

INSIDE



Manufacturers 'make it'

Manufacturing grabs the imagination of the public. People are entranced by TV shows about how everything from baseballs to doughnuts are made. The Utah Manufacturing Association says that the industry is diversifying, rapidly expanding, increasing output and bringing us transformative technologies that will continue to mold the face of manufacturing as we now know it.

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Small manufacturers must be smart to survive in a world of tariffs and counter-tariffs as well as a number of other concerns

The recent clamor over tariffs and counter-tariffs on raw materials, manufactured goods and agricultural products has been splashed across every newspaper and magazine and has been hotly debated on radio, television and other media for weeks now. Giants of industry proclaim the effects — for good or bad — that will beset companies and nations as an era of “trade wars” begins.

In all of this, small manufacturers’ concerns and challenges take a back seat to the big guys. They are caught in a current that they cannot escape. It’s either go with the flow until they can edge their way to a safe shore, or fight an exhaustive battle only to finally be towed under and drown. That’s a bleak outlook, but

small manufacturers (and other small businesses and farmers) are used to this playing field and usually find a way to survive, but they must be smart.

It’s not only tariffs that can threaten small manufacturers, but also a multitude of business challenges that they must overcome to survive. Basic business elements exist regardless of size. How they are addressed is a matter of strategy and

resource. Here are a few considerations:

Tariff Wars

Small manufacturers may see increased material costs, disruption of their supply chain and tariffs placed on products shipped to global customers. Investments, new hiring and

capital expenditures may all be put on hold until tariff impacts are better known. Smaller companies cannot absorb cost increases as easily as larger companies that have more areas to reduce costs. And impacts may be more keenly felt by small businesses.

“Firms that cannot pass the costs on will, at best, have less cash flow to invest and expand in the U.S., or, at worst, will become unprofitable, lay off workers or potentially go out of business,” said Erica York in her paper for the Tax Foundation titled “New Analysis Shows How Input Tariffs Will Impact U.S. Manufacturing Sectors.” “These tariffs increase production costs for U.S.



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Advanced manufacturing = tremendous promise

Today's modern manufacturer is an incredible entity — innovative, advanced, creative and the ultimate entrepreneur. Manufacturers are the ones to make things from raw materials, creating value and new wealth by creating a quality of life for consumers. Being “makers” is inherent in the nature of manufacturers.

Advanced manufacturing has seized the imagination of the public. From TV shows to podcasts, we are enthralled with watching a television show about how to make baseballs, airplanes, composite materials and even doughnuts. It is a different industry than it was in our parents' and grandparents' generations — innovative, creative, advanced, automated, technological and amazingly interesting. Manufacturing is the engine that drives both the state and the U.S. economies.

Manufacturing is diversifying, expanding rapidly, increasing output and bringing us transformative technologies that will continue to mold the face of manufacturing as we now know it. We are charting new frontiers and supporting new types of jobs with amazing technological skill sets. This is the state of manufacturing.

The past year alone has brought us headlines of autonomous vehicles, promising new medical treatments and the smartest technology to date. As manufacturers, we are innovating and improving the human condition.

We contribute significantly to the economy. Manufacturers produce your quality of life. They invest in the economy on a daily basis. For every dollar invested in manufacturing,

another \$1.81 is added to the economy. Manufacturers today support more than 18 million American jobs.

Across the state of Utah and the nation, confidence is increasing that the business climate will improve. Our future is filled with promise. However, we still have our challenges, one of which is the increasing demand for a much more skilled and advanced workforce.

Today, more than 350,000 manufacturing jobs are left open. And over the next decade, as many as 2 million could go unfilled because

advancement, innovation and creation — a story that relates to many people seeking a career where they can be a part of something bigger than themselves, where they can be critical thinkers and problems solvers and be hired, first for their minds and secondly for their hands.

That's today's manufacturing industry.

A second challenge is the increasing regulations on the industry.

A recent National Association of Manufacturers study found that manufacturers are subject to 297,696

and “pass-through” entities.

- Shift our system of international taxation to a modern and territorial one.
- Strengthen research and development incentives and provide immediate deductions for capital investments.

Such bold changes could result in a boost of more than \$3.3 trillion in investments and more than 6.5 million jobs for American workers, according to the National Association of Manufacturers.

There are three things a robust market doesn't bear: fear, uncertainty and doubt.

Making the necessary changes in overall tax structure now will create optimism, confidence and stir investment in a very capital-intensive manufacturing industry. Optimism, confidence and a healthy investment culture are the three things that will spur the manufacturing economy in a significant way.

Manufacturers want to be in the business of empowering Americans to better their lives, and we need the policies that empower us to do exactly that. Manufacturers are the dreamers, the makers, the doers — and will continue to inspire and change the world for the better.

Like the Utah Manufacturers Association says, “What Utah makes, makes Utah.”

