Jobs and Economic Growth for the Carolinas:
How The Transatlantic Trade and Investment Partnership (TTIP) Will Help

Tuesday, December 2, 2014

Central Piedmont Community College
Harris Conference Center
Charlotte, North Carolina

This project is funded in part by the European Union.
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Opening Remarks by
Dr. Tony Zeiss
President, Central Piedmont Community College
Jobs and Economic Growth

Our focus today will be:

How can we in the Charlotte region collaborate to develop a new global economic development strategy - resulting in more and better jobs and sustainable growth for our economy? ~
Jobs and Economic Growth

Questions this prestigious group will answer:

1. What is TTIP?
2. Why should we be interested in it?
3. What can it mean for us locally?
4. How can it help us be more globally competitive, achieve greater economic growth, and create and attract new and better jobs in the Carolinas?
Jobs and Economic Growth

And, most importantly:

- How does TTIP fit into the Charlotte regional vision of becoming a global hub of commerce?

- How will TTIP increase our region’s ability to compete successfully in the global economy?
Jobs and Economic Growth

Economic Snapshot:

The Charlotte region realized in the 1990s that we needed to grow and diversify our regional economy.
Jobs and Economic Growth

- Today the two Carolinas produce a combined Gross State Product in excess of $650 billion annually.
- If the Carolinas were a separate country, we would rank the 19th biggest GDP in the world.
- In 2013 NC exported $29.3 billion in goods to the rest of the world; SC exported $26.3 billion.
- Charlotte region is the fastest growing in exports.
Jobs and Economic Growth

- Foreign Investment: 2200 foreign-owned companies in NC and SC employ more than 300,000 workers, more than half of them in advanced manufacturing.
- 73,000 of these employees work for German and Swiss companies alone.
- In the Charlotte region, there are about 1000 foreign-owned companies; almost 300 of these are from Germany, Switzerland, and Austria.
Jobs and Economic Growth

Talent Pipeline:

Sustainable economic development and growth depends upon a pipeline of qualified workers whose skills match the needs of 21st century industries.

CPCC and UNCC have emerged as national leaders in workforce development and technical training.
Jobs and Economic Growth

CPCC has become a globally recognized leader in the adaptation and integration of “Germanic-style” training models, including apprenticeships and bilateral technical certifications.

- Karlsruhe certifications
- Siemens Mechatronics
- Festo partnerships

Our region is increasingly being recognized as “America’s New Training Capital.” ~
Jobs and Economic Growth

Our new economic strategy will transform the Charlotte region into a new center of global commerce, driven by three main components:

- **Create It:** Innovation, Creativity, and Entrepreneurship
- **Make It:** Advanced Manufacturing
- **Move It:** Global transportation and logistics
Jobs and Economic Growth

So, how does TTIP fit into all of this?

As the title of today’s program suggests, TTIP can help us create new jobs and economic growth in the Carolinas.

As you will hear today, TTIP offers exciting and new opportunities for increasing trade and investment with our European partners.

Thank you for being here.  ~~
Transatlantic Trade and Investment Partnership (TTIP): An Overview
What Is TTIP?

The Transatlantic Trade and Investment Partnership, or TTIP.
Why TTIP?

- **Jobs and Growth**
  - Stimulate greater economic and job growth with improved access to both markets, greater regulatory cooperation

- **Third Countries**
  - Develop globally relevant principles to motivate strengthening of international rules on issues such as state-owned enterprises, intellectual property rights, export restrictions on raw materials, localization requirements, and competition policy

- **Geostrategic**
  - Strengthen the geopolitical relationship between the EU and U.S.
TTIP: Potential Economic Gains

- The biggest bilateral free trade agreement in history
- A boost to the EU and U.S. economies by an estimated $157 billion and $125 billion per year respectively, which is equivalent to an extra $719 in disposable income each year per European household and $865 per U.S. household
- Increased global competitiveness of EU and U.S. firms due to their highly-integrated transatlantic operations
- Lower prices on many products and services, increased wages in some sectors, and greater job creation

