EXPORT PROMOTION AND INTERNATIONAL TECHNICAL ASSISTANCE PROGRAMS

ISSUE
U.S. Engineering firms are at a disadvantage when competing against firms from nations which subsidize the export of engineering services. The federal government has established several agencies to promote and technically assist U.S. firms to be fully competitive on costs, accessibility, and risk reduction factors, in addition to the firms’ existing superior qualifications, capabilities, performance, and innovation. ACEC advocates expanded federal funding of agency programs critical to bolstering the competitiveness of U.S. engineering in the international market.

BACKGROUND
Stable, adequate funding for export promotion and international technical assistance programs is critical to ensuring the competitiveness of U.S. engineering firms overseas. These programs are embodied in the following agencies:

- U.S. Trade and Development Agency.
- U.S. Agency for International Development infrastructure programs.
- Overseas Private Investment Corporation.
- Export-Import Bank of the United States.
- U.S. Department of Commerce, in particular the International Trade Administration and Foreign Commercial Service.

Though U.S. engineers rank among the best in the world, they face disadvantages when pursuing work overseas. Governments of some developed nations, including some of our strongest competitors from Europe and Asia, heavily subsidize the export of engineering services.

When U.S. firms assess the international markets, they do so based on the probability of successfully winning and performing work, acceptable levels of risk, the potential success of the project and the impact on future reputation. The latter often impacts the cost competitiveness of these firms, since they will not perform work that is below standard, even if the potential client’s requirements are less. The more work U.S. firms perform internationally, the more potential clients will value the long-term project performance and reduced life-cycle costs that American engineers bring to the table. The U.S. government needs to balance the aggressive support being provided by foreign governments for their engineering industries, so that the U.S. engineering industry can compete on a more level playing field.

Federal export promotion and technical assistance programs are a crucial link between exports and job creation. Whether through financing, risk insurance, trade promotion or other means, these programs increase the competitiveness of U.S. businesses overseas.