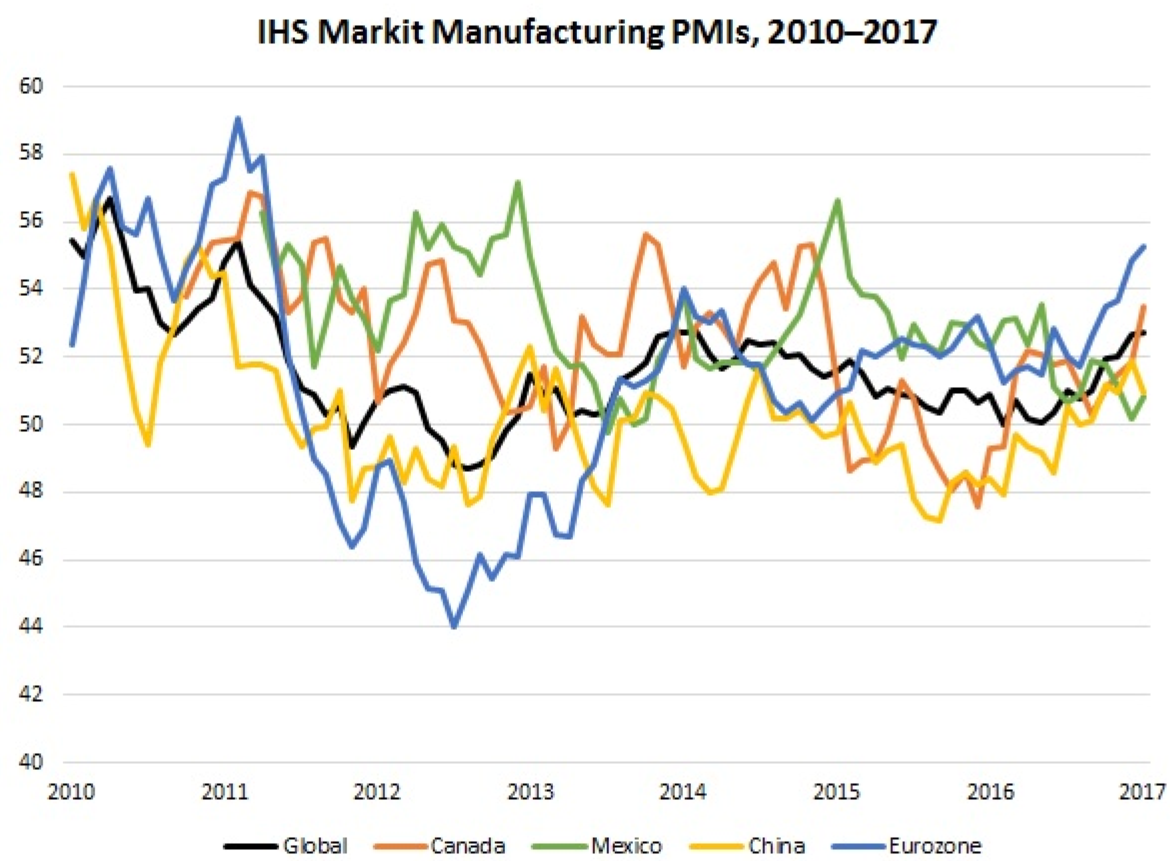
A Publication of the National Association of Manufacturers

GLOBAL MANUFACTURING ECONOMIC UPDATE

Good Morning, %%merge namis.dbo.vLyris_ListManager_Merged_Fields.NickName%% February 9, 2017



The international economy has made tremendous strides over the past few months, and while there were a few pullbacks in growth in January, that progress was mostly sustained as we began 2017. The J.P. Morgan Global Manufacturing PMI was unchanged at 52.7, continuing to represent the fastest pace of growth since February 2014. After essentially stagnating in May 2016, the global economy has stabilized, generally moving in the right direction. In January, the rate of expansion quickened for new orders and exports, with both measures at their highest levels since mid-2014. At the same time, the employment index expanded for the sixth straight month, with the current expansion continuing to be at its swiftest rate since March 2014.

