



standardization
and innovation

2006 ANSI ANNUAL CONFERENCE



NAM National Association
of Manufacturers

Manufacturing: Opportunities and Challenges

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Manufacturing Strengths:

12% of Gross Domestic Product

- 80% > Retail
- 62% > Construction, Mining and Agriculture
- 150% > Transportation and Utilities



Standing alone, it is:

- The world's 8th largest economy
- Larger than the economies of:
 - Spain
 - Canada
- Equal to Mexico and India combined



- Manufacturing is responsible for nearly two-thirds (62%) of all U.S. exports of goods and services.

- Agriculture: \$60billion/yearly

- Manufacturing: \$60billion/monthly

- Manufacturing is responsible for three fifths of all industrial R & D
- Manufacturing is responsible for 90% of all patents.



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- Manufacturing employs 14 million people



Manufacturing Challenges

1. Reduce the cost of doing business
2. Level the playing field
3. A tax system that encourages innovation and investment
4. A workforce ready for the 21st Century Workplace



1. Reduce The Cost Of Doing Business

-31.7% Cost disadvantages vs. Our trading partners/competitors

-Non-Wage Costs

-Doesn't include cost of Workplace Regulations

-Highest Pollution Abatement Costs in the World

-2nd Highest Corporate Tax Rate in the World

-Highest Natural Gas Prices in the World

-Highest Tort Costs in the World



Energy Costs

Supply/Demand:

- Natural Gas: 420 Trillion Cubic Feet
- Coal: Exceeds World's Oil Resources
- ANWR
- Nuclear



Legal Costs

-2% of GDP

-Larger than the economies of:

Hong Kong

Vietnam

Portugal

Algeria

Romania

Czech Republic

Denmark

Chile

Norway

Finland

Hungary

Venezuela

Peru

Israel

Ireland

Morocco

Nigeria

Kazakhstan

Singapore

Belarus

...  and 173 others

2. Level Playing Field

- Vis a vis China, this means:
 - No currency manipulation
 - Respect for intellectual property
 - No illegal subsidies
 - Compliance with all WTO rules

- More Free Trade Agreements



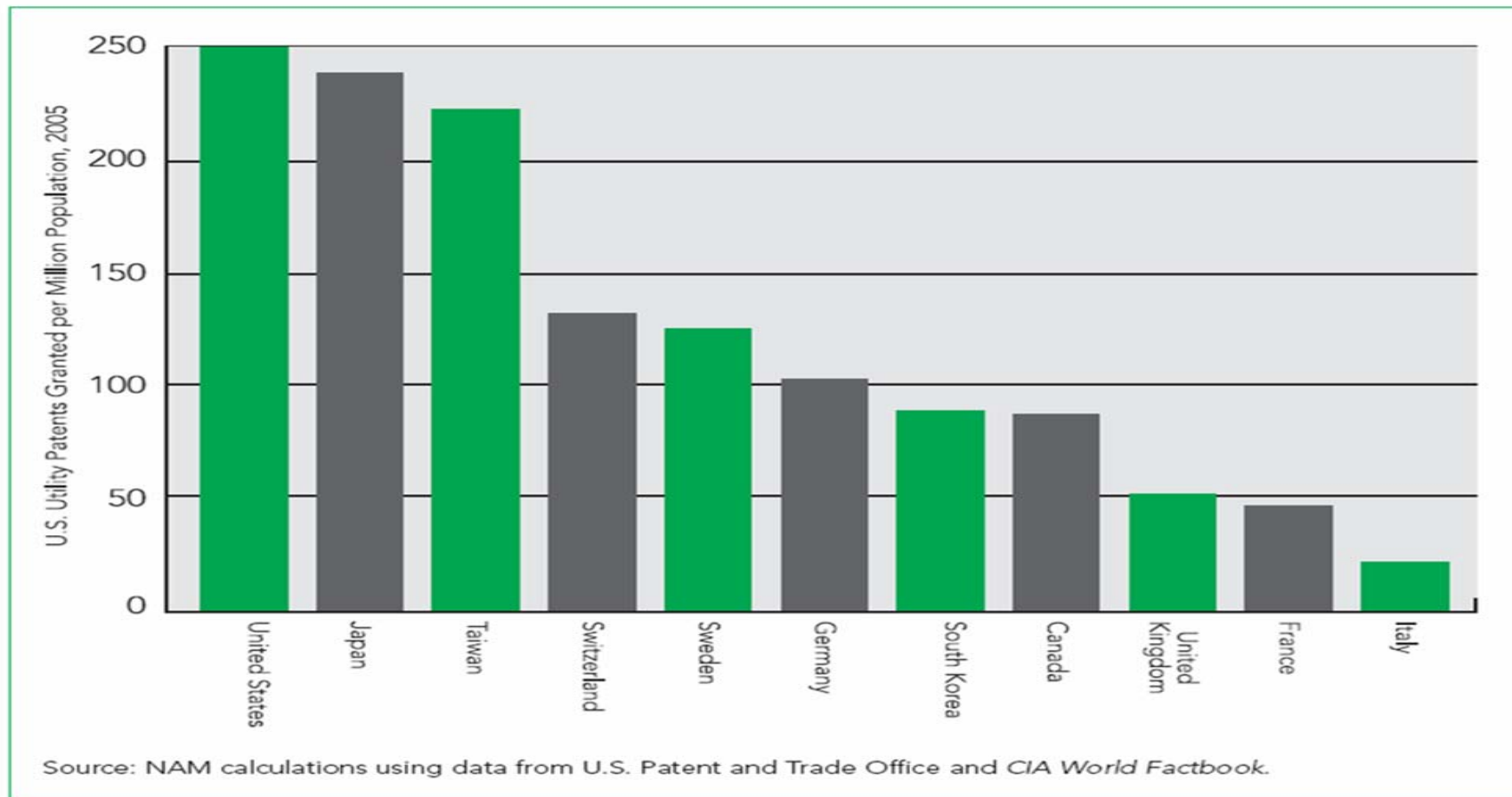
3. Tax System That Encourages Innovation & Investment

