



Agency Priority Goal Action Plan

Increase the Economic Impact of U.S. Trade

Goal Leader:

Joseph Semsar, Deputy Under Secretary for International Trade, Performing the Non-Exclusive Functions and Duties of the Under Secretary for International Trade

Deputy Goal Leaders:

Ian Steff, Assistant Secretary for Global Markets and Director General of the U.S. & Foreign Commercial Service

Nazak Nikakhtar, Assistant Secretary for Industry & Analysis

Jeffrey Kessler, Assistant Secretary for Enforcement & Compliance

Overview

Goal Statement

The Department of Commerce International Trade Administration (ITA) supports jobs for American workers and strengthens U.S. economic and national security by facilitating U.S. exports and inward investment. In fiscal years (FY) 2020 and 2021, ITA will increase the dollar value of U.S. exports and inward investment facilitated by 10 percent annually, while ensuring that over 75 percent of U.S. exporter clients assisted are small and medium-sized enterprises (SMEs).

Challenge

- U.S. exports and inward investment are dependent on a robust and growing global economy. The COVID-19 pandemic has significantly disrupted global trade and investment.
- Prior to COVID-19 and despite ITA having facilitated over \$100 billion in U.S. exports and inward investment two years in a row (FY 2018 and FY 2019), the FY 2019 dollar value of U.S. exports and inward investment facilitated by ITA decreased 16% year-over-year from \$128 billion in FY 2018 to \$107 billion in FY 2019.
- Unfair trade practices and increasingly complex international markets can place U.S. businesses at a disadvantage in global markets. Today, U.S. firms are challenged to keep up with foreign competitors in rapidly-changing markets and in virtually all industries. These challenges and barriers must be addressed if U.S. companies are to succeed internationally.

Opportunity

- U.S. exports and inward investment can play a critical role in revitalizing the U.S. economy and supporting millions of American jobs across the country as we recover from the COVID-19 pandemic.
- ITA's global network of industry, trade, and investment experts located in Washington, D.C., around the world in 116 cities in 76 countries, and in 106 locations across the U.S. have ramped up virtual services and is well positioned to help U.S. entities – particularly small and medium-sized businesses – increase exports and attract investment in an increasingly challenging environment.
- Modernization of ITA's IT systems, including the launch of a unified digital experience in FY 2020, will continue to improve the efficiency and effectiveness of customer assistance.

Leadership & Implementation Team

Department of Commerce/International Trade Administration Goal Leaders

Joseph Semsar
Deputy Under Secretary for International Trade,
Performing the Non-Exclusive Functions and Duties of the
Under Secretary for International Trade

Nazak Nikakhtar

Assistant Secretary for Industry &
Analysis

Ian Steff

Assistant Secretary for Global
Markets and Director General of the
U.S. & Foreign Commercial Service

Jeffrey Kessler

Assistant Secretary for
Enforcement & Compliance

Goal Structure & Strategies

ITA will leverage the unique roles and skill sets of each ITA unit to increase the dollar value of U.S. exports and inward investment. In particular, ITA will focus its attention to ensure that over 75% of U.S. exporter clients assisted are SMEs. ITA-wide efforts include:

- Support the economic recovery of SMEs due to the impact of COVID-19.*
- Help U.S. companies, particularly SMEs, engage foreign buyers, partners, and decision-makers to maintain and build their business relationships.
- Engage foreign governments, including through virtual platforms, on unfair trade practices/barriers adversely affecting U.S. exports.
- Level the playing field for U.S. firms competing for foreign government procurements.
- Monitor and ensure foreign governments comply with international trade agreements.
- Assist investors and states/localities to facilitate increased investment in U.S. communities.
- Lead coordination of investment promotion across the U.S. Government and key partners.
- Accelerate hiring and deliver training needed to address critical skills gaps.
- Modernize IT systems and business processes to enhance organizational efficiency/effectiveness.

