

WEST VIRGINIA: Leveling the Playing Field

“Trade policy is important to make sure that jobs stay here. So what I'm telling other countries is, we're treating you this way, you treat us the same way. [If] we think an industry is being treated unfairly, we'll enforce the law, and that's exactly what I did when it came to the U.S. steel industry.... I did stand up for steel. I put in place safeguards to restore fairness to the market to help our steel folks adjust. And it worked.... These folks back here are working in good jobs, good high-paying jobs. See, if the rules are fair, if the playing field is level, our workers, our small business owners, our farmers, can compete with anybody, anyplace, anytime, anywhere.”

*-- President George W. Bush
Wheeling, West Virginia*

Trade Plays a Significant Role in West Virginia's Economy: People from all over the world are buying West Virginia products, which helps fuel West Virginia's economy and create jobs. And free and fair trade has led foreign companies to invest in West Virginia and hire West Virginia workers.

- ✓ West Virginia exported \$2.4 billion in goods to 116 foreign markets in 2003, a 26 % increase from four years ago.
- ✓ West Virginia's largest goods exports are resin, rubber, other synthetics, chemicals, and coal and petroleum products, totaling \$1.3 billion in 2003.
- ✓ West Virginia sold \$37 million in agricultural products abroad in 2003, including over \$15 million in poultry, and over \$9 million in feeds and fodders.
- ✓ West Virginia's exports are growing over three times faster than the rest of the country. Exports were up 46 % during the first half of 2004 as compared to the same period last year. Only four other states experienced a higher growth rate than West Virginia.
- ✓ More than one-sixth of all manufacturing jobs in West Virginia depend on exports, and U.S. jobs supported by goods exports have been estimated to pay wages 13% to 18% higher than U.S. national average.
- ✓ There are 312 foreign companies in West Virginia employing 22,400 West Virginia workers, and 55% of these are manufacturing jobs.

West Virginia Benefits as President Bush Levels the Playing Field: The Bush Administration has worked aggressively to level the playing field for West Virginia's manufacturers, farmers, ranchers, and workers by opening new markets, removing barriers that hurt West Virginia's exporters, enforcing our trade laws and combating unfair trade practices, and promoting West Virginia's exports.

- **Opening New Markets for West Virginia:** West Virginia workers and businesses benefit from the Bush Administration's free trade policy which is:
 - **Opening markets for West Virginia's chemicals and manufactured goods exports.** The U.S.-Australia Free Trade Agreement opens Australia's market for West Virginia's chemicals & manufacturing sectors, including resin, synthetic rubber, other synthetic materials, and transportation equipment by eliminating duties that limited access to Australian markets. 87% of West Virginia's \$37

million in goods exports to Australia consist of chemicals, transportation, and machine manufactures.

- **Opening markets for West Virginia poultry.** West Virginia poultry exporters will benefit from increased access to the Central American and Dominican Republic markets through the free trade agreement this Administration negotiated. This Administration also reopened the Mexican and Hong Kong markets to U.S. poultry after avian influenza, and negotiated a deal with Russia that will secure access to the largest market for U.S. poultry exporters. The free trade agreement this Administration negotiated with Morocco will provide West Virginians with new access to a market that was previously closed to them. Poultry is West Virginia's largest agricultural export with nearly \$16 million in sales abroad.
 - **Opening markets for West Virginia coal and petroleum.** This Administration negotiated a free trade agreement with Morocco that secures duty-free access for West Virginia mining products. West Virginia increased sales to Morocco from \$0 four years ago to over \$10 million last year for mining products – the largest dollar export increase of any state to Morocco. Mining is West Virginia's second largest export industry with over \$246 million in sales abroad.
 - **Opening markets for West Virginia tobacco producers.** Through free trade negotiations, this Administration gained access to Bahrain's market for West Virginia tobacco – a market that was previously closed to U.S. tobacco imports. Also through free trade agreement talks, Morocco agreed to eliminate its tariffs on tobacco through phased cuts. West Virginia is the nation's 14th largest exporter of tobacco, with over \$2 million in sales abroad.
 - **Opening markets for West Virginia's fruit and vegetable farmers.** Through free trade negotiations, the Administration secured duty-free access to Central America and the Dominican Republic for West Virginia's fruit and vegetable farmers, including apples, sweet corn, and other processed vegetables. Fruits and preparations are West Virginia's 4th largest agricultural export.
- **Removing Barriers that Hurt West Virginia's Exporters:** The Bush Administration's aggressive actions to remove barriers for American exporters are helping West Virginia's manufacturers and workers by securing:
- **Duty-free exports for West Virginia's chemical manufacturers for the majority of their exports, including plastics, resins, and fertilizer** sold to Australia, Singapore, Morocco, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. In 2003, West Virginia's chemical manufacturers sold over \$1.1 billion in goods to the world.
 - **Opening the Chinese market for West Virginia's transportation & auto parts makers.** Following this Administration's high-level discussions with the Chinese, they significantly increased the number of vehicles that U.S. companies can sell to China, and committed to significantly lower tariffs on auto parts and autos by up to 75%. Nearly a quarter of West Virginia's transportation equipment exports, which include motor vehicle parts and aircraft products and parts – West Virginia's 4th and 5th largest goods exports, respectively – are sold to China.

- **Securing access to Mexico for West Virginia’s poultry.** This Administration prevented Mexico from imposing a high tariff that would have severely disrupted West Virginia poultry exports to America’s 3rd largest poultry market.
- **Enforcing Trade Laws and Combating Unfair Trade Practices:** The Bush Administration’s enforcement of trade laws and vigorous pursuit of allegations of unfair trade have produced real results for West Virginia, including:
- **Standing Up for Steel.** When the steel industry was suffering from surging foreign imports, the President took decisive action by imposing a safeguard on foreign imports in order to provide our steel industry and its workers the opportunity to adjust. In addition to the safeguard action, the President worked to assist American steel workers and businesses by initiating negotiations with the world’s major steel producers to address market distortions and overcapacity in the global steel sector. Today, steel productivity is up, profitability has returned, jobs and benefits have been saved.
 - **Ensuring fair access to China for West Virginia’s chemical manufacturers.** As a result of U.S. pressure, China eliminated preferential border trade treatment for boric acid and approximately 20 other products, expanding markets for West Virginia’s largest goods exporters.
- **Promoting West Virginia Exports:** The Administration actively works with West Virginia businesses to promote exports by leveraging the benefits of our international trade agreements. Some West Virginia export successes include:
- **Walhonde Tools in South Charleston, WV,** a women-owned manufacturer of assembly and alignment tools for the energy and shipbuilding industries, made its first successful sale to South Korea after receiving assistance from the Administration’s export promotion services.
 - **Cyclops Industries, Inc. in South Charleston, WV,** a small women-owned company that manufactures safety sight glass, successfully exported to Mexico with the help of the Administration’s export promotion services.