-Make Tax Cuts Permanent

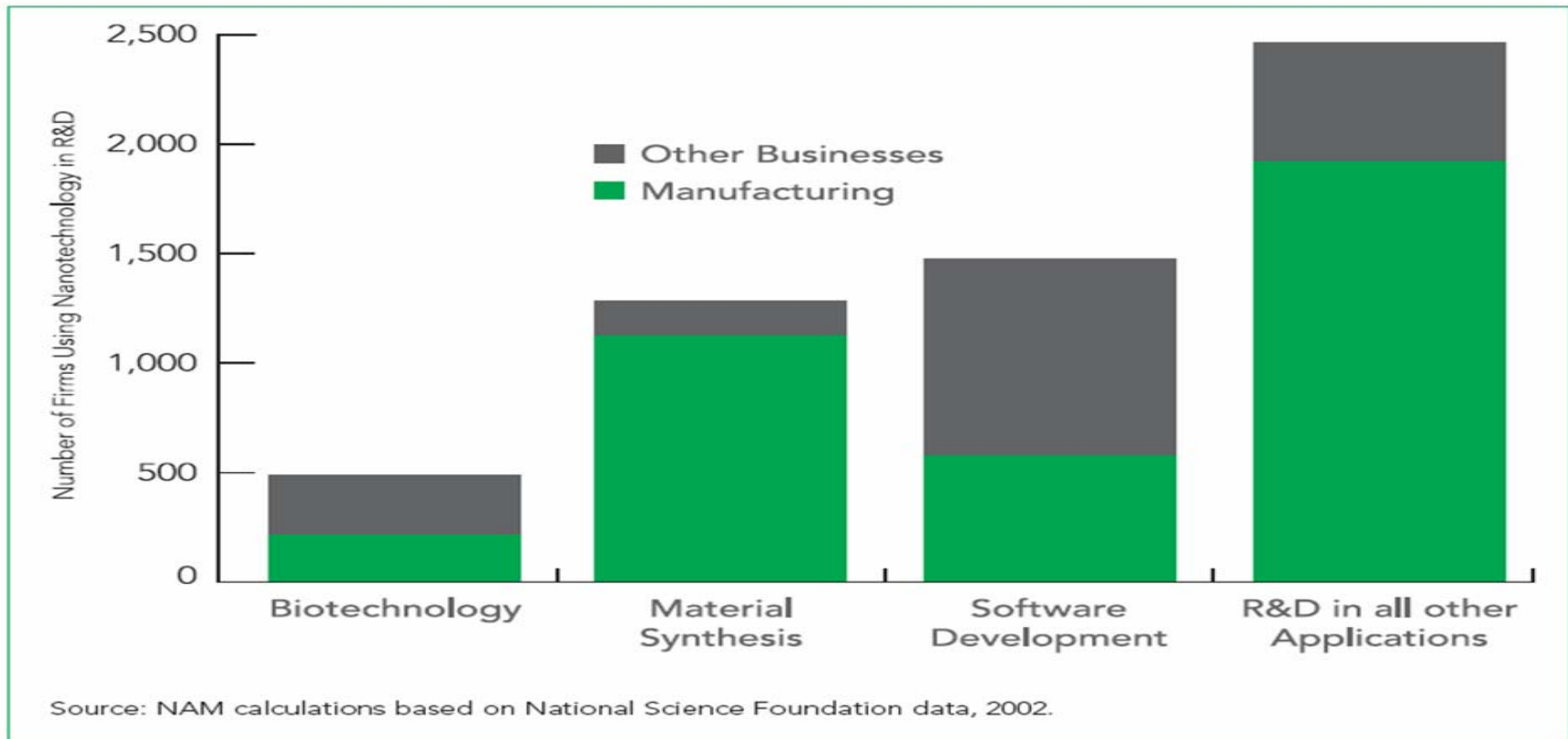
-R&D Tax Credit



The United States Leads The way in Innovation

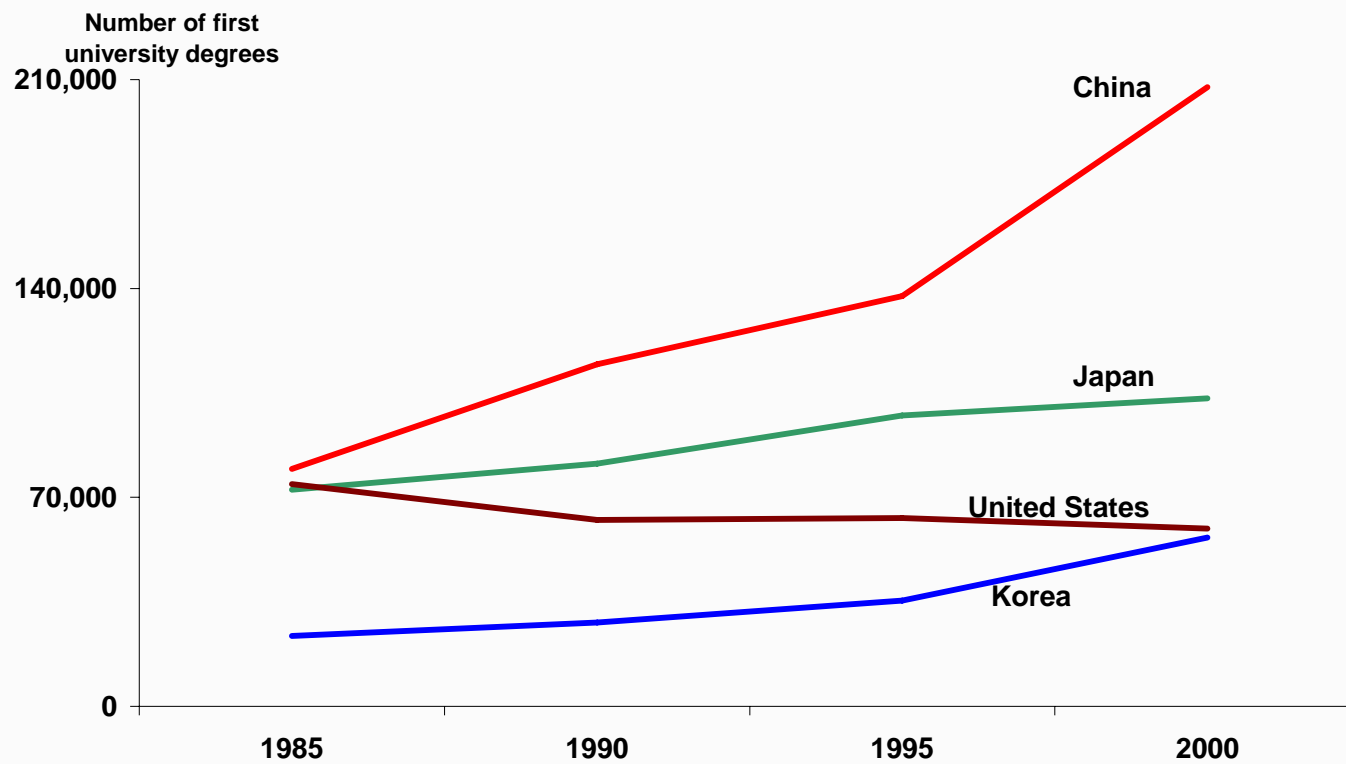


Manufacturers Are Technology Leaders



4. A Ready Workforce