*ITA's User Fee Waiver Program successfully provided an estimated \$1.44 million worth in services to SMEs free of charge to U.S. exporters. This includes over 350 Initial Market Check services to explore market potential for clients, over 800 International Partner Search services through which ITA's worldwide staff matched U.S. exporters with foreign buyers, and nearly 100 Single Location Promotions (SLPs) for Economic Development Organizations (EDOs) seeking inward investment.

Summary of Progress – FY 20 Q4

Most of ITA's FY 2020 key milestones were successfully met or are on-track with FY 2021 activities currently under consideration.

Due to the COVID-19 global pandemic, ITA is not on track to fully achieve a 10% annual increase in the dollar value of U.S exports/inward investment facilitated. ITA does, however, anticipate to meet this goal by FY 2021.

ITA exceeded at least 75% of U.S. exporter clients assisted are SMEs. The proportion of U.S. Exporter clients assisted that are SMEs increased to 92% through Q4.

ITA assisted 31,249 U.S. exporter clients through Q4. ITA has exceeded its target goal of 30,000 export clients and has exceeded last year's count of 29,557.

- For example, as a result of ITA's extensive export engagement, Microsoft signed a renewal contract with the Government of Bosnia and Herzegovina, covering the period 2020-2021, valued at \$10 million.

ITA reduced, removed, and prevented 176 trade barriers through Q4, 30 of which ensured our trading partners were in compliance with their trade agreement obligations.

- For example, working with other U.S. trade agencies, ITA persuaded Kenya to amend its unnecessarily restrictive content and labelling requirements for energy drinks. Facing constant pressure, Kenya complied with its WTO Technical Barriers to Trade Agreement obligations and revised its energy drink standard. This ensured \$9 to \$12 million in annual U.S. energy drink exports continue.

ITA assisted over 6,921 investment clients through Q4. ITA has exceeded its target goal of 6,500 investment clients and has exceeded last year's count of 6,471.

- For example, ITA provided services to help Nephron Pharmaceuticals to expand its operations in South Carolina. The company announced in July 2020 a \$215 million investment creating over 300 jobs in Lexington County.

Key Milestones

Promote and Advocate for U.S. Exporters Around the Globe

Key Milestone	Milestone Due Date	Milestone Status	Comments
U.S.-Brazil CEO Forum	FY 2020 Q1	Completed	The 10th U.S.-Brazil CEO Forum Meeting took place in Washington, DC., in November 2019. Members of the CEO Forum issued Joint Recommendations to their respective governments that will serve as a guide for trade policy priorities. Key deliverables included the launch of a pilot Global Entry program with the Forum's visiting Brazilian CEOs and the agreement for the U.S. to join Brazil's universal Patent Prosecution Highway system.
TradeWinds – IndoPacific	FY 2020 Q3	Postponed	Largest annual USG-led trade mission. Postponed due to COVID-19 and currently under consideration for FY 2021.
Prosper Africa*	FY 2020 Q4	On Track	Interagency coordination and support continued with a PAC-DBIA meeting held to deliberate and adopt recommendations on the USG's implementation. U.S. and Kenya launched trade negotiations toward an FTA.
U.S.-India CEO Forum*	FY 2020 Q4	On Track	Commerce's Secretary co-chaired U.S.-India CEO Forum call with Indian Minister of Commerce and Industry to discuss bilateral strategic and collaborative opportunities across several sectors in a post-pandemic world. The CEOs sent written recommendations to the two governments. Both governments are reviewing the recommendations and determining how to act on them.
Discover Global Markets - Advanced Manufacturing	FY 2020 Q4	Completed	Largest annual export promotion event, which focused on smart technology. Held in Indianapolis, Indiana, via in-person and virtual format in October 2020, the event connected U.S. companies and EDOS with trade experts from more than 40 overseas markets.

* This initiative represents a continuous activity for ITA and throughout the two-year lifecycle of the APG.

