Pacific Partnership (TPP), to permanently withdraw the United States from TPP negotiations, and to begin pursuing, wherever possible, bilateral trade negotiations to promote American industry, protect American workers and raise American wages.
- Additional Executive Orders
 - FTA Review, OTMP, “Buy American, Hire American,” Steel/Aluminum imports, trade deficits, anti-dumping enforcement

“Renegotiate/Withdraw from NAFTA”

- **“[NAFTA is] a disaster...We will either renegotiate it, or we will break it. Because, you know, every agreement has an end”**
- **Threat to impose a 35% tariff on imports from Mexico**
- **Trump on April 27: “If I'm unable to make a fair deal for the United States, meaning a fair deal for our workers and our companies, I will terminate NAFTA. But we're going to give renegotiation a good, strong shot.”**

The Facts on NAFTA

- ***JOBS:*** 14 million American jobs depend on trade with Canada and Mexico
 - 807, 126 in FL
- ***EXPORTS:*** \$3.5 billion every single day and \$1.2 trillion a year
- ***MANUFACTURING:*** For manufactured goods, the U.S. ran a cumulative trade *surplus* with Canada and Mexico of more than \$70 billion over the past eight years (2008-1015).
- ***AGRICULTURE:*** Increase by 350%

NAFTA Recommendations

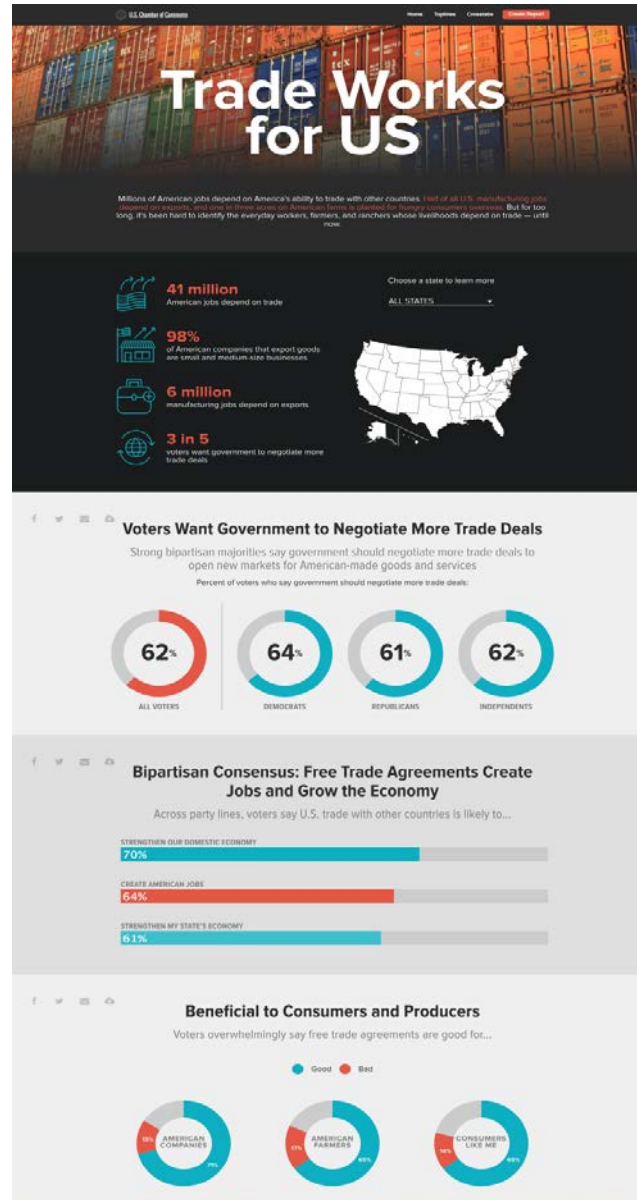
- 1. First, Do No Harm**
- 2. Move quickly**
- 3. Keep it Trilateral**
- 4. Use the Amendment Process**
- 5. Consult with Congress (TPA)**

