
International
Trade Administration

STRATEGIC PLAN

FY 2007 - FY 2012



Executive Summary

Global trade, along with the free movement of capital, is at the heart of today’s international economy. What makes global trade different today and quite likely into the future is the unprecedented speed and depth of change: faster and cheaper communications, global supply chains, and a new competitive dynamic where every part of the global economy is effectively in competition with every other part. The Department of Commerce’s International Trade Administration (ITA) has focused on understanding and addressing this new dynamic.

During the past two years, ITA undertook a major reorganization (the first in 20 years) to refocus its work on domestic industry issues and competitiveness, to evaluate and consolidate trade promotion functions, and to recast its approach to unfair trade. This restructuring enables ITA to address emerging trends in global trade and to embrace its mission. ITA’s 2007–2012 strategic plan provides a comprehensive long-term outline to drive the organization to achieve its mission: *“To create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.”* This mission is girded by an overarching vision: *“To foster economic growth through global trade.”*

To achieve this mission and vision, ITA has laid out six goals: four mission-focused goals and two management-focused goals. These goals capture all of the objectives that ITA must achieve to advance its mission:

1. Advance U.S. international and commercial strategic interests.
2. Enhance U.S. competitiveness in domestic and international markets.
3. Broaden and deepen the U.S. exporter base.
4. Identify and resolve unfair trade practices.
5. Foster excellent relationships with customers and stakeholders.
6. Achieve organizational and management excellence.

ITA has a dedicated workforce of almost 2,500 people, stationed in the United States and abroad, who can accomplish this mission. These employees serve their customers and stakeholders in five major program units:

1. Market Access and Compliance
2. Trade promotion and the U.S. and Foreign Commercial Service
3. Manufacturing and Services
4. Import Administration
5. Executive Direction and Administration

ITA will pursue the long-term goals identified in this strategic plan and will advance a set of program- and management-focused strategic priorities to concentrate efforts on what is most critical to the organization. ITA will continue to identify annual priorities that link annual plans to long-term results, thus ensuring that current operations align to ITA’s mission and vision.

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ITA has undergone
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Introduction

ITA works to improve the global business environment and help U.S. firms to compete and win both at home and abroad. The global economy is changing rapidly with the rise of new competitors, deeper economic integration, and rapid innovation. Adapting to those changes requires a comprehensive effort to open and expand markets while combating foreign unfair trade practices and reducing structural impediments to doing business in the United States.

ITA is deeply involved in improving the entire business life cycle from product inception to product placement. Its strategy to deliver service to its customers is focused on the following:

- *Strengthening U.S. industry competitiveness* by improving domestic regulations, legislation, economic policies, and industry and trade data.
- *Establishing an open trading environment* by developing policies and providing programs to remove foreign trade barriers and to capture industry recommendations and impacts for trade policy and negotiations.
- *Promoting trade and investment* by providing counseling and advocacy through the export process, supplying industry and market research, facilitating international partner matchmaking, and conducting trade events and related services.
- *Resolving unfair trade practices* by identifying and overcoming trade barriers, ensuring foreign compliance with trade agreements, and enforcing U.S. trade laws.

The global marketplace is becoming more competitive every day. This fierce competition ultimately leads to more innovation, more jobs, and better value for consumers everywhere. ITA will continue to enhance U.S. competitiveness by improving the business environment in the United States and leveling the playing field abroad.

What's New since 2001–2006

The global trade environment has shifted dramatically since ITA issued its last plan in spring 2001. At that time, China had not yet acceded to the World Trade Organization (WTO), the events of September 11 had not yet occurred, and energy demands fueled by the growth of emerging economies such as China and India had not affected the global commercial landscape. Moreover, since the issuance of ITA's last strategic plan, global trade has been increasingly affected by the growth and extension of supply chains, by increasing communications and transportation connectivity, and by an acceleration of access to information.

The United States and its trading partners continue to derive substantial benefits from increasing global economic integration. Trade liberalization since World War II has led to trade expansion that benefits all 149 members of the WTO. Today, the United States is the world's largest exporter (\$1.5 trillion), with exports accounting for 11.2 percent of its gross domestic product (GDP).

