

ISSUE BRIEF : Q4 2020

THE “TRUMP SLUMP” IN EXPORTS AND FOREIGN INVESTMENT

HOW “AMERICA FIRST” HURTS AMERICAN
INDUSTRIES AND DESTROYS AMERICAN JOBS

 **BUSINESSFORWARD**
FOUNDATION

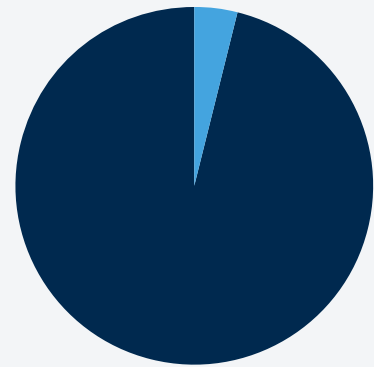
“AMERICA FIRST,” PRACTICED AS “AMERICA ALONE,” IS BAD FOR BUSINESS



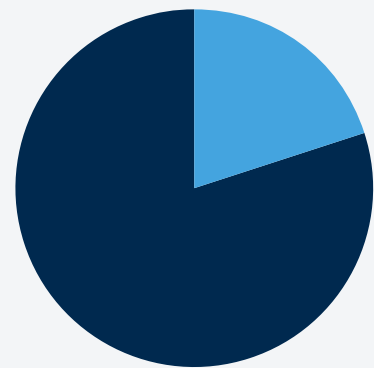
1. Across the world, respect for the U.S. has fallen.
2. China and Russia are gaining at our expense.
3. We've lost hundreds of billions of dollars in foreign investment and exports, putting millions of U.S. jobs at risk.
4. This “Trump Slump” is particularly bad for America’s “advanced industries,” 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

