Agency Priority Goal Action Plan

Increase the Economic Impact of U.S. Trade

**Goal Leader:**
Joseph Semsar, Deputy Under Secretary for International Trade, Performing the Non-Exclusive Functions and Duties of the Under Secretary for International Trade

**Deputy Goal Leaders:**
Ian Steff, Assistant Secretary for Global Markets and Director General of the U.S. & Foreign Commercial Service
Nazak Nikakhtar, Assistant Secretary for Industry & Analysis
Jeffrey Kessler, Assistant Secretary for Enforcement & Compliance
Goal Statement
The Department of Commerce International Trade Administration (ITA) supports jobs for American workers and strengthens U.S. economic and national security by facilitating U.S. exports and inward investment. In fiscal years (FY) 2020 and 2021, ITA will increase the dollar value of U.S. exports and inward investment facilitated by 10 percent annually, while ensuring that over 75 percent of U.S. exporter clients assisted are small and medium-sized enterprises (SMEs).

Challenge
- U.S. exports and inward investment are dependent on a robust and growing global economy. The COVID-19 pandemic has significantly disrupted global trade and investment.
- Prior to COVID-19 and despite ITA having facilitated over $100 billion in U.S. exports and inward investment two years in a row (FY 2018 and FY 2019), the FY 2019 dollar value of U.S. exports and inward investment facilitated by ITA decreased 16% year-over-year from $128 billion in FY 2018 to $107 billion in FY 2019.
- Unfair trade practices and increasingly complex international markets can place U.S. businesses at a disadvantage in global markets. Today, U.S. firms are challenged to keep up with foreign competitors in rapidly-changing markets and in virtually all industries. These challenges and barriers must be addressed if U.S. companies are to succeed internationally.

Opportunity
- U.S. exports and inward investment can play a critical role in revitalizing the U.S. economy and supporting millions of American jobs across the country as we recover from the COVID-19 pandemic.
- ITA’s global network of industry, trade, and investment experts located in Washington, D.C., around the world in 116 cities in 76 countries, and in 106 locations across the U.S. have ramped up virtual services and is well positioned to help U.S. entities – particularly small and medium-sized businesses – increase exports and attract investment in an increasingly challenging environment.
- Modernization of ITA’s IT systems, including the launch of a unified digital experience in FY 2020, will continue to improve the efficiency and effectiveness of customer assistance.
Leadership & Implementation Team

Department of Commerce/International Trade Administration Goal Leaders

Joseph Semsar
Deputy Under Secretary for International Trade, Performing the Non-Exclusive Functions and Duties of the Under Secretary for International Trade

Nazak Nikakhtar
Assistant Secretary for Industry & Analysis

Ian Steff
Assistant Secretary for Global Markets and Director General of the U.S. & Foreign Commercial Service

Jeffrey Kessler
Assistant Secretary for Enforcement & Compliance
Goal Structure & Strategies

ITA will leverage the unique roles and skill sets of each ITA unit to increase the dollar value of U.S. exports and inward investment. In particular, ITA will focus its attention to ensure that over 75% of U.S. exporter clients assisted are SMEs. ITA-wide efforts include:

- Support the economic recovery of SMEs due to the impact of COVID-19.*
- Help U.S. companies, particularly SMEs, engage foreign buyers, partners, and decision-makers to maintain and build their business relationships.
- Engage foreign governments, including through virtual platforms, on unfair trade practices/barriers adversely affecting U.S. exports.
- Level the playing field for U.S. firms competing for foreign government procurements.
- Monitor and ensure foreign governments comply with international trade agreements.
- Assist investors and states/localities to facilitate increased investment in U.S. communities.
- Lead coordination of investment promotion across the U.S. Government and key partners.
- Accelerate hiring and deliver training needed to address critical skills gaps.
- Modernize IT systems and business processes to enhance organizational efficiency/effectiveness.

