



International Trade and Competitiveness

July 2014

Exports have been of growing importance for the U.S. forest products industry, with paper and wood products exports accounting for more than 15 percent of the industry's annual total sales. In 2013, the industry's global exports totaled about \$31.3 billion, of which nearly \$9.0 billion were exports of wood products and \$22.3 billion were exports of pulp and paper.

AF&PA supports free and fair trade. In an increasingly globalized market, it is critical for the U.S. paper and wood products manufacturing industry to achieve unrestricted access to international markets and level the playing field among international competitors by eliminating both tariff and non-tariff barriers.

Trade Negotiations

AF&PA supports bilateral, regional and multilateral trade agreements that are expected to generate substantive economic benefits to U.S. forest products companies and their workers. This includes indirect exports as a result of increased domestic sales to U.S. companies in other sectors that would benefit from increased exports.

With the World Trade Organization's Doha Round negotiations at a standstill, free trade agreements (FTAs) offer better opportunities for achieving the industry's trade and competitiveness objectives – including the speedy elimination of foreign tariffs and non-tariff barriers. Therefore, AF&PA supports the current negotiations of the Trans-Pacific Partnership FTA, which will establish a strong platform for achieving trade liberalization in the fast growing Asia-Pacific region. AF&PA also supports free trade negotiations with the European Union, called the Transatlantic Trade and Investment Partnership. This trade deal provides an opportunity to eliminate tariff, non-tariff barriers and regulatory impediments to trade in one of the top export markets for U.S. forest products. To successfully complete these FTAs to the benefit of U.S. business, AF&PA supports the Congressional consideration and enactment of Trade Promotion Authority.

Subsidies

AF&PA supports the elimination of market-distorting subsidies and other financial support provided by foreign governments for new manufacturing, as well as for existing unsustainable manufacturing capacity. We believe that these practices undermine markets for forest products and put increased pressure on forest resources. AF&PA looks for opportunities to achieve subsidies discipline in bilateral and multilateral negotiations and work with our partners in the global forest products industry to ensure that global markets for U.S. forest and paper products are open, fair, and competitive.



Currency Manipulation

AF&PA is concerned that the Chinese currency, the yuan, has been persistently undervalued. We believe that China needs an exchange rate that better reflects its global economic and financial status and that China should take concrete steps to move quickly to a market-based exchange rate.

AF&PA supports legislation in Congress that would require the administration to use existing international monetary and trade rules, or, where necessary, strengthen international rules against currency manipulation by China and other countries. We encourage Congress to pass responsible legislation that is compatible with the rules of the World Trade Organization.