TTIP and Small Businesses

- 99% of European and U.S. companies – over 20 million companies in the EU and 28 million in the U.S. – are SMEs.
- U.S. SMEs report that EU technical regulations limit their exports to the EU more than those of large exporters.
- TTIP will Improve:
  - Tariffs
  - Regulatory Issues and Non-Tariff Barriers
  - E-Commerce
  - Services
  - Intellectual Property Rights (IPR)
  - Government Procurement (GP)
  - Customs/Trade Facilitation
  - Gains Through Value Chains

Conclusion

Additional information can be found at:
www.transatlanticbusiness.org
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Video: Minister Friedrich

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The Transatlantic Economy 2014: Why it Matters to the Carolinas

Daniel Hamilton, Executive Director
Center for Transatlantic Relations
Johns Hopkins University SAIS
Washington D.C.
America’s Major Commercial Arteries
(Trillions of $)

- **$5.0 Trillion**
- **$2.5 Trillion**
- **$1.6 Trillion**
- **$1.3 Trillion**
- **$1.2 Trillion**
- **$1.2 Trillion**
- **$1.1 Trillion**
- **$1.0 Trillion**

**Transatlantic Total Foreign Affiliate Sales**
**Asia/Pacific Total Foreign Affiliate Sales**
**Asia/Pacific Total Trade**
**NAFTA Total Trade**
**Transatlantic Total Trade**
**NAFTA Total Foreign Affiliate Sales**
**Latin America Total Trade**
**Latin America Total Foreign Affiliate Sales**

European Union Foreign Direct Investment Outflows, U.S. vs. China
(Billions of euros)

Foreign Direct Investment, 2008

Foreign Investment in EU

Thresholds:
- <50,000
- 50,001–150,000
- 150,001–400,000
- >400,001

Scale: millions of euros
Arrow width is directly proportional to its value, but lowest numbers are not to scale.
Data Source: Eurostat
Sales of U.S. Affiliates in Europe vs. U.S. Exports to Europe
(Billions of $)

Sales of European Affiliates in the U.S. vs. U.S. Imports from Europe
(Billions of $)

*European Foreign Affiliate Sales in the U.S.*
*Total U.S. Imports from Europe*

U.S. - Europe Services Linkages
(Billions of $)

Europe - U.S. Services Linkages
(Billions of $)

- European Affiliates Services Supplied in the U.S.
- U.S. Service Imports from Europe

Income Earned by U.S. Affiliates of European Multinationals
($ Millions)

United Kingdom
Netherlands
France
Switzerland
Germany
Luxembourg
Belgium
Ireland
Spain
Sweden
Italy

Sources: Bureau of Economic Analysis.
Data through 2Q 2014.
EU Merchandise Trade with Other World Regions in 2009

EU Exports to the World

Theriacls:
- <30,000
- 30,001-80,000
- 80,001-150,000
- >150,000

Scale: millions of euros
Arrow width is directly proportional to its value
Data Source: EUROSTAT
EU Services Trade with Other World Regions in 2008

EU Imports from the World

- North America: 145,830
- Wider Europe: 78,597
- Russia: 13,605
- China: 14,555
- Japan: 15,105
- India: 7,938
- Middle East: 25,067
- Latin America: 13,978
- Caribbean: 4,541
- Africa: 27,453
- Rising Asia: 32,741
- Oceania: 8,280

Threshholds:
- <20,000
- 20,001-40,000
- 40,001-70,000
- >70,000

Scale: millions of euros
Arrow width is directly proportional to its value
Data Source: EUROSTAT
EU Services Trade with Other World Regions in 2008

EU Exports to the World

Thresholds:
- Blue: <20,000
- Green: 20,001-40,000
- Purple: 40,001-70,000
- Red: >70,000

Scale: millions of euros
Arrow width is directly proportional to its value
Data Source: EUROSTAT
The Carolinas and Europe

Jobs
- Over 500,000 jobs are directly or indirectly related to the Carolinas’ commerce with Europe

Investment
- There is more European investment in North Carolina and South Carolina alone than total U.S. investment in China, Japan and India combined.