Although global trade continues to create more commercial opportunities, economic integration and its benefits do not come without challenges. Specifically, the protection of intellectual property rights (IPR) is a key crosscutting issue that affects the ability of U.S. firms to compete in world markets. Approximately 7–8 percent of world trade every year is in counterfeit goods, which is the equivalent of as much as \$512 billion in global lost sales. Of that amount, U.S. companies lose between \$200 billion and \$250 billion. Intellectual property theft has a major impact at home. According to the U.S. Chamber of Commerce, overall intellectual property theft costs 750,000 U.S. jobs a year.

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Another challenge is presented by the use of foreign standards, conformity assessment procedures, and technical regulations that form some of the largest non-tariff barriers to U.S. exporters. Standards that differ from globally accepted norms detract from U.S. firms' ability to export innovative products into the global marketplace. In addition, the efforts of American businesses to compete in the global marketplace continue to be impeded by the artificial advantages that foreign competitors receive through government subsidies and support. In certain cases, traditional subsidies have given way to more disguised forms of support, while governments of countries in transition from planned to market economies resort to market-distorting practices that misallocate resources and have spillover effects on international markets and U.S. commercial interests.

Increasing structural costs and other domestic impediments are additional challenges facing American firms that are competing in foreign markets and against imports. U.S. companies operate at a 31.7 percent¹ structural cost disadvantage compared with companies located in other major trading countries. Structural costs include taxes, health care, energy, and regulations. For example, in 2004, the annual cost of U.S. federal regulations were estimated at more than \$1.1 trillion. If billed to each household, the cost would be \$10,172. Similarly, U.S. small businesses face an annual regulatory cost of \$7,647 per employee, which is 45 percent higher than that of large firms (500 or more employees).

In response to those and other challenges, ITA has undergone a significant restructuring to position itself for this rapidly changing trade environment. In FY 2004, ITA undertook a major reorganization to focus more of its work on domestic industry issues and competitiveness, to evaluate and consolidate trade promotion functions, and to recast its approach to unfair trade. Those efforts have enabled ITA to address the emerging opportunities and challenges identified earlier. ITA has focused on expanding U.S. exports, particularly for small and medium-sized enterprises (SMEs), and promoting investment through free trade agreements (FTAs) and bilateral commercial dialogues. ITA has created initiatives to address non-tariff barriers and has developed an approach to enhance U.S. competitiveness by addressing both foreign and domestic competitiveness issues as markets become more open to free trade. ITA will pursue the long-term goals identified in this strategic plan and will monitor and manage its strategy on an ongoing basis, considering externalities and addressing new challenges as they arise. ITA has also identified more near-term priorities to be accomplished during the next two years that will advance its long-term strategy. (These near-term priorities are in Appendix A.)

(For more information on the data underpinning ITA's strategic plan, please see Appendix B.)

ITA's Strategy

ITA has developed a forward-looking, six-year plan that considers customer needs and addresses both changes to the global trade environment and emerging trade trends. This strategy drives ITA to

- Align its business model from delivering trade and export promotion services as a “retailer”—that is, directly to a client—to delivering trade and export promotion services as a “wholesaler” through public and private partnerships. For example, a trade association or global shipping company can assist a far greater number of clients than an ITA trade specialist. Even better, the business interest of those partners is aligned with ITA's desired goal to broaden and deepen the exporter base. The more exporters there are, the more people may use that global shipping company.

1. Jeremy A. Leonard, *The Escalating Cost Crisis: An Update on Structural Cost Pressures Facing U.S. Manufacturers* (MAPI, NAM and The Manufacturing Institute, 2006), 2.

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- Develop strategic communications that can be used to promote exports.
- Enable field staff changes to be exempt from cumbersome and lengthy reprogramming requirements and to be under decision authority granted to the secretary of commerce or his delegate.
- Deliver both trade services and trade information in a more consistent, reliable, self-service, modern delivery-based mode (such as Web and mobile devices) and reconfigure ITA's brick-and-mortar presence. This change enables more clients to have better access to information and services at their convenience and allows ITA to shift and redeploy resources to more critical functions.
- Ensure that international service trade data are created to address the service trade environment. The international services trade sector is a significant contributor to international trade flows, but the U.S. government lacks useful trade data on the sector.
- Use client input and outreach to clients to identify and expand adherence to negotiated trade agreements. ITA must also receive industry input to identify and remove or prevent critical sectoral market access trade barriers and to address subsidies, IPR violations, and standards issues as appropriate.
- Expand its economic and regulatory review program to serve as the government-wide objective evaluator of domestic regulations and competitiveness. This expansion will enable ITA to help strengthen U.S. industry competitiveness as tariffs become less meaningful and markets more openly competitive.
- Shift efforts to address subsidies through non-tariff means by reaching durable agreements, such as the 2006 Mexican Cement Agreement, and expand efforts to counsel both domestic and foreign firms on market distorting practices.
- Evaluate trends in the global trade environment to assess ITA's strategic direction and to establish trade policy positions on key issues such as U.S. production capacity, direct foreign investment, and U.S. foreign investments and business interests overseas.
- Achieve program and operational efficiencies by leveraging and coordinating efforts across ITA program units.

