## Auto Tradeoff DA- Aff Answers

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### Uniqueness

#### Industry struggling now-providing too many incentives

CBS, 7-13-2012, “Is Auto Industry Falling Back Into Bad Habits?” <http://detroit.cbslocal.com/2012/07/13/is-auto-industry-falling-back-into-bad-habits/>, OW

**ANN ARBOR (WWJ)** - Hyundai North America CEO John Krafcik is raising some concerns about rising incentives.¶ “As an industry, I think it’s time for us to pause and be careful, because we don’t want to slip back into some of the old habits that helped create some of the overcapacity and other issues that we had just a few years ago.”¶ Krafcik talking to WWJ AutoBeat Reporter Jeff Gilbert, as Chevrolet announced new deals on leftover 2012 models and a new program that allows customers to change their minds and return vehicles.¶ Chrysler, meanwhile, is offering no payments for ninety days on 2012 models. Ford is offering more traditional cash back incentives on 2012’s, as part of what they call a “Summer BBQ.”¶ The car companies, and analysts say these are traditional style programs, meant to clear out older models to make way for new 2013 vehicles. But Krafcik is concerned that there is also an effort to bring in customers who are concerned about the economy.¶ “We’ve got a lot of manufacturers that are absolutely, clearly trying to hit numbers now, as they look at where they want to be by the end of the year,” he said.¶ While June sales were stronger than expected, Krafcik says there are economic issues playing on consumer’s minds as we head into the second half of the year.¶ “Employment isn’t where it needs to be,” he said. “We still haven’t seen housing where it needs to be. There is some general concern about what’s happening in Europe. I think all that is filtering down to the consumer.”¶ Krafcik has sounded the alarm about incentives before, and says Hyundai is trying to back off on deals. He said they don’t have to follow other auto companies because their inventories remain fairly tight.¶ The Hyundai North America CEO spoke at a local event aimed at showing several new vehicles to the media.¶ Edmunds.com says the incentives in June—as averaged over the entire industry– fell from both May and from June of 2011. But, GM Honda and Nissan were up by double digits.¶ On average, the industry spent $2187 per vehicle on incentives in June.¶ At this point, there are no definitive signs that car companies are going back to 2008 and 2009, where out of control production lead to increased inventories. That prompted money-losing incentives.¶ Auto executives promise that won’t happen again. Krafcik says he hopes that’s true.¶ “This summer is a really important turning point for the industry,” he said. “I think if we see a lot of heavy discounting as we get into August, you can say the industry hasn’t learned the lesson.”¶

#### **General Motors Struggling- talk of layoffs at Brazilian plant**

Industry Week, 7-26-2012, “GM, Brazilian Auto Union Schedule More Talks Over Possible Layoffs,” Industry Week, <http://www.industryweek.com/competitiveness/gm-brazilian-auto-union-schedule-more-talks-over-possible-layoffs>, OW

General Motors' Brazilian unit and auto union representatives will hold fresh talks on Aug. 4 over possible layoffs at its facility near Sao Paulo, both sides said Thursday.¶ [GM ( IW 500/4)](http://www.industryweek.com/resources/us500/2012/4) and the MetalWorkers Union in Sao Jose dos Campos told AFP that the two sides agreed in Wednesday's talks not to make any decision regarding the anticipated closure of a struggling production line until then.¶ A GM official said the Aug. 4 meeting in Sao Jose dos Campos, located some 80 kilometers (50 miles) from Sao Paulo, would also be attended by city and labor ministry representatives.¶ The union said that in Wednesday's meeting, the GM management made clear its intention to shut down the struggling production line which has already stopped producing Zafira, Merica and Corsa models.¶ GM also said it planned no new investment in Sao Jose dos Campos because of "structural adjustments," according to the union.¶ On Tuesday, GM suspended output at the Sao Jose dos Campos complex, which comprises eights plants employing 7,500 people, saying it did not want to expose its workers "to possible incitement and provocations at this delicate moment."¶ The move came after the workers staged a 24-hour strike there on July 17 in protest against the feared layoffs.¶ Auto workers returned to work Wednesday, officials said.¶ The union vowed to fight to ensure that GM maintain production of Classic models at the plant and appealed to the federal government to take a firmer stand in support of the auto workers.¶ "The government cannot just be a mediator. We are faced with restructuring and we will not accept layoffs," said Antonio Ferreira de Barros, the union president.¶ GM said Brazil's current slower growth has generally put a damper on nationwide auto sales, which fell 1.2% in the first half of 2012, compared to the same period last year.

