THE “TRUMP SLUMP” IN EXPORTS AND FOREIGN INVESTMENT

HOW “AMERICA FIRST” HURTS AMERICAN INDUSTRIES AND DESTROYS AMERICAN JOBS
“AMERICA FIRST,” PRACTICED AS “AMERICA ALONE,” IS BAD FOR BUSINESS

1. Across the world, respect for the U.S. has fallen.
2. China and Russia are gaining at our expense.
3. We’ve lost hundreds of billions of dollars in foreign investment and exports, putting millions of U.S. jobs at risk.
4. This “Trump Slump” is particularly bad for America’s “advanced industries,” which depend heavily on exports -- and also support one in four U.S. jobs.
AS THE WORLD’S LARGEST ECONOMY, WE BENEFIT FROM GLOBAL ORDER AND GOODWILL

TO BE #1, YOU MUST ENGAGE THE WORLD

We’re 4% of the world’s population, attracting 20% of global investment, and generating 24% of global economic output.

MOST CONSUMERS LIVE SOMEWHERE ELSE

WORLD - 7.7 BILLION

U.S. - 329 MILLION

4%

96%

AND 1 IN 4 OF THEM IS MUSLIM

FOR U.S. COMPANIES & AMERICAN WORKERS, NEW GROWTH WILL COME FROM ABROAD

By 2025, global consumption will be twice what it was in 2013.

50% OF GLOBAL ECONOMIC GROWTH THROUGH 2060 WILL COME FROM DEVELOPING COUNTRIES
WITH TRUMP, “AMERICA FIRST” MEANS “AMERICA ALONE”

CASE STUDY: 2018 G-7 IN QUEBEC

President Trump threatened to stop trading with the rest of the G-7, left early, criticized the host, and withheld U.S. support for the summit communique. 6–12

JUNE 2, 2018
G-7 MEMBERS CONDEMN U.S. TRADE ACTIONS
THE WALL STREET JOURNAL

JUNE 8, 2018
DONALD TRUMP’S CALL FOR RUSSIA TO REJOIN G-7 JOLTS START OF SUMMIT
THE WALL STREET JOURNAL

JUNE 8, 2018
TENSIONS AMONG MEMBERS, ALREADY HIGH AFTER PUBLIC TRADE DISPUTES, LOOM LARGE IN GEPOLITICAL TALKS
THE WALL STREET JOURNAL

JUNE 9, 2018
TRUMP SHOCKS LEADERS WITH TRUDEAU INSULT TO UPEND G-7 SUMMIT
Bloomberg

JUNE 10, 2018
U.S.-CANADA TRADE FEUD ESCALATES AFTER FRAUGHT G-7 SUMMIT
THE WALL STREET JOURNAL

JUNE 15, 2018
BEHIND THE SCENES AT G-7 MEETINGS, ALLIES DISMAYED BY TRUMP’S JABS
THE WALL STREET JOURNAL

JUNE 15, 2018
HOPES FOR COMPROMISE ON TRADE ISSUES DIMMED AFTER THE U.S. PRESIDENT PULLED OUT OF A JOINT STATEMENT
THE WALL STREET JOURNAL

THE WALL STREET JOURNAL

TRUMP IS LOSING THE TRADE WAR WITH CHINA

JASON FURMAN
AUGUST 19, 2019

Today China is more integrated with the rest of the world while the U.S. is more isolated...

The administration needs to change its strategy radically. The first step should be to work with, rather than against, U.S. allies...
AS RESPECT FOR TRUMP PLUMMETS, AMERICA’S STANDING PLUMMETS WITH HIM

THE REST OF THE WORLD TRUSTED OBAMA FIVE TIMES MORE THAN THEY TRUST TRUMP - AS TRUMP’S STANDING HAS FALLEN, AMERICA'S STANDING HAS FALLEN WITH IT

PERCENT OF RESPONDENTS WITH CONFIDENCE IN U.S. LEADER TO “DO THE RIGHT THING” REGARDING WORLD AFFAIRS.¹⁴

AND TRUMP’S COVID-19 RESPONSE FURTHER HURTS OUR GLOBAL STANDING

PERCENT OF RESPONDENTS OUTSIDE THE U.S. WHO SAY ___ HAS DONE A GOOD JOB WITH ITS COVID RESPONSE¹⁶

PERCENT OF RESPONDENTS WHO HOLD A “FAVORABLE” VIEW OF THE U.S.¹⁵

SOURCE: PEW GLOBAL ATTITUDES SURVEY
AS RESPECT FOR TRUMP PLUMMETS, CHINA AND RUSSIA GAIN

### THE WORLD TRUSTS PUTIN AND XI MORE THAN TRUMP

<table>
<thead>
<tr>
<th>Leader</th>
<th>Confidence</th>
<th>No Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trump</td>
<td>16%</td>
<td>83%</td>
</tr>
<tr>
<td>Xi</td>
<td>19%</td>
<td>78%</td>
</tr>
<tr>
<td>Putin</td>
<td>23%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Confidence in leader to “do the right thing” regarding world affairs.