ITA's FY 2007–FY 2012 Long-Term Strategic Goals

ITA's 2007–2012 strategic plan provides a comprehensive long-term outline that will drive the organization to achieve its mission.

The plan establishes six long-term strategic goals with supporting objectives that will lead to tangible outcomes and accomplishments.

Goal 1: Advance U.S. international and commercial strategic interests

Objectives

- Create market access through policy advocacy and trade negotiations.
- Lead U.S. government efforts to identify commercially significant markets and to develop and implement ITA-wide action plans and government commercial strategies.
- Leverage commercial programs to support U.S. foreign and economic policy priorities, including the following:
 - Support China's transition to a market economy.
 - Maximize the value of free trade agreements and advance the interests of

The United States continues to be the world's economic growth engine, accounting for 28 percent of total world GDP

- American business in key developing markets.
- Promote open societies through commercial engagement in Latin America and the Middle East.
- Encourage Mexico to adopt economic reforms that will boost economic growth, foreign investment, and job creation.
- Increase international travel and tourism to the United States.

Goal 2: Enhance U.S. competitiveness in domestic and international markets

Objectives

- Develop and implement a comprehensive domestic competitiveness strategy.
- Conduct critical studies and analyses to promote U.S. competitiveness.
- Ensure appropriate industry and other stakeholder input into trade policy development, negotiations, and implementation.
- Evaluate industry and other stakeholder perspectives for domestic policy development, assessment, and implementation.

Goal 3: Broaden and deepen the U.S. exporter base

Objectives

- Identify and leverage strategic partnerships.
- Enhance public and private partnerships.
- Increase the number of U.S. companies exporting.
- Help current exporters enter additional markets.
- Expand market penetration for U.S. exporters.
- Advocate for U.S. firms competing for foreign commercial opportunities.

Goal 4: Identify and resolve unfair trade practices

Objectives

- Identify distortions in foreign markets.
- Enforce U.S. trade laws.
- Improve market access for U.S. firms and ensure compliance with trade agreements.

Goal 5: Foster excellent relationships with customers and stakeholders

Objectives

- Improve customer satisfaction.
- Enhance and leverage ITA stakeholder relationships to meet ITA's mission critical needs.

Goal 6: Achieve organizational and management excellence

Objectives

- Develop and implement a comprehensive human-capital and knowledge-management strategy.

- Align and allocate resources with ITA's organizational priorities.
- Develop strategic and operational plans to set and achieve ITA's long- and near-term priorities.
- Implement best-in-class management policies and operations to ensure organizational excellence.
- Achieve and maintain financial management excellence.
- Implement performance-based delivery of information technology technical and service support aligned with ITA's mission critical needs.
- Implement initiatives to maintain a diverse, high-performing workforce.
- Continually improve and reform ITA's performance-management systems, program performance, and culture.

ITA's performance measures for each strategic goal will affirm that the day-to-day operation of ITA program units aligns with these overarching priorities (see Appendix C). In addition, the performance measures provided in Appendix C will serve as the basis for ITA's Annual Performance Plan and will be used by management on a continuous basis to track progress. ITA's long-term strategic goals include key cross-cutting management initiatives that will ensure that operations support policy goals.

ITA's Commitment to the Strategic Plan

ITA will execute this strategic plan through coordination, integration, and transparency among the organization's program units to realize its long-term strategic goals and objectives.

The strategic plan is the peak of an organizational pyramid that extends from long-term goals and objectives to near-term priorities and annual operating plans and down to individual performance plans and results. ITA leadership recognizes that the organization's success in achieving its strategic goals depends on the collaboration and dedication of each ITA employee. ITA will ensure that its programs, performance, and resources are appropriately aligned to meet the organization's strategic goals.

ITA will continue to help U.S. businesses meet a future that is filled with global challenges and opportunities. ITA commits to meeting and exceeding the expectations of its customers by building on its previous efforts and by implementing this forward-leaning strategic plan.

