



Chamber Daily Bulletin

Top Takeaways:

- **The global economy needs trade-enhancing policies, not more tariffs.**
- **Services sector rebound suggests that the road to economic recovery is well underway.**
- **Chamber small business series explores necessity of diversifying revenues, maximizing cash flow and more.**

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Developments That Matter

Despite Heated Rhetoric, Trade
Barriers Cooling

Trade barriers are back in the headlines, spurred in part by new Chinese [restrictions on food](#) imports.

Last week, Chinese customs officials began asking global meat and fruit exporters to certify that their products are COVID-19-free – despite the absence of any evidence linking food to transmission of the virus. The move comes just days after China barred imports from some meat producers in the United States, Germany, the United Kingdom and Brazil.

Regulatory agencies around the globe [pushed back](#), emphasizing that “efforts to restrict global food exports... are not consistent with the known science of [COVID-19] transmission.” The United States, Australia, and the European Commission have all issued strong protests, reflecting the reality that a lucrative and fast-growing market is at stake.

Despite this flareup, the trend lines on trade barriers have improved. The WTO reported this week that governments around the globe have repealed more than a third of the export restrictions introduced in the pandemic, most of which involved medical products or food. Governments have introduced an [unprecedented volume](#) of trade-enhancing policies, impacting over \$700 billion in goods.

By contrast, one administration official [told a congressional hearing](#) last week: “I’m not in favor of reducing tariffs on the things we need. I would be far more in favor of increasing tariffs on the things we need.” Of course, Americans are the ones to pay these tariffs, which is just another word for taxes.

It’s encouraging that the major economies have refrained from a full-throated embrace of protectionism. Still, we must remain vigilant. The United States recently marked the 90th anniversary of the disastrous Hawley-Smoot tariffs, which lengthened the Great Depression by crippling U.S. trade.

Let’s not make the same mistake again.

-Myron Brilliant, Executive Vice President and Head of International Affairs, and John Murphy, Senior Vice President, International Affairs, U.S. Chamber of Commerce

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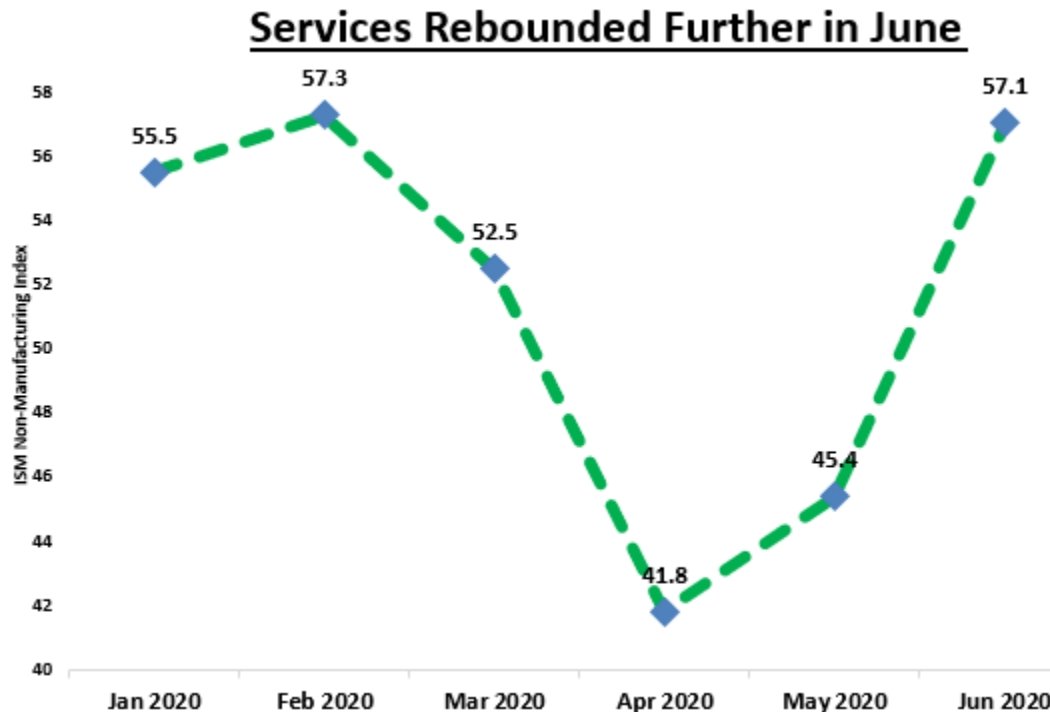


Chamber in Action

Latest Services Sector Numbers Are Encouraging Sign Towards Recovery

The services sector of the economy rebounded strongly in June, according to the [Institute for Supply Management's non-manufacturing index](#). The increase in June was the largest on record. The index now stands close to where it was in February, before COVID-19 struck the economy.

The index was 57.3 in February. It fell all the way to 41.8 in April, before bouncing to 45.4 in May. It jumped another 11.7 points in June to stand at 57.1.



The strength in the report was widespread. Nine out of ten sub-indexes improved, with many growing enough to indicate a growing economy. The supply time sub-index was the only one that declined. However, this signals that supply chains are returning closer to normal.