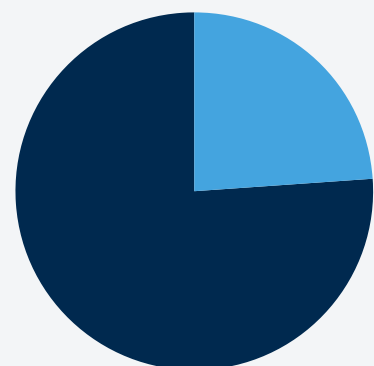
TO BE #1, YOU MUST ENGAGE THE WORLD



We're 4% of the world's population¹,

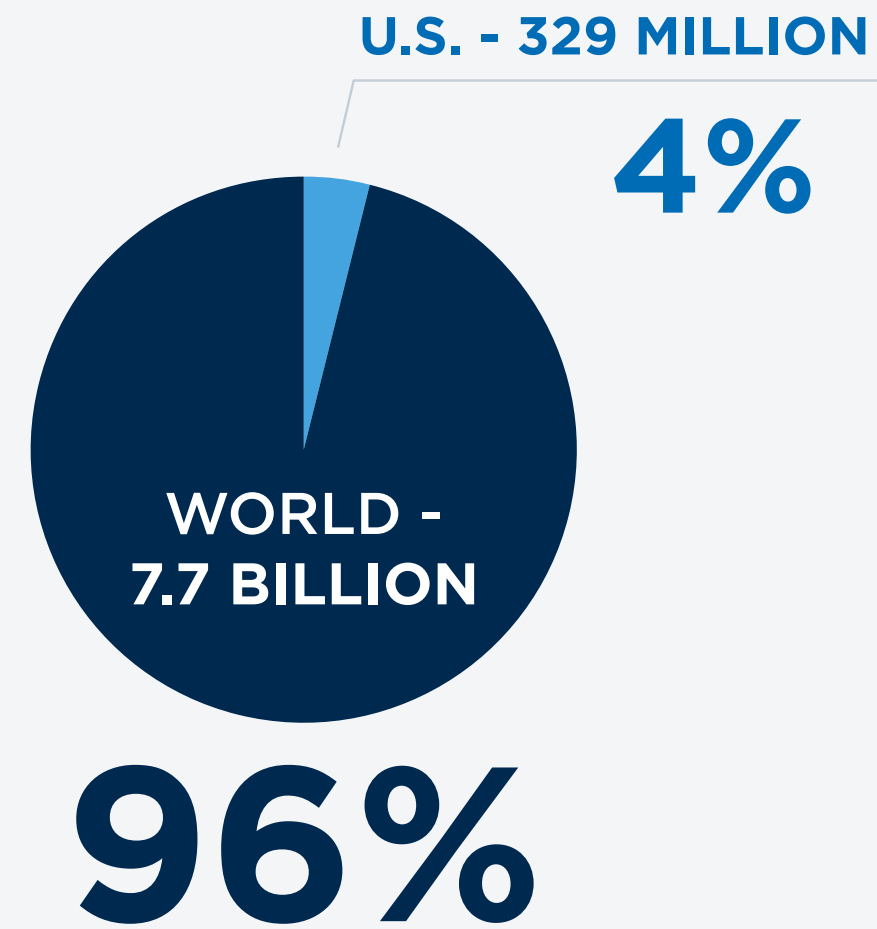


attracting 20% of global investment²,



and generating 24% of global economic output.³

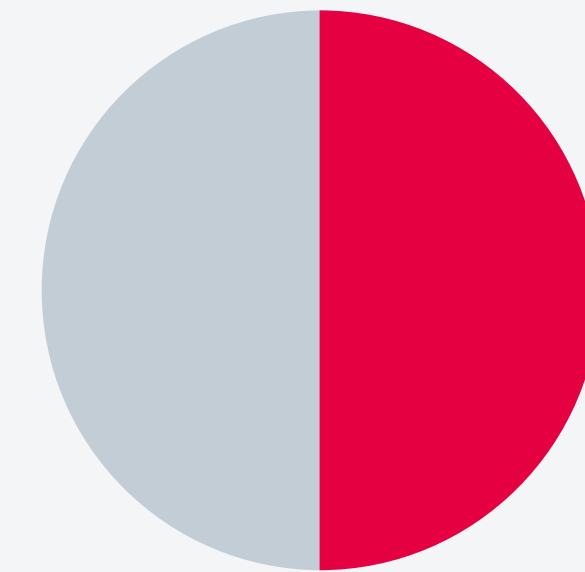
MOST CONSUMERS LIVE SOMEWHERE ELSE



AND 1 IN 4 OF THEM IS MUSLIM⁴

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 COUNTRIES⁵

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 GEOPOLITICAL 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, 2019¹³

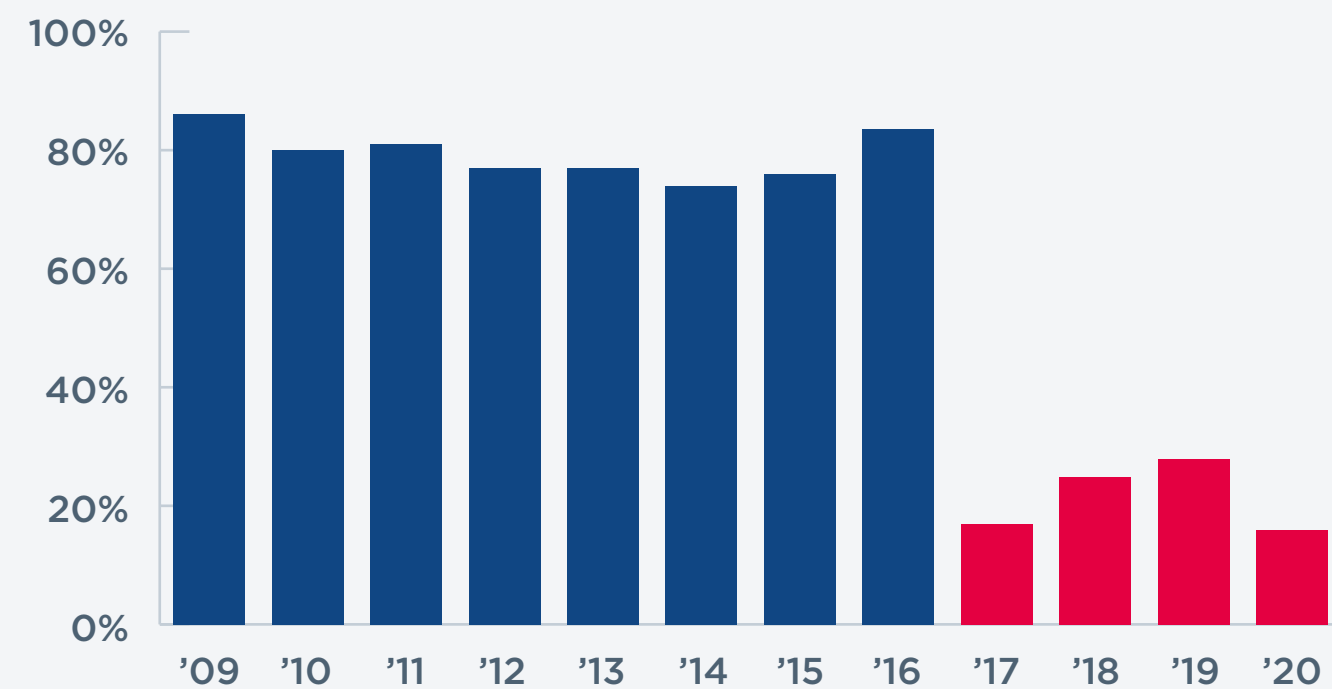
Today China is more integrated with the rest of the world while the U.S. is more isolated...

The administration needs to change its strategy radically. The first step should be to work with, rather than against, U.S. allies...