Eleven of the top-15 markets for U.S.-manufactured goods exports experienced growth in their manufacturing sectors in January, slipping a little from 12 in December but up from just seven in August. (There is no manufacturing PMI for comparison purposes for Belgium, which is our 10th-largest trading partner.) Hong Kong returned to an ever-so-slight contraction in January after expanding in December for the first time since February 2015. Brazil and South Korea remained mired in negative territory, much as they have for the past two years. Brazil's manufacturing sector contracted at its fastest pace since June

2016, led by sharp declines in orders and output. In contrast, the strongest manufacturing growth among our top trading partners was in the Netherlands, Germany, the United Kingdom, Taiwan, Canada and France. Canada, France and Germany all saw multiyear highs.

Indeed, Canadian manufacturing activity expanded at its fastest clip in 25 months, with stronger data across-the-board and representing progress after nearly stalling in September. The national headline number was boosted by improvements in Alberta and British Columbia as well as Ontario, with the former expanding at its fastest rate since October 2013, assisted by stabilizing energy prices. Real GDP grew 0.9 percent in the third quarter, bouncing back from the 0.3 percent decrease in the second quarter. At the annual rate, Canada's economy expanded 3.5 percent, its fastest pace since the second quarter of 2014. Fourth-quarter data will be released on March 2.

At the same time, manufacturers in the Eurozone reported their best growth rates since April 2011. More importantly, survey respondents were more upbeat about output over the next six months. Beyond sentiment surveys, Eurozone real GDP grew 0.5 percent in the fourth quarter, according to preliminary data, edging up from 0.4 percent in the third quarter. That translated to 1.8 percent growth year-over-year. In addition, the Eurozone unemployment rate in December fell to 9.6 percent, its lowest level since May 2009, and with stronger growth, pricing pressures have started to pick up, with the annual inflation rate rising to 1.8 percent in January, its highest level since February 2013.

In a similar manner, Chinese manufacturing sentiment eased slightly in January but remained encouraging.The Caixin China General Manufacturing PMI decreased from 51.9 in December—its fastest pace since January 2011—to 51.0 in January. Despite the slower rate, it was the fifth consecutive monthly expansion in manufacturing activity in China, illustrating just how much the market has stabilized recently. In fact, the index for future output increased to a six-month high, suggesting more optimism in the months ahead. The Chinese economy grew 6.8 percent year-over-year in the fourth quarter, with 6.7 percent growth for 2016 as a whole. As such, we continue to see decelerated activity in China from more robust expansions in prior years. For instance, fourth-quarter growth in 2010 in China was 10.0 percent. Better data in China and elsewhere have also pushed up sentiment in the emerging markets, with the Markit Emerging Markets Manufacturing Index expanding for the seventh straight month.

Despite some improvements in global economic conditions, manufacturers in the United States have struggled to grow international demand over the past two years. The U.S. trade deficit, which was $44.26 billion in December, totaled $502.3 billion in 2016 as a whole. That was the highest annual trade deficit since 2012, and it edged slightly higher from the $500.4 billion deficit in 2015. Meanwhile, U.S.-manufactured goods exports declined 5.43 percent year to date in December, illustrating the challenges posed by a strong U.S. dollar—up 23 percent since June 2014—and economic and political uncertainties. Not surprisingly, exports were lower in five of the top-six markets for U.S.-manufactured goods in 2016, most notably to Canada, our largest trading partner. The lone exception was Japan, with exports to that market eking out a small gain for the year.

The first few weeks of the new Trump administration showed some notable trade developments, including the United States' formal withdrawal from the Trans-Pacific Partnership (TPP), discussions with the United Kingdom to launch a U.S.–U.K. bilateral trade agreement negotiation, movement toward an expected renegotiation of the North American Free Trade Agreement (NAFTA) and a reexamination of the U.S. conflict minerals rule. The NAM remains focused as well on additional bilateral relationships, including with Japan, India and Cuba, and other issues, such as working toward a fully functioning U.S. Export-Import (Ex-Im) Bank, a regularized and fact-based Miscellaneous Tariff Bill (MTB) process and entry into force of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA).

Chad Moutray, Ph.D., CBE
Chief Economist
National Association of Manufacturers

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Global Economic and Trade Trends

The stronger manufacturing activity seen at year's end was mostly sustained in January.
The J.P. Morgan Global Manufacturing PMI was unchanged at 52.7, continuing to represent the fastest pace of growth since February 2014. After essentially stagnating in May 2016, the global economy has stabilized, generally moving in the right direction. In January, the rate of expansion quickened for new orders (up from 53.7 to 53.9) and exports (up from 51.4 to 52.3), with both measures at their highest levels since mid-2014. Output eased a bit in the latest report but continued to grow modestly (down from 53.9 to 53.7). At the same time, the employment index expanded for the sixth straight month (unchanged at 51.4), with the current expansion continuing to be at its swiftest rate since March 2014.