#### Auto sales stalled in June

Craig Trudell and Hasan Dudar, 7-2-2012, “Auto Sales stall with 500,000 cut from 2013 U.S. Outlook,” Bloomberg Businessweek, <http://www.businessweek.com/news/2012-07-02/auto-sales-stall-with-500-000-cut-from-2013-u-dot-s-dot-outlook>, OW

The pace of U.S. auto sales probably stalled for a second straight month in June as the labor market stumbled and confidence waned, leading analysts at Citigroup Inc. and Deutsche Bank AG to lower estimates for demand in 2013. Light-vehicle sales in June, set for release tomorrow, may have run at a 13.8 million seasonally adjusted annualized rate, the average estimate of 15 analysts surveyed by Bloomberg. That average estimate matches May’s rate, the year’s first month to dip below 14 million, and trails the 14.5 million pace in the first four months of 2012. ¶ Even with the slowdown, U.S. auto sales are on pace for the best annual total since 2007. With sales in Europe falling a fifth-straight year and China’s market slowing, automakers such as Ford (F) ([F](http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=F:US)) Motor Co. are counting on demand to warrant more production in North America to offset losses in other regions. ¶ “We’re talking about less strength than earlier in the year,” Emmanuel Rosner, a New York-based analyst for Credit Agricole Securities Inc.’s CLSA, said in a telephone interview.“The macro data that correlates the best with U.S. auto sales is consumer confidence and employment figures. In both cases, there’s been some deceleration.” ¶ Ford, Chrysler Group LLC and affiliates Hyundai Motor Co. and Kia (000270) Motors Corp. probably will report smaller June sales gains than they recorded this year through May, according to analysts’ estimates. Citigroup’s Itay Michaeli and Deutsche Bank’s Rod Lache each cut their 2013 industry sales estimates by 500,000 cars and light trucks last month as U.S. job gains slowed and consumer confidence weakened. ¶ ‘Additional Headwinds’ ¶ Michaeli lowered his outlook for 2013 to 14.5 million sales, from 15 million. Lache cut his 2013 estimate to 14.2 million, from 14.7 million. ¶ “We see potential for additional headwinds from the crisis in Europe, and headwinds from U.S. federal budget cuts which may take effect in January,” Lache wrote in a June 25 report. ¶ Confidence among U.S. consumers dropped for a fourth month, the Conference Board’s index showed June 26. The private research group’s measure fell to 62 for June, the lowest since January. Employers added 69,000 workers in May, the fewest in a year, and the jobless rate rose to 8.2 percent. ¶ A 20 percent rise in June light-vehicle deliveries to 1.27 million, the average estimate of 10 analysts, is skewed by comparisons with year-earlier vehicle shortages for Toyota Motor Corp. (7203) and Honda (7267) Motor Co., which lost production after Japan’s March 2011 earthquake and tsunami. The June 2011 sales rate was 11.6 million, according to researcher Autodata Corp. ¶ Dynamic Duo ¶ With a better supply of cars and light trucks and the easier year-earlier comparison, Toyota may lead the industry with a 66 percent gain in June sales, followed by Honda’s 51 percent increase, the average estimates of eight analysts. ¶ Toyota added 1.2 percentage points of share through May while Honda lost 0.3 percentage points, according to Woodcliff Lake, New Jersey-based Autodata. The duo may end the year with a combined U.S. market-share gain of 1.4 percentage points, according to a Bloomberg survey of analysts in January.

### Link Turns:

#### Plan would help economy-California proves

Daniel Krause, Reporter for the Ventura County Star, 6-30-2012, “High Speed Rail Will Bolster Economy, Budget,” Ventura County Star, <http://www.vcstar.com/news/2012/jun/30/krause-high-speed-rail-will-bolster-economy/>, OW