The employment sub-index rose sharply over the month, however it is still firmly in contraction territory. This indicates that businesses are not laying off as many employees as they were, but they are also not hiring at a rapid clip either. This will be an important sub-index to monitor going forward.

The rebound in services is further evidence of an economy that bottomed out in May and began recovering in June. A big caveat—that applies to all data compiled last month. The survey was conducted before the recent spike in COVID-19 cases. That could slow the early-stage recovery. We will know more when we get data for later in June and early July.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce

Latest CO— Panel Focuses on Various Key Small Business Issues

[CO— by U.S. Chamber of Commerce](#) recently hosted the third installment of its new virtual series, CO—Blueprint. The topic was “Planning through Uncertainty” and focused on how business owners can look beyond the troubles of today and plan for the future.

Jeanette Mulvey, Content Director of CO—, was joined by Christopher Hollins, the managing director and general manager of cash management for [Chase Business Banking](#) for a fifteen-minute interview to discuss what small businesses can do to maximize their cash flow and build relationships with the banking community.

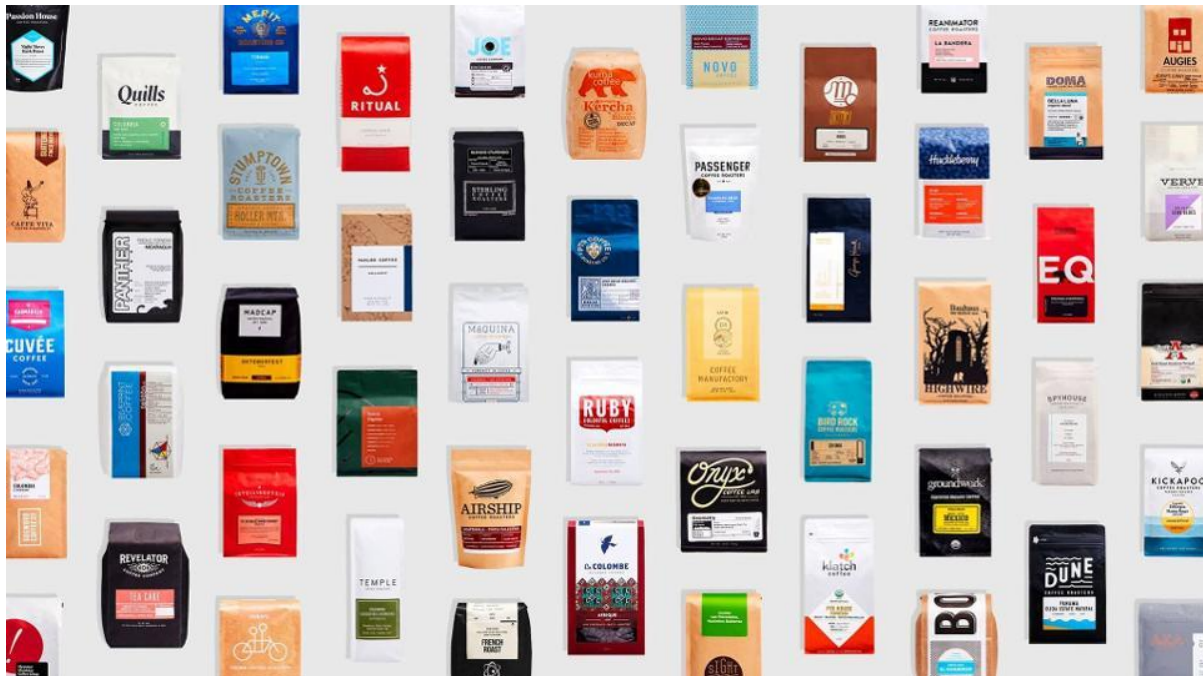
Mulvey and Hollins were then joined by three small business owners: Manny Cosme, CPA, president and CEO of CFO Services; Michele Gatton, co-owner of New York City restaurant, Extra Virgin; and Barbara Meikle, owner of Barbara Meikle Fine Art. Each shared their personal business stories.

Watch the full episode [here](#).

This week’s webinar was part of an ongoing series hosted by [CO— by U.S. Chamber of Commerce](#). To register for the next event on July 15, [click here](#).

Duty Calls, Business Responds





How A Coffee Startup Is Helping Independent Roasters Give Back During The Pandemic

Trade Coffee, a startup, is looking to give independent coffee roasters a new way to sell during this pandemic.

What We're Reading

U.S. food supply chain: Disruptions and implications from COVID-19

The pandemic has changed consumer behavior and companies are still trying to figure out how to handle it.

[read more](#)

Studios Keep Delaying Movies. What's the Cost?

A look at how much delaying long-awaited movies costs movie studios.

[read more](#)

Quick Reference

Resources to help keep your business strong, prepared, and proactive.

- [Reopening Business Digital Resources Center](#)
- [Guides and Toolkits](#)
- [Policy & Advocacy](#)
- [Business Community Response](#)
- [Economic Impact](#)
- [CO— Coronavirus Small Business Hub](#)
- [Coronavirus Live Blog](#)
- [Corporate Aid Tracker](#)
- **Event Series**

- **CO— Small Business Virtual Events**
- **The Path Forward**

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