Eleven of the top-15 markets for U.S.-manufactured goods exports experienced growth in their manufacturing sectors in January, slipping a little from 12 in December but up from just seven in August. (There is no manufacturing PMI for comparison purposes for Belgium, which is our 10th-largest trading partner.) Hong Kong returned to an ever-so-slight contraction in January after expanding in December for the first time since February 2015 (down from 50.3 to 49.9). Brazil (down from 45.2 to 44.0) and South Korea (down from 49.4 to 49.0) remained mired in negative territory, much as they have for the past two years. Brazil's manufacturing sector contracted at its fastest pace since June 2016, led by sharp declines in orders and output.

In contrast, the strongest manufacturing growth among our top trading partners was in the Netherlands (down from 57.3 to 56.5), Germany (up from 55.6 to 56.4), the United Kingdom (down from 56.1 to 55.9), Taiwan (down from 56.2 to 55.6), Canada (up from 51.8 to 53.5) and France (up from 53.5 to 53.6). Canada, France and Germany all saw multiyear highs.

After soaring post-election, the U.S. dollar has moved lower in the past few weeks; yet, it remains quite elevated.
The trade-weighted index of the U.S. dollar relative to other major currencies has increased nearly 23 percent since the end of June 2014. Of particular note, we have seen some dramatic shifts in currencies since the U.S. presidential election, with the trade-weighted index measuring 122.8327 on that day. That soared to 129.0778 by December 28, an increase of 5.1 percent in just a matter of weeks. However, it has pulled back since then, declining to 125.2828 on February 3. Even with the easing, however, the strong U.S. dollar makes it harder to grow international demand.

Manufacturers in the Eurozone reported their best growth rates since April 2011.
The Markit Eurozone Manufacturing PMI increased from 54.9 to 55.2, a 69-month high, boosted by improved data on new orders (up from 55.9 to 56.0), exports (up from 54.8 to 55.2) and employment (up from 53.5 to 55.0). The expansion of output also remained strong (unchanged at 56.1). More importantly, survey respondents were more upbeat about output over the next six months, with the future output index up from 63.7 to 66.9.

Looking at the country-by-country figures, a number of Eurozone markets experienced multiyear highs, including Austria (up from 56.3 to 57.3), France (up from 53.5 to 53.6) and Germany (up from 55.6 to 56.4). Spain also started 2017 on a stronger note (up from 55.3 to 55.6). At the same time, there was solid growth in Ireland (down from 55.7 to 55.5), Italy (down from 53.2 to 53.0), the Netherlands (down from 57.3 to 56.5) and the United Kingdom (down from 56.1 to 55.9) despite some easing in January—in some cases, from multiyear highs in December. In contrast to those markets, Greece contracted for the fifth straight month (down from 49.3 to 46.6), with heavy snow aggravating what was already a weakened market.

Eurozone real GDP grew 0.5 percent in the fourth quarter, according to preliminary data, edging up from 0.4 percent in the third quarter. That translated to 1.8 percent growth year-over-year. We will get December industrial production data on February 14, which we hope will extend the 1.5 percent rebound in activity in November. On a year-over-year basis, industrial output grew 3.2 percent, accelerating from a more sluggish 0.6 percent pace in the prior report. For its part, retail sales pulled back again in December, down 0.3 percent, but with 1.1 percent growth over the past 12 months. That remained weaker than desired. Nonetheless, the unemployment rate in December fell to 9.6 percent, its lowest level since May 2009. Meanwhile, much like in the United States, pricing pressures have started to pick up, with the annual inflation rate rising to 1.8 percent in January, its highest level since February 2013.