Appendix A: Near-Term Priorities to Advance ITA's Strategic Plan

ITA Near-Term Priorities (2007–2008)

This appendix includes a list of ITA's near-term priorities. These priorities correspond with the direction set by ITA's senior management and reflect the immediate demands of the current trade environment. Achieving the broad milestones identified under these near-term priorities will advance ITA's progress toward its long-term strategic goals. These near-term priorities are arrayed in a crosswalk to ITA's long-term strategic goals in the following table. For 2007 and 2008, ITA plans to advance the organization's mission and goals through the following near-term priorities.

ITA Long-Term Strategic Goal	ITA Near-Term Priorities
<p>Advance U.S. international and commercial strategic interests.</p>	<p><i>Support the conclusion of the Doha round and WTO access negotiations:</i></p> <ul style="list-style-type: none"> • Develop analytical material and negotiating proposals to achieve commercially meaningful tariff cuts for manufacturers and to reduce non-tariff barriers. • Assist the U.S. trade representative in developing market-opening agreements in manufacturing and services sectors. • Lead antidumping aspects of rules negotiations to achieve an agreement maintaining the strength and effectiveness of U.S. trade remedy laws. • Provide support to the U.S. trade representative in the accession process for Russia, Ukraine, and Vietnam and specifically assist the completion of the Russian market access package.
	<p><i>Develop and implement FTAs and other regional initiatives:</i></p> <ul style="list-style-type: none"> • Provide expert participation in new negotiations with potential free trade agreement partners. • Continue full participation in ongoing negotiations with potential free trade agreement partners. • Provide expert support to the congressional approval process for FTAs. • Focus on North American Competitiveness Council priorities and completion of the Security and Prosperity Partnership initiatives. • Work toward the Western Hemisphere Competitiveness Ministerial, hosted by the Secretary of Commerce. • Expand business initiatives with China and India through bilateral efforts. • Launch a U.S.–Brazil commercial dialogue. • Advance Department of Commerce–led Asia-Pacific Economic Cooperation (APEC) initiatives.
	<p><i>Support the U.S. foreign policy agenda through economic engagement:</i></p> <ul style="list-style-type: none"> • Support activities of the Iraq and Afghanistan Reconstruction Task Forces to develop commercial opportunities in those countries and to maintain a full information service on these opportunities. • Serve as a link to encourage greater involvement of the U.S. private sector in an interagency initiative on stabilization and reconstruction of economies at risk. • Serve as the U.S. lead in the Asia-Pacific Partnership task forces, implementing approved action plans.

ITA Long-Term Strategic Goal	ITA Near-Term Strategic Priorities
<p>Enhance U.S. competitiveness in domestic and international markets.</p>	<p><i>Strengthen U.S. companies and improve the U.S. business environment:</i></p> <ul style="list-style-type: none"> • Complete the following regulatory reviews: <ul style="list-style-type: none"> • National Ambient Air Quality Standards (NAAQS) for Ozone • Definition of solid waste • Spill prevention, control, and countermeasure • Occupational exposure to crystalline silica • Occupational exposure to beryllium • Side impact protection • Complete guidance documentation on the department's and the Manufacturing and Services (MAS) program role in regulatory review for Office of Management and Budget and interagency use. • Complete and publish economic impact scenarios and analyses: <ul style="list-style-type: none"> • Analysis of climate change legislative initiatives • Benefit analysis of the "Advanced Energy Initiative" • Benchmark analysis of health care proposals • Others (still determining FY 2007 research program) • Launch "Invest in America" initiative. • Develop industry structure assessments for Committee on Foreign Investment in the United States reviews. <p><i>Strengthen U.S. competitiveness in global markets:</i></p> <ul style="list-style-type: none"> • Remove industry-specific trade barriers. • Advance global standards that improve U.S. competitiveness. • Support U.S. industry-specific policy development and commercial interests through the Organization for Economic Cooperation and Development, APEC, JCCT, Export-Import Bank of the United States, Overseas Private Investment Corporation, and related institutions. <p><i>Strengthen industry knowledge:</i></p> <ul style="list-style-type: none"> • Complete a feasibility study for trade-in-services data development with the Bureau of Economic Analysis. • Launch WIRED to the Economy partnership with the Department of Labor to expand trade and industry data resources. • Implement the 500 sector U.S. general equilibrium modeling tool. • Finalize TradeStats Express 6-digit Harmonized System capabilities. • Launch industry data platform for regulatory reviews. <p>Ensure that industry's perspectives are included in trade policy discussions:</p> <ul style="list-style-type: none"> • Guarantee perspectives through <ul style="list-style-type: none"> • President's Export Council • Manufacturing Council • Tourism Policy Council • Industry Trade Advisory Committees (ITAC) • Solicit ITAC views on ITA priority trade issues and ensure that the views are fully considered in the development of trade policy. • Review ITAC membership to ensure that each committee is appropriately representative of the industries of subject areas covered; if needed, recruit new members.

