

# Remarks at New Markets, New Jobs NEI Small Business Tour, Wilmington, Delaware

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**CONTACT OFFICE OF PUBLIC AFFAIRS**

202-482-4883

**Commerce Secretary Gary Locke**

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Hello everybody. Thanks for those kind words, and for having us here today.

I'd like to give a special thanks to the people who helped make this event happen:

- Our hosts, the World Trade Center of Delaware and the State of Delaware International Trade and Development.

And I want to thank Senator Chris Coons for joining us today. Since being sworn in to office last November, Senator Coons has made job creation a priority by working to expand our country's manufacturing industry and streamline the patent approval process to ensure that America's ideas can enter the marketplace quickly to help businesses grow.

Also here with us is a powerful fighter for the state of Delaware, Governor Jack Markell. Jack has for years been a strong voice for Delaware's small businesses and working families.

And fortunately, things are starting to get just a little better for those families. We learned last Friday that in April, the private sector added 268,000 jobs in almost every sector, from manufacturing to education to retail.

Two years after one of the worst recessions we've ever seen, our economy is showing signs of real strength. We have now seen the private sector create jobs for fourteen consecutive months, adding 2.1 million private sector jobs.

But while the growth we're experiencing tells us that we are continuing to move in the right direction, we are not satisfied with the pace ... and we will not be satisfied until every American who wants a job can find one.

That's why we're here today. This event is the fourth leg of our "New Markets, New Jobs" business tour.

The purpose of this nationwide trip is simple:

To help small and medium-sized American businesses sell more goods and services around the world, so they can create more jobs here at home.

In the next few minutes, I'll explain how we're going to do it.

But first, I think it's important to identify the stakes of what we're talking about here today.

In his State of the Union address in January, President Obama said how important it was for America to win the future.

He said the most important contest our nation faces is not between Democrats and Republicans, but between America and countries around the world that are competing like never before for the jobs and industries of the future.

And the primary goal of the Obama administration is to give businesses like yours the tools you need to win in the global economy.

On the one hand, we're aggressively incentivizing investment here in America.

That's why President Obama insisted on two key provisions in the December tax package he signed that will directly help Delaware companies and their customers.

It featured a new expensing benefit, which will allow companies to write off 100 percent of their machinery and equipment purchases made in 2011.

That is the largest temporary investment incentive for businesses in the history of the United States.

The package also contained a payroll tax cut that will put as much as an extra \$2,000 in the pocket of a Delaware family making \$100,000 -- helping to drive new business and local companies, stores and restaurants.

And in his State of the Union address, President Obama called for comprehensive corporate tax reform. He said he wants to work with Congress to get rid of the loopholes, level the playing field and use those savings to lower the corporate tax rate for the first time in 25 years ... without adding to our deficit.

At the same time, the administration is making unprecedented efforts to help companies like yours grow by breaking into foreign markets.

The simple fact is that the more American and Delaware companies export, the more they produce. The more they produce, the more workers they need. And that means jobs. Good paying jobs here at home.

Consider that exports directly support nearly 10 million U.S. jobs, with more than 19,000 export-supported jobs here in Delaware.

Last year, nearly 1,000 companies exported goods from Delaware. 85 percent of those were small-and medium-sized businesses ... the very businesses that are leading the charge in creating jobs and spurring economic recovery.

The jobs created by exports are good-paying jobs that pay 15 percent more than the typical wage in America. . .

. . .Exactly the type of jobs we need a lot more of.

That's why early last year President Obama announced his National Export Initiative, which mobilizes departments throughout the federal government to double U.S. exports by 2015 in support of several million new jobs.

We're already off to a good start. Exports today account for 12.8 percent of all U.S. economic output, which is the biggest portion of our economy since the Commerce Department began tracking this figure in 1929.

That success is even more impressive when you remember where we were just two years ago ... in the midst of the worst recession any of us had ever seen.

As I look back at my tenure as Commerce Secretary, I take great pride in the efforts our department -- especially the International Trade Administration -- have taken to expand exports and create jobs here in America.

Exports have become a key driver of America's economic recovery, accounting for nearly half of U.S. economic growth since mid-2009.