Chinese manufacturing sentiment eased slightly in January but remained encouraging.
The Caixin China General Manufacturing PMI decreased from 51.9 in December—its fastest pace since January 2011—to 51.0 in January. Despite the slower rate, it was the fifth consecutive monthly expansion in manufacturing activity in China, illustrating just how much the market has stabilized recently. The underlying data were mixed, but mostly expansionary. Export orders returned to positive territory for the month (up from 50.0 to 52.9), whereas new orders (down from 53.1 to 52.2) and output (down from 53.7 to 51.3) both decelerated somewhat. Still, even with the pullback in current sentiment, the index for future output increased to a six-month high (up from 56.3 to 57.4), suggesting more optimism in the months ahead. On the other hand, employment has now declined for more than three years (down from 48.0 to 47.8).

The Chinese economy grew 6.8 percent year-over-year in the fourth quarter, with 6.7 percent growth for 2016 as a whole. As such, we continue to see decelerated activity in China from more robust expansions in prior years. For instance, fourth-quarter growth in 2010 in China was 10.0 percent. Along those lines, industrial production continued to ease at year's end (down from 6.2 percent year-over-year in November to 6.0 percent in December), with new data for January and February out on March 13. The rate of growth also slowed for fixed asset investments (down from 8.3 percent to 8.1 percent). On the other hand, consumer spending appears to be improving (up from 10.8 percent to 10.9 percent), with its year-over-year rate up for the second straight release to its fastest pace in 12 months.

Manufacturing activity in the emerging markets expanded for the seventh straight month, albeit slightly slower in January than in December.
The Markit Emerging Markets Manufacturing Index declined from 51.0 in December to 50.8 in January. Much like the story in China described above, this report reflects ongoing progress in the emerging markets after a few years of notable challenges. New orders (down from 51.8 to 51.7) and output (down from 52.2 to 51.5) pulled back slightly in January, but exports expanded for the first time since November 2015 (up from 49.4 to 51.3). On the negative side, hiring continued to contract (down from 48.8 to 48.7). Meanwhile, the forward-looking index for future output rebounded once again (up from 61.0 to 62.4), suggesting that manufacturers in the emerging markets remain quite upbeat about the next six months.

The country-by-country data were mixed. While China (down from 51.9 to 51.0), South Africa (down from 51.6 to 51.3) and Taiwan (down from 56.2 to 55.6) each pulled back in January from multiyear highs in December, others plowed forward with new highs, including the Czech Republic (up from 53.8 to 55.7), Poland (up from 54.3 to 54.8), Russia (up from 53.7 to 54.7), Saudi Arabia (up from 55.5 to 56.7) and the United Arab Emirates (up from 55.0 to 55.3). In addition, Kenya (down from 54.1 to 52.0), the Philippines (down from 55.7 to 52.7) and Vietnam (down from 52.4 to 51.9) continued to expand modestly in January but at a slower pace. Moreover, India (up from 49.6 to 50.4), Indonesia (up from 49.0 to 50.4), Myanmar (up from 49.4 to 51.7) and Nigeria (up from 48.1 to 51.9) bounced back from contractions in December.

As noted earlier, Hong Kong returned to an ever-so-slight contraction in January after expanding in December for the first time since February 2015 (down from 50.3 to 49.9). There were other economies of note that remained stuck in contraction in the latest data, including Brazil (down from 45.2 to 44.0), Egypt (up from 42.8 to 43.3), Lebanon (up from 47.0 to 47.7), Malaysia (up from 47.1 to 48.6), South Korea (down from 49.4 to 49.0) and Turkey (up from 47.7 to 48.7).

Canadian manufacturing expanded at its quickest clip since December 2014.
The Markit Canada Manufacturing PMI increased from 51.8 in December to 53.5 in January, its highest level since December 2014. That represents progress after activity nearly stalled in September (50.3), with four consecutive improvements in the headline number since then. In January, there were stronger data across-the-board, including for new orders (up from 52.6 to 54.6), output (up from 51.6 to 54.0), exports (up from 50.9 to 51.1) and employment (up from 51.2 to 52.2).

The national headline number was boosted by improvements in Alberta and British Columbia (up from 54.7 to 58.3) and Ontario (up from 51.4 to 52.2), with the former expanding at its fastest rate since October 2013. Quebec stabilized a little in January despite contracting in four of the past five months (up from 48.0 to 48.7), and the rest of Canada slipped back into negative territory in the latest data (down from 50.0 to 49.6).