Exports
- The Carolinas exported goods valued at $14 billion to Europe in 2012.
- Services exports also important, but little good data
- Top goods exports
  - chemical manufactures from North Carolina
  - Transportation equipment from South Carolina
North Carolina and Europe

Employment
European* investment in North Carolina directly supported 91,600 jobs in 2011.

<table>
<thead>
<tr>
<th>Country</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>27,200</td>
</tr>
<tr>
<td>Germany</td>
<td>26,600</td>
</tr>
<tr>
<td>Switzerland</td>
<td>18,700</td>
</tr>
<tr>
<td>Japan</td>
<td>17,300</td>
</tr>
<tr>
<td>Canada</td>
<td>14,700</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

*European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom

Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.
Employment
European* investment in South Carolina directly supported 61,200 jobs in 2011.

<table>
<thead>
<tr>
<th>Country</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>21,900</td>
</tr>
<tr>
<td>France</td>
<td>17,300</td>
</tr>
<tr>
<td>Japan</td>
<td>14,300</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11,500</td>
</tr>
<tr>
<td>Canada</td>
<td>7,600</td>
</tr>
</tbody>
</table>
North Carolina and Europe

Goods Trade

In 2012, Europe purchased $6.2 billion worth of goods from North Carolina.

Chemical manufactures account for a quarter of total exports to Europe.

North Carolina exported almost 2.5 times as many goods to Europe as to China in 2013 ($4.9 million vs. $2 million)

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,042</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>955</td>
</tr>
<tr>
<td>France</td>
<td>856</td>
</tr>
<tr>
<td>Belgium</td>
<td>707</td>
</tr>
<tr>
<td>Netherlands</td>
<td>679</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis
South Carolina and Europe

Goods Trade

In 2012, Europe purchased $7.7 billion worth of goods from South Carolina.

57% of the state's exports consists of transportation equipment.

South Carolina exports more than 1.5 times as many to Europe as to China in 2013 ($5.5 million vs. $3.5 million).

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3,747</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,352</td>
</tr>
<tr>
<td>Belgium</td>
<td>412</td>
</tr>
<tr>
<td>France</td>
<td>404</td>
</tr>
<tr>
<td>Netherlands</td>
<td>373</td>
</tr>
</tbody>
</table>
North Carolina and Europe

Top Ten Exports to Europe ($ Millions)

1. Chemical Manufactures - $1,546
2. Transportation Equipment - $795
3. Machinery Manufactures - $735
4. Crop Production - $519
5. Computers & Electronic Prod. - $433
6. Primary Metal Manufactures - $308
7. Misc. Manufactures - $262
8. Paper Products - $237
10. Plastic & Rubber Products - $219

Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau
South Carolina and Europe

Top Ten Exports to Europe ($ Millions)

- Transportation Equipment: $4,371
- Machinery Manufactures: $836
- Chemical Manufactures: $697
- Paper Products: $413
- Computers & Electronic Prod.: $403
- Fabricated Metal Products: $219
- Processed Foods: $187
- Plastic & Rubber Products: $187
- Elec. Equip., Appliances & Parts: $72
- Non-Metallic Mineral Mfgs.: $68
Why TTIP Matters
To the Carolinas

- Reduce Tariff Barriers
- Reduce Barriers to Services [Jobs!]
- Facilitate Investment Flows – the Lifeblood of the Transatlantic Economy
- Reduce Regulatory Friction
- Reposition Europe and the U.S. for 21st Century Global Economy
- Ensure HIGH standards
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A Survey of U.S. Citizen Attitudes Nationwide

Presented by Chris Israel
Partner, ACG Analytics
Thinking about the issue of creating jobs here in the United States:
In your view, how important is it for the U.S. to attract foreign companies to invest here to promote economic growth and jobs? Is it extremely, very, somewhat, or not at all important?