Steve Thomas (801-664-4305) and Ryan Tingey (801-664-2098), regional directors for the Utah Manufacturers Association, are available to help you increase the growth of your business by connecting you with member companies throughout the state. Please visit the UMA website at umaweb.org.



we don't have enough people with the right skills for today's advanced manufacturing industry.

“Who are those people?” you ask?

These are people who, as critical thinkers and problem-solvers, turn the unimaginable into reality and develop code for machines and programs. They are scientists who daily discover advancements in various industries and technicians who advance automation and precision. All of those people make the engine of manufacturing turn the economy both here in the state and across the nation.

To encourage more of today's individuals to seek a career in manufacturing, we need to tell our story more efficiently and much, much louder. Our story is one of success,

regulations. The cost of regulatory compliance for small manufacturers is nearly \$35,000 per employee per year, the association said.

It is absolutely possible to have safe workplaces and environmental stewardship at the same time our economy is experiencing robust growth. And regulatory reform — making regulations smarter, simpler and more streamlined — is one of the quickest ways to create jobs and give manufacturers the confidence to expand.

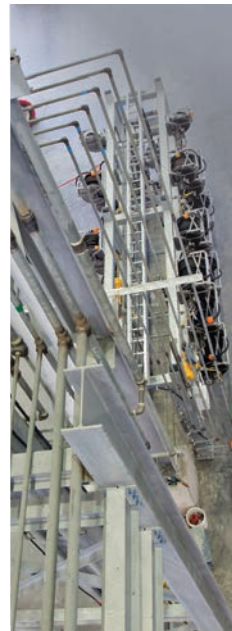
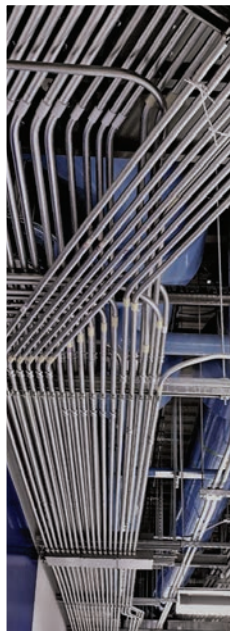
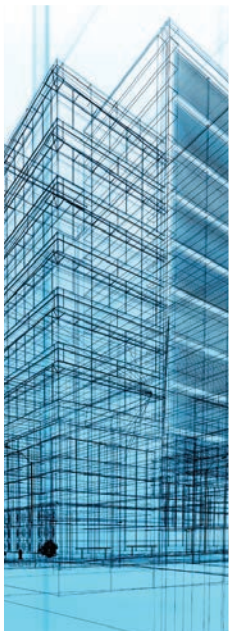
To spur investment and job creation, effective business tax reform will:

- Reduce the U.S. corporate tax rate to 15 percent.
- Reduce taxes for small businesses

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TARIFFS

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manufacturers, placing them at a competitive disadvantage and will, on net, destroy more output, wages and employment in the United States than they create.”

In a speech delivered by Utah Gov. Gary Herbert at the 2018 Economic Summit held April 27, in Salt Lake City, he stated: “I actually don’t doubt for a minute the good intentions of our government officials who are pushing for things like increased tariffs to protect domestic businesses from international competition. I think that they genuinely believe that they are going to help our people. But in my considered opinion, the consequences of such protectionism could in fact be catastrophic.”

In that same speech Herbert quoted Derek Miller, now head of the Salt Lake Chamber of Commerce: “Utah is not known as a gambling state, but we are in the middle of a poker game not of our making and the stakes are high.”

Finances

Every business needs financial resources to survive. Manufacturing needs as much and maybe more than other industries. Raw material stock, machinery, finished goods inventory, facilities, utilities and transportation access are key factors for all manufacturers. Investors and lenders evaluate risk and often see more risk in small manufacturers who lack the standing to receive a loan or an investment. Small manufacturers must demonstrate they have a business strategy and an operational plan to be “credit worthy.”

“The vast majority of business owners started their

Utah Manufacturing Facts

Manufacturers in Utah account for 11.2 percent of the total output in the state, employing 8.9 percent of the workforce. Total output from manufacturing was \$17.47 billion in 2016. In addition, there were 126,900 manufacturing employees in Utah in 2016, with an average annual compensation of \$67,313 in 2016.