As California faces yet another large budget deficit, and potentially more devastating cuts, there have been numerous calls that the high-speed rail project should be shelved. Opponents are claiming that Californians must choose between funding schools and high-speed rail. Not only is this a false choice, it would also be a tragic mistake economically for California in the short and long term.¶ It is time to set the record straight. The high-speed rail project will provide a dramatic boost to California's economy — and its budget outlook — at just the right time.¶ California is in the middle of an economic crisis and the jobs situation is atrocious, damaging the lives of untold numbers of people. This lack of jobs is sucking the life out of our state budget because tax revenues have plummeted while the unemployed draw on public services. The jobs high-speed rail will create, along with the sale of construction materials to build the project, will dramatically increase tax revenues flowing into the state budget.¶ But what of the debt servicing cost to our state budget? Again, one word: jobs.¶ The early investments in high-speed rail, both in the Central Valley and at the urban bookends, will pump more than $8 billion into California's economy, creating thousands of direct and indirect jobs. Over the next few years, at a time when we must kick our economy back into gear, the increased tax revenues generated from these jobs will more than offset debt servicing costs.¶ Additionally, the state plans to direct underutilized truck weight fees, which statutorily must be used for transportation projects, to pay the interest on HSR bonds. These small but extremely important details debunk the high-speed rail versus school kids myth.¶ In the long term, high-speed rail will help usher a much more efficient transportation system, which is a key component to sustained economic prosperity. Continued gridlock, coupled with volatile oil prices, hurts California businesses in the worst way.¶ High-speed rail will ensure that workers and consumers can move efficiently, without being subject to unstable transportation costs — a true boon for business. And when our business community is functioning efficiently and prospering, our state budget and our schools benefit.¶ Extreme austerity in Europe is proving to be a flawed strategy, plunging much of the continent back into deep recession. Cutting investments to critical infrastructure projects such as high-speed rail, here at home, will only make our budget problems worse. We need to shake ourselves out of the downward economic spiral of divestment and cutting by boldly moving forward with a project that will inject billions directly into our economy.¶ The fact that we are even considering rejecting these funds, which will put thousands of people back to work starting next year, is hard to believe. It doesn't make short-term sense, and it doesn't make long-term sense.¶ In 2008, the voters of California endorsed a high-speed rail vision that would have a direct effect on relieving some our state's most challenging transportation and quality of life problems.¶ That vision remains, and contrary to what many are saying, the economic case for high-speed rail is actually more important than ever. Let's start to realize that vision.

#### HSR Essential for Economic Growth

USDOT, 2-29-2012, “High Speed Rail is Essential for Economic Growth and Opportunity,” U.S. Department of Transportation, <http://fastlane.dot.gov/2012/02/high-speed-rail-essential-to-creating-economic-growth-and-opportunity.html>, OW

As I’ve said many times before, high-speed rail will transform American transportation for generations to come. And I'm excited to see this program take shape. Right now, we've got eight projects underway and Amtrak's Chicago-Kalamazoo route recently added the [first 110-miles-per-hour service](http://fastlane.dot.gov/2012/02/szabo-hsr.html) outside the Northeast Corridor.¶ This morning, I had the opportunity to thank an organization whose members have been great advocates for this essential passenger rail network, the [U.S. High Speed Rail Association](http://www.ushsr.com/). Thanks in no small part to the USHSR Association, high-speed rail is coming to America. ¶ And high speed rail remains a major priority for President Obama and Vice President Biden. In fact, the President’s vision for an [America built to last](http://www.whitehouse.gov/omb/budget/Overview/)--the budget he proposed last month--would provide 2.5 billion in 2013 as part of a $47 billion, six-year investment to continue construction of a 21st century high-speed passenger rail network.¶ We envision an America in which 80 percent of people have access to high-speed rail. We envision a network that whisks passengers from downtown to downtown while they work comfortably on their laptops and portable devices. We envision a network that takes cars off the road so trucks can travel between cities on highways that aren't choked with traffic. ¶ And we know that as this system emerges, economic growth and opportunity will follow. ¶ Already, companies around America who are investing in high-speed rail are leading the remarkable recovery in our manufacturing sector. One of these companies is [Progress Rail](http://www.munciefreepress.com/node/25225) in Muncie, Indiana, which recently opened a brand new 700,000 square foot factory, and is on track to hire 300 new workers.¶ Progress Rail isn’t the only company experiencing success – this is a story that is repeating itself across the country. To date, 30 rail companies from around the world have pledged that, if selected for high-speed rail contracts, they’ll hire American workers and expand their bases of operations in the United States.¶ And once track is laid and stations constructed, high-speed rail will spur economic development. It will generate quality jobs at small businesses all along its corridors.¶ Simply put, over the long-run, high-speed rail will bolster America’s economic competitiveness.¶ Our parents and grandparents sacrificed so we might have the chance to lead the lives that we do. Today, we can do the same by giving our children and grandchildren a transportation alternative that connects them with a new century of opportunity.¶ At the end of the day, that is what President Obama’s plan for high-speed rail is all about, and I am thrilled that there are American businesses and American leaders who are working to make it happen. ¶ Together, our legacy will be more than trains, tracks, and ties – it will be an America built to last. ¶

#### HSR would create jobs, boost growth

Alexander J. Field, Alexander J. Field is a professor of economics at [Santa](http://g.ajc.com/r/F6/) Clara University and the author of “A Great Leap Forward: 1930s Depression and U.S. Economic Growth,*”*5-18-2011, “Could high speed rail boost U.S. economy and create jobs?” Atlanta Journal Constitution, <http://www.ajc.com/opinion/pro-con-could-high-950502.html>, OW