Real GDP grew 0.9 percent in the third quarter, bouncing back from the 0.3 percent decrease in the second quarter. At the annual rate, Canada's economy expanded 3.5 percent, its fastest pace since the second quarter of 2014. Fourth-quarter data will be released on March 2. In November, manufacturing sales rebounded, up 1.5 percent, after falling 0.6 percent in October. Similarly, output in the sector increased 1.4 percent in November, bouncing back from a 1.7 percent decline in October. In addition, retail spending edged up 0.2 percent in November. We will get new January jobs data on February 10, but the unemployment rate was 6.9 percent in December. Manufacturers added 3,600 net workers in December but had lost 53,400 employees year-over-year.

Mexico improved slightly in January, but manufacturing activity remained subpar.
The Markit Mexico Manufacturing PMI rose from 50.2 in December—just barely above neutral territory and its slowest pace since October 2013—to 50.8 in January. New orders (up from 50.4 to 51.1), exports (up from 51.8 to 52.8), output (up from 49.5 to 51.3) and employment (up from 51.5 to 51.7) were all higher in January. Despite that growth, the Markit press release cited "subdued growth in Mexico's manufacturing sector, as economic and political uncertainties continued to undermine confidence." Indeed, the index for future output dropped to its lowest level in the measure's nearly five-year history (down from 69.7 to 61.6). For comparison purposes, that forward-looking index was 79.2 one year ago.

Real GDP increased 2.0 percent year-over-year in the third quarter, down from 2.6 percent in the second quarter. As such, the Mexican economy continued to underperform. New GDP data will be released on February 22. Likewise, industrial production rebounded in November, up 1.3 percent year-over-year, from a contraction of 1.2 percent in October. Mining weaknesses pulled the headline number lower, with manufacturing output up 4.3 percent year-over-year. However, that pace remained less than desired. We will get an update on production figures on February 10.

U.S.-manufactured goods exports have struggled mightily over the past two years.
Using non-seasonally adjusted data, U.S.-manufactured goods exports totaled $1,051.27 billion year to date in December, down 5.43 percent from $1,111.61 billion in December 2015.

Moreover, exports were lower in five of the top-six markets for U.S.-manufactured goods in 2016, including Canada (down from $280.61 billion to $266.83 billion), Mexico (down from $235.75 billion to $230.96 billion), China (down from $116.07 billion to $115.78 billion), the United Kingdom (down from $56.12 billion to $55.40 billion) and Germany (down from $49.97 billion to $49.36 billion). The lone exception was Japan (up from $62.44 billion to $63.26 billion), which eked out a small gain for the year.

The U.S. trade deficit edged down somewhat in December.
The trade deficit declined from $45.73 billion in November to $44.26 billion in December. For the year as a whole, the monthly data in 2016 were quite volatile, ranging from $36.52 billion in September to November's high for the year. In 2016, the trade deficit averaged $41.85 billion, which was not far from the $41.70 billion average in 2015. The trade deficit was lower in December because the increase in goods exports (up from $122.14 billion to $126.93 billion) was enough to offset the gain in goods imports (up from

$189.06 billion to $192.64 billion). The jump in both figures was important, suggesting that global trade is picking up; indeed, goods exports and imports were at their highest levels since July and March 2015, respectively. In addition, the service-sector surplus inched up from $21.19 billion to $21.44 billion.

Looking more closely at the underlying data, goods exports were mostly higher. The largest increases were in capital goods (up $3.33 billion) and industrial supplies and materials (up $731 million), with the capital goods category boosted by a $1.01 billion gain in civilian aircraft exports. At the same time, goods imports were also up across-the-board. This included strong increases for automotive vehicles and parts (up $1.62 billion), industrial supplies and materials (up $1.09 billion) and capital goods (up $982 million).

International Trade Policy Trends

White House international economic officials take seats in the Trump administration, while action required to confirm secretary of commerce and trade representative. President Donald Trump has named the following key individuals to top trade or international economic positions in the administration:

- Wilbur Ross, as nominee for secretary of commerce
- Ambassador Robert Lighthizer, as nominee for U.S. trade representative (USTR)
- Peter Navarro, as the head of the newly created National Trade Council
- Gary Cohn, as head of the National Economic Council
- Kenneth Juster, as deputy assistant to the president for international economic affairs with the National Security Council