And Commerce has played a significant role in supporting American exporters. We led 35 trade missions last year -- that's a record.

We've opened 11 offices of our brand-new one-stop shop CommerceConnect initiative, including one in Philadelphia.

And we've worked with the National Association of Manufacturers, as well as FedEx, UPS and the Postal Service, to identify companies well-positioned to export more... pairing them with our trade specialists worldwide whose sole job is to find new customers for made-in-the-USA goods and services.

We've seen great success.

But there's still plenty of room to grow.

And the Obama administration is committed to ensuring that American companies can capitalize on the potential of expanding global markets.

You saw a great example of this last December, when President Obama signed a landmark trade agreement with South Korea.

We are working hard to get this deal through Congress. And if it passes, it could boost annual U.S. exports to Korea by \$11 billion and support at least 70,000 American jobs.

Remember that in the wake of the recent free trade agreement with Singapore, Delaware's exports to that country doubled. The Australia free trade agreement led to exports almost quadrupling.

We are hoping to see similar success with the Korea deal.

All in all, America's economic output is expected to increase more from the U.S.-Korea agreement than from our last nine trade agreements combined!

As I said earlier, small- to medium-sized businesses are absolutely critical to expanding American trade with the world.

Despite all the progress we've seen in boosting American exports over the last few years, we can do so much more.

Consider the fact that only one percent of U.S. companies export – and of those that do, 58 percent export to only one country, typically to Mexico or Canada.

Now, of course it's important to sell more within the United States.

But in a global economy where 95 percent of the world's consumers live outside U.S. borders, you've got to go where the customers are.

The more markets you are selling in, the more diversified your customer base is.

That's why U.S. companies that exported a lot generally held up better during the recession than companies that didn't.

And the truth of the matter is that your "made-in-the-USA" goods and services are highly valued and greatly desired throughout the world!

Still, there are plenty of reasons why many U.S. companies don't export:

- They may have trouble getting the financing they need to produce more of their goods; or
- They may be worried about getting timely payment from an unfamiliar customer.
- They may have difficulty understanding and navigating foreign customs and regulations; or
- They may not have the networks to get meetings with potential distributors, customers or foreign government decision-makers.

The National Export Initiative, or NEI, is designed to help more companies – like those gathered here today – overcome these hurdles.

We understand that when you're running a small business, you've got:

- Payroll to meet;
- Orders to fill; and
- Customers to serve.

You might not have time to go searching for government services that can help your business.

So we're coming to you.

Today, we've got teams from the:

- Export-Import Bank;
- Small Business Administration; and the
- Agriculture Department.

From the Commerce Department, we've got representatives from our International Trade Administration, which advocates for U.S. businesses in 77 countries around the world, and has outreach teams in over 100 cities across America.

To get their assistance, all you need to do is pick up the phone and call 1-800-USA-TRADE or go online to <http://export.gov/>.

Commerce Department experts will then:

- Work with you to design and implement a market entry or expansion strategy;
- Conduct an international search to find potential agents or distributors for your unique business; and
- Contact potential overseas businesses.

Think of it as match-making for exporters. We'll keep searching for partners and customers for you until you find the right fit.

The Commerce Department's export assistance team in Philadelphia has a proven track record of connecting Delaware businesses to buyers in foreign markets.

And our local teams can connect you with resources from our other government partners, like the Export-Import Bank.

To cite just one example of the great work the Export-Import Bank does, they'll actually guarantee payment from a foreign customer that wants to buy your good or service. This is the type of security a small business owner needs to sleep at night!

We've also got staff from your local U.S. Export Assistance Center here today. These are people who can answer your most difficult questions. USEAC folks, please raise your hands so people know where you are.

I know for many companies in Delaware, you're just starting to see the benefits of an economy that's thriving again. I'm confident that that positive momentum will continue in the year ahead.

But one thing is clear:

For the American economy to produce the millions of new jobs we need, our small and medium-size businesses must lead the way.

When you succeed, the entire American economy succeeds.

And the Obama administration will do everything it can to give you the help you need.

Thank you everyone again for coming today, and now I'd like to turn it back over to. . . .