Key Milestones

Attract Business Investment into the United States

Key Milestone	Milestone Due Date	Milestone Status	Comments
SelectUSA Summit*	FY 2020 Q3	Postponed	Largest investment promotion event in the U.S. Although postponed due to the COVID-19 pandemic, the event is currently being planned for a future date and possibly as a hybrid event via both in-person and virtual format.
SelectUSA Road Shows (x5)*	FY 2020 Q4	Postponed	While the Road Shows are postponed due to the COVID-19 pandemic, SelectUSA is still actively conducting successful outreach, including efforts via digital format. SelectUSA hosted more than 30 virtual events between May 20-September 29, 2020 with a cumulative audience reach of over 4,000 clients.

Equip and Develop ITA's Workforce for the 21st Century

Key Milestone	Milestone Due Date	Milestone Status	Comments
Unified Portal Launch	FY 2020 Q2	Completed	From February through October, TSI/ODSE developed 7,500 pages that were viewed by 1.98 million unique visitors, totaling 5.9 million page views. In less than one year, these numbers reflect deep engagement with the expertise that ITA provides through its digital channels.
Global Markets hiring to meet \$130 million target in compensation mandated by Congress	FY 2020 Q3	Achieved 98% of Target	Hiring actions to bring GM staffing up to over 1,400. GM met \$127 million out of the \$130 million target and has been successful in hiring new Commercial Officers and GS employees. However, hiring efforts for LES staff face increased challenges due to Embassy and Consulate closures and reduced administrative support during the COVID-19 pandemic.

* This initiative represents a continuous activity for ITA and throughout the two-year lifecycle of the APG.

Key Milestones

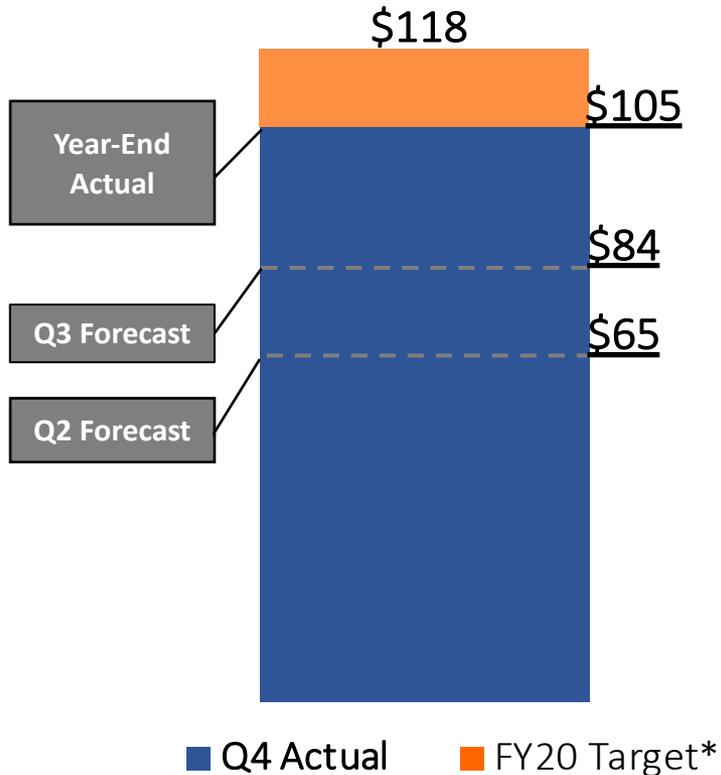
Reduce, Remove, and Prevent Trade Barriers

Key Milestone	Milestone Due Date	Milestone Status	Comments
USMCA Implementation*	FY 2020 Q4	Completed	ITA participated in ten outreach events on USMCA compliance and provided subject-matter experts to participate in 15 USTR-led USMCA committee meetings on Customs and Trade Facilitation, SMEs, Rules of Origin, and the Autos Alternative Staging Plans. ITA also engaged with the business community to discuss its concerns on Mexico and Canada's USMCA compliance.
Commercial Dialogues*	FY 2020 Q4	Completed	Argentina, Brazil, Czech Republic, France, Germany, India, Japan, Nigeria, Norway, South Korea, and Sweden.
MOUs with Foreign Governments	FY 2020 Q4	Completed	In FY 2020, ITA signed a Memorandum of Understanding with the U.S. Indo-Pacific Command creating a two-year Commercial Liaison position in Honolulu, Hawaii, to help identify and foster commercial opportunities in the Pacific Islands region. In FY 2020, ITA signed a Memorandum of Understanding between the U.S. and Tunisia concerning the development and implementation of strategic projects in the sectors of information and communications technology; agribusiness; design, engineering, and construction; and renewable energy.
External outreach & education leveraging existing trade barrier materials	FY 2020 Q4	Completed	Dissemination of Trade Barrier video; provided education and outreach to ITA constituents about ITA services and about existing or potential trade barriers
Continued refinement and application of internal trade barrier SOPs & training material	Ongoing	On Track	Continued successful deployment of trade barrier case work Customer Relationship Management standards; continued online Training Modules and short training videos – 101, 201, specialized portfolio/issue training (IPR, Digital, Services, etc.)

