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Remarks by the President at the Export-Import Bank's Annual Conference

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THE PRESIDENT: Thank you, everybody. And thank you, John, for that generous introduction. Congratulations to you and Fabienne and Luis for the recognition your companies so richly deserve. And thank you to the Chairman of the Export-Import Bank, Fred Hochberg, for having me here today, and for all the important work the Ex-Im Bank is doing to help American businesses sell their ideas to the world. I also want to recognize the Secretary General of the OECD, Angel Gurría, for his leadership at that institution. (Applause.)

Let me also acknowledge some members of my economic team who are here today — my Commerce Secretary, Gary Locke, who's just returned from a trip to Brazil. Where are you, Gary? There he is, right here. (Applause.) Our U.S. Trade Representative, Ambassador Ron Kirk, who's been putting in a lot of miles. (Applause.) They are both doing a great job in the work of moving this country forward in tough times.

Now, it has been our most pressing priority over the first year of my administration to deal with an unprecedented economic crisis -- one that has been as serious as anything since the Great Depression. To do that required difficult and sometimes unpopular steps to rescue our financial system and to jumpstart an economic recovery. But we took those steps. And because we did, we can stand here just over a year later, and say that we prevented another depression, we broke the back of the recession, and the economy that was shrinking a year ago is growing today.

What's also clear is that we've got a long way to go. More than 8 million Americans have lost their jobs since the start of the recession. Millions more remain underemployed, including those doing part-time work or odd jobs. And the middle class across this country has felt their economic security eroding for longer than they care to remember. That's why we continue to do everything we can to foster private sector job creation and to restore some sense of security.

But the fact is, if we want to once again approach full employment; if we want to create broad, shared, and lasting wealth for our workers and our families; if we want an America that is ready to compete on the global playing field in the 21st century — then we can't slide back into an economy where we borrow too much and put off tough challenges. We can't return to an economy where too much of our prosperity is based on fleeting bubbles and rampant speculation. We have to rebuild our economy on a new, stronger, more balanced foundation for the future —

a foundation that will advance the American people's prosperity at home, and support American leadership in the world.

And that's precisely what we've begun to do. We're catalyzing a new clean energy industry that has the potential to employ millions of workers in good jobs. We're investing in the skills and education of our workers, and reforming our education system with a goal to once again lead the world in the proportion of college graduates by the end of this decade. We're building a better health care system that works for our people, our businesses, and our government alike. We're establishing clear, common-sense rules of the road for Wall Street that encourage innovation and creativity instead of recklessness and irresponsibility; rules that prevent firms from taking risks that threaten to bring down the entire economy. And we are rebuilding an economy where we generate more American jobs in more American industries by producing and exporting more goods and services to other nations.

Now, in my State of the Union address I set a goal of doubling America's exports over the next five years — an increase that will support 2 million American jobs. And I've come to the Export-Import Bank Conference today to discuss the initial steps that we're taking to achieve that goal.

I know the issue of exports and imports, the issue of trade and globalization, have long evoked the passions of a lot of people in this country. I know there are differences of opinion between Democrats and Republicans, between business and labor, about the right approach. But I also know we are at a moment where it is absolutely necessary for us to get beyond those old debates.

Those who would once support every free trade agreement now see that other countries have to play fair and the agreements have to be enforced. Otherwise we're putting America at a profound disadvantage. Those who once would once oppose any trade agreement now understand that there are new markets and new sectors out there that we need to break into if we want our workers to get ahead.

And meanwhile, if you ask the average American what trade has offered them, they won't say that their televisions are cheaper, or productivity is higher. They'd say they've seen the plant across town shut down, jobs dry up, communities deteriorate. And you can't blame them for feeling that way. The fact is other countries haven't always played by the same set of rules. America hasn't always enforced our trade rights, or made sure that the benefits of trade are broadly shared. And we haven't always done enough to help our workers adapt to a changing world.

Now, there's no question that as we compete in the global marketplace, we've got to look out for our workers. But to look out for our workers, we've got to be able to compete in the global marketplace. It's never been as important an opportunity for America as it is right now.

