

# What is the National Export Initiative (NEI)?



"So tonight, we set a new goal: We will double our exports over the next five years, an increase that will support two million jobs in America."

> President Obama State of the Union January 27, 2010



## National Export Initiative: Chronology

- January 2010: State of the Union
- March 2010: Executive Order
- **September 2010:** NEI Report to the President (Export Promotion Cabinet)
- June 2011: Annual National Export Strategy Report to Congress (TPCC)
- **2012:** New White House Export Promotion Cabinet priorities.

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# National Export Initiative: Eight Priorities

- **1. Small Business:** marketing, training, matchmaking, finance, staffing, technology
- **2. Federal Assistance:** domestic and foreign trade shows, reverse trade missions, key markets
- 3. Trade Missions: frequency, size, leadership
- 4. Commercial Advocacy: schedules, outreach
- 5. Export Credit: access, sectors, outreach
- 6. Macroeconomic Rebalancing: sustain, rebalance
- **7. Reducing Barriers to Trade:** access, FTAs, WTO, enforcement
- **8. Services Sector:** outreach, access, trade missions, education, capacity bldg, data

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# Why the NEI Is Important

- Jobs: In 2011, exports supported 1.2 million more jobs than in 2009.
- The Economy: Over 12% of U.S. GDP
- The Future: GDP = C + I + G + (X-M)

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## Why U.S. Firms Should Care

# Exporters are more competitive, with diversified markets.

- Pay 13-18% higher wages.
- Exporters are 8.5% less likely to go out of business.

### Small firms are expanding their share of exports.

- From 27% in 2002 to 34% in 2010.
- A record 293,000 U.S. companies exported in 2010.

### Foreign markets are attractive.

- The U.S. and advanced markets grow 0-2%. Emerging markets grow 4-9%. Millions of new middle class consumers.
- Strong U.S. Brand. \$2.1 trillion record U.S. exports in 2011.

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# The Challenge: More Companies Exporting to More Markets

- **Broaden:** Increase the number of companies that export.
  - The 293,000 that currently export represent only one percent of all U.S. companies.
- **Deepen:** Increase the number of countries to which small businesses export.
  - Of all the U.S. companies that export, 58% export to only one country, representing only 5% of the value of all exports.
- **Public role:** Help firms face hurdles to exporting, esp., lack of information, financing, market access

## 2012: NEI Works in Progress

- Priority Markets & Sectors
- Localizing the NEI: States, Metros
- Export.gov 2.0 and BusinessUSA.gov
- New White House Priorities:
  - Interagency Trade Enforcement Center,
  - Federal export promotion infrastructure,
  - Small business outreach
    - Marketing Public and private media channels
    - Trade Promotion- expanding export opportunities
    - Trade Financing Community Bank engagement

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## Engage, Assess, and Refer Businesses

#### **Non-Exporter:**

No clear exportable good or service; no track record of domestic sales. Referral:

- Self help resources on sba.gov.
- Basic business planning consultations with SCORE or Women's Business Centers

#### Not Ready-to Export:

Established firm, but no export plan, management commitment, or resources to export.

Referral:

- Online international trade counseling from SCORE.org.
- · Self help resources on export.gov

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#### **New-to-Export (NTE):**

Established firm that has not exported; has track record of domestic sales and management commitment.

Referral:

- SBDC International Trade Center
- SBDC export counseling

#### New-to-Market (NTM): Increase-to-Market (ITM):

Currently exporting with an export marketing plan; experience with trade logistics and payment mechanisms. Referral:

Commercial Service USEAC

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# Resources

### **Resources:**

- Export.gov
- 2010 NEI Report to the President
  http://export.gov/nei/
- 2011 National Export Strategy
  - http://trade.gov/publications/pdfs/nes2011FINAL.pdf