Would high-speed rail spending add jobs in the United States? Of course.¶ Even if some of the rolling stock for the trains were imported, structures and other permanent way would still have to be built in the United States. Under current conditions, any government spending — for rails, for bridges, for highways, for the military — would contribute to job creation.¶ Fears that government spending might displace or crowd out private-sector capital formation would be justified were we at or close to capacity. But we are not.¶ The unemployment rate remains near 9 percent, and this doesn’t account for those who, discouraged, have simply left the workforce.¶ Even more telling is the ratio of employment to population, which has fallen from its all-time high of over 64 percent in 1999 to 58 percent today. In spite of large “supply side” tax cuts tilted toward the wealthy, the record of the George W. Bush presidency on job creation was in fact quite poor.¶ For a variety of reasons, including the recent financial crisis, the U.S. economy remains in a serious slump. High-speed rail spending could stimulate job growth and help jump start the economy.¶ These projects would, of course, add to the deficit and concerns about its long term growth, particularly that attributable to health care, are merited.¶ Looking back over the past three decades, however, Republicans’ interests in deficit reduction seems to have waxed and waned depending upon who occupied the White House.¶ The deficit ballooned under Bush, due largely to tax cuts but also to increases in military spending and a new unfunded prescription drug benefit. The resulting run-up in the debt was regrettable, but the time to cut government spending is when the economy is strong, not when it is weak.¶ If the country is going to incur new debt, it is better to do so to acquire well-chosen infrastructure and equipment than to fund consumption.¶ Would high-speed rail represent well-chosen infrastructure? In other words, would it help the U.S. “win the future”? This is a more complex question. It requires us to consider not simply whether such projects would help close the output gap, but whether and how effectively they would expand the potential output of the economy.¶ Here there are legitimate concerns about whether the U.S. has enough high density corridors — such as that between Boston and Washington — to yield large benefits.¶ And building in dense areas can be costly. For example, the proposed Los Angeles to San Francisco route would go right through my backyard in Palo Alto, Calif., and the extent to which that part of the route will or will not be put underground has become a contentious political issue.¶ That said, state and federal governments have a long and largely successful record of supporting infrastructure development, from the Erie Canal to regional and transcontinental railroads to the Interstate Highway System and, more recently, to the Internet.¶ The build-out of the surface road network during the Great Depression generated large private-sector benefits, contributing to very fast productivity growth in transportation — railroads and trucking — as well as in wholesale and retail distribution.¶ High-speed rail projects could certainly create jobs and stimulate the economy in the short run. Whether they would generate benefits similar to those of other government funded infrastructure projects is uncertain. History suggests, however, that there’s a good chance they would.¶

#### HSR Would Boost Economy

Joseph Perkins, Reporter for NBC, 2-10-2011, “Federal Grant for High Speed Rail Truly Will Stimulate State Economy,” NBC Los Angeles, <http://www.nbclosangeles.com/blogs/prop-zero/Federal-Grant-for-High-Speed-Rail-Truly-Will-IStimulate-State-Economy-104151944.html>, OW

It will not increase [California](http://www.nbclosangeles.com/topics?topic=California)’s gross state product over the next 12 months. Nor will it create 100,000 – or 10,000 or even as few as 1,000 – new jobs by this time next year.¶ Yet, of all the federal stimulus grants and awards California has received to date, none will contribute more to the state’s long-term economic growth than the [$194 million it received yesterday](http://www.fra.dot.gov/Pages/press-releases/225.shtml) to chug ahead with what state officials hope will be the nation’s first full blown high speed rail system.¶ The welcome gift from Washington, which the state will match dollar-for-dollar, will give the [California High Speed Rail Authority](http://www.cahighspeedrail.ca.gov/) the funds it needs to complete an environmental review of the first stretch of the 800-mile network.¶ The biggest public works project in California history will cost $45 billion, with the first year of operation in 2020. The [High Speed Rail Authority](http://www.nbclosangeles.com/topics?topic=California+High+Speed+Rail+Authority) estimates the rail system’s construction will generate 160,000 jobs, with some 450,000 permanent jobs created once the system is fully built out.¶ As envisioned, California’s modern high speed trains will race along at 220 miles per hour, connecting the Golden State’s major metropolitan areas, from [Sacramento](http://www.nbclosangeles.com/topics?topic=Sacramento) to San Francisco to [Los Angeles](http://www.nbclosangeles.com/topics?topic=Los+Angeles) to [San Diego](http://www.nbclosangeles.com/topics?topic=San+Diego).¶ What that means is that a commute from, say, San Diego to Los Angeles, which current takes 2 hours and 45 minutes, will take only 1 hour and 11 minutes. A trip from Los Angeles to Sacramento, which currently takes 7 hours and 40 minutes, will take only 2 hours and 11 minutes.¶ The promise of those kind of high speed intercity commutes will do much to get California residents off the state’s all-too-congested freeways, out of its all-too-crowded airports and onto the railway. Indeed, the state High Speed Rail Authority projects that ridership will grow from 13.5 million riders in 2020 to 41 million by 2035.¶ The growth in high speed rail ridership also will yield environmental dividends in a state that aims to reduce its greenhouse gas emissions and curb its energy consumption.¶ That’s because California's electrically-propelled., high speed trains will use one-sixth the energy of cars in traffic and one fourth the energy of airplanes, according to the state High Speed Rail Authority. They also will reduce CO2 emissions by 12.4 billion pounds per year versus highway and air travel.¶ California is the world’s eighth largest economy. It should have a world class transportation network, including a modern high speed rail system.