In a time when millions of Americans are out of work, boosting our exports is a short-term imperative. Our exports support millions of American jobs. You know this well. In 2008, we exported more than \$1 trillion of manufactured goods, supporting more than one in five manufacturing jobs — and those jobs, by the way, pay about 15 percent more than average. We led the world in service exports, which support 2.8 million jobs. We exported nearly \$100 billion in agricultural goods. And every \$1 billion increase in exports supports more than 6,000 additional jobs.

So it's critical in the short term, but it's also critical for our long-term prosperity. Ninety-five percent of the world's customers and the world's fastest-growing markets are outside our borders. We need to compete for those customers because other nations are competing for them.

They're investing in the skills and education of their people. They're investing in the high-demand industries of the future. They've benefited from American consumers. They've made themselves into export-based economies, and positioned themselves for the jobs of the future. They're pursuing trade agreements with growing markets — and those agreements would give their companies access to those markets and put our workers and businesses at a disadvantage.

So if we stand on the sidelines while they go after those customers, we'll lose out on the chance to create the good jobs our workers need right here at home. That's why standing on the sidelines is not what we intend to do. We need to remind ourselves, we still have the most innovative economy in the world. We still have the most productive workers in the world. We have the finest universities in the world. We have the most dynamic and competitive markets in the world.

We remain the number one exporter of goods and services in the world. So we've got a terrific foundation to build on. But we can't be satisfied with being number one right now. We shouldn't assume that our leadership is guaranteed. When other markets are growing, and other nations are competing, we've got to get even better. We need to secure our companies a level playing field. We need to guarantee American workers a fair shake. In other words, we need to up our game.

And that's why, for the first time, the United States of America is launching a single, comprehensive strategy to promote American exports. It's called the National Export Initiative, and it's an ambitious effort to marshal the full resources of the United States government behind American businesses that sell their goods and services abroad.

This morning, I signed an executive order instructing the federal government to use every available federal resource in support of that mission. That order has created an Export Promotion Cabinet, made up of the Secretaries of State, Treasury, Agriculture, Commerce, and Labor, along with our USTR, our Small Business Administrator, the Export-Import Bank President, and other senior U.S. officials whose work impacts exports. That cabinet will convene its first meeting next month.

I've also re-launched the President's Export Council, the principal national advisory committee on international trade. And I named Jim McNerney, the President and CEO of Boeing, as its chair, with Ursula Burns, the CEO of Xerox, as vice chair, and I look forward to their recommendations.

Let me talk a little bit about what the National Export Initiative will do. First, we will substantially increase access to trade financing for businesses that want to export their goods but just need a boost — especially small businesses and medium-sized businesses.

Some of the biggest factors limiting a firm's decisions to export are the high upfront costs of establishing a foothold in a new market, and the ability of the customers in that market to finance the purchase of their products.

So during the financial crisis, as trade finance dried up, the Export-Import Bank lived up to its mission and stepped up to fill the void. In fiscal year 2009, as part of a broader effort of G20

nations to mobilize trade financing worldwide, this institution authorized \$21 billion in loans in support of American exports — that's an increase of nearly 50 percent over the previous year. So I applaud Fred's efforts to increase that pace with the authorization of about \$10 billion more in the first quarter of this year alone. And under the National Export Initiative, we'll continue to increase the amount of trade financing Ex-Im offers, including a new \$2 billion per year effort to increase support for our small and medium-sized businesses.

But another obstacle that our exporters face is that the federal government frankly just hasn't done a good enough job advocating for them abroad -- at least compared to the advocacy that other countries are engaging in. And that's why, as the second part of the National Export Initiative, the United States of America will go to bat for our businesses and our workers.

As an example, last week, I signed the Travel Promotion Act, a law that will establish active promotion and marketing efforts to encourage foreign citizens to come visit the most dynamic cities, the most entertaining destinations, and the most beautiful natural resources in the world. Well, that same principle applies for all of our businesses. We've got some of the most innovative companies in the world -- and we should be advocating on their behalf to boost local economies and create jobs here.