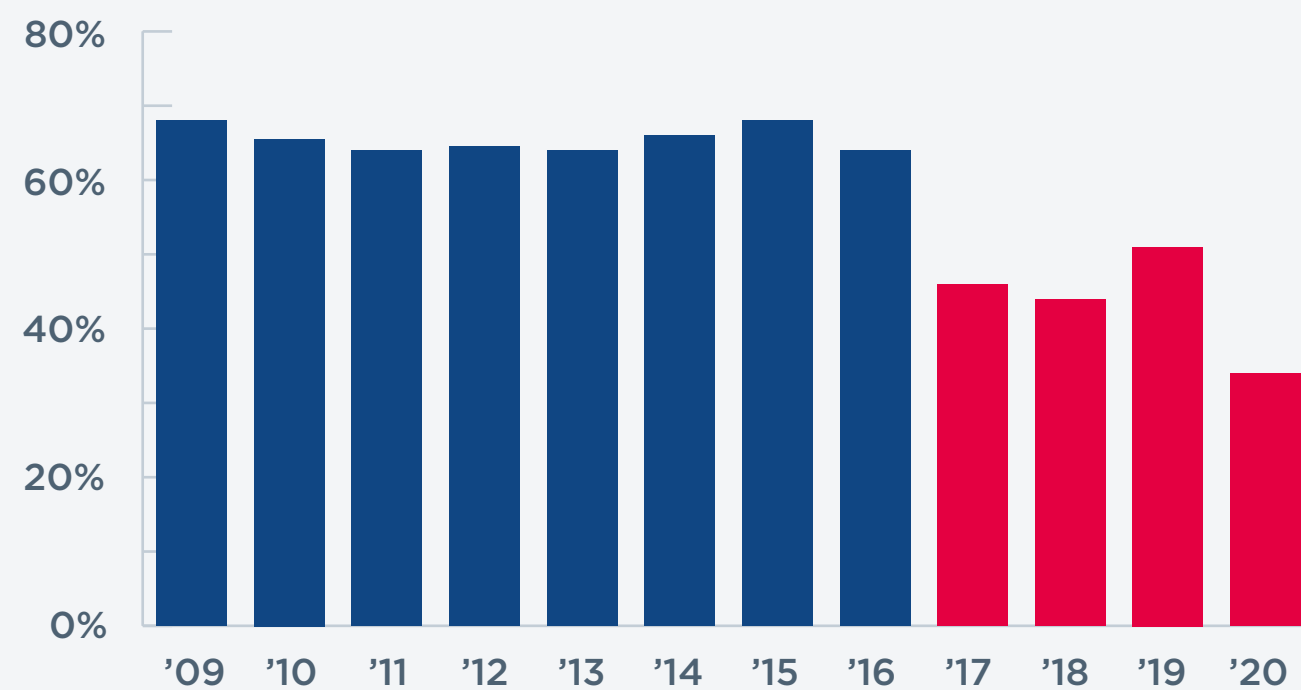
AS RESPECT FOR TRUMP PLUMMETS, AMERICA'S STANDING PLUMMETS WITH HIM

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



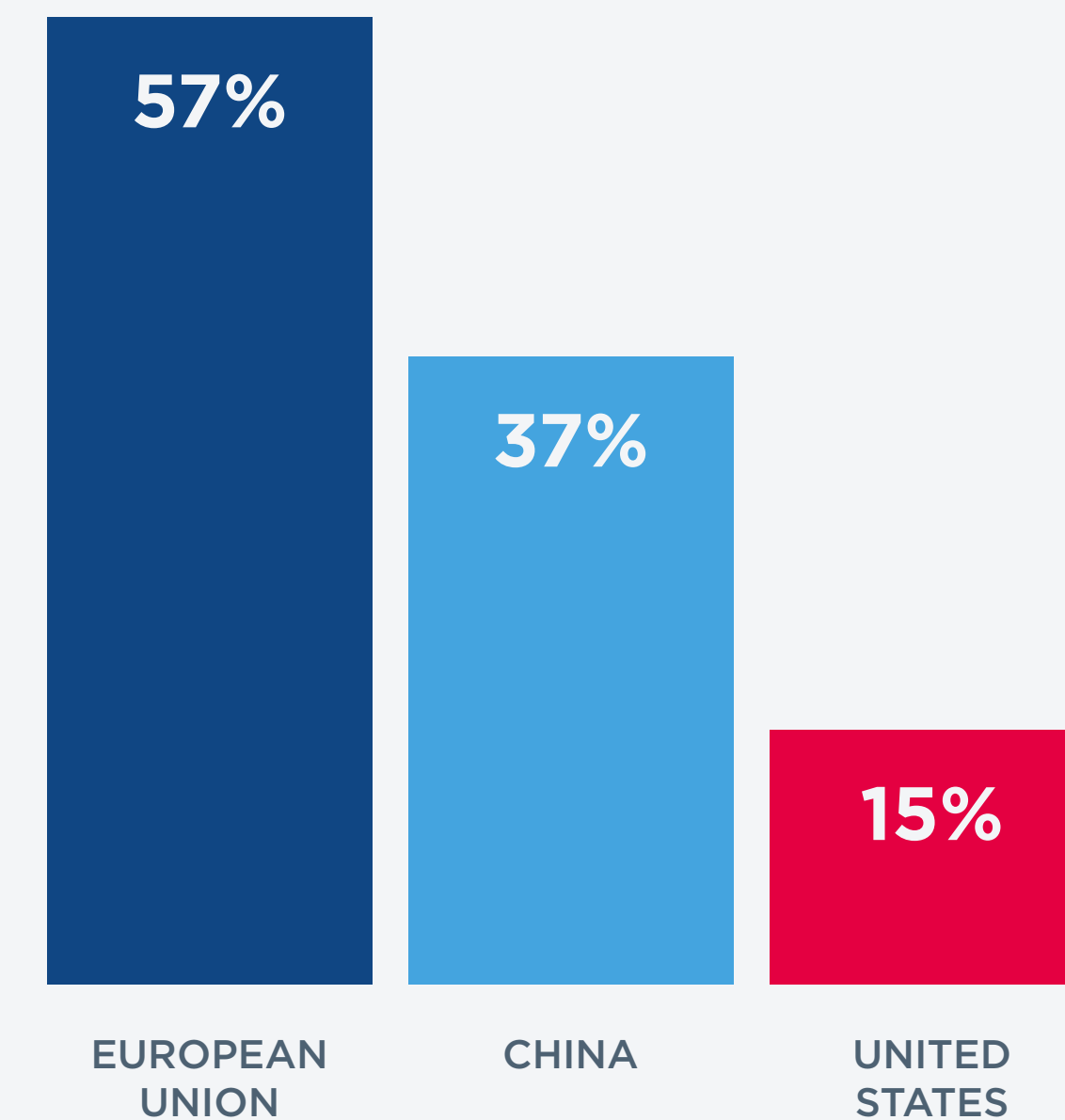
PERCENT OF RESPONDENTS WHO HOLD A "FAVORABLE" VIEW OF THE U.S.¹⁵



SOURCE: PEW GLOBAL ATTITUDES SURVEY

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

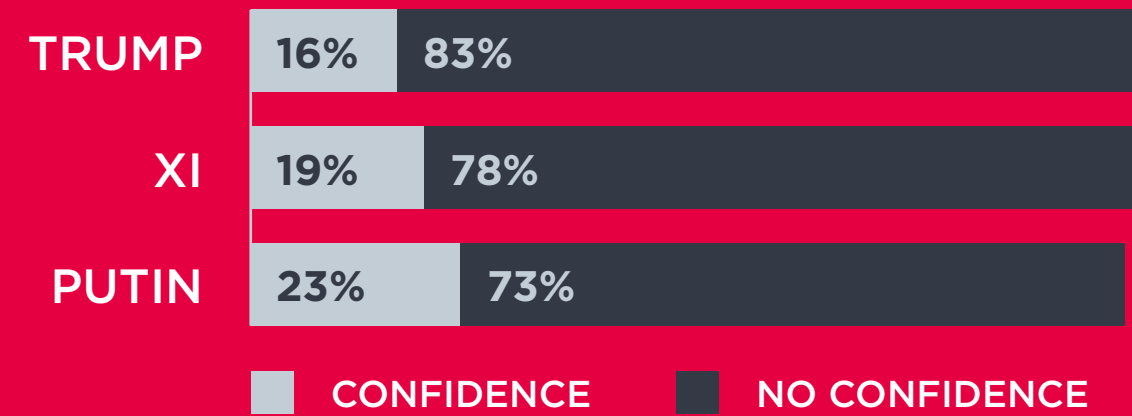


SOURCE: PEW GLOBAL ATTITUDES SURVEY