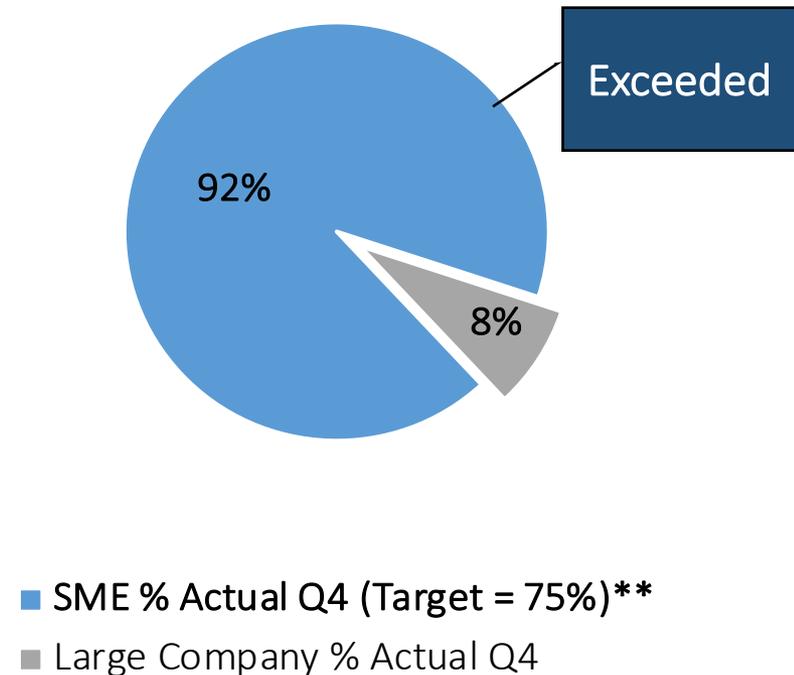
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Key Indicators – Q4 Results

U.S. Exports & Inward Investment Facilitated (\$ Billions)



Percent U.S. Exporter Clients Assisted



* FY 2020 target of \$118 billion is a 10% increase from FY 2019 actual of \$107 billion.

** SMEs are organizations with less than 1,000 employees. Note that due to improved Customer Relationship Management data, ITA can more accurately track company size for clients assisted. See slide 13 for details.

Realized ITA Annual Dollar Value Impact – Q4

Given the impact of the COVID-19 pandemic on the global economy to-date (-4.4% decline)*, ITA realized **\$105 billion** of the \$118 billion target set at the beginning of the fiscal year.

The contraction of U.S. GDP reflects a decrease in key inputs for ITA's ability to fully meet its APG target. U.S. exports, for example, declined by 10% in FY 2020 (declined 19% from March to August 2020), while FDI flows to the U.S. decreased by 61% in the first half of the year.**

Despite these challenges, ITA exceeded its trade barrier goal by 26% for FY 2020 and surpassed both its Q2 and Q3 end-of-year forecasts for economic impact.

*Third-party economic assessments: IMF, UNCTAD, IHS Markit, Bloomberg, IBIS World, Goldman Sachs, Morgan Stanley, etc.

**Export data taken from the U.S. Census Bureau and was calculated against the 3-year average (FY17-19). FDI data was taken from the U.N. Conference for Trade and Development.