Manufacturing Output and Firms

Total Manufacturing Output (\$billions, 2016) \$17.47
(Percent share of total gross state product) 11.2%

Manufacturing Firms in Utah (2015) 3,152

Employment and Compensation

Manufacturing Employment (2016) 126,900
(Percent share of nonfarm employment) 8.9%

Average Annual Compensation (Manufacturing, 2016) \$67,313
(Nonfarm Businesses, 2016) \$41,725

Sources: U.S. Bureau of Economic Analysis and the U.S. Census Bureau

Figure 1: Utah Manufacturing Output, in Billions of Dollars, 2005–2016

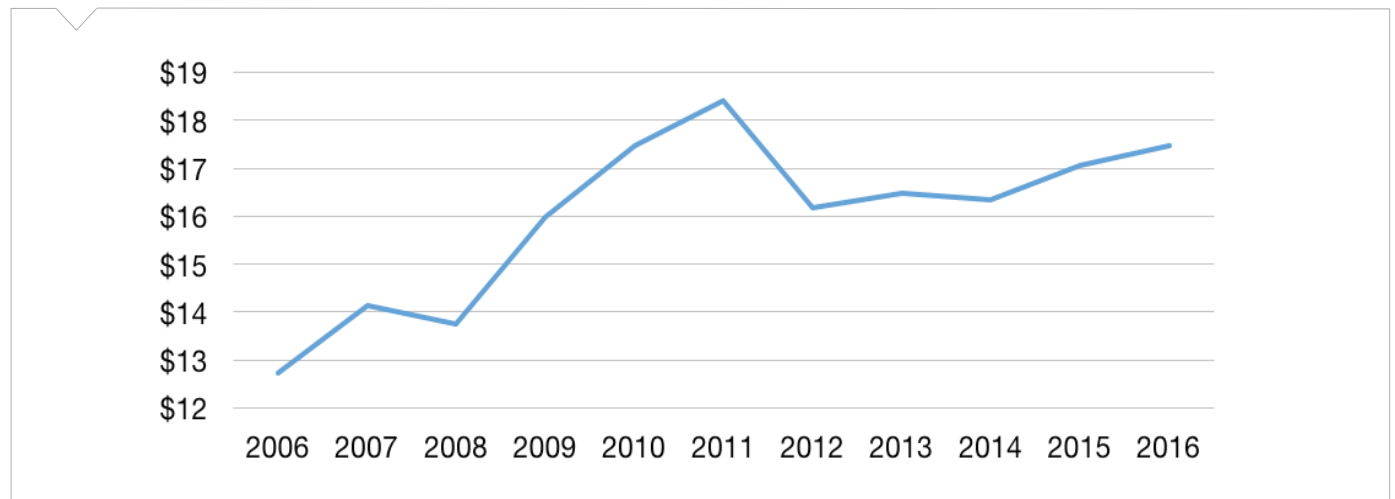
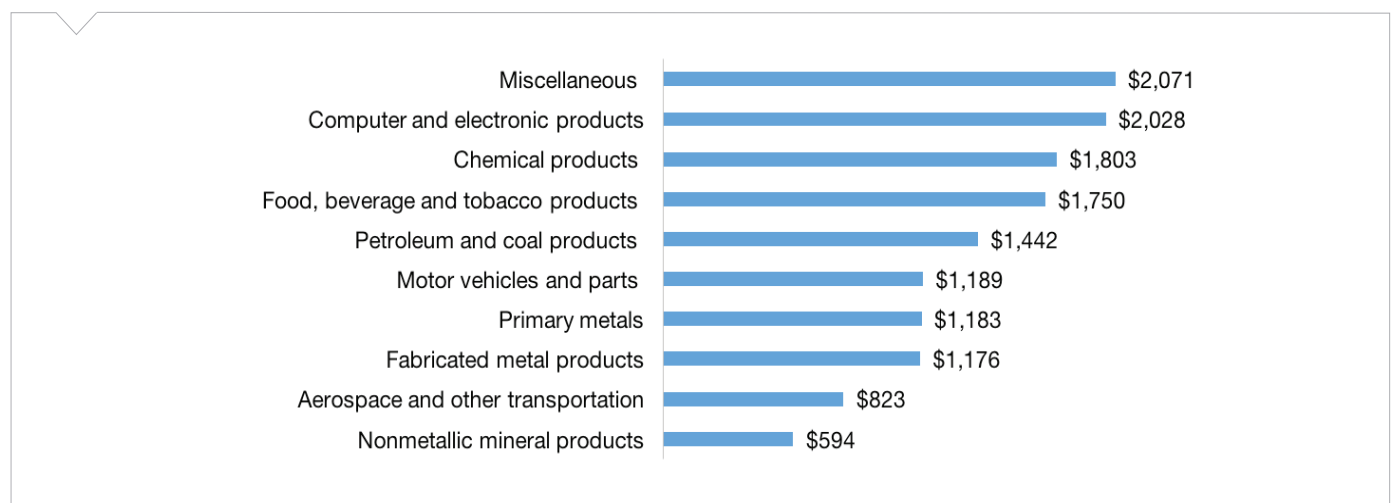


Figure 2: Top 10 Utah Manufacturing Sectors, in Millions of Dollars, 2015



Revised January 2018



Number of Manufacturing Companies in Utah sorted by Employee Head Count

Employee Count	Manufacturers in Utah
< 20	3,243
20-99	805
100-499	210
>500	53

Source: jobs.utah.gov

companies because they loved their industry and believed they could provide a great product or service,” said author and columnist Jeff Stibel. “Passion is important and sexy, but boring financing is equally important. Businesses need working capital to grow and to cover cash flow fluctuations. The problem is most entrepreneurs

... hate raising money. It can be frustrating and the consequences of making a wrong choice are severe.”