AS RESPECT FOR TRUMP PLUMMETS, CHINA AND RUSSIA GAIN

THE WORLD TRUSTS PUTIN AND XI MORE THAN TRUMP

CONFIDENCE IN LEADER TO "DO THE RIGHT THING" REGARDING WORLD AFFAIRS¹⁷

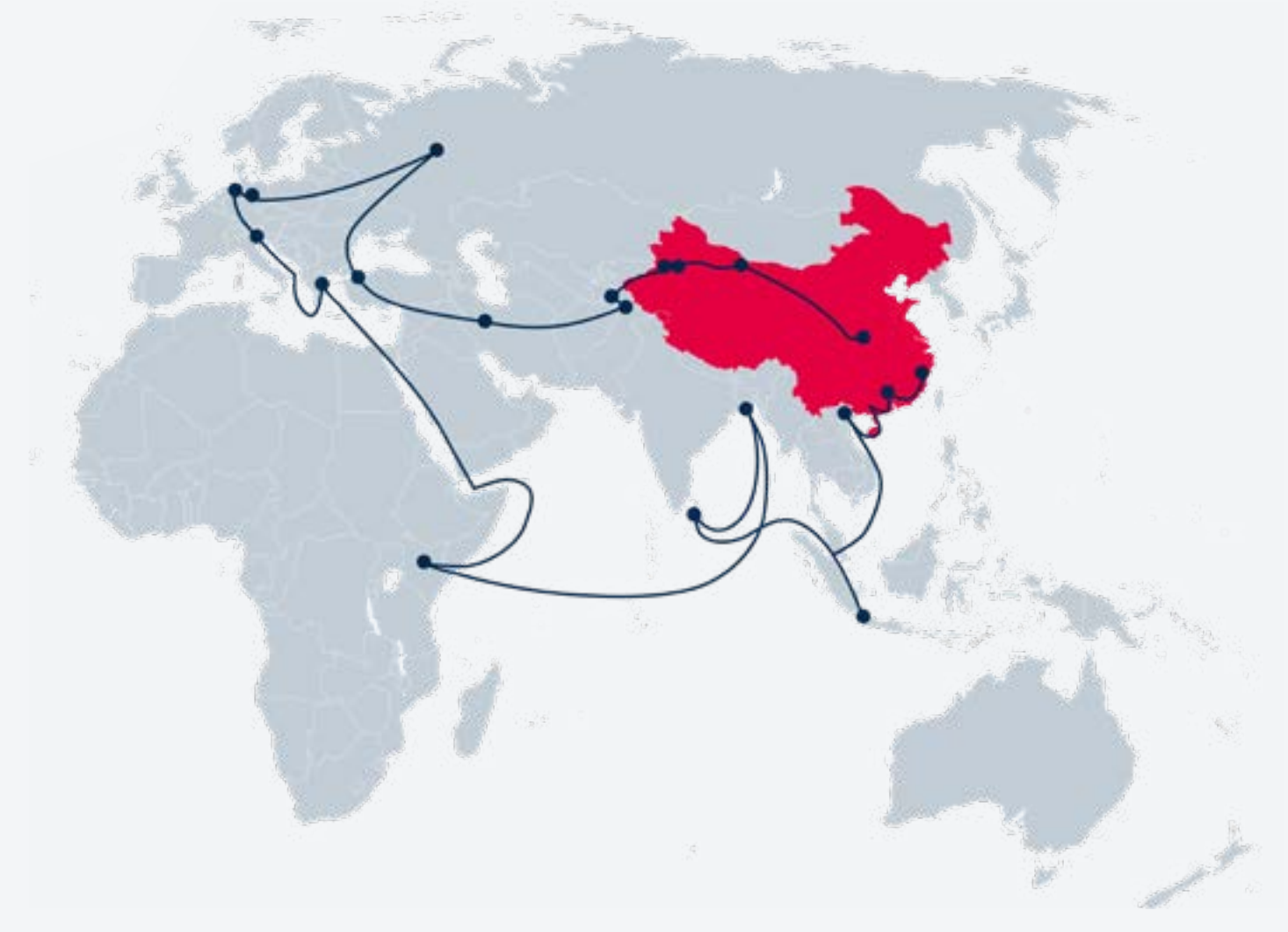


SOURCE: PEW SUMMER 2020 GLOBAL ATTITUDES SURVEY

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.¹⁹

China will spend \$1.2+ trillion on a network of railways, energy pipelines, ports, highways, 5G networks, border crossings, and 50 special economic zones.²⁰