*ITA’s User Fee Waiver Program successfully provided an estimated $1.44 million worth in services to SMEs free of charge to U.S. exporters. This includes over 350 Initial Market Check services to explore market potential for clients, over 800 International Partner Search services through which ITA’s worldwide staff matched U.S. exporters with foreign buyers, and nearly 100 Single Location Promotions (SLPs) for Economic Development Organizations (EDOs) seeking inward investment.
Summary of Progress – FY 20 Q4

Most of ITA’s FY 2020 key milestones were successfully met or are on-track with FY 2021 activities currently under consideration.

Due to the COVID-19 global pandemic, ITA is not on track to fully achieve a 10% annual increase in the dollar value of U.S exports/inward investment facilitated. ITA does, however, anticipate to meet this goal by FY 2021.

ITA exceeded at least 75% of U.S. exporter clients assisted are SMEs. The proportion of U.S. Exporter clients assisted that are SMEs increased to 92% though Q4.

ITA assisted 31,249 U.S. exporter clients through Q4. ITA has exceeded its target goal of 30,000 export clients and has exceeded last year's count of 29,557.

- For example, as a result of ITA’s extensive export engagement, Microsoft signed a renewal contract with the Government of Bosnia and Herzegovina, covering the period 2020-2021, valued at $10 million.

ITA reduced, removed, and prevented 176 trade barriers through Q4, 30 of which ensured our trading partners were in compliance with their trade agreement obligations.

- For example, working with other U.S. trade agencies, ITA persuaded Kenya to amend its unnecessarily restrictive content and labelling requirements for energy drinks. Facing constant pressure, Kenya complied with its WTO Technical Barriers to Trade Agreement obligations and revised its energy drink standard. This ensured $9 to $12 million in annual U.S. energy drink exports continue.

ITA assisted over 6,921 investment clients through Q4. ITA has exceeded its target goal of 6,500 investment clients and has exceeded last year's count of 6,471.

- For example, ITA provided services to help Nephron Pharmaceuticals to expand its operations in South Carolina. The company announced in July 2020 a $215 million investment creating over 300 jobs in Lexington County.
<table>
<thead>
<tr>
<th>Key Milestone</th>
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<tbody>
<tr>
<td>U.S.-Brazil CEO Forum</td>
<td>FY 2020 Q1</td>
<td>Completed</td>
<td>The 10th U.S.-Brazil CEO Forum Meeting took place in Washington, DC., in November 2019. Members of the CEO Forum issued Joint Recommendations to their respective governments that will serve as a guide for trade policy priorities. Key deliverables included the launch of a pilot Global Entry program with the Forum’s visiting Brazilian CEOs and the agreement for the U.S. to join Brazil’s universal Patent Prosecution Highway system.</td>
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<td>Prosper Africa*</td>
<td>FY 2020 Q4</td>
<td>On Track</td>
<td>Interagency coordination and support continued with a PAC-DBIA meeting held to deliberate and adopt recommendations on the USG’s implementation. U.S. and Kenya launched trade negotiations toward an FTA.</td>
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<td>U.S.-India CEO Forum*</td>
<td>FY 2020 Q4</td>
<td>On Track</td>
<td>Commerce’s Secretary co-chaired U.S.-India CEO Forum call with Indian Minister of Commerce and Industry to discuss bilateral strategic and collaborative opportunities across several sectors in a post-pandemic world. The CEOs sent written recommendations to the two governments. Both governments are reviewing the recommendations and determining how to act on them.</td>
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<tr>
<td>Discover Global Markets - Advanced</td>
<td>FY 2020 Q4</td>
<td>Completed</td>
<td>Largest annual export promotion event, which focused on smart technology. Held in Indianapolis, Indiana, via in-person and virtual format in October 2020, the event connected U.S. companies and EDOS with trade experts from more than 40 overseas markets.</td>
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* This initiative represents a continuous activity for ITA and throughout the two-year lifecycle of the APG.
## Key Milestones