ITA Long-Term Strategic Goal	ITA Near-Term Strategic Goals
<p>Broaden and deepen the U.S. exporter base.</p>	<p><i>Strengthen public-private partnerships</i></p> <ul style="list-style-type: none"> • Develop targeted partnerships with organizations to capitalize on opportunities resulting from FTA and other market openings. • Develop training partnerships with the private sector to advance professional development of ITA's staff. • Host outreach events tied to ITA priorities with organizations such as chambers of commerce, state and local international trade organizations, and trade and professional associations. • Develop partnerships to identify funding alternatives for data programs. • Develop and implement metrics to gauge partnership results. • Formalize the annual process to identify strategic partnerships, to select appropriate candidates, to conduct outreach, to commence activities, and to evaluate partnership results.
<p>Identify and resolve unfair trade practices.</p>	<p><i>Expand market access and promote U.S. exports to commercially significant markets:</i></p> <ul style="list-style-type: none"> • Identify a set of commercially significant markets. • Advance U.S.–European Union (EU) Summit recommendations (that is, Innovation Initiative), and support the Trans-Atlantic Business Dialogue. • Review alignment and allocations of resources aimed at the commercially significant markets and develop proposals to bolster commercial strategies. • Engage and coordinate with other federal agencies and partners to develop and implement commercial strategy plans. • Continue to initiate and resolve market access and compliance cases. <p><i>Ensure compliance with and enforcement of trade laws and agreements</i></p> <ul style="list-style-type: none"> • Develop and implement aggressive monitoring plan on foreign compliance for all new FTAs. • Work toward the 2007 U.S.–China Joint Commission on Commerce and Trade meeting and actively follow up on the 2006 JCCT agenda to ensure China's WTO compliance. • Support the administration's Strategy Targeting Organized Piracy (STOP) and other IPR programs. • Through the Import Administration, continue to initiate antidumping and countervailing duty investigations based on properly documented and supported petitions for import relief; to determine whether the subject imports are being dumped or subsidized; and, where injury is found by the International Trade Commission, to impose antidumping or countervailing duties to offset the unfair trade. • Through the Import Administration, continue to identify and evaluate foreign unfair trade practices of potential harm to U.S. commercial interests that may be more appropriately addressed through bilateral intervention and, where warranted, dispute settlement action in coordination with the U.S. trade representative.
<p>Foster Excellent relationships with customers and stakeholders</p>	<p><i>Advance Communication and Outreach Efforts to Improve Customer Satisfaction</i></p> <ul style="list-style-type: none"> • Implement an ITA customer relationship management strategy • Improve customer satisfaction • Develop and maintain stakeholder relationships to meet ITA's mission critical needs • Improve ITA employee satisfaction through enhanced communication and engagement strategies
<p>Achieve organizational and management excellence</p>	<p><i>Implement the president's management agenda (PMA):</i></p> <ul style="list-style-type: none"> • ITA units will identify milestones for achieving planned outcomes for each of the five key initiatives under the PMA: <ul style="list-style-type: none"> • Strategic management of human capital • Electronic government initiative • Competitive sourcing • Financial management • Budget and performance integration • ITA management will advance efforts to accomplish identified FY 2007–FY 2008 milestones and assess progress through quarterly reviews. • ITA leadership will advance a comprehensive knowledge-management strategy and use system and resource alignment to support PMA and succession-planning goals. • ITA management will engage and coordinate with other departmental partners to advance and implement each of the five key initiatives under the PMA. • ITA will review alignment and allocations of resources aimed at PMA initiatives and develop proposals to bolster implementation efforts for each initiative.

Appendix B: Key Facts Underpinning ITA's Strategic Plan

The development of trade and industry data is a key function of ITA. These data are used to help government and private sector decision-makers develop a better understanding of global economic and trade patterns. ITA also uses these data to support in-depth environmental scans to ensure that strategies and priorities are aligned with current and emerging realities.