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 Defense²¹

AUGUST 8, 2018²²
SEAN KEANE

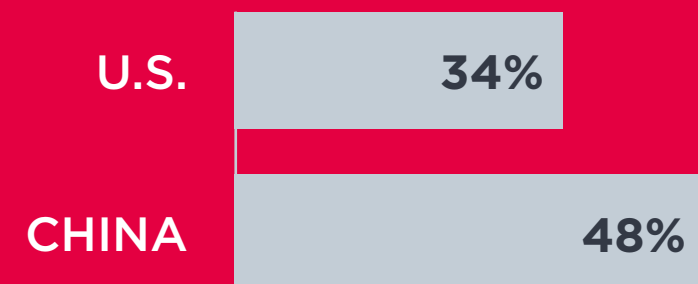
CHINA BEATING US IN RACE FOR 5G WIRELESS, ECONOMIC GAINS, SAYS REPORT

"The US has been outspent by \$24 billion since 2015."



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

PERCENT OF WORLD SAYING ___ IS THE LEADING ECONOMIC POWER¹⁸



SOURCE: PEW SUMMER 2020 GLOBAL ATTITUDES SURVEY

“AMERICA ALONE” IS HURTING U.S. EXPORTS

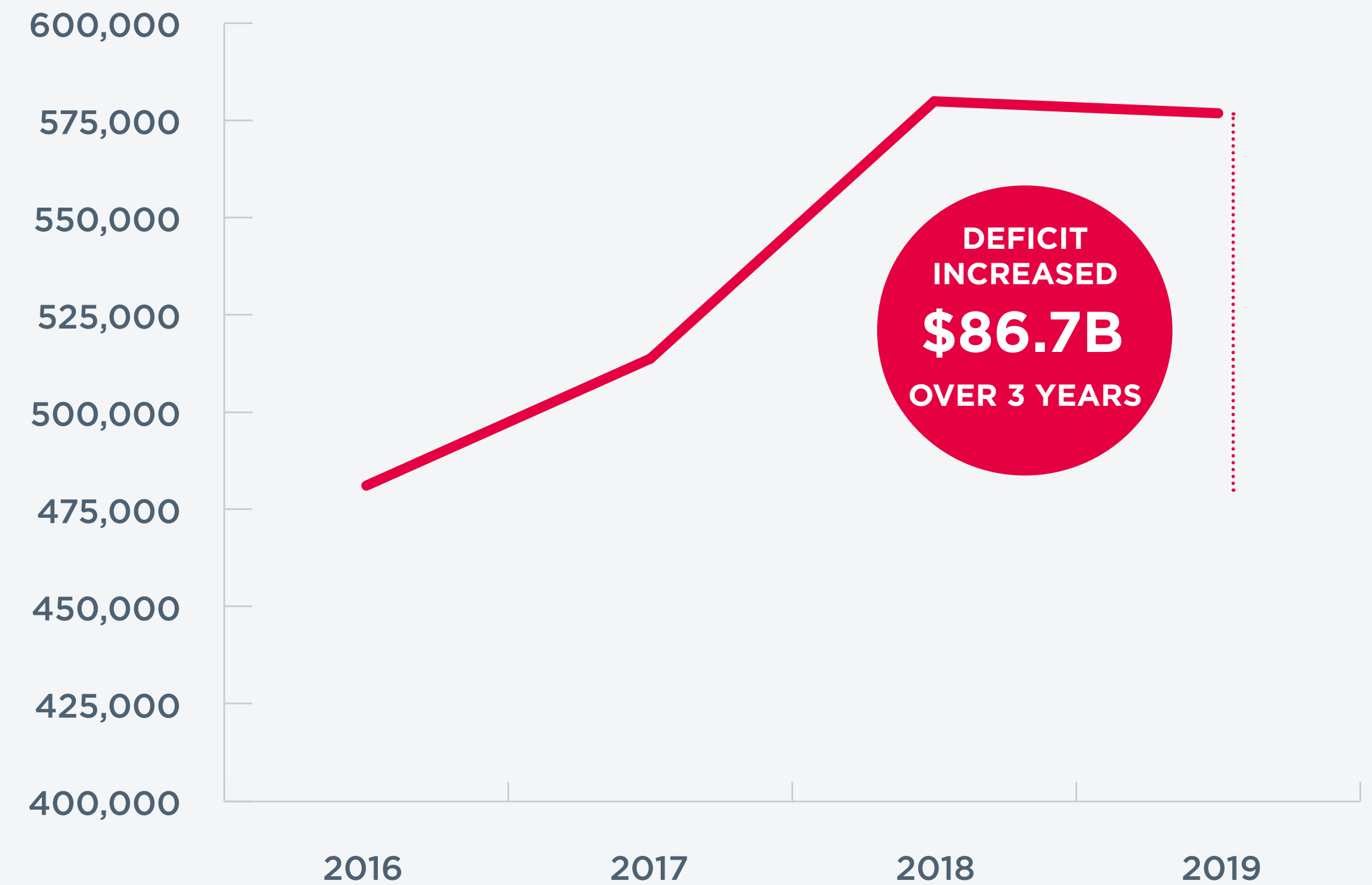
TRADE DEFICIT INCREASES

IN BILLIONS OF DOLLARS²³

	2016	2017	2018	2019	% FROM 2016
WORLD	- \$481.2 B	- \$513.8 B	- \$579.9 B	- \$576.9 B	20%
CHINA	- \$310.4 B	- \$337.3 B	- \$380 B	- \$307.8 B	0.8%
EU	- \$82.4 B	- \$85.5 B	- \$481.2 B	- \$94 B	32%
MEXICO	- \$64.2 B	- \$70.5 B	- \$79.2 B	- \$104.2 B	62%
GERMANY	- \$66.5 B	- \$65.1 B	- \$65.6 B	- \$66.2 B	0.5%
JAPAN	- \$59.5 B	- \$58.4 B	- \$56.2 B	- \$55.5 B	6.7%
ITALY	- \$30.1 B	- \$33.3 B	- \$33.6 B	- \$36.1 B	20%
FRANCE	- \$13.2 B	- \$14.8 B	- \$13.6 B	- \$18.1 B	37%