Secretary of Commerce nominee Wilbur Ross was voted unanimously out of the Senate Commerce Committee and is awaiting floor time for a final Senate confirmation vote, expected before the end of the month. Notably, he is already participating in key meetings, including last week's meeting between the president and Senate Finance and House Ways and Means Chairmen Orrin Hatch (R-UT) and Kevin Brady (R-TX) and Ranking Members Ron Wyden (D-OR) and Richard Neal (D-MA). President Trump nominated Ambassador Robert Lighthizer as USTR in early January and is expected to have a hearing soon before the Senate Finance Committee now that all the paperwork has been submitted. Chairman Hatch indicated this week that Lighthizer will require a waiver from a provision of the Trade Act of 1974, added in 1995, that prohibits anyone serving as USTR or deputy USTR that has "directly represented, aided or advised a foreign entity" in a trade negotiation or trade dispute with the United States. Former USTR Charlene Barshefsky received a similar waiver in 1996. Two other Cabinet posts with a substantial role on international economic affairs are the secretary of state and secretary of the treasury. Last week, Rex Tillerson was approved by the Senate as secretary of state and took up his post at the State Department, making a well-received address to State Department employees. Treasury Secretary nominee Steven Mnuchin has been voted out of the Senate Finance Committee and may be confirmed by the Senate as early as this week. Statements from NAM President and CEO Jay Timmons on each of these selections can be found here. Other officials in the White House, including Peter Navarro, Gary Cohn and Kenneth Juster are already in place and involved in trade and international economic discussions.

President formally withdraws the United States from the TPP, while other TPP members consider next steps.
On January 23, President Trump signed an executive memorandum directing the Office of the USTR to withdraw the United States formally from the TPP. On January 30, acting USTR Maria Pagan sent a letter to the TPP Depositary indicating that the "United States does not intend to become a party" to the TPP. Other TPP countries issued various statements. Chile has invited the other TPP countries and China to a March meeting to discuss how to proceed. Canada and Japan have both expressed reluctance about moving forward with the TPP without the United States, while Australia has indicated that it is considering moving forward on a TPP-style agreement without the United States. As signed, the TPP cannot enter into force without the United States given the requirement that countries with at least 85 percent of total TPP GDP ratify the agreement before its entry into force.

NAFTA renegotiation is on the Trump agenda with Mexican president and leaders on Capitol Hill.
The planned January 31 visit of Mexican President Enrique Peña Nieto was canceled the week before over Mexican concerns with statements by President Trump over his planned wall on the Mexican border. On January 26, presidents Trump and Peña Nieto talked and posted a joint Facebook statement on their commitment to continue dialogue to strengthen the relationship. No new presidential meeting has been scheduled. During the week of January 30, the Mexican government began formal consultations with its private sector on negotiating priorities in updating NAFTA. At President Trump's meeting with leaders of the Senate Finance and House Ways and Means committees last week, NAFTA was one important part of the trade discussion. According to statements from House Ways and Means Committee Chairman Kevin Brady (R-TX) and Senate Finance Committee Chairman Orrin Hatch (R-UT), President Trump agreed to move forward NAFTA negotiations consistent with Trade Promotion Authority requirements, including notifying Congress of his intention to launch talks 90 days before negotiations begin. No formal notification has been made by the administration. The NAM has been reaching out to administration officials, meeting with our members and holding discussions with other interested stakeholders on the path forward. The NAM looks forward to identifying concerns with the existing NAFTA framework and potential ways to improve it, while ensuring that the approximately 2 million manufacturing workers and thousands of manufacturers in the United States that rely on a strong North American commercial environment are not harmed by any changes to be made. NAM Vice President of International Economic Affairs Linda Dempsey joined a January 23 House Border Caucus hearing on "Border Business Is America's Business" to discuss the importance of commerce along the U.S.–Mexico border as well as the broader North American commercial relationship and its value in promoting the economic growth and competitiveness of the United States. For more information and to become involved in the NAM's work in this area, contact Linda or NAM Director of International Trade Policy Ken Monahan.

The United Kingdom moves forward on exit from European Union, while the United States and United Kingdom agree to pursue trade talks after leaders' meeting.
On January 25, British Prime Minister Theresa May presented to Parliament a report on the United Kingdom's exit from the European Union (known as "Brexit"). The report outlines U.K. priorities for the Brexit talks, ranging from taking control of U.K. laws and controlling immigration to ensuring free trade with European markets and securing new trade agreements with other countries. The report followed a January 24 House of Commons vote, by a margin of 498–114, which backed the launch of the Brexit talks. Prime Minister May is expected to invoke Article 50 of the Lisbon Treaty by March 31, which will trigger the launch of the Brexit negotiations.