Employees

As you can see by the accompanying table, most Utah manufacturers are small businesses. How to attract and keep skillful workers is a real challenge.

Competing with salaries,

healthcare plans, retirement or 401(k) plans of large manufacturers can be a David-versus-Goliath task. And with an unemployment rate in Utah of 3 percent and a job growth rate of 3.5 percent, the challenge is as tough as it gets.

Small manufacturers can capitalize on enticements such as job diversity and advancement, recognition for work

performed, flexibility of the company to match personal needs and often the excitement of being involved in an innovative product or specialized market.

Smart small manufacturers will focus on what they

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TARIFFS

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do best to hire and retain employees and learn what they can do to create a work culture that, despite its size, makes it “one of the best places to work in Utah.”

One example is an Employee Assistance Program (EAP). These types of programs benefit employees and their families and are inexpensive for a company to implement.

Regulations

All business owners deal with regulation at the local, state and federal level. Large manufacturers and businesses may have full departmental staffs or outside legal counsel and accountants on retainer to handle aspects of business. For many small manufacturers, it's the owners and maybe one or two others working in the evening or on weekends to complete reports and forms to stay in compliance. A Manta survey found that 40 percent of small-business owners spend between one and five hours a week dealing with small-business regulations and compliance issues like taxes, healthcare, labor laws and occupational safety and health.

And then there are the non-regulatory requirements from customers — vendor surveys, quality management system audits, conflict mineral declarations and the like. There may be help from sources such as the Small Business Administration, Small Business Development Centers and other state and local programs. Much of it is just a “grin and bear it” approach. Be organized, be timely. Learn and be smart about what's absolutely time-critical and what can be negotiated.

Marketing

An engineer/entrepreneur once said that if he were to do it all over again, he would start with marketing and then design and build the products. Whether that is sound or not, the point made was that without marketing, products have nowhere to go. Very few small manufacturers start out as great

marketers. They start out with a great idea and some knowledge of making the idea into a product, maybe beginning in a garage, a basement or a two-room industrial rental space. Nothing wrong with that — think of Hewlett Packard or Microsoft. But without a flair for marketing or recognizing that there is a missing link to the success of

the idea-marketing, the idea barely gets off the ground and then does a death spiral. Smart small manufacturers figure out that no matter how world-changing their product is, it won't sell itself. It needs some marketing nurturing. Fortunately, there are many state, private and educational programs within reach of small businesses.

One such resource is Utah Business Resource Centers. Begun in 2008, a Business Resource Center is formed in partnership with a college or university throughout the state and is a one-stop shop to help new and growing businesses with many different services.

So, be it tariffs or regulations or scarce resources,

small manufacturers learn to evolve and survive. Don't believe it? Ask one of the 3,000-plus small manufacturers making a difference in Utah.

Paul Olsen has worked in manufacturing for over 30 years. With MEP Utah, he was a liaison with government and higher education. He is currently an advisor to Spring Works Utah.