U.S. TRADE DEFICIT

IN BILLIONS OF DOLLARS²⁴

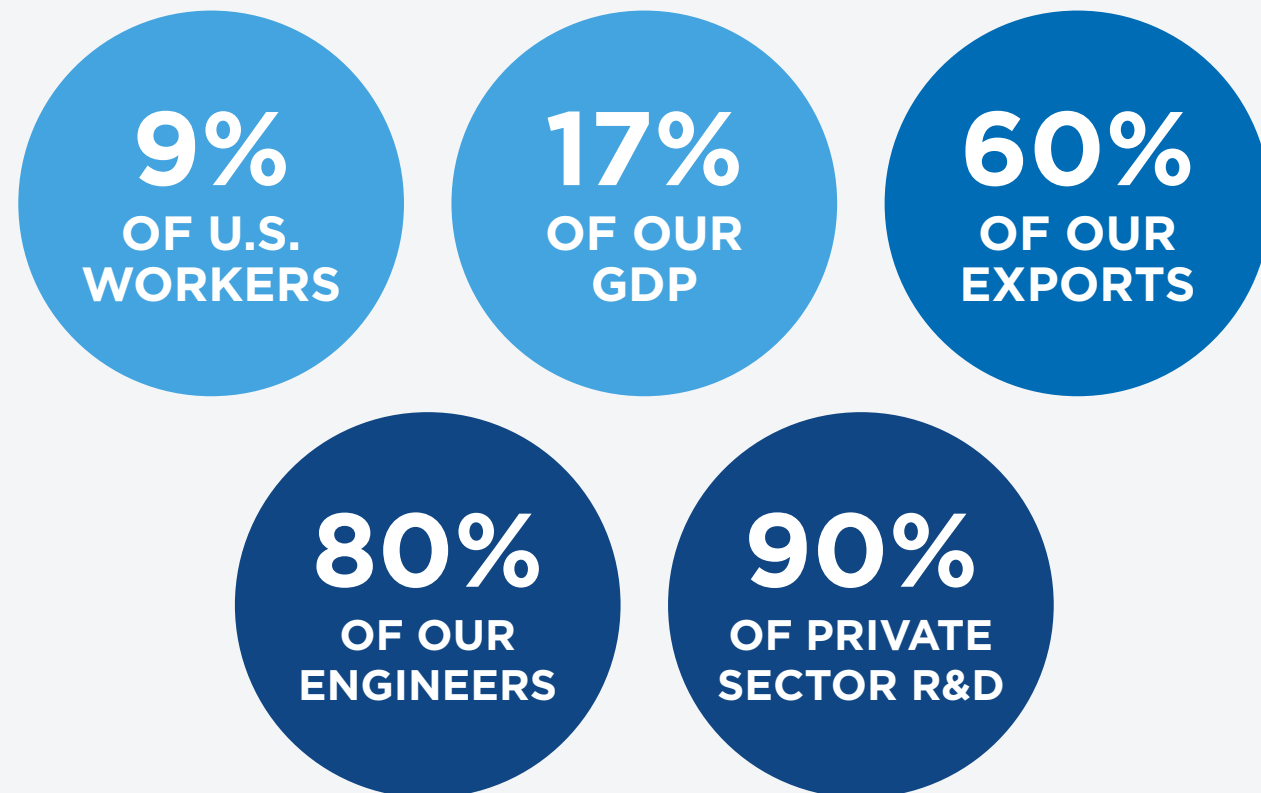


EXPORTS CASE STUDY: AMERICA'S ADVANCED INDUSTRIES

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



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**

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

**ADVANCED
INDUSTRIES
EXPORT**

\$1.1T

**IN U.S. GOODS
& SERVICES
EACH YEAR²⁷**



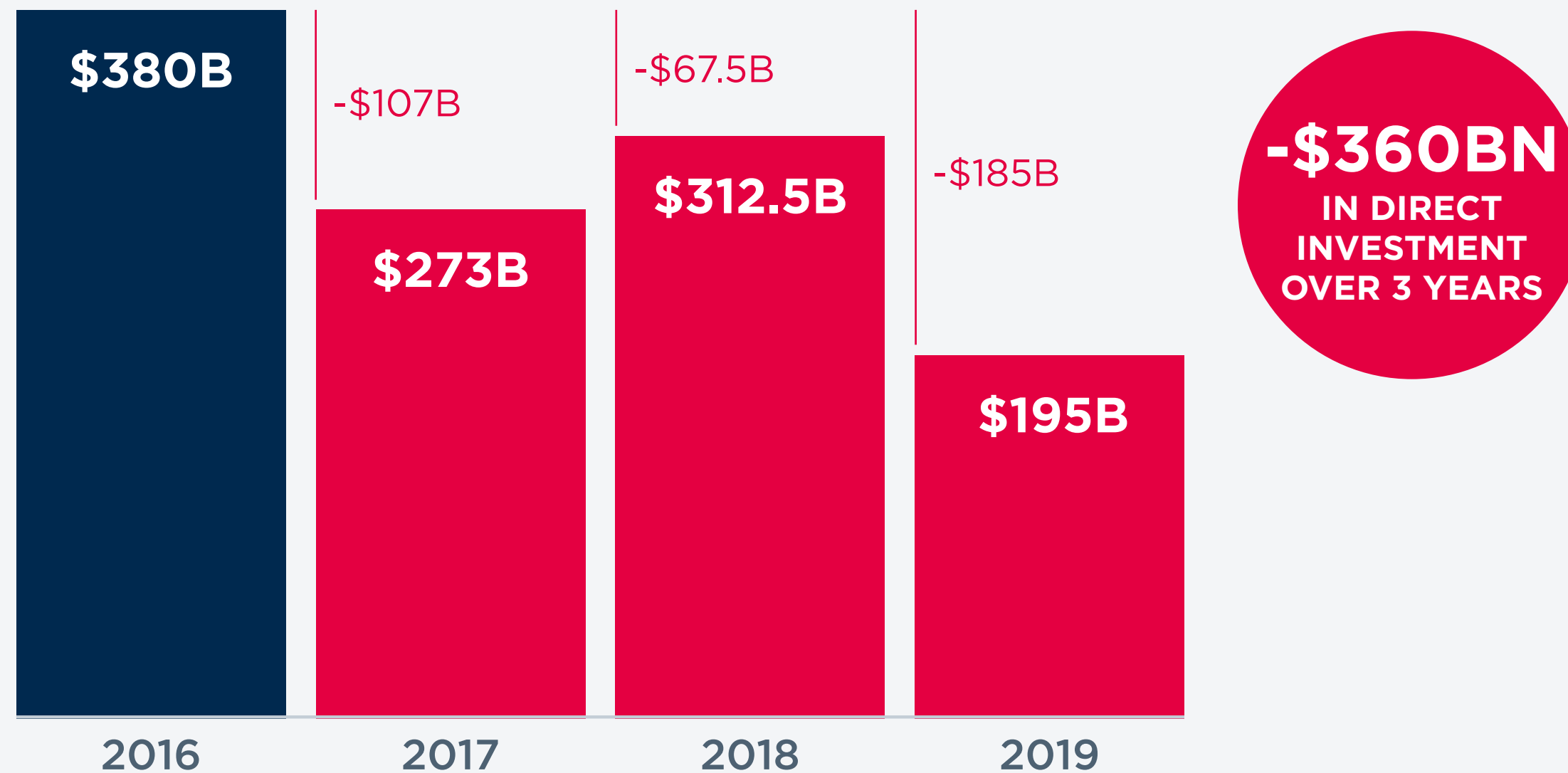
**AMERICA'S
ADVANCED
INDUSTRIES**

WHAT THEY ARE, WHERE THEY ARE,
AND WHY THEY MATTER

UNDER TRUMP, \$360 BILLION LESS IN NEW FOREIGN DIRECT INVESTMENT

TRUMP POLICIES, RHETORIC TURN OFF INVESTORS