#### HSR key to economic development

Patrick Hayes, Patrick Hayes is the mayor of Little Rock, Arkansas, 2-1-2011, “High Speed Rail is Key to Economic Development,” U.S. News, <http://www.usnews.com/opinion/articles/2011/02/01/high-speed-rail-is-key-to-economic-development>, OW

With the adoption of the Federal-Aid Highway Act of 1956, the largest public works undertaking in our nation's history began. Funded by an increased fuel tax--up to $0.03 per gallon--construction on the more than 40,000 miles of new Interstate began, and so did America's adoration for the automobile. The backbone of America's modern prosperity and of my own community, the Interstate Highway System has sustained us for generations and it will, of course, continue to provide for the movement goods and people to and through each of our communities. The country's population is growing incredibly fast compared to our European colleagues and it is becoming increasingly difficult to muster the votes needed to increase tax revenues for any reason, even for the purpose of [investing](http://www.usnews.com/opinion/articles/2011/02/01/high-speed-rail-is-key-to-economic-development)in our transportation infrastructure. It is incumbent upon us--all of us--to maximize the resources available to make the biggest possible impact on the future of passenger and freight mobility in this country. We must seriously pursue complimentary modes of transportation to help ensure our continued [economic growth](http://www.usnews.com/opinion/articles/2011/02/01/high-speed-rail-is-key-to-economic-development), global competitiveness, and vitality--and I believe that high-speed intercity passenger rail must become a national priority and a collective pursuit.¶ High-speed intercity passenger rail, as the term implies and as it operates daily around the world is, well, fast. It is also exceedingly safe, comfortable, dependable, and energy efficient. Traveling at speeds in excess of 200 miles per hour in some cases, these trains are the norm in parts of Europe and Asia and have become [economic](http://www.usnews.com/opinion/articles/2011/02/01/high-speed-rail-is-key-to-economic-development) engines for the communities they serve. I live in Arkansas and serve on the Board of Directors of the Texas High-Speed Rail and Transportation Corporation because I want to see these trains flying to and through my community traveling toward Memphis and other easterly destinations, and I know that enhancing and improving the connectivity of Arkansas will always be of vital importance to the economic well-being of my state. We find ourselves today witnesses of a collision of great need and an impressive, revolutionary technology. The extent to which we capitalize on this moment of great [opportunity](http://www.usnews.com/opinion/articles/2011/02/01/high-speed-rail-is-key-to-economic-development) and of great responsibility will help determine the extent to which our children and grandchildren are able to compete for future opportunities.¶ Working closely with private industry willing to invest large sums of their own money and eager to employ tens of thousands of Americans along the way, high-speed intercity passenger rail can and will hold the key to at least part of our mobility crises. The high speed rail corporation and organizations like it around the country that are led by cities, counties, and other community leaders in an effort to develop high-speed rail in their communities, hold the key to the successful implementation of these large, transformational infrastructure projects. Communicating clearly and confidently the needs of the communities to be served by rail, and working side-by-side with private industry to deliver the projects, the corporation represents just the kind of creative approach that must be leveraged if we are to be successful.¶ During his State of the Union address in January, President Obama renewed his commitment to develop high-speed intercity passenger rail along with a promise for a more efficient and effective government. It is clear that in order to succeed on both fronts, we must approach this endeavor with a commitment to succeed and a determination to settle for nothing less than world-class. When we become convinced of a great need, this country can put a man on the Moon. We must now work together to put him on a fast train. Doing so will transform the way in which we all live, work, and travel--and will reignite the spirit of American industry, manufacturing, and innovation. The America that I believe in is capable of succeeding. The America we must become has no other choice.