- Extremely Important: 24%
- Very Important: 30%
- Somewhat Important: 33%
- Not at all Important: 11%
- Unsure: 3%

54% very/extremely important:
- Democrats: 59%
- Republicans: 50%
- Independents: 51%
And, thinking about trade agreements our country has entered into. Do you agree or disagree that the U.S. has benefitted from previous free trade agreements with countries such as Canada, Mexico and Korea?

Agree: 56% (21% Strongly)

Disagree: 30% (17% Strongly)

Unsure: 14%

- 62% Democrats
- 54% Independents
- 52% Republicans

- 68% New York
- 67% South Central (inc TX)
- 61% West (inc California)
- 52% Midwest
- 52% South
Do you support or oppose the U.S. growing a more unified trading relationship with the European Union, with fewer trade barriers, in order to spur growth and jobs in both the U.S. and Europe?

71% Support
(33% Strongly)

8% Unsure

20% Oppose

76% Democrats
69% Republicans
67% independents

79% men under age 45
75% women under age 45
70% men age 45+
64% women age 45+

82% Texas
80% California
64% Central Plains
66% Midwest

70% men age 45+
Would you be more likely or less likely to support a more unified trading relationship with the European Union, so our country can be better prepared to take on other foreign competitors like China and the emerging markets?

- More likely: 75% (40% Strongly)
- Unsure: 6%
- No difference: 2%
- Less likely: 18%
How aware are you that the U.S. is currently negotiating a trade agreement with the European Union known as the Transatlantic Trade and Investment Partnership, also known as T TIP? Are you extremely, very, somewhat, or not at all aware?

Extremely Aware: 4%
Very Aware: 5%
Somewhat Aware: 33%
Not at all Aware: 58%
Unsure: 1%

9% very/extremely aware (College Graduates - 12%)
When you are thinking of making a significant purchase, how important is the brand of the product to you in helping to make a decision? Are brands extremely, very, somewhat, or not at all important?

- **Extremely Important**: 20%
- **Very Important**: 25%
- **Somewhat Important**: 40%
- **Not at all Important**: 14%
- **Unsure**: 1%

45% very/extremely
Seniors age 65 and older - 50%
18 to 34 year olds - 40%
When negotiating trade agreements with markets such as Europe, how important is it that the U.S. government does everything in its power to protect U.S. companies’ trademarks and brands from foreign interference? Is it extremely, very, somewhat, or not at all important?

- Extremely Important: 61%
- Very Important: 22%
- Somewhat Important: 13%
- Not at all Important: 4%
- Unsure: 1%

83% very/extremely important

86% Republicans
83% Democrats
79% Independents
Based on what you know, would you approve or disapprove of an international trade agreement that would allow foreign countries to force some U.S. companies to remove trademarks and brands from the products they sell in other countries?

- Approve: 14%
- Unsure: 6%
- Disapprove: 80%

- 86% Republicans
- 79% Independents
- 76% Democrats
Would you approve or disapprove of an international trade agreement that would allow foreign countries to force U.S. alcohol, fast food, and tobacco companies to remove trademarks and brands from the products they sell in other countries?

- 16% Approve
- 5% Unsure
- 79% Disapprove (62% Strongly)

- 84% Republicans
- 81% Independents
- 75% Democrats
If foreign countries were allowed to force U.S. companies to remove trademarks and brands from the products they sell in other countries, do you agree or disagree that it would only be fair for the U.S. government to force foreign companies to remove their trademarks and brands from the products they sell here in our country?

69% Agree
(55% Strongly)

65% 18 to 29 year olds
73% 30 to 49 year olds
70% 50 to 69 year olds
63% Age 70 and older

72% Republicans
69% Democrats
67% Independents

25% Disagree

6% Unsure
Conclusions

• While U.S. citizens are currently not focused on TTIP negotiations, they broadly support a more unified trading relationship with the EU.

