



“Services Facilitate U.S. Manufacturing Exports”

Submission to the

House Committee on Ways and Means

for a hearing on

**The Benefits of Expanding U.S. Services Trade Through an
International Services Agreement**

September 20, 2012

The National Association of Manufacturers (NAM) is the nation’s largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states. Our membership includes both large multinational corporations with operations in many foreign countries, and small and medium-sized manufacturers that engage in international trade. The manufacturing sector employs nearly 12 million Americans, and is the engine that drives the U.S. economy by creating jobs, opportunity and prosperity.

NAM member companies are focused on policies, international trade and investment agreements, and legislation that promote America’s manufacturing competitiveness in the international economy. NAM members also recognize the importance of efforts to promote and liberalize trade in services internationally given the high degree to which manufacturers rely on a wide range of services to:

- lower costs of manufacturing and improve productivity and competitiveness;
- promote product quality and safety and foster greater consumer confidence;
- comply with regulatory standards and requirements, facilitating their market access into international markets;
- harmonize international standards; and
- increase sales and access into foreign markets.

Among the many services on which manufacturers rely, are the following:

- Business Services. Manufacturers rely heavily on the services provided by accountants, consultants, legal experts, and advertising firms.

- Certification, Testing, and Inspection Services. Manufacturers rely on conformity assessment and testing service companies to verify and certify a broad range of products, such as commercial and home appliances, consumer electronics, lasers, medical devices, plumbing implements, and electrical and security equipment to overseas standards for inspection, testing, auditing, and safety.
- Energy Services. Energy services are also significant for a wide range of energy equipment manufacturers, as well as manufacturers more broadly, to enhance their competitiveness.
- Engineering and Design Services. For a wide range of manufacturers, access to engineering and design services is vital to help sell and export U.S. construction, home goods, and related products in overseas markets.
- Environmental Services. Manufacturers work with environmental consulting services to develop solutions and systems aimed at addressing complex environmental challenges, including for regulatory compliance and social responsibility purposes.
- Financial Services. Manufacturers rely on a wide range of financial services and institutions to finance and facilitate exports, projects, and investments in overseas markets.
- Information and Communications Technology (ICT) Services. Manufacturers rely on a wide range of ICT services to produce more efficiently, communicate across global supply chains, and communicate, advertise and sell to new consumers around the globe.
- Maintenance of goods. Professionals install, maintain, service a wide variety of manufactured goods, including equipment and machinery around the world.
- Retail and Wholesale Distribution Services. The opening of new retail outlets and stores and wholesale distribution centers overseas is highly important to help sell many U.S. manufactured goods in foreign markets, from consumer and food products to plumbing and home repair goods.
- Transportation and Logistics Services. Manufacturers rely on transportation providers, including express delivery services, for the shipment and delivery of their goods to overseas markets.

Given the importance of services in so many areas to help grow manufactured goods' opportunities overseas, the NAM has strongly supported and continues to support the liberalization of services trade in multilateral, plurilateral and bilateral negotiations.