Overview

The United States continues to be the world's economic growth engine, accounting for 28 percent of total world GDP in 2006. The EU27 countries combined account for 30 percent of total world GDP the same year. According to the International Monetary Fund World Economic Outlook Database, April 2007, the U.S. share was \$13,245 billion and the EU share was \$14,527. World GDP was valued at \$48,144 billion.

The U.S. share of world exports was about 9 percent, while the U.S. share of imports was 16 percent, according to 2006 data from the World Trade Organization.

Trade

Dependence on Trade

- U.S. goods and services exports represented 11.1 percent of the nation's GDP in 2006, up from 10.5 percent in 2005, the 10.1 percent recorded in 2004 and 9.5 percent in 2003.
- The 2006 U.S. export-to-GDP ratio in current prices was 11.1 percent, somewhat less than Japan's (16.1 percent) and dramatically below Canada's (36.5 percent) and Germany's (44.9 percent).
- According to the WTO, merchandise trade exports grew from \$2 trillion in 1980 to \$10.4 trillion in 2005, and \$12.1 trillion in 2006. If one includes trade in selected services, the WTO exports grew from \$2.6 trillion in 1980 to \$12.7 trillion in 2005. U.S. exports grew from \$255.6 billion in 1980 to only \$904.4 billion in 2005, and \$1,037 billion in 2006 according to WTO statistics.

Growth of U.S. Trade

- U.S. exports of services have grown from \$55.0 billion in 1980 to \$430.8 billion in 2006, which is an increase of \$375.8 billion, or 683 percent.
- U.S. exports rose from \$280.8 billion in 1980 to \$1,466.2 billion in 2006, which is an increase of \$1,185.4 billion, or 422 percent.
- U.S. imports grew from \$293.8 billion in 1980 to \$2,228.7 billion in 2006, which is an increase of \$1,934.9 billion, or 659 percent.
- U.S. imports of services have grown from \$45.3 billion in 1980 to \$349.2 billion in 2006, which is an increase of \$303.9 billion or 671 percent.

Composition of U.S. Exports

- U.S. goods exports in 2006 comprised 86 percent manufactures, 7 percent agricultural commodities, 3 percent mineral fuels, and 4 percent other or unidentified products.

The development
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Administration

Destination of U.S. Exports

- In 2006, Canada (\$231 billion) continued to be the largest market by far for U.S. exports, with NAFTA partner Mexico (\$134 billion) as runner-up. Japan (\$60 billion) remained the third largest export market, followed by China (\$55 billion) and the United Kingdom (\$45 billion).
- Texas (\$151 billion) and California (\$128 billion) were the largest exporting states in 2006, according to tabulations prepared on the origin-of-movement basis. New York (\$57 billion), Washington (\$53 billion), and Illinois (\$42 billion) rounded out the top five.

Exporter Growth

- In 2005 (the latest year for which Exporter Data Base figures are available), over 239,000 U.S. firms exported goods, more than double the 1992 count of 113,000.
- Of the previously mentioned 239,000 U.S. firms, over 97 percent of these companies were small and medium-sized Enterprises (SMEs) having fewer than 500 employees.

Jobs

- Exports of manufactured goods support about 5.1 million jobs in 2003 (latest data available).
- One out of six manufacturing jobs (17.2 percent of manufacturing employment) was tied to exports in 2003 (latest data available).

Foreign Direct Investment

- The United States is one of the largest actors in world FDI flows. On average from 2003 to 2005, the United Nations reports that outflows of FDI from the United States were equal to 15.7 percent of the estimated world total FDI outflows of \$718 billion. Inflows of FDI into the United States were 12.6 percent of world FDI inflows, \$728 billion total, over the same period.
- FDI is important for the U.S. economy. The total stock of foreign investments in the United States and U.S. investments abroad equaled 13 percent and 16.5 percent, respectively, of the value of U.S. GDP at the end of 2005.
- The importance of FDI flows to the U.S. economy is comparable to the importance of goods and services trade. In 2005, U.S. exports and imports of goods and services combined were \$3.3 trillion, about 26.2 percent of U.S. GDP, while total inward and outward FDI stock was \$3.7 trillion, which is 29.5 percent of GDP. (Source BEA and UNCTAD)
- After reaching a peak of \$1.4 trillion in 2000, global FDI inflows fell during the worldwide economic slowdown of 2000-2001. However, world FDI inflows have begun to recover again as the world economy has rebounded. Global FDI inflows rose by 29 percent to \$916 billion in 2005, compared with a 27 percent increase in 2004.
- China is becoming one of the world's most important destinations for world FDI flows. In 2005, China and Hong Kong received 11.8 percent of total inward FDI flows. Inward FDI into China and Hong Kong grew from \$94.7 billion in 2004 to \$108.3 billion in 2005, an increase of 14.4 percent.
- From 1980 to 2005, FDI outflows from the 25 EU countries to the world have increased by more than \$530 billion. On average from 2003 to 2005, Europe accounted for 54.6 percent of total world FDI outflows.

