



# DOLLAR MISALIGNMENT IS NEXT FRONT ON TRADE

TRADE DEFICIT CANNOT BE NARROWED WITHOUT ADDRESSING DOLLAR EXCHANGE RATE

-All data refers to January 2018 through June 2019-

Total tariff penalty from section 201, 232 and 301 tariffs = \$68.6B

VS

7.2% appreciation from Jan. 2018 through June 2019

\$336B subsidy to all imports

\$268.4B tax on all exports

Total penalty on US trade from dollar misalignment = \$604.4B

**THEREFORE:** Dollar misalignment penalty on US is nearly 8.8 times greater than the total tariff penalty on imports. This is why the US trade deficit continues to worsen.

**SOLUTION:** Realign the dollar exchange rate to achieve a current account balancing price.

\$68.6B

TARIFF REVENUE

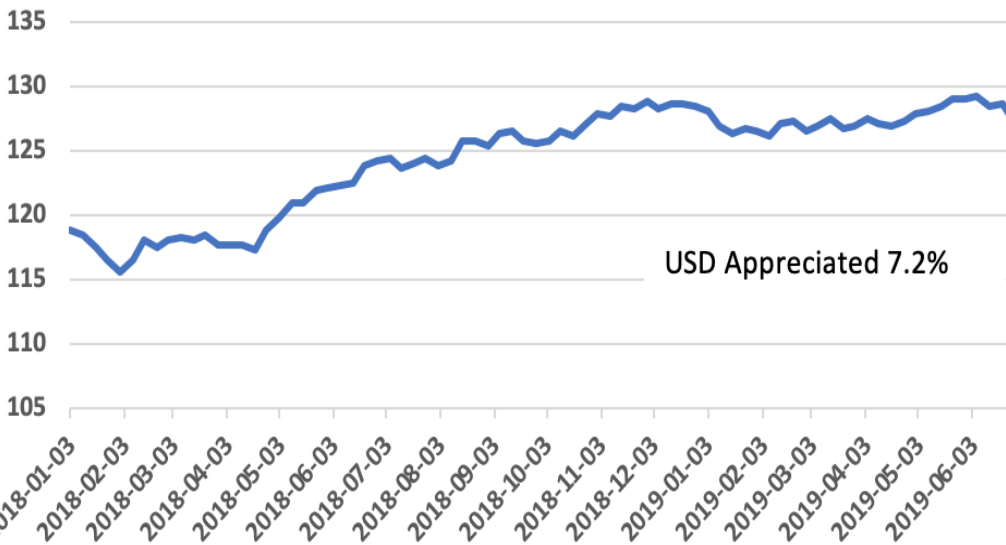
VS

\$336B

\$268.4B

CURRENCY PENALTY

US Dollar Trade Weighted Index (TWEXB)  
January 2018 Through June 2019



Each 1% dollar appreciation has a \$56.4B negative trade impact (\$24.7B penalty on exports + \$31.7B import subsidy)

**RESULT:**  
2018 trade deficit rose another 14%, killing jobs and growth.  
2019 trade deficit expected to deteriorate further.

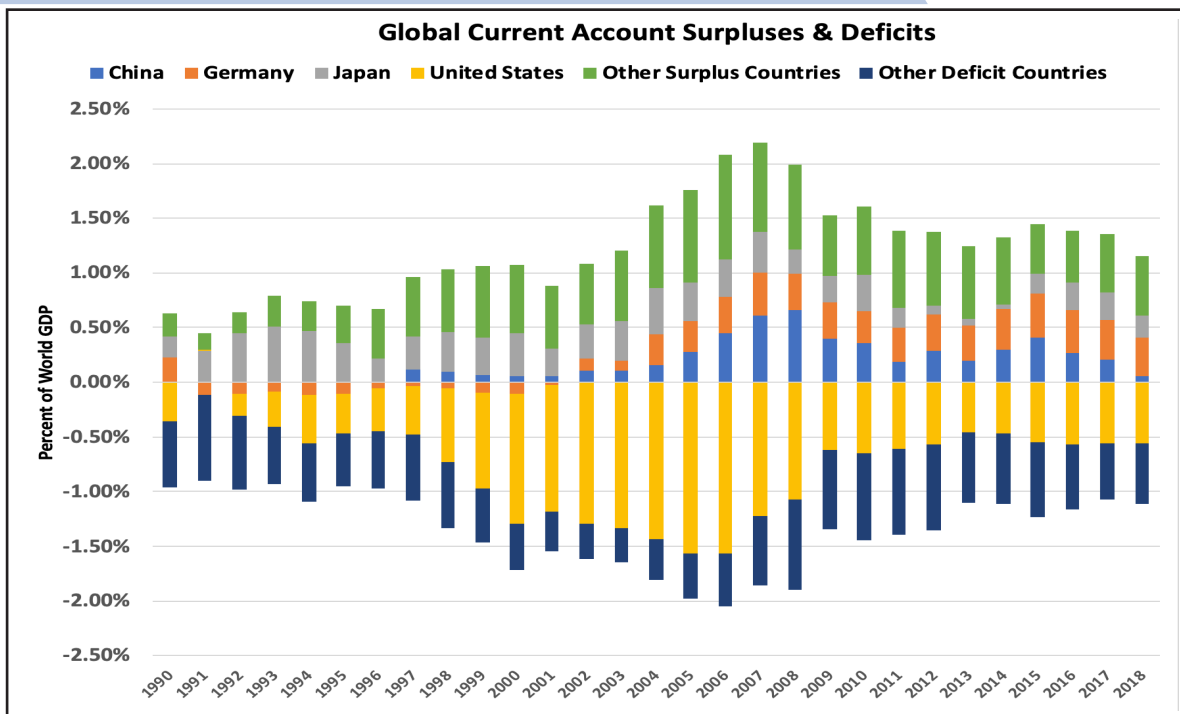


# New National Priority: Fix the Misaligned Dollar

Spurring job creation, economic growth and increased wages

Excessive capital inflows from surplus nations drive the dollar price too high

Result: US is the primary importer of global overproduction



## CPA Economic Model Shows:

27% Realignment of the Dollar Value Would Balance Trade and Deliver Massive Economic Benefits



**JOB CREATION**  
5.2M additional jobs

**GDP GROWTH**  
Annual growth increases by 74%  
(2.84% vs 1.63%)

**JOB QUALITY IMPROVES**  
Job growth concentrated in goods producing industries

**AGRICULTURE BENEFITS**  
Commodity prices and exports surge

The Competitive Dollar for Jobs and Prosperity Act (S. 2357) will require the Fed to manage the dollar exchange rate to achieve current account balance.