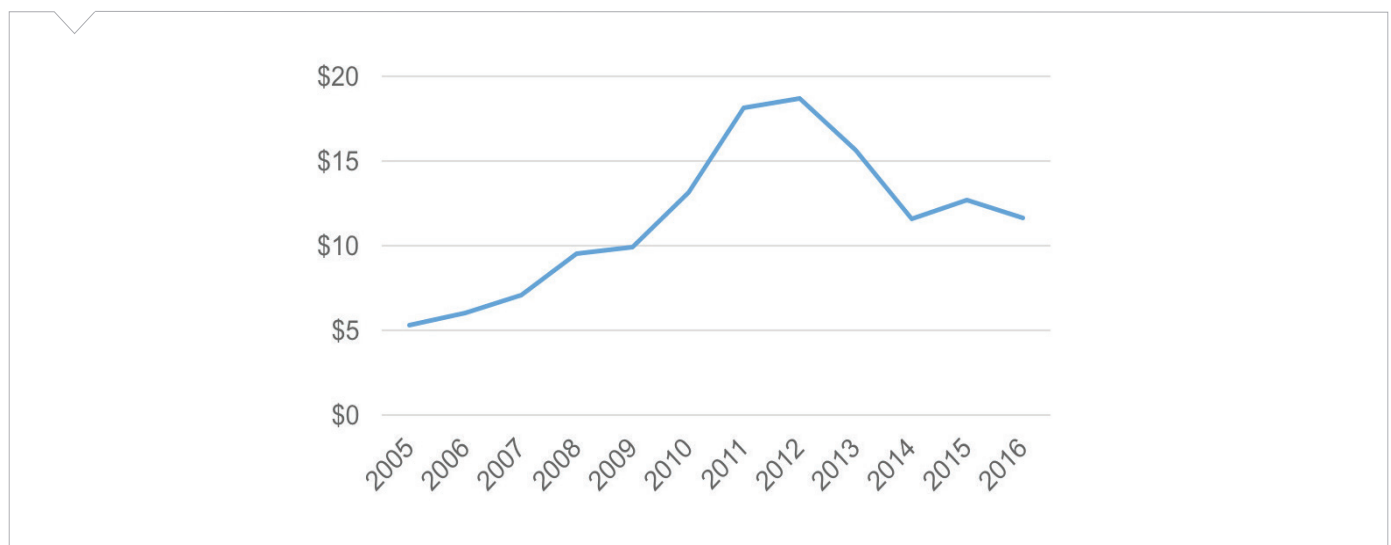
Utah Export Facts

Manufacturers help to drive Utah's economy, with \$11.64 billion in manufactured goods exports in 2016. That same year, \$2.97 billion in exports was with our free trade agreement (FTA) partners. This helps create jobs in the state, and 19.9 percent of its employment stemmed from exports in 2011. Small businesses comprised 86 percent of all exporters in Utah.

Manufactured Goods Exports (\$billions, 2016)	\$11.64	Manufactured Goods to Free Trade Agreement Partners (\$billions, 2016)	\$2.97
(Percent share of total goods exports)	96.4%	(Percent of total exports, 2016)	25.5%
U.S. Jobs Supported by Goods Exports (2015)	55,795	Total Manufactured Goods Exports to Canada and Mexico (\$billions, 2016)	\$1.98
Employment from Manufacturing Exports (Export share of manufacturing jobs, 2011)	19.9%	(Percent of total exports, 2016)	17%
Small Business Share of Total Exporters (2015)	86%	Top Five Export Markets (Percent of total manufactured goods exports, 2016)	61.54%
		<ul style="list-style-type: none"> • United Kingdom (26.41%) • Hong Kong (12.92%) • Canada (11.16%) • Mexico (5.86%) • Taiwan (5.19%) 	

Sources: International Trade Administration, U.S. Census Bureau

Figure 3: Utah's Manufactured Goods Exports, in Billions of Dollars, 2000-2016



Additional Trade Facts

- The 20 U.S. FTA partners purchased nearly 48 percent (\$603 billion) of U.S. manufactured goods exports in 2016 — even though these countries represent only six percent of the world's population and 10 percent of GDP.
- FTA countries: Australia, Bahrain, Canada, Chile, Columbia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Singapore and South Korea.
- Visit www.nam.org/statedata or www.nam.org/trade for more information.

Revised January 2018

Center for Manufacturing Research

Goodbye, sales and use taxes

Legislature removes three-year life component of levies on inputs to manufacturing production

It's been a long, hard road. It's been more than 30 years since the Utah Legislature initially exempted sales and use tax on inputs on production for manufacturers and more than 20 years since it made a subtle change to the tax that caused the picking of winners and losers in the taxation arena.

But you have to go back further than that to see the start of the exemption designed to spur economic activity in the manufacturing industry and create and implement a tax policy that encourages growth and economic stability.

In 1985, Utah lawmakers made an important decision to strengthen Utah's economy and business climate by passing legislation to exempt purchases of manufacturing machinery and equipment from state and local sales taxes for new or expanding companies.

In 1995, the Utah Legislature expanded the exemption to include normal operating replacements of machinery and equipment. These purchases would be exempt under a three-year phase-in with 100 percent of the exemption available in fiscal year 1998-1999. This created a couple of problems, though. First, it allowed for the exemption of equipment and parts that lasted longer than three years — a number the Legislature ultimately picked based on the fiscal impact of the bill in 1995. Secondly, it became a challenge for a manufacturing company to determine whether an item purchased would last three years under normal operating conditions or if it should be taxed.

When it comes to economic growth, taxes really do matter. The way we tax seriously affects the long-term decisions that businesses make. If we want to create jobs, we need to accentuate capital accumulation, investment and productivity.

That's where jobs come from; there is no other place. A good job is much more important than any bundle of government social welfare-type programs that you could put together.

All Utahns have benefited from Utah's strong economy and positive business climate. The following is a sampling of the reasons the complete removal of sales and use tax on manufacturing inputs is a good idea and will benefit the state of Utah:

- Economic disincentives discourage job creation.
- Utah now will remain competi-

tive among other states.

- Utah is commonly recognized as a No. 1 state in the country in which to do business. It's very difficult to get to No. 1. It's even harder to stay at No. 1.



TODD BINGHAM

- Taxes influence business decisions.

- Manufacturing firms are much more stable as a general rule than other businesses.

- The manufacturing industry provides a greater multiplier effect on other state industries.

- Manufacturing has the single

largest payroll of any business sector in the state.

