



Coalition of Service Industries

PRESS RELEASE

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COALITION OF SERVICE INDUSTRIES URGES PRESIDENT OBAMA TO USE TRIP TO STRENGTHEN ECONOMIC TIES WITH ASIA, CLARIFY U.S. TRADE OBJECTIVES IN THE REGION

(Washington, DC) The Coalition of Service Industries (CSI) urged the President to strengthen U.S. economic ties with Asian economies and clarify U.S. trade objectives when he visits key economic partners in the region from November 12-19. Asia is a dominant and fast growing market for U.S. service suppliers and for the millions of American businesspeople and workers – especially those from small and medium enterprises - whose livelihood depends on trade and investment with the region.

“The President’s visit provides an important opportunity to further expand Asia’s large, rapidly growing market, create a more level playing field for U.S. companies and workers, and encourage our trading partners to meet their commitments,” said Bill Toppeta, Chairman of CSI and President of MetLife International. Toppeta noted several key initiatives that CSI hopes the President’s visit will advance, including the Korea-U.S. Free Trade Agreement, the Trans-Pacific Partnership, a proposal to facilitate services trade within APEC, and an ambitious outcome for services in the WTO Doha Round, which CSI vigorously supports.

The Coalition strongly supports the Korea-U.S. free trade agreement (KORUS FTA). “Korea is an extremely important market, but is one in which U.S. service companies face many trade and investment barriers. These barriers would be very substantially eliminated if the KORUS FTA were implemented, thereby boosting U.S. exports, jobs, and competitiveness,” Toppeta said. “The longer the KORUS FTA remains stalled, the greater our competitive disadvantage,” he said, noting that Korea recently completed a free trade agreement with the European Union. This means that our competitors in Europe will have a major advantage in Korea, the world’s 10th largest economy.

The Trans-Pacific Partnership (TPP) is another priority which CSI hopes will be furthered by the President’s visit. “The TPP could open up important new opportunities for U.S. service suppliers, and would be a much-needed response to the proliferation of trade agreements in the Asia Pacific that exclude the United States,” said Toppeta. “It will open markets and increase transparency and the rule of law.” With its broad disciplines, the KORUS FTA could help provide a useful baseline for building the TPP.

In addition, CSI supports an effort within APEC to adopt principles governing crossborder trade in services, and future discussions - including services investment. The principles will be discussed at the APEC Ministers’ meetings in Singapore later this month.

U.S. services trade with Asia is growing rapidly, and is increasingly focused on business and professional services in knowledge-intensive sectors. Services trade and investment with the region is thus important not only to jobs and growth in the United States, but to American innovation and competitiveness. Accordingly, CSI fully supports the President's inclusion of open markets as a critical element of his recently announced innovation strategy.

Last year, U.S. crossborder exports of services to the Asia Pacific region reached \$130 billion, and the U.S. enjoys a \$40 billion services trade surplus with the region. Globally, U.S. crossborder exports of services last year were \$526 billion with a surplus of \$160 billion.

The service sector accounts for nearly 80% of US private sector GDP, and employs 80% of the American workforce. A large majority of the workforce in every Congressional district is employed in services, and every State in the Union exports services. For more information, see the CSI website at <http://www.uscsi.org/Employment.html>.

For a copy of CSI's most recent statement to USTR on the KORUS FTA, click here: <http://uscsi.org/documents/KORUSStatement0909.pdf>.

For a copy of CSI's statement to the Trade Policy Staff Committee on the Trans Pacific Partnership, click here: <http://uscsi.org/TPSCstatement030409.pdf>.

The Coalition of Service Industries is the leading business organization dedicated to the development of U.S. domestic and international policies that enhance the global competitiveness of the U.S. service sector through bilateral, regional, multilateral, and other trade and investment initiatives. For more information, visit <http://www.uscsi.org>.