**Source:** Pew Summer 2020 Global Attitudes Survey

### CHINA PULLS AHEAD OF U.S. AS LEADING ECONOMIC POWER

<table>
<thead>
<tr>
<th>Region</th>
<th>Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>34%</td>
</tr>
<tr>
<td>China</td>
<td>48%</td>
</tr>
</tbody>
</table>

Percent of world saying ___ is the leading economic power.

**Source:** Pew Summer 2020 Global Attitudes Survey

### WHILE TRUMP BUILDS WALLS, CHINA BUILDS BRIDGES AND LAYS 5G CABLE

**China’s “Belt and Road Initiative” is spending ~$150 billion per year in 68 countries representing two thirds of the world’s population.**

China will spend $1.2+ trillion on a network of railways, energy pipelines, ports, highways, 5G networks, border crossings, and 50 special economic zones.

### PENTAGON WARNS CHINA’S 5G NETWORK BUILDOUT COULD COMPROMISE BOTH U.S. MARKET SHARE AND CYBER SECURITY

“This will allow China to selectively grant access to certain 5G companies and products to ride on that infrastructure. This increases the risk of product backdoors and vulnerabilities throughout the supply chain.” - Department of Defense

AUGUST 8, 2018

SEAN KEANE

**CHINA BEATING US IN RACE FOR 5G WIRELESS, ECONOMIC GAINS, SAYS REPORT**

“The US has been outspent by $24 billion since 2015.”

**CNET**
“AMERICA ALONE” IS HURTING U.S. EXPORTS

### TRADE DEFICIT INCREASES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WORLD</td>
<td>- $481.2 B</td>
<td>- $513.8 B</td>
<td>- $579.9 B</td>
<td>- $576.9 B</td>
<td>20%</td>
</tr>
<tr>
<td>CHINA</td>
<td>- $310.4 B</td>
<td>- $337.3 B</td>
<td>- $380 B</td>
<td>- $307.8 B</td>
<td>0.8%</td>
</tr>
<tr>
<td>EU</td>
<td>- $82.4 B</td>
<td>- $85.5 B</td>
<td>- $481.2 B</td>
<td>- $94 B</td>
<td>32%</td>
</tr>
<tr>
<td>MEXICO</td>
<td>- $64.2 B</td>
<td>- $70.5 B</td>
<td>- $79.2 B</td>
<td>- $104.2 B</td>
<td>62%</td>
</tr>
<tr>
<td>GERMANY</td>
<td>- $66.5 B</td>
<td>- $65.1 B</td>
<td>- $65.6 B</td>
<td>- $66.2 B</td>
<td>0.5%</td>
</tr>
<tr>
<td>JAPAN</td>
<td>- $59.5 B</td>
<td>- $58.4 B</td>
<td>- $56.2 B</td>
<td>- $55.5 B</td>
<td>6.7%</td>
</tr>
<tr>
<td>ITALY</td>
<td>- $30.1 B</td>
<td>- $33.3 B</td>
<td>- $33.6 B</td>
<td>- $36.1 B</td>
<td>20%</td>
</tr>
<tr>
<td>FRANCE</td>
<td>- $13.2 B</td>
<td>- $14.8 B</td>
<td>- $13.6 B</td>
<td>- $18.1 B</td>
<td>37%</td>
</tr>
</tbody>
</table>

### U.S. TRADE DEFICIT

IN BILLIONS OF DOLLARS

![Graph showing the increase in the U.S. trade deficit over 3 years](#)

DEFICIT INCREASED $86.7B OVER 3 YEARS

![Graph showing the increase in the U.S. trade deficit over 3 years](#)

DEFICIT INCREASED $86.7B OVER 3 YEARS
The “Trump Slump” in exports is particularly damaging to advanced industries, which account for 60% of our exports and support one in four jobs.

