

USTR News

Ambassador Kirk Hosts Trade Roundtable, Tours Marlin Steel Wire Products 09/20/2010

Ambassador Kirk joined Maryland Secretary of Business and Economic Development Christian S. Johansson, Baltimore Port Commissioner Peta Richkus, and Executive Director of Maryland's Port Administration James White for a trade roundtable at the World Trade Center in Baltimore today. He discussed the President's National Export Initiative, the positive effects of exports on Maryland's economy and Maryland's exports to Asia and the Transpacific Partnership (TPP) agreement. TPP will be a high-standard, 21st century trade agreement that will help significantly increase U.S. exports to the robust Asia-Pacific region.

Ambassador Kirk followed up the trade roundtable with a tour of Marlin Steel Wire Products, a small business in Baltimore. Exporting to North and South America, Europe, Asia, Africa and Australia, Marlin Steel Wire Products is a prime example of what can be achieved by a local business through access to foreign markets. Small businesses are a vital part to the U.S. economy. In 2007, 86 percent of Maryland companies exporting were small- and medium-sized companies, employing fewer than 500 employees.

Marlin Steel Wire Products is also a part of Maryland's manufacturing sector. In 2009, Maryland's exports of manufactured products increased by 95 percent between 2000 and 2009 to \$8.4 billion. USTR is committed to facilitating trade in the global market, creating new opportunities for small-and medium-sized businesses to export and encouraging production and investment in the United States.

Sourcews.Com

Ruppersberger Discusses Maryland Job Creation Through Global Trade at Port of Baltimore

Ruppersberger, U.S. Trade Representative Tour Port, Meet with Business Owners

(Baltimore, MD) - Congressman C.A. Dutch Ruppersberger (D-MD), Congressman John Sarbanes and U.S. Trade Representative Ron Kirk today toured the Port of Baltimore and discussed the need to increase exports to create jobs in Maryland. The Port of Baltimore is one of the biggest economic engines in Maryland, supporting 120,000 jobs and generating \$3.6 billion in wages and salaries for Marylanders every year.

"Boosting international trade is a great way to help reenergize the U.S. economy and spur job growth here in Maryland," said Congressman Ruppersberger, whose district includes the Port of Baltimore. "We need to help small and medium businesses, which create the vast majority of new jobs. We must open new markets for American products. If you already export, we want to get you into new markets. If you don't currently export, we want to educate you on the process so you can start."

The event comes as the National Export Initiative – a plan to create 2 million jobs nationwide by doubling U.S. exports to the world over the next five years – gets underway. Congressman Ruppersberger and Ambassador Kirk also met with Maryland business leaders and workers to discuss how trade affects our companies and jobs.

Maryland exports to Asia alone accounted for \$1.9 billion in 2009. In 2009, Maryland was the 28th largest state exporter of goods, totaling \$9.2 billion, according to the U.S. Department of Commerce. In 2008, the Baltimore-Towson metropolitan area was responsible for 63 percent of Maryland's total goods.

Wall Street Journal

US Kirk: To Press China On Currency; Unclear If Bill WTO Compliant

SEPTEMBER 20, 2010

By Tom Barkley
Of DOW JONES NEWSWIRES

BALTIMORE (Dow Jones)--U.S. Trade Representative Ron Kirk vowed Monday to keep pressure on China over its currency policy, but he cautioned it is unclear whether potential U.S. legislation targeting manipulation would stand up at the World Trade Organization.

Kirk, speaking to reporters during a tour of the port of Baltimore, said he would continue to remind his Chinese counterparts that "you have to get government's thumb off the scale."

He called for China to "allow their currency to move according to market principals," and he cited ongoing concerns about lax intellectual property rights and restrictive indigenous innovation policies.

Following Kirk's remarks, President Barack Obama told CNBC at an economic forum that China's currency policy remains a "real problem" and that not enough has been done.

Kirk said he and U.S. Commerce Secretary Gary Locke would press those issues at the U.S.-China Joint Commission on Commerce and Trade in November.

When asked about legislation introduced in Congress that would impose duties in retaliation for China's undervalued currency, Kirk said it isn't appropriate to comment on pending bills, but he said his office has shared concerns with the legislation.

"It's not a clear call" whether such duties would be WTO compliant, he said.

But, he added, "There are some things we can do."

The House version of the bill is gaining momentum, with about 100 lawmakers sending a letter recently to House leadership asking for a vote.

U.S. Treasury Secretary Timothy Geithner warned lawmakers last week that such legislation could damage economic relations, but he said the administration hasn't made a decision on whether to back the House bill. He said it must be consistent with global trade obligations, with the benefits outweighing the costs.

Top Republicans on the Ways and Means committee, meanwhile, sent a letter to Kirk asking for an analysis on whether the bill would be consistent with WTO obligations.

On Monday, eight former trade officials from the Bush and Clinton administrations sent a letter to congressional leaders opposing the legislation. The letter--signed by former trade representatives Susan Schwab, Charlene Barshefsky, Michael Kantor, Carla Hills and several former Commerce secretaries--expressed concern that imposing duties to target currency levels could violate WTO rules and be counterproductive in the effort to bring about reform.

"In fact, passage of such legislation could likely backfire by undermining or diverting attention from ongoing discussions between the United State and China to try to address this and other important issues facing U.S. companies doing business with China," the letter said.

Baltimore Sun

Only export policy that matters: getting China to behave

Jay Hancock

September 21, 2010

Only 42 politicking days to go until elections, and the Obama administration has decided to get a little tougher on the single biggest distorting factor in the world economy.

U.S. Trade Representative Ronald Kirk says the timing of Washington's increased pressure on China over currency manipulation and other issues is a coincidence. Whatever the reason, it's welcome.

"We're going to have to engage China," Kirk said in an interview Monday.

"We're going to have to continually push, cajole and in some cases where that doesn't work, file suit to say: `Look, we invited you into the global trading community. By any objective measure China has benefited marvelously from being able to access markets around the world. But the flip side of that is, you've got to open your markets.' "

Kirk was in Baltimore promoting President Barack Obama's campaign to increase U.S. exports, touring the port and visiting with business folks.

The visit comes less than a week after Kirk's office brought two new cases against China to the World Trade Organization. One accused the country of blocking access to Visa and other American credit-card companies. The other alleged that China unfairly impedes the import of certain kinds of steel.

Also last week, Treasury Secretary Timothy F. Geithner accused China of "rampant" and "unacceptable" violations. China's undervalued currency, he added in remarks to Congress, "encourages outsourcing" by U.S. companies and "makes it more difficult for goods and services produced by American workers to compete."

On Monday Obama, too, sounded off.

China's yuan "is valued lower than market conditions would say it should be," he said at a CNBC-televised town meeting, according to news accounts. The cheap yuan is "a real problem," he added, according to the Wall Street Journal.

That's understating it.

Thanks largely to Chinese currency shenanigans, the same McDonald's Big Mac hamburger that costs \$3.73 in the United States costs the equivalent of only \$1.95 in China, according to The Economist magazine's annual survey.

China doesn't export Big Macs. But it exports almost everything else. By depressing the yuan, China's central bank gives a huge advantage to Chinese exporters, letting them undercut foreign competitors. And it makes it very difficult for would-be importers into the Chinese market because their products are more expensive than they should be.

Many economists believe China has set the value of the yuan at least 25 percent lower than it would be if it were traded freely like other currencies. To maintain the low peg, analysts estimate that the Chinese central bank buys something like \$1 billion in dollars every day, raising the value of the dollar and decreasing that of the yuan.

If that's not currency manipulation — a word the Obama administration still can't bring itself to utter — then there's no such thing.

It's an enormous factor in the high U.S. unemployment rate and the slow recovery. A higher yuan would make Chinese goods more expensive for Americans, giving U.S. manufacturers a better shot at selling to U.S. customers. And it would stop Chinese exporters from swiping international business from American exporters.

Kirk's last Baltimore stop on Monday was Marlin Steel Wire, just off the Baltimore-Washington Parkway and a formidable global marketer. More than one-fifth of the steel baskets that Marlin makes for industrial use are sold from Singapore to Argentina and many places in between.

But the company keeps getting undercut by Chinese competitors. If the yuan were to rise in value by 25 percent, estimates President Drew Greenblatt, Marlin could double its sales to \$8 million and increase employment from 30 to 60.

Imagine that kind of activity across the U.S. economy. A 20 percent to 25 percent increase in the yuan over the next two or three years would create 500,000 U.S. jobs, and substantially reduce the U.S. trade deficit, Fred Bergsten, director of the Peterson Institute for International Economics, told Congress last week.

Many in Congress and industry want Washington to formally declare China a currency manipulator and impose import duties or other penalties. Others worry about unleashing a trade war or retaliation by China on American companies doing business there.

Meanwhile Kirk and other administration officials are touting Obama's "National Export Initiative," which increases export financing, trade promotion and the like. But all the factory tours and trade missions in the world won't make nearly as much difference as getting China to play by the rules.

jay.hancock@baltsun.com

Copyright © 2010, [The Baltimore Sun](http://www.baltsun.com)