• This support is strengthened by the promise of that relationship better preparing our countries to take on China and emerging markets.

• Given an understanding of the importance brands are to U.S. companies, respondents want the U.S. government to give them every protection.

• Furthermore, there is a sense of fairness that would generate support for the U.S. to respond in kind to foreign brands if U.S. companies' brands are taken away.
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How to Craft an Innovation Maximizing T-TIP Agreement

Michelle A. Wein, Trade Policy Analyst
Information Technology and Innovation Foundation

Twitter: @MichelleASWein
@itifDC
The Information Technology and Innovation Foundation (ITIF) is a Washington, D.C.-based think tank that seeks to design novel innovation policies and examine how innovation will create new opportunities to boost economic growth and improve quality of life. We focus on:

- Innovation “verticals”: energy, life sciences, telecom, manufacturing, and Internet and IT transformation
- Innovation “horizontals”: trade, tax, talent, and tech policy
- “Innovation economics” as an alternative to mainstream economics
The Need for the T-TIP

1. Boosting economic growth
   - The Center for Economic Policy Research estimates that a T-TIP would generate economic gains for the EU of $155 billion per year and for the United States of $124 billion per year, while increasing GDP across the rest of the world by $130 billion annually.

2. Saving the soul of the global trading system
   - Beijing v. Washington Consensus

3. Maximizing innovation in the T-TIP region
Innovation-Maximizing T-TIP

1. Ensuring the largest possible markets
   - Eliminating tariffs
   - Curtailing non-tariff barriers
   - Strengthening digital trade
   - Reducing barriers to FDI

2. Limiting non-market based competition
   - Non-discriminatory government procurement
   - Eliminating forced offsets
   - Encouraging market based competition

3. Ensuring strong IP protections
   - Data exclusivity and free movement of knowledge
   - Trade secret protection
## Eliminating Tariffs

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>3.9</td>
<td>14.0</td>
<td>5.4</td>
</tr>
<tr>
<td>United States</td>
<td>0.8</td>
<td>2.1</td>
<td>1.7</td>
</tr>
<tr>
<td>T-TIP Average</td>
<td>0.24</td>
<td>8.05</td>
<td>3.55</td>
</tr>
</tbody>
</table>
## Curtailing Non-Tariff Barriers

<table>
<thead>
<tr>
<th>Sector</th>
<th>EU</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace and Space Industry</td>
<td>56.0</td>
<td>55.1</td>
</tr>
<tr>
<td>Medical, Measuring and Testing Appliances</td>
<td>49.3</td>
<td>44.5</td>
</tr>
<tr>
<td>Biotechnology</td>
<td>46.1</td>
<td>50.2</td>
</tr>
<tr>
<td>Chemicals</td>
<td>45.8</td>
<td>53.2</td>
</tr>
<tr>
<td>Communication Services</td>
<td>44.6</td>
<td>27.0</td>
</tr>
<tr>
<td>Office, Information and Communication Equipment</td>
<td>37.9</td>
<td>32.3</td>
</tr>
<tr>
<td>Automotive Industry</td>
<td>34.8</td>
<td>31.6</td>
</tr>
<tr>
<td>Electronics</td>
<td>30.8</td>
<td>20.0</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>23.8</td>
<td>44.7</td>
</tr>
<tr>
<td>ICT Services</td>
<td>20.0</td>
<td>19.3</td>
</tr>
</tbody>
</table>
Non-Discriminatory Government Procurement

- 13 states are not signatories to the GPA: Alabama, Alaska, Georgia, Indiana, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, South Carolina, Virginia and West Virginia

- EU 2004 *Utilities Directive*: covers purchases in the water, transportation, energy, and postal services sectors.
  - Discriminates against bids with less than 50 percent EU content that are not covered by an international or reciprocal bilateral agreement
Ensuring Strong IP Protection