Notification letter sent to Congress on May 18

Multilateral vs. Bilateral

- Trump Administration skepticism of multilateral approaches to trade
- Future of negotiations at the WTO:
 - Old Issues-DDA, EGA, TiSA
 - New Issues-Digital Trade/E-commerce
 - December Ministerial
- Bilaterals the way forward?
 - Japan, Vietnam, Malaysia, U.K.
 - Warming up to TTIP?
 - Dynamic of TPP 11

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Final Thoughts

- A new dealmaker in chief
- “Where you stand is where you sit”
- Role of Congress on Trade (TPA)
- All eyes on NAFTA
- Need to be vocal/Faces of Trade
- Q+A

Christopher Wenk

**Executive Director
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Q&A





Nicole Bivens Collinson

President, International Trade &
Government Relations, Sandler,
Travis & Rosenberg, P.A.



TRADE in 2017: Administration and Congress Taking Action

June 6, 2017

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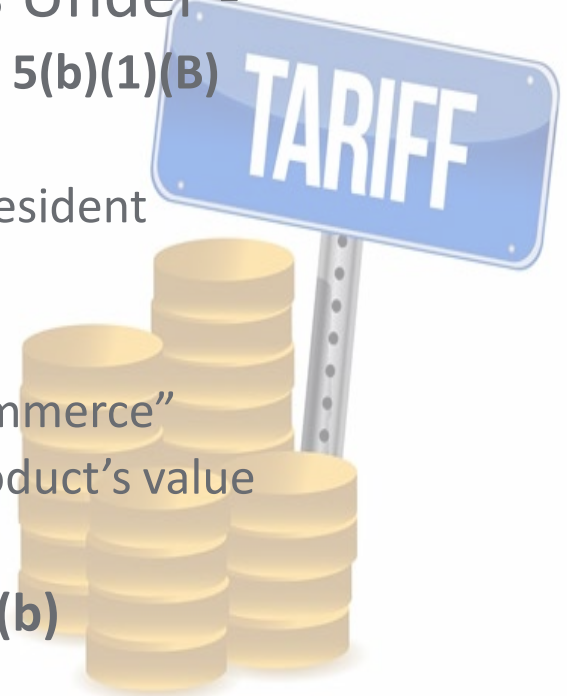
Can He Do What He Says?

Short answer: Yes

Trump: Impose Tariffs

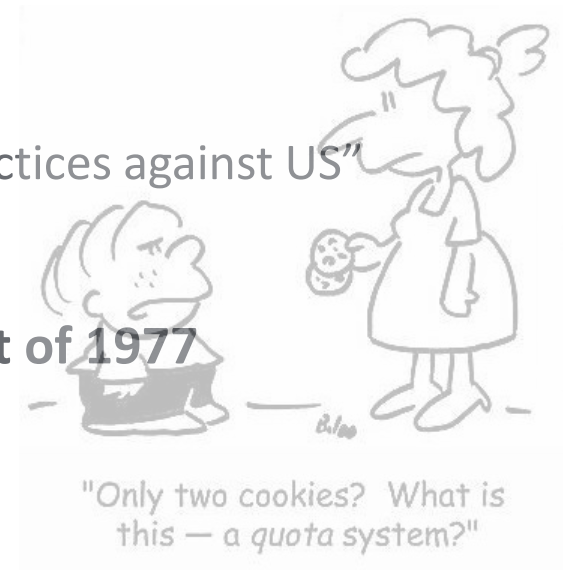
President May Impose New Tariffs Under -

- **Trading with the Enemy Act of 1917, Sec 5(b)(1)(B)**
 - “Time of War”
 - Virtually all trade powers vested to President
- **Tariff Act of 1930, Sec 338**
 - “Country discriminates against US Commerce”
 - Additional duties up to 50% of the product’s value
- **Trade Expansion Act of 1962, Sec 232(b)**
 - “Adverse impact on national security”
 - Tariffs or Quotas as needed



Trump: Impose Tariffs

- **Trade Act of 1974, Sec 122**
 - “Balance of payments deficit”
 - Increase tariffs to 15%, or quantitative restrictions, or both, for 150 days
- **Trade Act of 1974, Sec 301**
 - “Foreign country carries out discriminatory practices against US”
 - Potential Tariff and Quotas
- **International Emergency Economic Powers Act of 1977**
 - “National emergency”
 - Virtually all trade powers vested to President