## **Internal Link: Alt Causes**

#### Other industries contribute way more to GDP and jobs-Travel and Tourism proves

Toby Nicol, Communications Director- World Travel and Tourism Council, 4-18-2012, “Travel & Tourism Larger Industries than Automobile Manufacturing,” World Travel and Tourism Council, <http://www.wttc.org/news-media/news-archive/2012/travel-tourism-larger-industry-automotive-manufacturing/>, OW

The global Travel & Tourism industry is double the size of automotive manufacturing and roughly one-third larger than chemicals manufacturing.¶ This is according to new research from the World Travel & Tourism Council (WTTC) sponsored by American Express, launched on the eve of WTTC’s 12th Global Summit in Tokyo, Japan.¶ The research, undertaken by Oxford Economics, shows that the sector’s direct contribution to world GDP of US$2 trillion (2.8%) is more than double the GDP of automotive manufacturing and one-third larger than the global chemicals industry. Travel & Tourism generates roughly the same GDP as the global education and communications sectors, and about half that of the global banking and financial services industry.¶ The sector’s total contribution to world GDP (taking direct, indirect and induced impacts into account) of US$6.3trillion (9.1%) in 2011 compares with 8% contribution of automotive manufacturing and mining.¶ Travel & Tourism directly contributes more to GDP than automotive manufacturing in every region of the world, three times more in the Americas and twice as much in Europe. The sector’s contribution to GDP is larger than the chemicals industry in every world region except Asia.¶ In terms of employment, the importance of the sector is even more pronounced. After education, Travel & Tourism is the top job creator with an average of 50 jobs generated by US$1 million in spend, this is twice as many jobs as created by financial services, communications and auto manufacturing.¶ In 2011, 98 million people were directly employed by Travel & Tourism. This is: • 6 times more than automotive manufacturing • 5 times more than the global chemicals industry • 4 times more than the global mining industry • 2 times more than the global communications industry • A third more than the global financial services industry¶ Taking the indirect and induced employment into account, Travel & Tourism sustained 255 million jobs in 2011, 1 in 12 of all jobs in the world. This exceeds the jobs impact of automotive manufacturing, chemicals manufacturing and mining and is slightly less than education, communications and financial services.¶ Travel & Tourism directly sustains more jobs than the automotive and chemicals manufacturing industries combined across every region of the world. Employment by the sector in Europe—reaching 10 million in 2011—exceeds automotive manufacturing by a factor of three; and in Asia, there are 7 times as many tourism jobs as auto manufacturing jobs and 5 times as many chemicals manufacturing jobs.¶ In every region of the world, Travel & Tourism directly sustains more jobs than the financial services, communications, and mining industries.¶ All sectors stimulate activity across the rest of the economy. In 18 out of the 20 economies analysed, a new dollar in Travel & Tourism generates 20% more for the wider economy than the average of all sectors. Travel & Tourism also outperforms the majority of the key sectors we analysed in terms of generating GDP across the entire economy.¶ As the 12th WTTC Global Summit in Tokyo kicks off, the research also highlights the importance of Travel & Tourism in Japan in a special report focusing on the country. The analysis shows that while the industry’s direct contribution to Japan’s GDP is three –quarters the size of the automotive manufacturing sector, Travel & Tourism directly generates over 80% more jobs.¶ David Scowsill, President and CEO, WTTC said:¶ “These numbers are extremely significant. For over twenty years, the World Travel & Tourism Council has spearheaded global analysis of the economic impact of Travel & Tourism. WTTC has now taken this research one step further and assessed the role Travel & Tourism plays in the world economy in comparison to other economic sectors.¶ “The results are extraordinary. Within our industry we have always known that Travel & Tourism is a vast contributor to economic growth and job creation. These figures bear out just how significant – twice the size of the global automotive manufacturing sector; employing one third more people than the global financial services industry.¶ “These figures prove beyond any doubt that it is time that the world’s Governments really sit up and take notice of the Travel & Tourism industry. As a driver of economic recovery and growth in a very turbulent time, the industry stands apart for the sheer scale of its ability to create jobs and growth in every part of the globe.”¶ Bill Glenn, President Global Corporate Payments and Global Business Travel, American Express, said:¶ “More than any other, the travel industry drives commerce and business, facilitates connections and enables tourism and adventure. American Express has a proud heritage of more than 160 years in travel and we’re pleased to support this new research with the WTTC to ensure that travel stays vibrant and vital for many years to come.”