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Manufacturing productivity increased 98.3 percent from 1987 to 2006

Manufacturing

Production

- From 1987 to 2006, the manufacturing output grew 64 percent, and the production index moved up at an annual (compounded) rate of 2.6 percent.

Productivity

- Manufacturing productivity increased 98.3 percent for the period from 1987 to 2006.

Employment

- For the period from 1980 to 2005, manufacturing employment decreased by 4.5 million to 14.2 million.

Share of GDP

- Manufacturing as a percentage of GDP declined from a 20 percent share in 1980 to a 12 percent share in 2006.

Appendix C: Strategic Goals, Objectives, and Performance Measures

To achieve its mission and vision, ITA has established six strategic goals and defined specific supporting objectives. ITA’s performance measures provide clear markers to manage progress toward meeting ITA’s goals and objectives. Performance measures identified as “external measures” constitute tried and true indicators, whereas performance measures identified as “internal” measures are metrics that are still being tested to determine whether they are valid and effective indicators before graduating to externally reported measures.

Goal 1: Advance U.S. International and Commercial Strategic Interests

Objectives	Performance Measures
Create market access through policy advocacy and the support of trade negotiations.	• Trade policy and negotiation advancement (combined internal panel review of ITA’s contribution to trade negotiations) (external measure)
Lead U.S. government efforts to develop the administration’s commercial strategies.	• Percentage of ITA-led interagency commercial strategies successfully advanced (internal measure)
Leverage commercial programs to support U.S. foreign and economic policy priorities.	• Percentage of commercial milestones advanced in support of foreign and economic policy goals (internal measure)

Goal 2: Enhance U.S. Competitiveness in Domestic and International Markets

Objectives	Performance Measures
Provide critical economic and policy analysis and information to promote U.S. business competitiveness.	<ul style="list-style-type: none"> • Total cost saving identified in MAS studies and analysis (annual and long-term external measure) • Cost saving achieved in the distribution of economic data (external measure)
Evaluate industry and other stakeholder perspectives for domestic policy development, assessment, and implementation.	<ul style="list-style-type: none"> • Percentage of analytical milestones completed (external measure)
Ensure appropriate industry and other stakeholder input into trade policy development, negotiations, and implementation.	<ul style="list-style-type: none"> • Percentage of trade agreement milestones completed (external measure) • Percentage of industry-specific trade barriers addressed that were removed or prevented (external measure) • Percentage of industry-specific trade barrier milestones completed (external measure)
Enhance public and private partnerships.	<ul style="list-style-type: none"> • Dollar of exports generated for every dollar invested in public and private partnerships (internal measure) • Total exports generated from public and private partnerships (long-term internal measure)

Goal 3: Broaden and Deepen the U.S. Exporter Base

Objectives	Performance Measures
Increase the number of U.S. companies exporting.	<ul style="list-style-type: none"> • Number of new-to-export successes (external measure)
Help current exporters enter additional markets.	<ul style="list-style-type: none"> • Number of new-to-market export successes (external measure)
Expand market penetration for U.S. exporters.	<ul style="list-style-type: none"> • Number of increase-to-market export successes (external measure) • Number of export successes made because of ITA involvement (external measure)
Advocate for U.S. firms competing for foreign commercial opportunities.	<ul style="list-style-type: none"> • Percentage of advocacy cases completed successfully (external measure) • Dollar value of advocacy cases completed successfully (external measure)