Trump: Executive Orders

- **Report on Countries with which we have significant trade Deficit**
 - China, Taiwan, European Union, India, Indonesia, Malaysia, Canada, Mexico, Thailand, South Korea, Japan, Switzerland and Vietnam
 - Commerce Department; Written Comments May 10; Hearing May 18
 - Foundation for FTA renegotiations
 - Due within 90 days of March 31, 2017
- **Enhanced Collection/Enforcement of AD/CVD Violations**
 - CBP and Homeland Security
 - Potential increase in posting bonds
 - Due within 90 days of March 31, 2017
- **Addressing Trade Agreement Violations and Abuses**
 - Commerce Department
 - Review all FTAs with the US (20) and the WTO
 - Due within 180 days of April 29, 2017

Existing FTAs:

Israel*

NAFTA*

Chile

Singapore

Australia

Morocco

Central America-DR

Bahrain

Oman

Peru

South Korea*

Colombia*

Panama

Jordan

Countries with U.S. FTAs



Trump: Presidential Memoranda

- **Requesting Section 232 Report on Steel Imports into the US**
 - Issued April 20, 2017; Comments due May 31, Hearing held May 24
 - To determine the national security impact of steel imports
 - Under 1962 Trade Expansion Act – tariffs or quotas
 - Due within 270 days
- **Requesting Section 232 Report on Aluminum Imports into the US**
 - Issued April 27, 2017; Comments due June 20; written submissions due June 23; hearing June 22
 - To determine the national security impact of aluminum imports
 - Under 1962 Trade Expansion Act – tariffs or quotas
 - Due within 270 days

TRUMP: Budget

- Submitted May 23 (due February 6)
- Trade Impact:
 - USTR increase – staff for NAFTA etc.
 - Commerce: ↑ AD/CVD enforcement ↓ ITA (Global Markets team)
 - CBP: ↑ 21% S. Border focus; 500 new border patrol; \$29 M TFTEA enforcement – labor issues; \$45 M for ACE
 - USDA: restructure leadership; more prominence to trade
 - ExIm: continued authorization
 - OPIC & TDA: end funding



A LOOK
at the
BUDGET

Congressional Trade Agenda



Border Adjustment Measures - A Better Way?

- 
- A blue print for tax reform
 - Short on Details
 - Greatest impact could be “border adjustment measure(tax)”
 - The BAM “appears” to assess corporate taxes (reduced from 35% to 20%) on company revenues. If the goods sold are IMPORTED, the company CANNOT reduce its taxable revenue by cost of goods produced. If the goods are US made and exported, the company CAN reduce the taxable revenue by the cost of goods produced.
 - Expected to have greater impact on companies than tariff at border.

SIMPLIFIED Example

Today:

Total Sales Revenue:	1,000,000
Cost of goods sold*:	<u>-300,000</u>
Taxable Income:	700,000
Corp Tax 35%	<u>245,000</u>
Total due:	945,000

*imported or domestic/exported

Tomorrow:

Total Sales Revenue:	1,000,000
Cost of goods sold:	<u>- 0</u>
Taxable Income:	1,000,000
Corp Tax 20%	<u>200,000</u>
Total due:	1,200,000

Other Trade Issues

- GSP
 - Expires December 31, 2017
 - Reform
- Budget
- MTB
 - July 2017
- PNTR for Kazakhstan



Other Actions

- Section 201 Case accepted by USITC on certain solar panels
 - Filed by single company going through bankruptcy
 - AD/CVD rates already in effect for many manufacturing countries
 - Not supported by end users
- AD/CVD methodology changed –
 - Particular Market Situation
 - reversal of DOC steel tubes intentions after memo from Peter Navarro



Questions?