Thanks to the Utah Legislature and specifically to Senate President Wayne Niederhauser, Rep. Brad Wilson and Sen. Stuart Adams for their vision behind not taxing inputs to production. This simple move will create thousands of manufacturing jobs from existing manufacturing firms already here in the state, as well as create more than \$500 million in economic output over the next half decade. That's economic development grown right here within the state — from our existing companies who have driven the economy for generations and will

continue to do so through sound, solid, fiscal tax policy that creates, encourages and promotes economic development.

Utah is the greatest place to do business and the Utah Legislature just added one more significant reason it will continue to be "the place" to do business.

Todd R. Bingham is the president and CEO of the 113-year-old Utah Manufacturers Association. Prior to UMA, he was the president of the Utah Mining Association and has been involved in the association business for more than 23 years. He is a registered lobbyist representing business and industry in the areas of public policy and governmental affairs.

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UTAH MANUFACTURERS ASSOCIATION

MANUFACTURING BY COUNTIES

Ranked by Number of Manufacturing Establishments



List Development Laneace Gregersen | laneace@slenterprise.com

County	Number of Manufacturing Establishments	Average Employment	Manufacturing Employment	Average Monthly Wage	Average Monthly Manufacturing Wage	Top Manufacturing Establishments
1 Salt Lake	1,961	714,595	56,333	\$4,510	\$5,435	L3 Technologies Inc., Edwards Lifesciences LLC, Merit Medical Systems Inc., Ultradent Products Inc.
2 Utah	693	255,556	18,670	\$3,646	\$4,689	Nestle Prepared Foods Co., IM Flash Technologies LLC, U.S. Synthetic Corp.
3 Davis	316	127,942	12,102	\$3,904	\$5,082	ATK Space Systems Inc., Lifetime Products Inc., Utility Trailer Manufacturing Co., Alliant
4 Weber	293	107,602	14,352	\$3,458	\$4,779	Autoliv, Fresenius USA Manufacturing Inc., Ralcorp Frozen Bakery Products Inc.
5 Cache	239	60,565	11,349	\$2,995	\$3,989	E A Miller, Gossner Foods Inc., Schreiber Foods Inc., Pepperidge Farm Inc., Pierce Biotechnology Inc., Icon
6 Washington	223	65,760	3,611	\$3,021	\$3,479	Litehouse Inc., Deseret Laboratories Inc., Viracon, Sunroc Corp., Ram Manufacturing Co. Inc., Wilson Electronics LLC
7 Iron	88	19,010	1,741	\$2,710	\$4,012	Ampac Corp., Genpak LLC, Byway Corp., Metalcraft Technologies Inc.
8 Box Elder	87	20,297	6,010	\$3,287	\$4,510	Autoliv, West Liberty Foods LLC, Thiokol Corp.-Propulsion
9 Summit	69	26,379	802	\$3,971	\$4,994	Skullcandy Inc., Triumph Gear Systems Inc.
10 Tooele	43	16,608	1,411	\$3,262	\$4,875	U.S. Magnesium LLC, Detroit Diesel Remanufacturing LLC, Morton Salt Inc.
11 Wasatch	38	9,082	395	\$3,406	\$4,059	Candyco LLC, Redmond Minerals Inc.
12 Sanpete	34	8,215	981	\$2,545	\$3,162	Norbest LLC, ACT Aerospace
13 Uintah	32	12,681	145	\$3,838	\$3,027	Coyote Tanks Inc., Country Cabinet
14 Sevier	25	8,697	450	\$3,073	\$3,466	Norbest LLC, Hales Sand and Gravel, U.S. Gypsum Co.
15 Duchesne	23	7,895	144	\$3,846	\$3,958	Cedar Bear Naturales, Uintah Machine and Manufacturing Co.
16 Carbon	20	8,594	331	\$3,230	\$5,054	Intermountain Electronics Inc., Peczuh Printing Co., Morgantown Machine and Hydraulics, Love-Less Ash Co.
17 Morgan	19	2,362	192	\$3,383	\$4,874	Holcim (U.S.) Inc.
18 Juab	18	3,464	18	\$2,986	\$3,946	Barnes Inc., Quality Craft Wood Works Inc.
19 Millard	12	4,345	201	\$3,400	\$5,013	LiquaDry Inc., Graymont Western US Inc.
20 Garfield	9	2,244	59	\$2,752	\$2,232	K & D Forest Products Inc., Bryce Valley Builders & Supply Inc.
21 Kane	7	3,348	134	\$2,969	\$3,627	Stampin' Up Inc.
22 Emery	5	3,066	17	\$4,112	\$5,176	Anycraft LLC
23 Grand	5	5,491	99	\$2,933	\$3,988	The Synergy Co. of Utah LLC
24 San Juan	5	4,232	85	\$3,127	\$2,227	Blue Mountain Meats Inc., Cedar Mesa Products Inc.

Leasing as an option for equipment financing

It can be hard to know the best financing solution for your business or project. Whether you are expanding your office, manufacturing capacity, transportation fleet or heavy equipment, there are things to consider when deciding whether to buy or lease.