50 “ADVANCED INDUSTRIES” DRIVE U.S. GROWTH

Some industries — like automakers, aerospace, oil and gas, and computer software — stand apart because they invest heavily in R&D and innovate constantly. They are the highest achieving companies in our economy.25

9% OF U.S. WORKERS
17% OF OUR GDP
60% OF OUR EXPORTS
80% OF OUR ENGINEERS
90% OF PRIVATE SECTOR R&D

THEY ALSO DRIVE AMERICA’S ECONOMIC OPPORTUNITY

These industries are growing twice as fast and pay twice as much as other sectors, on average.

They employ 12.3 million workers and support another 27.1 million jobs.26

MOST JOBS DO NOT REQUIRE A COLLEGE DEGREE

17%
90%
9%
80%
60%

OF OUR GDP
OF OUR EXPORTS
OF OUR WORKERS
OF PRIVATE SECTOR R&D
OF OUR ENGINEERS

BUT THIS SUCCESS DEPENDS ON EXPORTS, EFFICIENT BORDERS, IP PROTECTION, AND GOODWILL

ADVANCED INDUSTRIES EXPORT

$1.1T
IN U.S. GOODS & SERVICES EACH YEAR27
Trump’s tax cuts were meant to attract new foreign investment, but investment here dropped from $380 billion in 2016 to $195 billion in 2019.28

FOREIGN INVESTMENT IN U.S. DROPPING DRAMATICALLY UNDER TRUMP

CEOS SOUR ON TRUMP POLICIES, WARN THEY HURT BUSINESS, INVESTMENT

JULY 9, 201930
JESSICA DINAPOLI, SOYOUNG KIM

AUGUST 1, 201829

FOREIGN INVESTMENT IN
U.S. DROPPING DRAMATICALLY
UNDER TRUMP

©CBS NEWS

JULY 9, 201930
JESSICA DINAPOLI, SOYOUNG KIM

CEOS SOUR ON TRUMP
POLICIES, WARN THEY HURT
BUSINESS, INVESTMENT

©REUTERS
# Foreign Investment Case Study: Trump Policies Drive Tech Talent and Investment to Canada

## AS U.S. SHUNS FOREIGNERS, CANADA WELCOMES THEM — AND CASHES IN

Toronto ranked #1 for “Population Growth” in North America.31

<table>
<thead>
<tr>
<th>City</th>
<th>Change 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>+77,435</td>
</tr>
<tr>
<td>Phoenix</td>
<td>+25,288</td>
</tr>
<tr>
<td>San Antonio</td>
<td>+20,824</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>+19,552</td>
</tr>
<tr>
<td>Seattle</td>
<td>+15,354</td>
</tr>
<tr>
<td>Charlotte</td>
<td>+13,151</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>+8,454</td>
</tr>
<tr>
<td>Boston</td>
<td>+6,307</td>
</tr>
<tr>
<td>Chicago</td>
<td>-7,073</td>
</tr>
<tr>
<td>New York</td>
<td>-39,523</td>
</tr>
</tbody>
</table>

## The Impact is Greatest in the Tech Sector

Toronto added 28,900 technology jobs in 2017.32

<table>
<thead>
<tr>
<th>City</th>
<th>Change 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>+28,900</td>
</tr>
<tr>
<td>Seattle</td>
<td>+8,200</td>
</tr>
<tr>
<td>New York</td>
<td>+8,100</td>
</tr>
<tr>
<td>Washington</td>
<td>+4,800</td>
</tr>
<tr>
<td>Bay Area, CA</td>
<td>+1,100</td>
</tr>
</tbody>
</table>

---

1. Toronto ranked #1 for “Population Growth” in North America.31
2. Toronto added 28,900 technology jobs in 2017.32
3. TechCrunch

---

By making immigrants feel unwelcome, America does a favor for aspiring hubs in Toronto and Vancouver.”

**Connie Loizos**

**NOAH SMITH**

**Bloomberg**
Our trading partners, reluctant to negotiate with us, are cutting deals among themselves. For example:

1. When Trump pulled out of the Trans-Pacific Partnership, the other 11 countries signed a revised deal without us.35

2. The EU has struck new deals with Singapore, Vietnam, Canada, and Japan.36

3. The Regional Comprehensive Economic Partnership could be signed later this year. It covers 15 countries (including China) and would become the world’s largest trade deal, leaving the U.S. out.37

Tariffs are taxes on American consumers. They hurt American workers, families, and employers. Imposing them under the false pretense of ‘national security’ weakens our economy, our credibility with other nations, and invites retaliation.

- PAT TOOMEY
SENATOR (R-PA)38

The U.S. military requirements for steel and aluminum each represent only about 3% of U.S. production. Therefore, DoD does not believe that the finds in the report...meet national defense requirements.

- JAMES MATTIS
SECRETARY OF DEFENSE39