#### Aerospace is more key to U.S. economy

Mary Trupo, Senior Advisor and Director of Public Affairs-International Trade Administration, 6-21-2011, “Aerospace Industry is Critical Contributor to U.S. Economy According to Obama Trade Official at Paris Air Show,” International Trade Administration, <http://trade.gov/press/press-releases/2011/aerospace-industry-critical-contributor-to-us-economy-062111.asp>, OW

PARIS – Francisco Sánchez, Under Secretary of Commerce for International Trade, addressed national and international groups at the 2011 Paris Air Show to reinforce the President’s National Export Initiative (NEI) and support the U.S. aerospace industry.¶ “The U.S. aerospace industry is a strategic contributor to the economy, national security, and technological innovation of the United States,” Sánchez said. “The industry is key to achieving the President’s goals of doubling exports by the end of 2014 and contributed $78 billion in export sales to the U.S. economy in 2010.”¶ During the U.S. Pavilion opening remarks, Sánchez noted that the aerospace sector in the United States supports more jobs through exports than any other industry. Sánchez witnessed a signing ceremony between Boeing and Aeroflot, Russia’s state-owned airline. Aeroflot has ordered eight 777s valued at $2.1 billion, and the sales will support approximately 14,000 jobs.¶ “The 218 American companies represented in the U.S. International Pavilion demonstrate the innovation and hard work that make us leaders in this sector,” said Sánchez. “I am particularly pleased to see the incredible accomplishments of U.S. companies participating in the Alternative Aviation Fuels Showcase, which demonstrates our leadership in this important sector and shows that we are on the right path to achieving the clean energy future envisioned by President Obama.”¶ The 2011 Paris Air Show is the world’s largest aerospace trade exhibition, and features 2,000 exhibitors, 340,000 visitors, and 200 international delegations. ¶¶ The U.S. aerospace industry ranks among the most competitive in the world, boasting a positive trade balance of $44.1 billion – the largest trade surplus of any U.S. manufacturing industry. It directly sustains about 430,000 jobs, and indirectly supports more than 700,000 additional jobs. Ninety-one percent of U.S. exporters of aerospace products are small and medium-sized firms.

#### Construction industry key to jobs and growth

James Politi, Staff writer for the Financial Times, 8-30-2010, “Building industry holds key to rebuilding U.S. Jobs,” Financial Times, <http://www.ft.com/cms/s/0/27a8af80-b451-11df-8208-00144feabdc0.html#axzz223Hv0GWn>, OW

There was despair in the tone of David Frye from the Laborers’ International Union of North America.¶ He was speaking about a rally last week by the construction workers’ union in Portage, Indiana, a few miles from the shores of Lake Michigan.¶ “Nearly one in four construction workers is unemployed and nearly one in four bridges in the region are structurally deficient or functionally obsolete,” Mr Frye said.¶ “We have workers. We have work that needs to be done. What we’re missing is a commitment from Washington to invest in building our country, our state and our workforce.”¶ The purpose of the event – part of a summer-long campaign called Build-America 2010 – was to garner support for additional government spending on infrastructure such as roads and bridges.¶ But Liuna’s efforts may not succeed in the near future, given Congress reluctance to sign off on new spending amid increasing concerns about the high budget deficit and mounting debt burden.¶ And with few signs of a housing market recovery, there is every reason to fear that many of the construction workers and employees of related businesses who have lost jobs could remain jobless for a very long time.¶ “There are a significant number of people who worked building houses who are not doing that now and not likely to do that in the foreseeable future,” Doug Elmendorf, director of the Congressional Budget Office, told reporters this month.¶ According to an analysis of data from the US labour department, some 61,000 construction jobs were lost between May and July, as the housing market stumbled in spite of record-low mortgage rates, exacerbating fears of a “double-dip” recession.¶ In addition, during that time, another 56,000 posts were shed in ancillary areas – such as makers of wood products and furniture, building products and furniture retailers, and providers of financial services related to property.¶ The loss of employment in these segments has been by far the biggest weight on private sector job creation, which slowed from an average monthly increase of 153,000 jobs between February and April to an average pace of just 51,000 in the most recent three months. New data for August will be released on Friday, and economists are expecting this anaemic rate of private sector job creation – which is not enough to bring down the unemployment rate – to have continued.¶ Employment in construction and associated businesses was among the hardest hit during the recession, accounting for about 3m of the 6.6m jobs lost since the housing bubble burst in late 2006. The manufacturing sector lost more than 2m jobs over the same period, but appears to be emerging from the downturn in a much healthier state.¶ The fate of these erstwhile construction workers could hold the key to the future of the US economy. A debate is raging among economists and policymakers, in Washington and across America, about whether or not the US labour market has emerged from the recession with the same flexible structure as before the downturn.¶ Some believe that it will. They predict that over time, as the economy grows again and demand returns, individuals such as those represented by Mr Frye in northwest Indiana will be reabsorbed into the workforce and unemployment will fall to its natural long-term trend of about 5 per cent.¶ But others are concerned that unemployment could remain higher even after the economy has recovered due to a series of jobs market “mismatches”.¶ “Firms have jobs, but can’t find appropriate workers. The workers want to work, but can’t find appropriate jobs,” said Narayana Kocherlakota, president of the Federal Reserve Bank of Minneapolis, this month. “There are many possible sources of mismatch – geography, skills, demography – and they are probably all at work,” he said.¶ On the skills front, the concern is that people who lost their jobs in the construction and housing industry may become “detached” from the labour force and have trouble regaining employment in other areas, particularly if they have been jobless for long periods and are unable or unwilling to pursue the necessary training. Indeed, Americans who have been unemployed for 27 weeks or longer now make up 44.9 per cent of the jobless workforce, up from 17.3 per cent when the downturn began.¶ Geographically, economists are increasingly pointing out that one strength of the US labour market – its mobility – is being hampered by the weak housing market. With about a quarter of US homeowners with mortgages worth more than their homes – people may be reluctant to move to an-other region for work since it would hit their household wealth. “If you can’t sell that house, you are somewhat tethered to that house,” said Mike Larson, analyst at Weiss Research.¶ Nevertheless, many economists remain confident that very little, if any, of the high unemployment rate is due to structural, rather than cyclical, deficiencies. They say there is little evidence of unwillingness or inability to grab available jobs.¶ They argue that the potential for workers to move to different regions for work is overstated, since low unemployment states such as Nebraska and North Dakota are small and scarcely populated with limited capacity to absorb new workers. Moreover, although other industries such as healthcare have fared better during the recession and the recovery, there are no sectors hiring lots of new people.¶ “I don’t see any reason to believe that we have a big institutional blockage” in the US labour market, said Dean Baker, director of the Center for Economic and Policy Research, who believed rising demand should eventually restore the traditional equilibrium.¶ For Mark Zandi, chief economist at Moody’s Analytics, America’s natural unemployment rate had risen above its trend, from about 5 now. But it was likely to decline again eventually, because the economy had enough sources of growth to make up for the losses in housing and construction. “I firmly believe that we will get our groove back,” he said.¶