Goal 4: Identify and Resolve Unfair Trade Practices

Objectives	Performance Measures
Identify distortions in foreign markets.	<ul style="list-style-type: none"> • Number of potential unfair trade practices identified or under evaluation (internal measure)
Enforce U.S. trade laws.	<ul style="list-style-type: none"> • Percentage of antidumping countervailing duty proceedings completed within statutory deadlines (external measure)
Improve market access for U.S. firms and ensure compliance with trade agreements.	<ul style="list-style-type: none"> • Number of market access and compliance cases initiated (external measure) • Percentage of market access and compliance cases initiated on behalf of SMEs (external measure) • Number of market access and compliance cases resolved (external measure) • Percentage of market access and compliance cases resolved successfully (external measure) • Percentage of market access and compliance cases that have an action plan within 10 days of initiation (internal measure) • Dollar value of market access and compliance cases resolved successfully (internal measure) • Percentage of cases resolved within one year of initiation (internal measure)

Goal 5: Foster Excellent Relationships with Customers and Stakeholders

Objectives	Performance Measures
Implement an ITA customer relationship management strategy.	<ul style="list-style-type: none"> • Percentage of customer relationship management strategy milestones completed (internal measure)
Improve customer satisfaction.	<ul style="list-style-type: none"> • Customer satisfaction survey score (external measure) • Percentage of improvement in customer satisfaction (external measure) • Level of awareness of ITA products and services (internal measure) • Customer perception of ease of access to export and trade information and data (external measure)
Develop and maintain stakeholder relationships to meet ITA's mission critical needs.	<ul style="list-style-type: none"> • Approach to develop stakeholder management strategy under consideration

Goal 6: Achieve Organizational and Management Excellence

Objectives	Performance Measures
Develop strategic and operational plans to set and achieve ITA priorities.	<ul style="list-style-type: none"> • Percentage of ITA program units with strategic and operational plans (internal measure)
Implement best-in-class management policies and operations to ensure organizational excellence.	<ul style="list-style-type: none"> • Percentage of progress in implementing best-in-class policies and operations (internal measure) • Satisfactory Organizational Assessment Score (internal measure)
Achieve financial management excellence.	<ul style="list-style-type: none"> • Clean audit (external measure)
Implement performance-based delivery of information technology technical and service support aligned with ITA's mission critical needs.	<ul style="list-style-type: none"> • Percentage of progress in implementing best practices for information technology management (internal measure) • Customer perception of portal ease of use (internal measure)
Strategically manage human capital to maintain a diverse, high-performing workforce.	<ul style="list-style-type: none"> • Human capital management survey score (internal measure)

Appendix D: Glossary of Acronyms

AES Automated Export System

APP Asia Pacific Partnership

APEC Asia-Pacific Economic Cooperation

BCIU Business Council for International Understanding

CAFTA-DR Central America-Dominican Republic-United States Free Trade Agreement

CBIC China Business Information Center

CBP Customs and Border Patrol

CS Commercial Service (U.S. Department of Commerce)

EDN Enterprise Development Network (OPIC)

EU European Union

FAS Foreign Agricultural Service (USDA)

FDI foreign direct investment

FTA Free Trade Agreement

G7 Group of Seven

GATS General Agreement on Trade in Services

GATT General Agreement on Tariffs and Trade

GDP Gross Domestic Product

GMV Gross Merchandise Volume

IA Import Administration

ICT information and communications technology

ICTWG information and communications technology working group

IP intellectual property

ITA International Trade Administration

JCCT Joint Commission on Commerce and Trade

MCC Millennium Challenge Corporation

MAC Market Access and Compliance

MAS Manufacturing and Services

NAFTA North American Free Trade Agreement

OECD Organization for Economic Cooperation and Development

OPIC Overseas Private Investment Corporation

PMA President's Management Agenda

SACU Southern Africa Customs Union

SBA Small Business Administration

SMEs small and medium-sized enterprises

SRTGs State Regional Trade Groups

STOP Strategy Targeting Organized Piracy

TABD Trans-Atlantic Business Dialogue

TPCC Trade Promotion Coordinating Committee

TPF Trade Policy Forum

TPIS Trade Policy Information System

TRIPS Trade-Related Aspects of Intellectual Property Rights

UAE United Arab Emirates

USAID U.S. Agency for International Development

USDA U.S. Department of Agriculture

USEAC U.S. Export Assistance Center

USPTO U.S. Patent and Trademark Office

US&FCS United States and Foreign Commercial Service

USTDA United States Trade and Development Agency

USTR Office of the United States Trade Representative

WBCs Women's Business Centers

WEF World Economic Forum

WIPO World Intellectual Property Organization

WTO World Trade Organization

The International Trade Administration's mission is to create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.



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