1. Data Exclusivity
   ■ 12 years of data exclusivity for biologics

2. Ensuring Free Movement of Knowledge
   ■ Freely transfer ownership and access rights for IP to foundation affiliates across and between EU and US
   ■ Workforce mobility for employees with STEM degrees
   ■ Bilateral R&D model

3. Trade Secret Protection
   ■ No common legal framework across all the different EU member states
   ■ Adopt a common definition, criminalize willful theft of secrets
Thank You

Michelle Wein
mwein@itif.org

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www.youtube.com/techpolicy
www.itif.org
Twitter: @sjezell @MichelleASWein
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Ukrainian Crisis

The European Union has extensive trade ties, especially in energy products, with Russia.

Source: International Monetary Fund and Wells Fargo Securities, LLC
Ukrainian Crisis

Many EU countries are highly dependent on energy imports from Russia

Exposure to Russian Energy
Natural Gas - 2012

Source: IEA, OECD, IMF and Wells Fargo Securities, LLC
The Eurozone has exited recession, the problems have not gone away

Source: IHS Global Insight and Wells Fargo Securities, LLC
Eurozone CPI

Dangerously close to deflation

Source: IHS Global Insight and Wells Fargo Securities, LLC
### Global Forecast

Growth in the global economy likely will remain slow in 2013 before picking up somewhat in 2014.

#### Wells Fargo International Economic Forecast

(Year-over-Year Percent Change)

<table>
<thead>
<tr>
<th></th>
<th>GDP</th>
<th></th>
<th></th>
<th>CPI</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Global (PPP weights)</td>
<td>3.2%</td>
<td>3.5%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Global (Market Exchange Rates)</td>
<td>2.6%</td>
<td>2.9%</td>
<td>3.1%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Advanced Economies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>1.9%</td>
<td>2.2%</td>
<td>2.5%</td>
<td>1.4%</td>
<td>1.4%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Eurozone</td>
<td>2.2%</td>
<td>2.7%</td>
<td>3.0%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.8%</td>
<td>1.1%</td>
<td>1.8%</td>
<td>0.5%</td>
<td>0.8%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Japan</td>
<td>3.0%</td>
<td>2.6%</td>
<td>2.3%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Korea</td>
<td>0.9%</td>
<td>1.2%</td>
<td>0.9%</td>
<td>2.9%</td>
<td>1.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Canada</td>
<td>3.4%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>1.3%</td>
<td>1.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Mexico</td>
<td>2.4%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>2.0%</td>
<td>1.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>China</td>
<td>4.5%</td>
<td>4.7%</td>
<td>4.9%</td>
<td>5.9%</td>
<td>5.8%</td>
<td>5.5%</td>
</tr>
<tr>
<td>India(^2)</td>
<td>7.3%</td>
<td>6.8%</td>
<td>6.5%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Mexico</td>
<td>5.5%</td>
<td>5.8%</td>
<td>6.2%</td>
<td>7.4%</td>
<td>7.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.9%</td>
<td>3.1%</td>
<td>3.4%</td>
<td>3.9%</td>
<td>3.8%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Russia</td>
<td>-0.1%</td>
<td>1.6%</td>
<td>2.1%</td>
<td>6.3%</td>
<td>5.6%</td>
<td>5.5%</td>
</tr>
<tr>
<td></td>
<td>0.4%</td>
<td>0.4%</td>
<td>1.8%</td>
<td>7.5%</td>
<td>7.7%</td>
<td>5.6%</td>
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Forecast as of: November 12, 2014

\(^1\)Aggregated Using PPP Weights  \(^2\)Forecasts Refer to Fiscal Year

Source: International Monetary Fund and Wells Fargo Securities, LLC
The destination of U.S. exports is fairly well diversified.
Real GDP Forecast

Big downward revision sets up a tough base for full year growth, big rebound in Q2, continued strength in Q3

Source: U.S. Department of Commerce and Wells Fargo Securities, LLC
**Wells Fargo Securities, LLC Economics Group**

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Tuesday, December 2, 2014

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Charlotte, North Carolina

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