#### Health research is key to economic recovery

Mary Woolley, President of ResearchAmerica, the nation’s largest nonprofit public education and advocacy alliance working to make research to improve health a higher national priority,1-11-2012, “’America Speaks’ Poll Shows Health Research is Key to Economic Recovery,” Biotech Now, <http://www.biotech-now.org/health/2012/01/america-speaks-poll-shows-health-research-is-key-to-economic-recovery>, OW

Research!America’s [12th edition of America Speaks](http://www.researchamerica.org/uploads/AmericaSpeaksV12.pdf), an annual summary of our public opinion polls, shows that Americans are deeply concerned about our country’s ability to create jobs and compete globally. In fact, 77 percent of those polled say that the U.S. is losing its competitive edge in science, technology and innovation and more than half of Americans (58 percent) do not believe we are making enough progress in medical research. Furthermore, the majority of Americans believe investing in health research (86 percent) is important to job creation and economic recovery.¶ So much is at stake right now: our economic future, U.S. jobs and our global leadership. In this election year, we must make advancing health research a priority and part of the national dialogue.¶ As federal funding tightens, we are compromising discovery and the development of new products, which is important to patients and businesses alike. Incentives for industries to conduct research, including efforts to make the research and development tax credit permanent, are supported by many Americans. And most are willing to support higher taxes for research. Half of those surveyed said they would be willing to pay $1 per week more in taxes if they were certain their money would be spent for additional medical research.¶ Our public opinion polls indicate that Americans want viable solutions to improve our health, health care system and the economy. They see research as part the solution to rising health care costs and would like to see more of the health dollar dedicated toward research.¶ Similarly, careers in science, technology, engineering and math (STEM) continue to receive broad support among Americans who believe the federal government should place more emphasis on increasing the number of young Americans who pursue these fields.¶ Other findings in America Speaks show:¶ 91 percent of Americans believe that research and development are important to their state’s economy;¶ 84 percent of Americans think it is important to invest in regulatory science to ensure the safety and efficiency of the drug and device development process; and¶ 87 percent of Americans think it is important that elected officials at all levels listen to advice from scientists and public health professionals;¶ These findings provide validation that Americans do not want to settle, and see their country fall behind in research and innovation. They want their country to remain resolute in its commitment toward advancing science and innovation.¶ As we face more budgetary challenges for health research in 2012, the community of stakeholders in research must continue to make the case that investing in health research will not only support the health of our nation, but also the prosperity of our country for years to come. Your voice from the front lines of science is essential in conveying what we could gain or lose with a robust or flat federal health budget and a sound and globally-competitive policy structure.¶ I invite you to take a look at our poll data summary, America Speaks, Volume 12 and to join the conversation about making research a priority this election season. Candidates who are running for office this year must hear from scientists and other stakeholders in the science enterprise; those who are elected without hearing from scientists are unlikely to become champions for science once they take office! Tell candidates why science is the key to better, more affordable health, and is key to driving the US economy.¶

## Impact Answers: