

National Institute of Standards and Technology Forum

Innovation & Competitiveness: A Strategic Approach to Emerging Chemical Issues

September 26, 2006

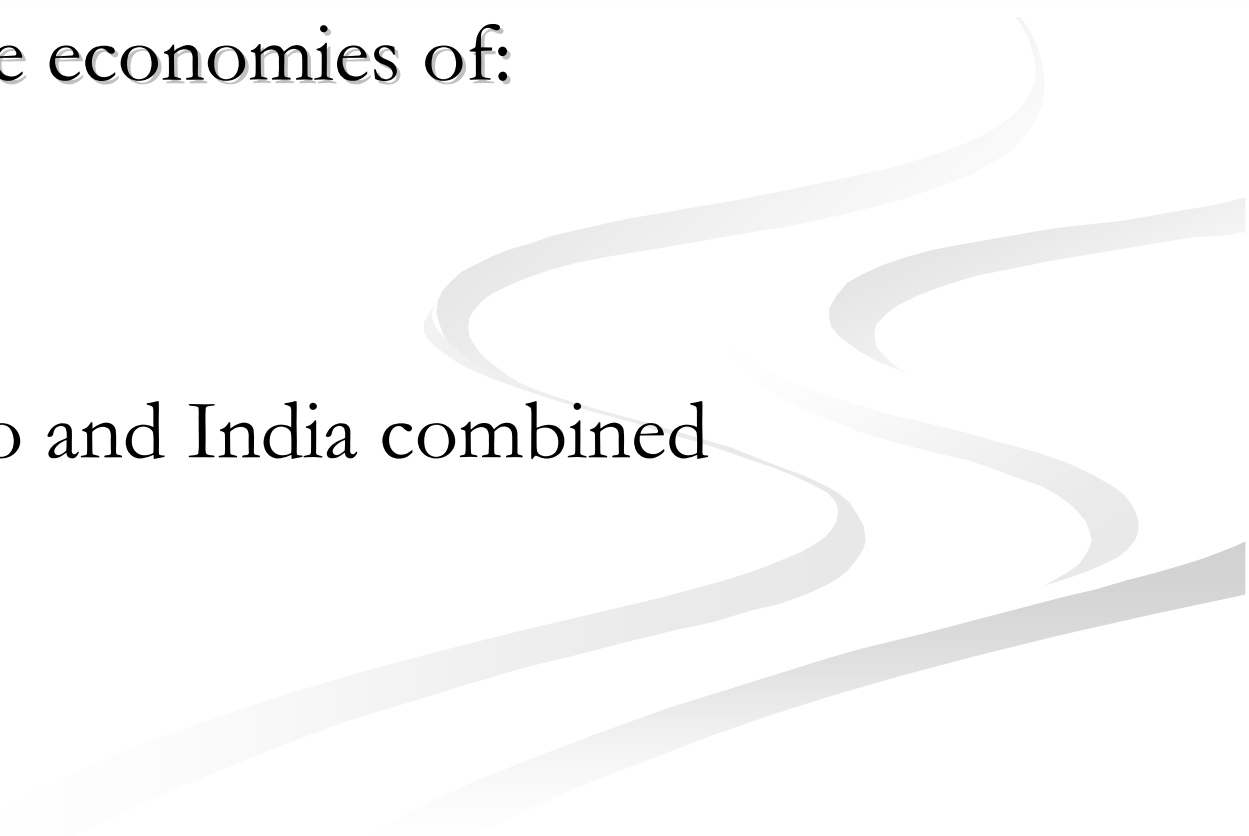
Patrick J. Cleary,
Senior Vice President,
Communications, NAM

Manufacturing Strengths:

Over One-eighth (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
- 
- A decorative graphic consisting of several thick, light gray, wavy lines that flow from the right side of the slide towards the left, creating a sense of movement and depth.

- 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.

- 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

-22% Cost disadvantages vs. Our trading partners/competitors

-Non-Wage Costs

-Doesn't include cost of Workplace Regulations

-Highest Environmental Compliance 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
- 
- A decorative graphic consisting of several thick, wavy, light gray lines that flow from the bottom right towards the center of the slide, creating a sense of movement and depth.

Legal Costs

-2% of GDP

-Larger than the economies of:

Hong Kong

Vietnam

Portugal

Algeria

Romania

Czech Republic

Denmark

Chile

Norway

Finland

.....and 173 others

Hungary

Venezuela

Peru

Israel

Ireland

Morocco

Nigeria

Kazakhstan

Singapore

Belarus

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

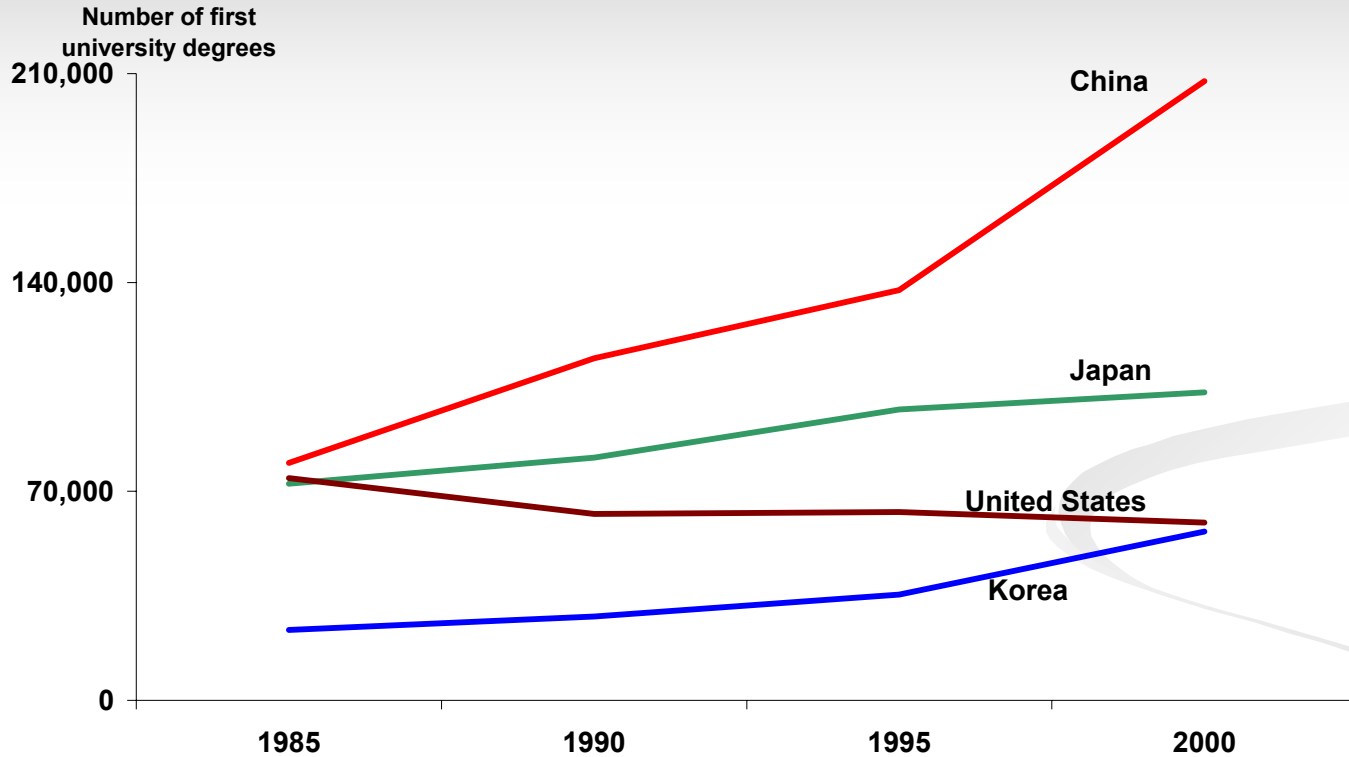
-Make Tax Cuts Permanent

-R&D Tax Credit

A decorative graphic consisting of several overlapping, wavy, light gray lines that flow from the bottom right towards the top right of the slide.

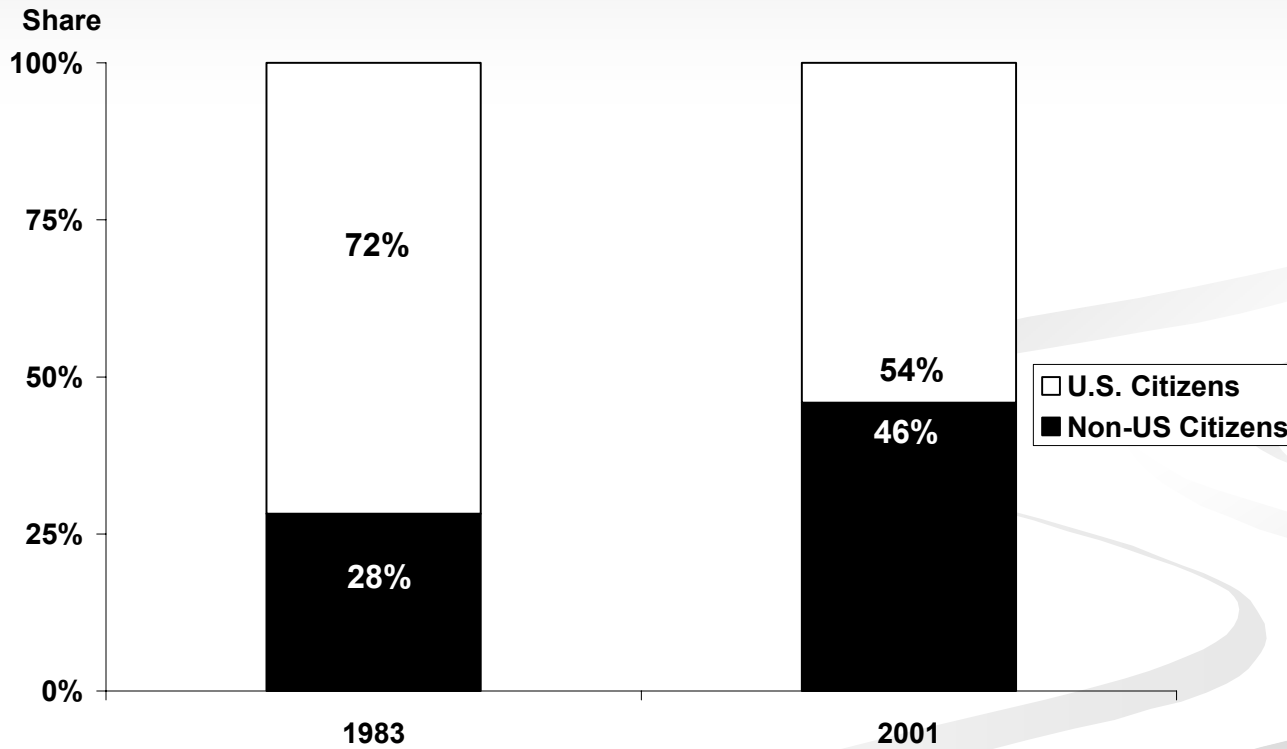
4. A Ready Workforce

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

