

ARKANSAS: LEVELING THE PLAYING FIELD

“First, we've got to make sure that we're confident in trade policy. Presidents before me, of both parties, said, let's open up our markets...And the problem is, other countries haven't treated us the same. That's the problem. And so my job is to say to other countries, if we're going to open up -- our markets for your products, you open up yours for us, because we're the best at what we do. We're great farmers, we're great ranchers, we're great timber people, we're great entrepreneurs and manufactures. Give us a level playing field, and we can compete with anybody, anytime, anywhere.”

*-- President George W. Bush
El Dorado, Arkansas*

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

- ✓ Arkansas exported \$3 billion in goods to 152 foreign markets in 2003.
- ✓ Arkansas is the nation's 12th largest exporter of agricultural goods, with \$1.4 billion in exports in 2003.
- ✓ Rice, soybeans, cotton, poultry, and wheat are the state's top five agricultural exports, boosting Arkansas farm receipts by \$1.4 billion last year.
- ✓ Other top exports include aircraft and parts, basic chemicals, paper products, and auto parts.
- ✓ 1,888 Arkansas companies exported goods in 2001. Of those 73% were small and medium sized businesses.
- ✓ Nearly one-seventh of all manufacturing jobs in Arkansas depend on manufacturing exports. U.S. jobs supported by goods exports have been estimated to pay wages 13% to 18% higher than the U.S. national average.
- ✓ There are 395 foreign companies in Arkansas employing 32,900 Arkansas workers, and 60% of these are manufacturing jobs.

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

- **Opening New Markets for Arkansas:** Arkansas workers and businesses benefit from the Bush Administration's free trade policy which is:
 - **Working for Arkansas farmers and ranchers.** The Administration reopened the Mexican and Hong Kong markets to U.S. poultry following outbreaks of avian influenza in the United States. The Administration negotiated a free trade agreement (FTA) with Morocco that opens the

Moroccan market to U.S. beef and poultry, and a deal with Russia – U.S. poultry’s largest market – ensures continued access to that market for pork, poultry, and beef. The FTA with the Dominican Republic and Central America improves access to these markets for Arkansas pork, poultry, dairy, and beef. As the nation’s 2nd largest exporter of poultry, with more than \$217 million in exports and 12th largest agricultural exporter, Arkansas farmers and ranchers will benefit from these agreements.

- **Expanding China’s market for Arkansas exports of soybeans and cotton.** After two years of Administration engagement, China issued final safety certificates for biotech soybeans, cotton, corn and canola oil, assuring that China’s quick-growing multi-billion dollar market for these U.S. agricultural products will remain open to Arkansas and other U.S. farmers. U.S. soybean sales to China hit an all time high last year of \$2.9 billion, and U.S. cotton sales to China have increased 3100% over the last four years. This year is already a record for U.S. cotton exports with \$1.3 billion in sales from January through July. Arkansas is the nation’s 4th largest exporter of cotton and the 9th largest exporter of soybeans.

➤ **Removing Barriers that Hurt Arkansas’s Exporters:** The Bush Administration’s aggressive actions to remove barriers for American exporters help Arkansas farmers, manufacturers, high-tech industry and workers by:

- **Reducing barriers for Arkansas’s number one export, rice.** This Administration negotiated duty-free access for Arkansas rice sold to Central American markets that previously imposed tariffs of 15-60%. Also through free trade agreement negotiations, Morocco agreed to phase out its tariffs on U.S. rice that ran as high as 172%.
- **Reducing barriers for Arkansas poultry exports to China.** As a result of U.S. efforts, China improved its poultry labeling regime, which had previously frustrated U.S. exporters, and lifted arbitrary limits on U.S. poultry exports. Arkansas exported over \$217 million in poultry and poultry products in 2003, and is the nation’s 2nd largest exporter of poultry.
- **Eliminating tariffs for Arkansas exports of chemicals and paper** to Australia, Morocco, Singapore, Chile, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Chemical manufactures and paper products are leading export industries in Arkansas.
- **Reducing tariffs and eliminating barriers for Arkansas auto parts exported** to Australia, Singapore, Bahrain, Chile, Morocco, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. Arkansas’s transportation industry, including auto parts, is a leading exporter in the state, with \$532 million in sales abroad last year.

➤ **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 Arkansas, including:

- **Ensuring a level playing field for Arkansas's rice producers.** As a result of U.S. efforts, the European Commission conceded that it had applied excessive duties on imports of certain U.S. rice products and agreed to make monetary amends. This Administration also brought a case last year to the World Trade Organization challenging Mexico's antidumping order on U.S. rice.
- **Ensuring fair access to India and the Philippines for Arkansas's auto parts.** The Administration successfully challenged India and the Philippines at the World Trade Organization against unfair restrictions on imports of U.S. auto parts. Arkansas exported nearly \$114 million in auto parts in 2003.
- **Promoting Arkansas's Exporters:** The Administration actively works with Arkansas businesses to promote exports by leveraging the benefits of our international trade agreements. Some Arkansas export successes include:
 - **Safe Foods in North Little Rock, AR,** a manufacturer of products that eliminate pathogens on foods, reported its first export sale to Canada after the Administration helped prepare an export strategy for the company and identified export opportunities.
 - **Tankinetics in Harrison, AR,** a manufacturer of chemical storage products, regularly uses the Administration's export promotion services. In 2003, the Administration provided Tankinetics with market research and information that led to a successful export sale to Singapore.
 - **J.M. Products in Little Rock, AR,** a minority woman-owned manufacturer and distributor of hair care products, made a successful new-to-market export to Kuwait after assistance from the Administration's export promotion services.
 - **McCourt Manufacturing Inc. in Fort Smith, AR,** a furniture manufacturer, successfully exported goods to Ghana after receiving export counseling, market research, and assistance from the Administration in order to participate in trade shows and trade missions.