BOEING CEO SAYS U.S. MUST LEAD ON TRADE OR LOSE OUT TO RIVALS

News / Manufacturer

Boeing Co. Chief Executive Officer Dennis Muilenburg called on President-elect Donald Trump and Congress to ensure that U.S. companies have the tools necessary to compete in a global economy, from a reformed tax code to financial support from the moribund U.S. Export-Import Bank.

For Chicago-based Boeing, the largest U.S. exporter, that means a reformed tax code, a fair global trade system, regulatory changes that make it easier to close foreign defense sales and re-opening the ex-im bank for business, Muilenburg said Friday in remarks to the Illinois Manufacturers' Association.

The U.S. needs to continue to play a leading role when it comes to global trade agreements, Muilenburg said. Trump vowed on the campaign trail to withdraw from the Trans-Pacific Partnership and criticized the North American Free Trade Agreement, saying the pact with Canada and Mexico has drained jobs.

"If we do not lead when it comes to writing these rules, our competitors will write them for us,"

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Muilenburg said. “For Boeing, that could result in higher costs, disrupted supply chains and regulations that diminish our ability to sell products around the world.”

Muilenburg said Boeing had been concerned by the anti-trade rhetoric voiced by Republicans and Democrats during the recent election cycle. About 75 percent of the planemaker’s near-record order backlog is bound for overseas customers, up from 35 percent in 2000, he said. Around 90 percent of Boeing’s total workforce and 80 percent of its suppliers are U.S.-based.

“Our business thrives on free and open global trade,” Muilenburg said. “And it definitely creates U.S. manufacturing jobs.”

The ex-im bank, which helps finance foreign customers’ purchases of U.S. goods, has remained effectively closed for business for more than a year because it doesn’t have a quorum of directors needed to approve financing for sales over $10 million. Senator Richard Shelby, a Republican from Alabama and opponent of the bank, has blocked nominations to the bank’s board, criticizing it as “corporate welfare” for companies such as Boeing and General Electric Co.

Reauthorization for the bank was approved by a super-majority of U.S. Congress last year, “which only makes the current lack of a board quorum all the more frustrating,” Muilenburg said. He warned that international buyers of American-made goods, from tractors to airplanes, may take their business to one of the dozens other countries offering export credit, costing U.S. jobs.

The White House last month asked Congress to jump-start the credit agency as part of a stopgap spending measure needed to keep the government open after Dec. 9.

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