Nicole Bivens Collinson

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Q&A



International Policy Committee Overview



Alice E. Ancona

Director, International Strategy & Policy

International Trade and Investment Office

INTERNATIONAL POLICY COMMITTEE

Florida Chamber of Commerce meeting with Secretary of Foreign Relations of Mexico, Luis Videgaray

- 5/30/2017



Joint Florida Chamber of Commerce Board and Florida Chamber Foundation Trustees D.C. Fly-in

- June 27-29, 2017



International Policy Committee

- Chair: Lee Sandler – Sandler, Travis & Rosenberg, P.A.
- Submissions due August 2017



SAVE THE DATE

Global Florida Trade Topics and Trends Webinars

Upcoming webinar will be on August 1st

Florida Trade and Investment Conference | August 9th, 2017

Hyatt Regency Orlando Airport

9300 Jeff Fuqua Blvd, Orlando, FL

In an increasingly uncertain and complex global environment, the need to develop strategies supporting key sectors and diversifying our trade partners requires more attention and discussion than ever. The 2017 Florida International Trade and Investment Conference (FITIC) will draw trade and influential business leaders to provide insight and direction for our state and your business. You will hear directly from industry leaders and connect with trade experts, economists, industry professionals to get breaking news on international market intelligence as well as on opportunities in foreign direct investment.


www.flchamber.com/international

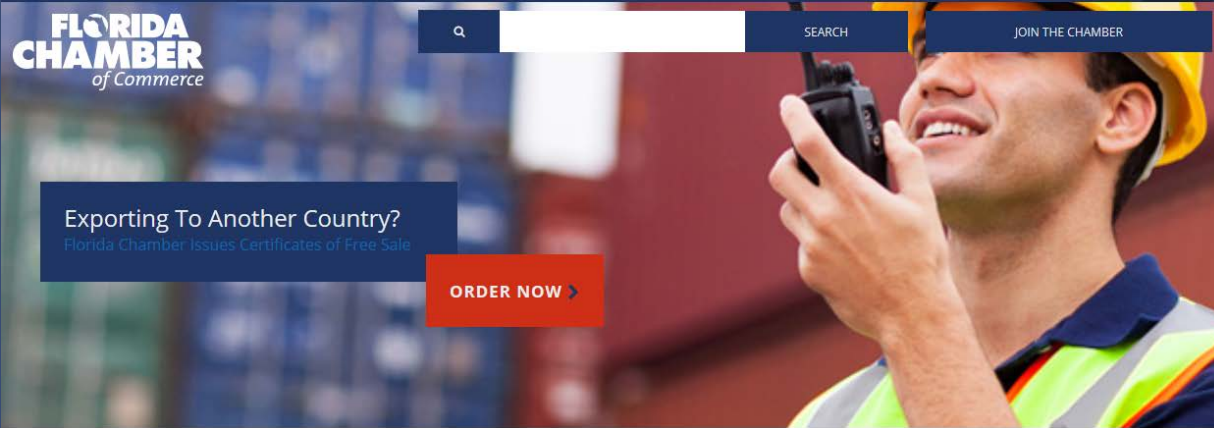


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Exporting To Another Country?

Florida Chamber Issues Certificates of Free Sale

[ORDER NOW >](#)

Certificate of Free Sale

Does your company need a document verifying that the products being exported are freely marketed without restriction and are approved for sale in the United States and Florida?

[COMPLETE ONLINE APPLICATION >](#)

Some foreign governments require a "Certificate of Free Sale." These are sometimes also referred to as a "Certificate for Export" or "Certificate to Foreign Governments." The Florida Chamber of Commerce can issue you a Certificate of Free Sale, evidence that a product was manufactured in, packaged, or distributed from the state of Florida freely without restriction, and approved by the regulatory authorities in the country of origin (United States). Products include:


- General Manufactured Goods
- Machinery and Equipment
- Commercially Prepared Food (*ready to eat*)
- Cosmetics and Medical Devices

The Florida Chamber does **not** offer Certificates of Free sale for raw agricultural commodities, dairy products, poultry or meat products, a dietary supplements, human or animal drugs or biologics. Please contact the [FDA](#) for more information. (*see below*)

For More Information, Please Contact the Florida Chamber Miami International Trade Office.

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