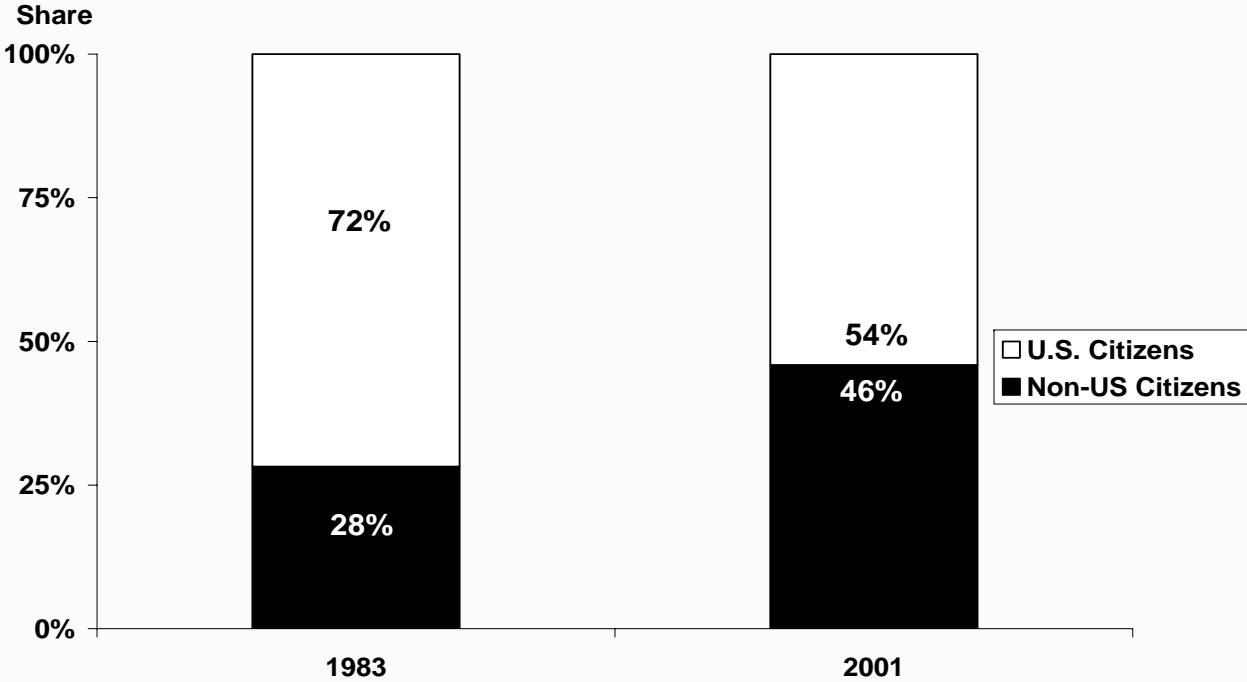
Chart 1: Engineering Degrees



Source: National Science Foundation



Chart 2: U.S. Graduate Degrees in Mathematics, Engineering and Physical & Computer Sciences



Source: National Science Foundation



Solutions



Solutions

1. Reduce Cost of doing business

Taxes

Regulations

Legal Costs

Energy

2. Level Playing Field:

Open New Markets

3. “Which is More Important?”

4. Stand Out of Our Light