This is an effort I will personally lead as President. Next week, I'll take my second trip to the Asia Pacific -- a region that will be fundamental to America's ability to create jobs and to thrive in the 21st century. We can't be on the sidelines -- we have to lead, and our engagement has to extend to governments and businesses and peoples across the Pacific. So while I'm there, I'll visit Indonesia and Australia, two vibrant economies and democracies that will be critical partners for the United States. And in both countries, I'll highlight the role that American businesses play there, and underscore how strong economic partnerships can create jobs on both sides of the Pacific while advancing both regional and global prosperity. Going forward, I will be a strong and steady advocate for our workers and our companies abroad.

And this effort will extend throughout my administration. Secretary Locke is issuing guidance to all senior government officials who have foreign counterparts on how they can best promote our exports. Secretary Clinton is mobilizing a commercial diplomacy strategy, directing every one of our embassies to create a senior visitors business liaison who will manage our export advocacy efforts locally, and when our ambassadors return stateside, we'll ask them to travel the United States to discuss export opportunities in their countries of assignment.

We're also announcing more than 40 trade and reverse trade missions that are scheduled for this year. The Department of Commerce, for example, has sent a trade mission to India this week; Secretary Vilsack is off to Japan on April 15th. So advocacy is going to be critical.

Third, we'll unleash a battery of comprehensive and coordinated efforts to promote new markets and new opportunities for American exporters.

Many businesses want to export their products but just don't have the resources required to identify new markets or set up shop overseas. And that's where we can help. We'll bring together the Ex-Im Bank, the SBA, the Departments of Commerce and Agriculture, and the Trade Development Agency to set up one-stop shops across the country and in our 250 embassies and consulates abroad, to help American businesses gain a foothold in the fastest-

growing markets with the most demand. And we'll provide a comprehensive toolkit of services — from financing to counseling to promotion — to help potential exporters grow and expand.

We'll create public-private partnerships to help firms break into new markets with the help of those who have been there — shipping and supply-chain companies, for example. And we'll increase funding for existing promotion efforts. We'll increase funding for the International Trade Administration at the Department of Commerce, and strengthen the USDA's ability to connect farmers with new overseas markets.

So we're going to increase financing, advocacy, and assistance for American businesses to locate, set up shop, and win new markets. Those are the first three aims of the National Export Initiative.

The fourth focuses on making sure American companies have free and fair access to those markets. And that begins by enforcing trade agreements we already have on the books.

When I ran for President, I promised that when the United States of America puts its name to an agreement, that agreement will be as good for workers as it is for businesses, including strong labor and environmental protections that we'll enforce. My administration is living up to that promise. Ambassador Kirk has been doing an extraordinary job as our United States Trade Representative, and he's been working to knock down barriers that unfairly keep American companies from markets we belong in, hold our trade partners to their labor and environmental obligations, and crack down on practices that blatantly harm our companies.

But keep in mind, the United States offers some of the world's lowest barriers to trade. That's why we can often get more out of a trade deal, because our borders are largely already open. And when we give other countries the privilege of that free and fair access, we can expect it in return. That's the spirit in which we'll move forward.

So we're going to continue to work towards an ambitious and a balanced Doha agreement — not just for the sake of any agreement, but for one that enhances market access for American agriculture and goods and services. We're going to strengthen relations with key partners, specifically South Korea, Panama, Colombia, with the goal of moving forward with existing agreements in a way that upholds our values. And we will pursue negotiations in the Trans-Pacific Partnership that we launched last year with some of the most dynamic economies in Asia — negotiations that I believe will result in a new standard for 21st century trade agreements that aren't just good for workers, businesses, and farmers, but also consistent with our most cherished values.

What's more, we're going to aggressively protect our intellectual property. Our single greatest asset is the innovation and the ingenuity and creativity of the American people. It is essential to our prosperity and it will only become more so in this century. But it's only a competitive advantage if our companies know that someone else can't just steal that idea and duplicate it with cheaper inputs and labor. There's nothing wrong with other people using our technologies, we welcome it — we just want to make sure that it's licensed, and that American businesses are getting paid appropriately. That's why USTR is using the full arsenal of tools available to crack down on practices that blatantly harm our businesses, and that includes negotiating proper protections and enforcing our existing agreements, and moving forward on new agreements,

including the proposed Anti-Counterfeiting Trade Agreement.

We'll also work within the G20 to continue global recovery and growth. Last year, when the G20 met to coordinate the international response to our global economic crisis, we agreed that in order for that growth to continue, we needed to rebalance our economies. For too long, America served as the consumer engine for the entire world. But we're rebalancing. We are now saving more. And that means that everybody has got to rebalance. Countries with external deficits need to save and export more. Countries with external surpluses need to boost consumption and domestic demand. And as I've said before, China moving to a more market-oriented exchange rate will make an essential contribution to that global rebalancing effort.

I want to commend Secretary Tim Geithner for his extraordinary work and his tremendous leadership throughout this past year within the G20. And I know he'll keep encouraging other nations to rebalance global demand -- and those are efforts that will be good for our exports, good for our job growth, good for the world economy as a whole.

Finally, we're working to reform our Export Control System for our strategic, high-tech industries, which will strengthen our national security. What we want to do is concentrate our efforts on enforcing controls on the export of our most critical technologies, making America safer while enhancing the competitiveness of key American industries. We've conducted a broad review of the Export Control System, and Secretary Gates will outline our reform proposal within the next couple of weeks. But today, I'd like to announce two steps that we're prepared to take.

First, we're going to streamline the process certain companies need to go through to get their products to market -- products with encryption capabilities like cell phone and network storage devices. Right now, they endure a technical review that can take between 30 and 60 days, and that puts that company at a distinct disadvantage to foreign competitors who don't face those same delays. So a new one-time online process will shorten that review time from 30 days to 30 minutes, and that makes it quicker and easier for our businesses to compete while meeting our national security requirements.

And second, we're going to eliminate unnecessary obstacles for exporting products to companies with dual-national and third-country-national employees. Currently, our exporters and foreign consumers of these goods have to comply with two different, conflicting set of standards. They're running on two tracks, when they could be running just on one. So we're moving towards harmonizing those standards and making it easier for American and foreign companies to comply with our requirements without diminishing our security. And I look forward to consulting with Congress on these reforms, as well as broader export control reform efforts.

So that's how we're going to double our exports, open up new markets, and level the playing field for American businesses and American workers. I have every confidence that we can success in this effort. I have every confidence that we will succeed in this effort.

This is a difficult time for our country. And in times like these, questions have always arisen about whether or not America's best days are behind us. That's standard fare. It happens every so often. There have always been naysayers and skeptics. There were always those who've waxed fatalistic, fearing that we lacked the capacity to adapt, to succeed -- at times even to survive -- in

a changing world.

But what makes America great, what continues to make America the envy of our competitors, what makes this a place where people come not just to invest but to start lives and businesses and families, is something that has been inexorable and enduring, especially in times of great challenge and great change. It's that spirit of adventurousness and entrepreneurship that has for generations turned wild-eyed tinkerers into world-changing entrepreneurs; that led us westward and skyward; that led to roads and railways cutting through wilderness, and ships and planes and fiber optic lines carrying American goods and services around the world. It's the spirit that has advanced America's leadership in the world and held aloft the American Dream for generations. And it is, ultimately, that spirit that's given us the tools and the toughness to overcome every obstacle and adapt to every circumstance -- and today is no different.

It hasn't always been easy. Our success is by no means guaranteed. But if we summon a sense of national purpose equal to the seriousness of these times; if we combine our creativity, our innovation, and our eternal optimism; if we come together in common cause as we have so many times before -- we will succeed. We will define our destiny once again. And we will make this century another American Century -- with your help.

Thank you very much, everybody. God bless you. God bless the United States of America.
(Applause.)

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11:55 A.M. EST