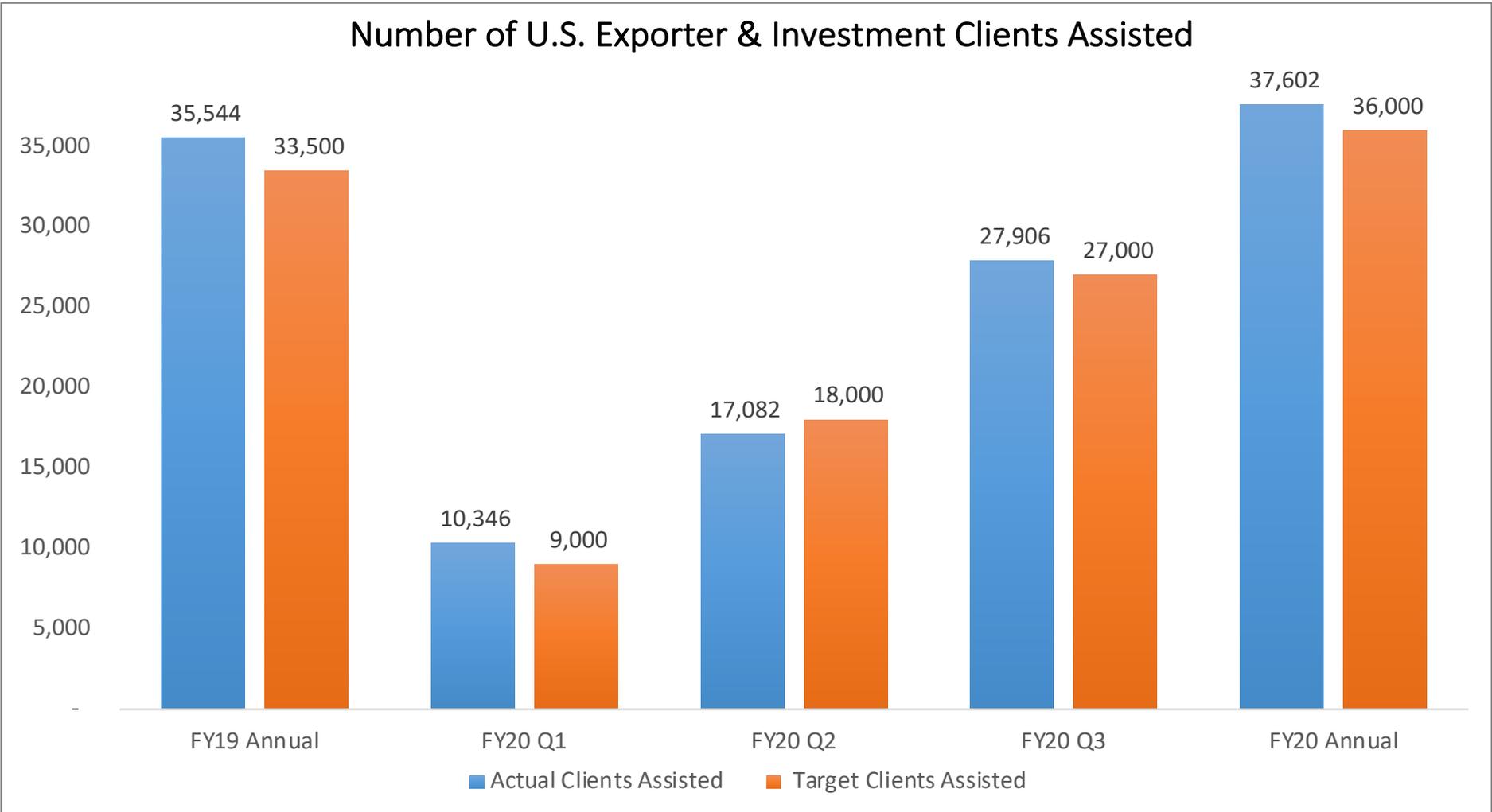
Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2019	2020	2021
World Output	2.8	-4.4	5.2
Advanced Economies	1.7	-5.8	3.9
United States	2.2	-4.3	3.1
Euro Area	1.3	-8.3	5.2
Germany	0.6	-6.0	4.2
France	1.5	-9.8	6.0
Italy	0.3	-10.6	5.2
Spain	2.0	-12.8	7.2
Japan	0.7	-5.3	2.3
United Kingdom	1.5	-9.8	5.9
Canada	1.7	-7.1	5.2
Other Advanced Economies	1.7	-3.8	3.6
Emerging Markets and Developing Economies	3.7	-3.3	6.0
Emerging and Developing Asia	5.5	-1.7	8.0
China	6.1	1.9	8.2
India	4.2	-10.3	8.8
ASEAN-5	4.9	-3.4	6.2
Emerging and Developing Europe	2.1	-4.6	3.9
Russia	1.3	-4.1	2.8
Latin America and the Caribbean	0.0	-8.1	3.6
Brazil	1.1	-5.8	2.8
Mexico	-0.3	-9.0	3.5
Middle East and Central Asia	1.4	-4.1	3.0
Saudi Arabia	0.3	-5.4	3.1
Sub-Saharan Africa	3.2	-3.0	3.1
Nigeria	2.2	-4.3	1.7
South Africa	0.2	-8.0	3.0
Low-Income Developing Countries	5.3	-1.2	4.9