### Attract Business Investment into the United States

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<td>SelectUSA Summit*</td>
<td>FY 2020 Q3</td>
<td>Postponed</td>
<td>Largest investment promotion event in the U.S. Although postponed due to the COVID-19 pandemic, the event is currently being planned for a future date and possibly as a hybrid event via both in-person and virtual format.</td>
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<tr>
<td>SelectUSA Road Shows (x5)*</td>
<td>FY 2020 Q4</td>
<td>Postponed</td>
<td>While the Road Shows are postponed due to the COVID-19 pandemic, SelectUSA is still actively conducting successful outreach, including efforts via digital format. SelectUSA hosted more than 30 virtual events between May 20-September 29, 2020 with a cumulative audience reach of over 4,000 clients.</td>
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### Equip and Develop ITA’s Workforce for the 21st Century

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<td>Unified Portal Launch</td>
<td>FY 2020 Q2</td>
<td>Completed</td>
<td>From February through October, TSI/ODSE developed 7,500 pages that were viewed by 1.98 million unique visitors, totaling 5.9 million page views. In less than one year, these numbers reflect deep engagement with the expertise that ITA provides through its digital channels.</td>
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<td>Global Markets hiring to meet $130 million target</td>
<td>FY 2020 Q3</td>
<td>Achieved 98% of Target</td>
<td>Hiring actions to bring GM staffing up to over 1,400. GM met $127 million out of the $130 million target and has been successful in hiring new Commercial Officers and GS employees. However, hiring efforts for LES staff face increased challenges due to Embassy and Consulate closures and reduced administrative support during the COVID-19 pandemic.</td>
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## Key Milestones

### Reduce, Remove, and Prevent Trade Barriers

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<td>USMCA Implementation*</td>
<td>FY 2020 Q4</td>
<td>Completed</td>
<td>ITA participated in ten outreach events on USMCA compliance and provided subject-matter experts to participate in 15 USTR-led USMCA committee meetings on Customs and Trade Facilitation, SMEs, Rules of Origin, and the Autos Alternative Staging Plans. ITA also engaged with the business community to discuss its concerns on Mexico and Canada’s USMCA compliance.</td>
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<tr>
<td>Commercial Dialogues*</td>
<td>FY 2020 Q4</td>
<td>Completed</td>
<td>Argentina, Brazil, Czech Republic, France, Germany, India, Japan, Nigeria, Norway, South Korea, and Sweden.</td>
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<tr>
<td>MOUs with Foreign Governments</td>
<td>FY 2020 Q4</td>
<td>Completed</td>
<td>In FY 2020, ITA signed a Memorandum of Understanding with the U.S. Indo-Pacific Command creating a two-year Commercial Liaison position in Honolulu, Hawaii, to help identify and foster commercial opportunities in the Pacific Islands region.</td>
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<td>External outreach &amp; education leveraging existing trade barrier materials</td>
<td>FY 2020 Q4</td>
<td>Completed</td>
<td>Dissemination of Trade Barrier video; provided education and outreach to ITA constituents about ITA services and about existing or potential trade barriers</td>
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<td>Continued refinement and application of internal trade barrier SOPs &amp; training material</td>
<td>Ongoing</td>
<td>On Track</td>
<td>Continued successful deployment of trade barrier case work Customer Relationship Management standards; continued online Training Modules and short training videos – 101, 201, specialized portfolio/issue training (IPR, Digital, Services, etc.)</td>
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Key Indicators – Q4 Results

U.S. Exports & Inward Investment Facilitated ($ Billions)

- Year-End Actual: $118
- Q4 Actual: $105
- Q3 Forecast: $84
- Q2 Forecast: $65
- FY20 Target*: $118

Percent U.S. Exporter Clients Assisted

- SME % Actual Q4 (Target = 75%)**: 92%
- Large Company % Actual Q4: 8%

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* FY 2020 target of $118 billion is a 10% increase from FY 2019 actual of $107 billion.
** SMEs are organizations with less than 1,000 employees. Note that due to improved Customer Relationship Management data, ITA can more accurately track company size for clients assisted. See slide 13 for details.
Given the impact of the COVID-19 pandemic on the global economy to-date (-4.4% decline)*, ITA realized $105 billion of the $118 billion target set at the beginning of the fiscal year.