There is a lot of flexibility with lease structuring when compared with other kinds of financing. Leases can be structured as debt financing, called capital leases, or they can be structured as true rental contracts, called operating leases. The terms of repayment typically range from 24 to 60 months and can be specifically tailored to meet your business' tax, accounting and cash flow requirements. In order to understand the benefits of these two general types of structures, it may be helpful to consider them separately.

A capital lease means that the lessor transfers the rights of ownership to the lessee and the property is recorded as an asset in the business' general ledger. The debt obligation is also recorded.

What are the specific benefits of capital leases?

- Leases generally do not require a down payment. Financing through a lease typically includes freight and soft costs and can be included with the amount financed.

- Leases favor the lessee's ability to borrow in the future. There are not additional covenants that restrict your ability to borrow. They are structured so the ability to make the payments and the collateral of the equipment is what secures the transaction.

- Leases can be structured to improve cash flow for your business. Sometimes lessors can structure the lease with uneven payments or balloons to coincide with the lessee's business cycle. Think of a ski resort.

- Many times loans have variable rates. Leases typically have fixed interest rates, which can reduce uncertainty for business owners.

- Leases do not typically have points or draw fees associated with them. Generally, when you get a new loan, you will be required to pay fees or points. Leases don't usually have fees or points.

An operating lease is treated as a rental contract from an accounting perspective. This means that there is no debt or asset on the balance sheet and the entire amount of the rental payments are recorded as a business expense on the income statement.

What are the specific benefits of operating leases?

- The above listed benefits for

capital leases are also benefits for operating leases.

- There may also be tax benefits for lessees with an operating lease. Make sure you talk to your accountant or a qualified tax expert. Lessees may be able to claim the entire rental payment as a tax deduction as opposed to depreciation and interest expense. This can be beneficial in terms of timing and the resulting present value of the tax deductions if the lease term is shorter than the corresponding

MACRS schedule. This timing benefit sometimes doesn't apply if there is a bonus or accelerated depreciation available to the lessee.

- Because operating leases are considered rental contracts, debt is typically not recorded on the balance sheet for operating leases. Again, make sure you consult a qualified tax and accounting expert for correct tax and accounting treatment. The actual treatment will depend on the ruling of the lessee's accountant.

- Keeping the debt off the balance sheet may be helpful in a number of

ways. It may improve certain financial ratios. It may also keep the business within the covenants of their primary bank and help improve that relationship.

There are also specialty lease products for some industries and equipment. You can always talk to your banker or a lease professional about what might be the right product, lease or loan when you need financing.

Jason Price is the president of GrowthFunding Equipment Finance in Riverton.



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Tariffs' cost to Utah

A study from the U.S. Chamber of Commerce estimates the cost to Utah from our trading partners' retaliatory tariffs at \$181.3 million

Brice Wallace
The Enterprise

growth.”

The chamber said that approximately \$75 billion worth of U.S. exports are subject to retaliatory tariffs.

“Escalating tit-for-tat trade actions promise to raise costs on American businesses and consumers, making it harder for families to afford everyday products like toilet paper, condiments, coffee and ballpoint pens, which have been targeted for retaliation,” the chamber said.

The analysis indicates that the hardest-hit Utah products exported to China are forage products such as hay, clover and vetches (\$49.7 million annually); aluminum waste and scraps (\$26 million); and milk-based products (\$1.4 million).

Among at-risk products exported to Canada are steel bars and rods (\$12.8 million annually); aluminum alloy bars, rods and nonhollow profiles (\$9.3 million); and bread, pastry, cakes and puddings (\$4.7 million).

Exports to Mexico subject to retaliatory tariffs include food preparations (\$18.2 million), pipe and oil line (\$1.5 million), and frozen pork products (\$960,000).

At-risk products exported from Utah to the EU include eye makeup preparations (\$3.1 million); powder

makeup and preps, including rouge and baby powder (\$1.9 million); and pipe and iron, (\$1.8 million).

The analysis also said that 387,200 Utah jobs supported by global trade.

Utah’s \$181.3 million figure pales in comparison to some other states’. The analysis indicates that \$3.9 billion in Texas exports are subject to retaliatory tariffs. The figure is \$3.6 billion for Alabama, \$3 billion for South Carolina, \$2.3 billion for Michigan, \$1.7 billion for Pennsylvania and \$1 billion for Wisconsin.

“The administration is threatening to undermine the economic progress it worked so hard to achieve,” Donohue said. “We should seek free and fair trade, but this is just not the way to do it. It’s time to reverse course and adopt smarter, more effective approaches for addressing trade concerns with commercial partners.”

The chamber analysis is available at www.thewrongapproach.com.