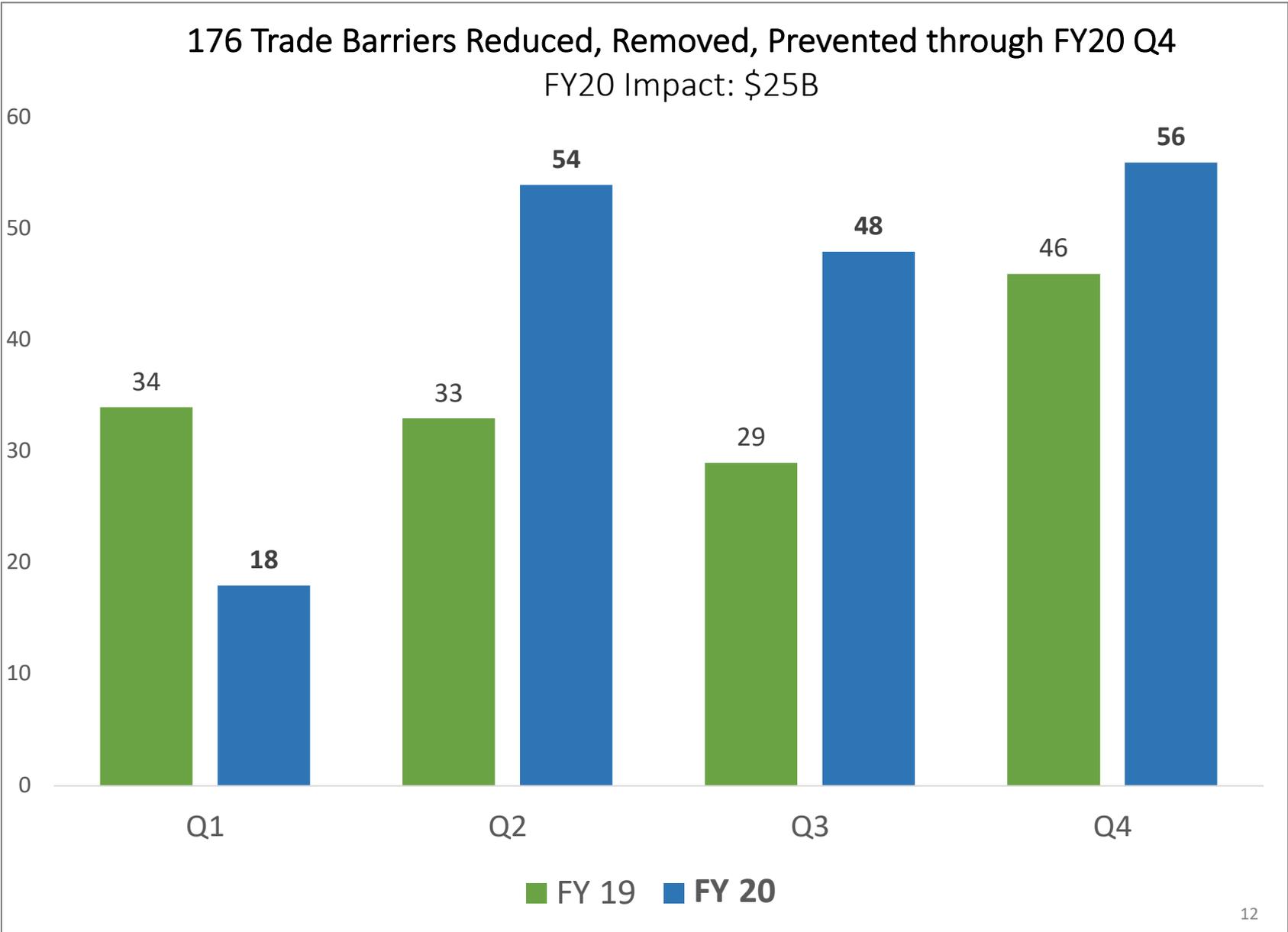
Source: IMF, *World Economic Outlook*, October 2020