A potential U.S.–U.K. FTA was a top subject during the January 26 meeting between Prime Minister May and President Trump in Washington, D.C. After the meeting, Prime Minister May said the two sides discussed "how we can establish a trade negotiation agreement, take forward immediate, high-level talks, lay the groundwork for a U.K.–U.S. trade agreement and identify the practical steps we can take now in order to enable companies in both countries to trade and do business with one another more easily." Expectations are that discussions will be launched while the United Kingdom is also negotiating its exit from the European Union, although the United Kingdom cannot enter into a separate trade agreement until such negotiations have been formally completed. The NAM continues to be in active discussions with the U.K. Embassy and business groups in Europe and is committed to advocating in support of a high-standard, comprehensive U.S.–U.K. FTA that strengthens the competitiveness of manufacturing in the United States by eliminating barriers to trade and investment between the United States and United Kingdom and setting strong and enforceable standards that will advance the competitiveness of manufacturing in the United States. To participate in the NAM Europe Task Force or for further information, please contact NAM Director of International Trade Policy Ken Monahan.

Japanese prime minister to meet with President Trump this week.
On February 9, Japanese Prime Minister Shinzō Abe will meet with President Trump to discuss security, economic relations, energy issues and investment. Prime Minister Abe has continued to indicate his support for the United States to rejoin the TPP, emphasizing both the economic and broader implications for

the U.S. participation in the Asia-Pacific. Japanese government officials have downplayed the potential discussion of a bilateral U.S.–Japanese free trade agreement, although the Trump administration continues to indicate its strong focus on bilateral trade agreements.

NAM urges Congress to prioritize a fair, robust U.S.–India relationship.
The NAM, as co-chair of the Alliance for Fair Trade with India (AFTI) coalition, joined 21 other industry associations in a letter to congressional leadership on February 1 urging them to work to support a robust, reciprocal U.S.–India economic relationship that creates commercial opportunities in both countries and meaningfully addresses outstanding issues impacting manufacturers in the United States. The letter notes that despite the significant potential to boost commercial ties with India and some steps by Indian Prime Minister Narendra Modi to improve the business environment, the U.S.–India relationship continues to underperform due to ongoing challenges. Among the key issues identified that negatively impact U.S. jobs and competitiveness are high tariffs, forced localization measures, poor protection of intellectual property rights and challenging processes to obtain government approvals and licenses. In this letter and the AFTI press release, the NAM and other groups call on the new administration and Congress to use all available channels, including cooperative programs, commercial dialogues and trade enforcement mechanisms, to strengthen commercial ties through concrete policy changes that promote a fair and constructive U.S.–India relationship. The letter received wide coverage from both U.S. and Indian press outlets, including *The Hill* and *the International Business Times*, and comes after President Trump has already engaged Prime Minister Modi to discuss opportunities to strengthen ties on defense and the economy. For more on the NAM's India activities, please contact NAM Director of International Business Policy Ryan Ong.

Securities and Exchange Commission (SEC) requests comments on conflict minerals rule.
On January 31, acting SEC Chairman Michael Piwowar released a **public statement** directing SEC staff to consider whether the SEC's 2014 guidance on the conflict minerals rule (issued following the court decision that the rule violated the First Amendment) is still appropriate and whether any additional relief is appropriate in the interim. In an additional statement, the acting chairman noted that the partial stay of the rule in 2014 "has done little to stem the tide of unintended consequences washing over the Democratic Republic of the Congo and surrounding areas" and that "legitimate mining operators are facing such onerous costs to comply with the rule that they are being put out of business." The acting chairman has requested public comments on all aspects of the conflict minerals rule and guidance through March 16. Please provide any input that you would like the NAM to include in comments to NAM Director of International Trade Policy Ken Monahan. Comments can be submitted directly to the SEC through this **portal**.