Meanwhile, U.S. Sen. Mike Lee, R-Utah, and the Salt Lake Chamber are among those supporting a bill that would require the president to submit to Congress any proposal to raise tariffs in the interest of national security. The bill, offered by Sen. Bob Corker, R-Tenn., has 15 co-sponsors,

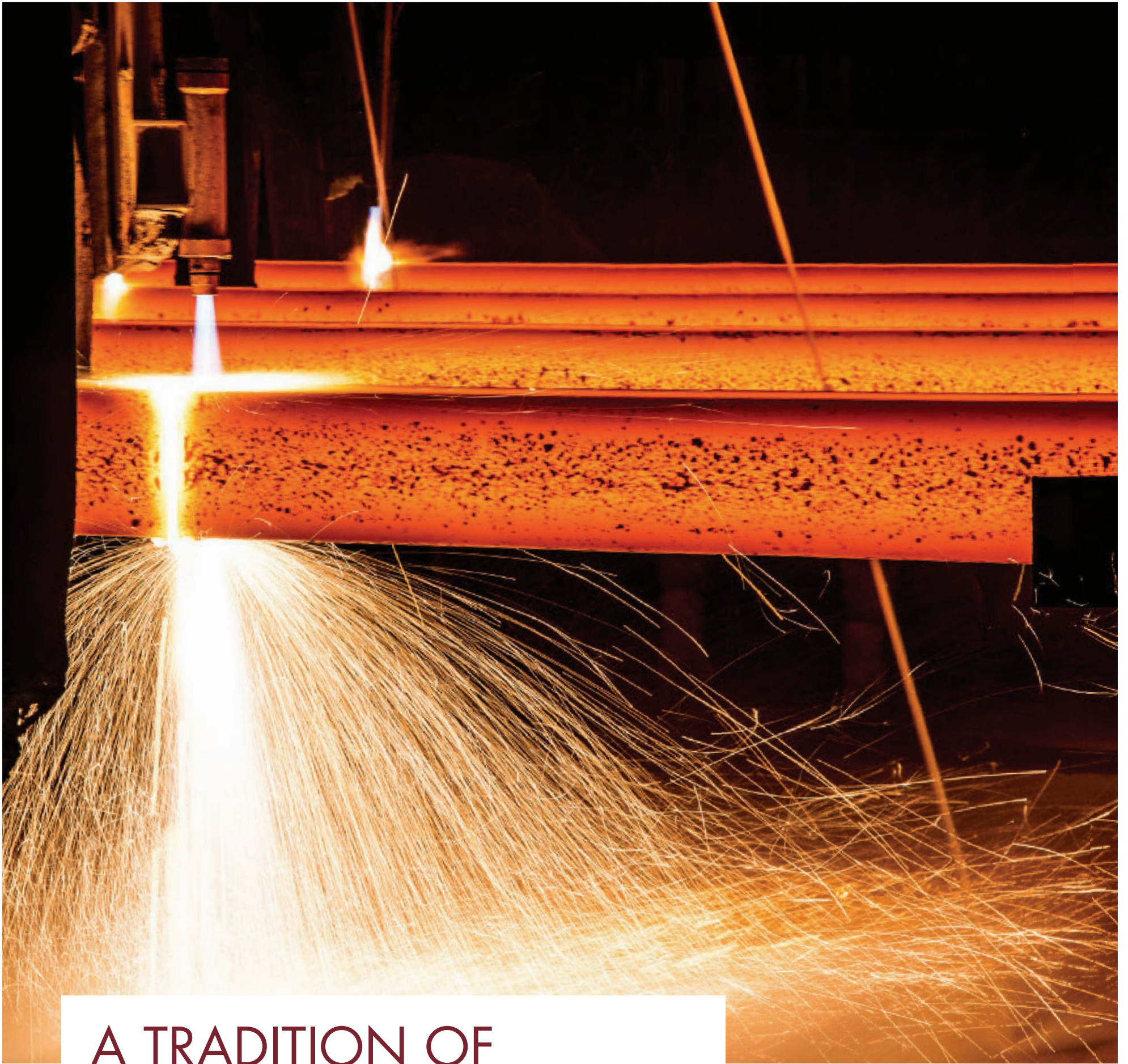
including eight Republicans and six Democrats. It has been referred to the Senate Committee on Finance.

The bill has the support of the U.S. Chamber of Commerce, dozens of trade groups and 222 state and local chambers of commerce.

“The tariffs announced by the president this year impose a tax hike on the American people — one that will harm both workers and consumers,” Lee said. “While I am sympathetic to the issues facing domestic steel manufacturers, there are better ways to address the steel industry’s concerns. I am proud to be working with Sen. Corker to find a way for Congress to solve this problem.”

“Utah is a trade surplus state and one of the fastest-growing export economies in the country,” said Derek B. Miller, president and CEO of the Salt Lake Chamber. “This is a credit to the thousands of Utah companies that are competing and winning in the global economy. Tariffs and trade wars will have a negative impact on Utah’s economic success. Congress should assert its authority under the Constitution to ensure that any tariffs imposed under the guise of national security are weighed with the need to safeguard our nation’s economic prosperity.”





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