For India, data and forecasts are presented on a fiscal year basis, with FY 2020/21 starting in April 2020. India's growth is -8.6 percent in 2020 and 6.8 percent in 2021 based on the calendar year.

Contextual Indicators – Clients Assisted Q4 Results



Contextual Indicators – Trade Barriers Q4 Results



Data Accuracy and Reliability

Advocacy WINS

- WINS reported by ITA's Advocacy Center require a contract signed by the U.S. company and foreign government with the total contract value and a U.S. export content value. Only U.S. export content value is included in what is reported for ITA's economic impact.

Trade Barrier WINS

- Company/industry association verified estimates;
- Partial-equilibrium approximation (i.e., $\text{Change in Export Value} = \text{Initial Export Value} \times \text{Import Demand Elasticity} \times \text{Ad Valorem Equivalent Tariff Rate}$); or
- Customized valuation determined by ITA's economists.

Investment Promotion WINS

- WINS reported by ITA's SelectUSA require client verification or other official documentation.

Export Promotion Results

- Due to the significant volume of clients assisted with export promotion and transactional commercial diplomacy, ITA conducts a survey of a sample of clients assisted to minimize the reporting burden on clients and maximize staff time spent assisting clients.
- The survey collects data on revenue and jobs created or retained as a result of ITA's assistance.
- An extrapolation of the survey results for clients with export promotion and transactional commercial diplomacy assistance (e.g., not related to trade barriers or advocacy) is then estimated for the entire client population based on guidance from the Census Bureau.

Data Accuracy and Reliability (Continued)

Number of Clients Assisted

- Calculated based on organizations, not individual contacts, in ITA's customer relationship management (CRM) database with a case opened, closed, or activity entered.
- Clients assisted or impacted by trade barriers removed, reduced, or prevented are not included as the data is not currently linked to ITA's CRM.

SME Percentage of U.S. Exporter Clients Assisted

- Percentage of U.S. exporter clients assisted with 1,000 or fewer employees.
- Number of employees for a company includes affiliation (i.e., parent and child companies).

Additional Information

Contributing Programs

Organizations:

- International Trade Administration (i.e., Global Markets [GM] Unit, Enforcement & Compliance [E&C] Unit, and Industry & Analysis [I&A] Unit)
- Other Department of Commerce Bureaus (e.g., National Oceanic and Atmospheric Administration [NOAA], National Institute of Standards and Technology [NIST], United States Patent and Trademark Office [USPTO], Bureau of Industry and Security [BIS])
- Other USG agencies involved in trade (e.g., U.S. Trade Representative [USTR], U.S. Department of State [DOS], U.S. Department of Agriculture [USDA])

Other Federal Activities:

- Interagency Compliance Taskforce
- USDA Trade Barrier Team
- Relevant Trade Law (e.g., Section 301) Enforcement