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



AUGUST 1, 2018²⁹

FOREIGN INVESTMENT IN U.S. DROPPING DRAMATICALLY UNDER TRUMP

CBS NEWS

JULY 9, 2019³⁰

JESSICA DINAPOLI, SOYOUNG KIM

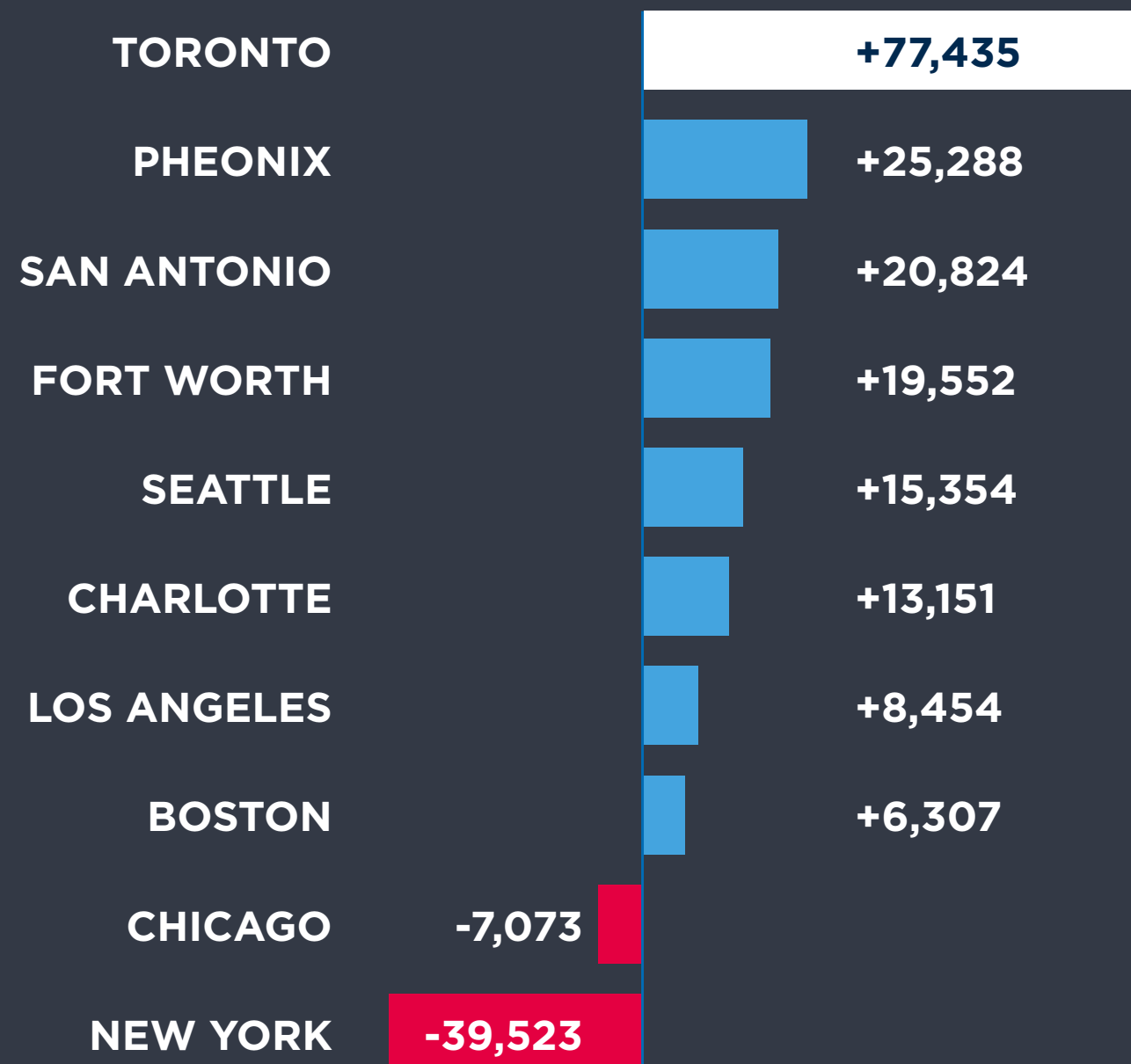
CEOS SOUR ON TRUMP POLICIES, WARN THEY HURT BUSINESS, INVESTMENT

REUTERS

FOREIGN INVESTMENT CASE STUDY: TRUMP POLICIES DRIVE TECH TALENT AND INVESTMENT TO CANADA

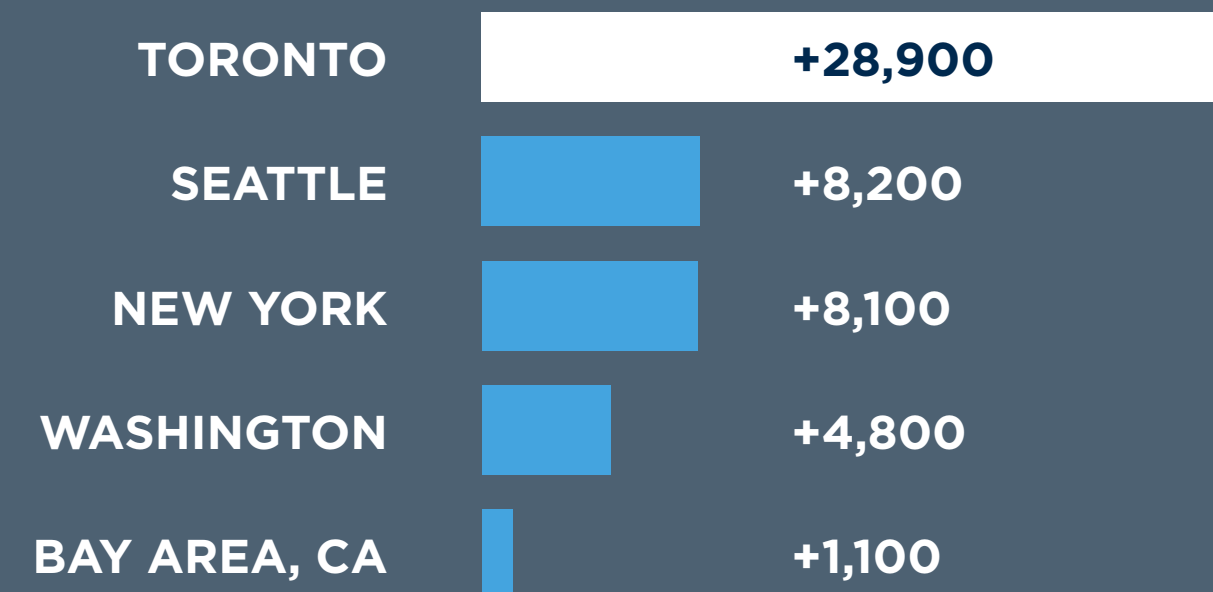
AS U.S. SHUNS FOREIGNERS, CANADA WELCOMES THEM — AND CASHES IN

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



THE IMPACT IS GREATEST IN THE TECH SECTOR

Toronto added 28,900 technology jobs in 2017.³²



JANUARY 31, 2017³³
CONNIE LOIZOS

SILICON VALLEY IS MAKING PLANS TO MOVE FOREIGN-BORN WORKERS TO CANADA

TC TechCrunch

JULY 25, 2019³⁴
NOAH SMITH

U.S. HANDS CANADA AN OPENING IN TECH

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

Bloomberg

UNDER TRUMP, U.S. IS AT THE KIDS' TABLE ON TRADE DEALS

U.S. LEFT OUT OF WORLD'S BIGGEST DEALS

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

CASE STUDY: STEEL, ALUMINUM, AND CARS

Even GOP Senators and Trump's Pentagon Admit Using "National Security" to Break Existing Deals With Allies Is Wrong.

“ 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

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