The contraction of U.S. GDP reflects a decrease in key inputs for ITA’s ability to fully meet its APG target. U.S. exports, for example, declined by 10% in FY 2020 (declined 19% from March to August 2020), while FDI flows to the U.S. decreased by 61% in the first half of the year.**

Despite these challenges, ITA exceeded its trade barrier goal by 26% for FY 2020 and surpassed both its Q2 and Q3 end-of-year forecasts for economic impact.

*Third-party economic assessments: IMF, UNCTAD, IHS Markit, Bloomberg, IBIS World, Goldman Sachs, Morgan Stanley, etc.

**Export data taken from the U.S. Census Bureau and was calculated against the 3-year average (FY17-19). FDI data was taken from the U.N. Conference for Trade and Development.
Contextual Indicators – Clients Assisted Q4 Results

Number of U.S. Exporter & Investment Clients Assisted

- FY19 Annual: 35,544
- FY20 Q1: 10,346
- FY20 Q2: 17,082
- FY20 Q3: 27,906
- FY20 Annual: 37,602

Actual Clients Assisted vs. Target Clients Assisted
Contextual Indicators – Trade Barriers Q4 Results

176 Trade Barriers Reduced, Removed, Prevented through FY20 Q4
FY20 Impact: $25B
Data Accuracy and Reliability

Advocacy WINs
• WINs reported by ITA’s Advocacy Center require a contract signed by the U.S. company and foreign government with the total contract value and a U.S. export content value. Only U.S. export content value is included in what is reported for ITA’s economic impact.

Trade Barrier WINs
• Company/industry association verified estimates;
• Partial-equilibrium approximation (i.e., Change in Export Value = Initial Export Value x Import Demand Elasticity x Ad Valorem Equivalent Tariff Rate); or
• Customized valuation determined by ITA’s economists.

Investment Promotion WINs
• WINs reported by ITA’s SelectUSA require client verification or other official documentation.

Export Promotion Results
• Due to the significant volume of clients assisted with export promotion and transactional commercial diplomacy, ITA conducts a survey of a sample of clients assisted to minimize the reporting burden on clients and maximize staff time spent assisting clients.
• The survey collects data on revenue and jobs created or retained as a result of ITA’s assistance.
• An extrapolation of the survey results for clients with export promotion and transactional commercial diplomacy assistance (e.g., not related to trade barriers or advocacy) is then estimated for the entire client population based on guidance from the Census Bureau.
Number of Clients Assisted

- Calculated based on organizations, not individual contacts, in ITA’s customer relationship management (CRM) database with a case opened, closed, or activity entered.
- Clients assisted or impacted by trade barriers removed, reduced, or prevented are not included as the data is not currently linked to ITA’s CRM.

SME Percentage of U.S. Exporter Clients Assisted

- Percentage of U.S. exporter clients assisted with 1,000 or fewer employees.
- Number of employees for a company includes affiliation (i.e., parent and child companies).
Additional Information

**Contributing Programs**

Organizations:

- International Trade Administration (i.e., Global Markets [GM] Unit, Enforcement & Compliance [E&C] Unit, and Industry & Analysis [I&A] Unit)
- Other Department of Commerce Bureaus (e.g., National Oceanic and Atmospheric Administration [NOAA], National Institute of Standards and Technology [NIST], United States Patent and Trademark Office [USPTO], Bureau of Industry and Security [BIS])
- Other USG agencies involved in trade (e.g., U.S. Trade Representative [USTR], U.S. Department of State [DOS], U.S. Department of Agriculture [USDA])

Other Federal Activities:

- Interagency Compliance Taskforce
- USDA Trade Barrier Team
- Relevant Trade Law (e.g., Section 301) Enforcement