Bills to open trade and travel with Cuba reintroduced.
Over the past few weeks, members of Congress have reintroduced several bills to open up trade and travel with Cuba. The Cuba Trade Act (H.R. 442) would permit private-sector industries in the United States to trade freely with Cuba, effectively lifting the U.S. embargo on Cuba. In addition, the Freedom to Travel to Cuba Act (H.R. 351), the Cuba Agricultural Exports Act (H.R. 525) and the Cuba DATA Act (H.R. 498) were all reintroduced in January. The House bipartisan Cuba Working Group sent a letter to President Trump in December urging him to support the continued expansion of U.S. engagement with Cuba and to allow the private sector to help shape a post-Fidel Cuba. An official Cuban delegation visited the United States in January, stopping in four states and six ports, and Cuban President Raúl Castro expressed at a summit of Latin American and Caribbean leaders a willingness "to pursue a respectful dialogue and cooperation on topics of common interest" with President Trump. To join the NAM's Cuba Task Force or for more on the NAM's work on engagement with Cuba, contact NAM Director of Trade Facilitation Policy Lauren Wilk.

Ex-Im Bank continues to lack board quorum.
The Ex-Im Bank remains unable to process certain transactions without a quorum for its board of directors, undermining the ability of U.S. exporters to compete in a tough global marketplace. The Trump administration has yet to formally nominate a new chairman or other members of the board of directors. Visit www.nam.org/exim to learn more and www.exportersforexim.org to use the updated Call to Action to contact your members of Congress. To learn more about the NAM's advocacy efforts on this issue, contact NAM

Director of Trade Facilitation Policy Lauren Wilk.

U.S. International Trade Commission (ITC) is seeking public comments on MTB petitions.

On January 11, the ITC began accepting public comments on the more than 2,500 MTB petitions submitted through its web portal late last year. The comment period ends at 5:15 p.m. EST on Friday, February 24. The public may object to, support or take no position on a filed petition, and petitioners may provide additional information beyond what was included in petitions filed last year (but they cannot correct or amend a submitted petition). Here is the list of 2,598 pending petitions, which includes details on the petitioning company, article description, tariff rate requested, Harmonized Tariff Schedule number(s) and other product-specific information. For additional details, please review the new ITC guide, "Before You File a Comment: How to Prepare for Filing a Miscellaneous Tariff Bill Comment," and the Federal Register notice. If you have any questions about the MTB and/or the MTB process, contact NAM Director of International Trade Policy Ken Monahan.

The WTO's TFA nears entry into force.

At last count, 106 countries had ratified the WTO's TFA, leaving only four more ratifications to bring the TFA into force. Upon entry into force, all developed country members of the WTO will start applying all of the substantive provisions of the TFA from the date it takes effect. Developing countries and least developed countries will also begin applying those substantive provisions of the TFA that they have committed to implement from the date of entry into force, as set out in the Category A notifications, which 93 members have submitted to date. Last year, more than 30 business associations joined the NAM in urging countries to ratify the TFA. The NAM will continue to monitor TFA implementation, including the activities of the Global Alliance for Trade Facilitation on the ground in Colombia, Ghana, Kenya and Vietnam. To learn more about this issue, contact NAM Director of Trade Facilitation Policy Lauren Wilk.

Exports in Action

Discover Global Markets: Advanced Manufacturing

Scottsdale, Ariz.
February 16–17
The U.S. Commercial Service and Arizona District Export Council will host a business forum series February 16–17. Registrants will learn about international manufacturing needs; understand global demand for new technologies that improve production quality and efficiency and increase capacity; and hear from executives who have successfully sold advanced manufacturing technologies and products to clients around the world. For more information, click here.

HANNOVER MESSE 2017: World's Largest Industrial Technology Trade Fair

Hannover, Germany
April 24–28
Hannover Messe will host its annual trade show April 24–28, offering international exposure for U.S. companies, institutions and economic development organizations participating as exhibitors in the U.S. delegation. Hannover Messe is the world's largest industrial trade show, combined with an investment summit. Industry pavilions are available for digital factory, energy, industrial automation, industrial supply, motion/drive/automation, ComVac and research and technology, connecting exhibitors to potential customers across relevant industry sectors. For more information, click here.

U.S. Wastewater Treatment Business Development Mission to China

June 11–17
Contact Pamela Kirkland or Jay Biggs. Application deadline: May 1. For more information, click here.

Cyber-Security Trade Mission to Canada

July 19–23
Contact Thomas Hanson for more information. Application deadline to be determined. 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.

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