
**DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
OFFICE OF INTERNATIONAL AND DOMESTIC AFFAIRS
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MANUFACTURING

- Boeing executives are reportedly debating behind the scenes on whether to opt out of bidding on the Air Force's KC-X tanker contract amid concerns of whether the company could make a profit off of the fixed-price contract, or even win it. Boeing's decision not to bid would leave Europe's EADS as the sole bidder for the multibillion-dollar contract.
- A rebound in demand for commercial aircraft lifted April orders for durable goods. Requests for durable goods increased 2.9% last month, the Commerce Department reported. It was the best showing in three months and more than double expectations.

TRADE

- The U.S. International Trade Commission (USITC) has launched investigations into the effect on the U.S. economy and U.S. jobs of intellectual property rights (IPR) infringement in China in response to requests by the U.S. Senate Finance Committee. The first report will describe the principal types of reported IPR infringement in China, describe China's indigenous innovation policies (under which China reportedly promotes the technologies and brands of Chinese companies over those of non-Chinese companies), and outline analytical frameworks for determining the quantitative effects of the infringement and indigenous innovation policies on the U.S. economy as a whole and on sectors of the U.S. economy, including lost jobs. The second report will focus on the effects of intellectual property infringement in China and the country's indigenous innovation policies on the U.S. economy. The USITC will hold a public hearing in connection with the two investigations at 9:30 a.m. on June 15, 2010.
- Commerce Under Secretary for International Trade Francisco Sánchez reiterated the International Trade Administration's (ITA) commitment to intellectual property rights (IPR) protection following the recent release of USTR's Annual *Special 301* report. Sánchez, who has made IPR protection an ITA priority, noted that "strong intellectual property regimes... support economic growth and competitiveness, including by promoting exports." The report assesses the IPR regimes of U.S. trading partners; reviews international IPR protection and enforcement efforts; and provides important country-specific information used by policy-makers to address the challenges of IPR protection. The 2010 report highlights several successes in the fight against intellectual property theft in the Czech Republic, Hungary and Poland. The United States will continue to monitor all three trading partners' progress to ensure that IPR protection and enforcement improvements are ongoing.
- The Office of the U.S. Trade Representative and the Libyan General People's Committee on Industry, Economy and Trade signed a Trade and Investment Framework Agreement (TIFA) which will provide a forum to address trade issues and help build U.S.-Libyan trade and investment relations. The TIFA mandates the formation of a joint U.S.-Libya Council on Trade and Investment ("The Council") which will address a wide range of trade and investment issues including market access, intellectual property, labor and environmental issues. The Council will also help to increase commercial and investment opportunities by identifying and working to remove impediments to trade and investment flows between the United States and Libya.
- The U.S. International Trade Commission has launched an investigation to assess the U.S. export and import effects of the free trade agreements (FTAs) concluded with Chile, Singapore and

Australia. U.S. Trade Representative Ron Kirk noted that the Administration has announced its intention to negotiate with seven countries to conclude a Trans-Pacific Partnership (TPP) Agreement. The U.S., Chile, Singapore and Australia are among the eight countries participating in these negotiations.

- The U.S. international trade deficit increased to \$40.4 billion in March from \$39.4 billion (revised) in February, as imports increased more than exports.

REGIONAL

CONNECTICUT

- The Connecticut Department of Labor announced that employers added 3,000 jobs during April, pushing the jobless rate down slightly to 9%.
- As the result of a \$65 million contract from NASA to try to come up with new ways to make water aboard the International Space Station as cargo ships are retired this year, Windsor Locks-based Hamilton Sundstrand has delivered a 550-pound cube that produces water and methane gas from the waste products of station equipment and personnel. The Sabatier Reactor System combines hydrogen and carbon dioxide and could produce more than 2,000 pounds of water per year, based on a six-person crew.

NORTH AMERICA

- Dealing a potential big blow to EADS, the U.S. House approved a measure to force the Pentagon to consider the role of illegal subsidies as the European aerospace giant competes with Boeing for a major refueling tanker contract with the Air Force. EADS was found to have received subsidies in a recent decision by the World Trade Organization, and under the new measure, Boeing may gain in the tanker competition because the Pentagon may be required to adjust EADS' bid to account for any funds it received in violation of trade treaties.

EUROPEAN UNION

- Conservative leader David Cameron became Britain' youngest prime minister in almost 200 years after Gordon Brown stepped down and ended 13 years of Labour government. Cameron said that he aims to form a full coalition government with the third-place Liberal Democrats after his Conservative Party won the most seats but did not get a majority in the national election.
- The European Union fined a group of computer chip makers €31.3 million, or \$421 million, for price-fixing in the first-ever settlement of a cartel case in Europe. Samsung of South Korea, the market leader, received the highest fine, €145.7 million, and Infineon, based in Germany, was second at €56.7 million. Other companies included in the settlement were Hynix of South Korea; the Japanese companies Elpida, NEC, Mitsubishi, Hitachi and Toshiba; and Nanya Technology of Taiwan. Micron of the United States, which first reported the cartel to authorities in 2002, escaped a fine.
- Strikes across France delayed flights, closed schools and frustrated commuters as workers protested government plans to raise the retirement age past 60, one of the lowest even in Europe.