

Mutual Fund Industry Supports Fast Track Authority, November 1997

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Washington, DC, November 7, 1997 - Saying that it "is imperative that the U.S. continue to play a leadership role in eliminating barriers that prevent U.S. firms from competing abroad," Investment Company Institute President Matthew Fink urged House passage today of [fast track negotiating authority](#). The Institute is the national association of the mutual fund industry.

In a letter to all House Members, the ICI President observed that the U.S. mutual fund industry is a model for the rest of the world. Mr. Fink warned, however, that "while the U.S. market is completely open to foreign firms, our members encounter significant barriers in marketing their goods and services outside the U.S." He concluded that eliminating these barriers requires that U.S. trade negotiators have the tools they need to negotiate with our trading partners. "Fast track is one of these tools," he said.

Providing an historical context for the Institute's support of fast track, Mr. Fink observed that the fund industry has "worked closely with both Republican and Democratic administrations to obtain new market access opportunities under multi-sectoral agreements such as NAFTA that required fast track and bilateral financial services agreements such as the U.S.-Japan agreement that did not."

The ICI President pointed to the benefits that came from both agreements. "As a result of NAFTA, U.S. asset management firms can enter Mexico's mutual fund business and manage assets of Mexico's new social security system. . . . non-Japanese advisers now manage 8.5 percent of Japanese pension assets, up from two percent in 1991," he said.

Mr. Fink concluded that passage of fast track is necessary if the U.S. is to continue to lead the way in eliminating trade barriers for U.S. firms. "This requires that Congress give the President a full set of negotiating tools and communicate to U.S. trading partners Congress' strong support for dismantling protectionist trading regimes abroad."

The Investment Company Institute is the national association of the American investment company industry. Its membership includes 6,661 open-end investment companies ("mutual funds"), 443 closed-end investment companies, and 10 sponsors of unit investment trusts. Its mutual fund members have assets of \$4.16 trillion, accounting for approximately 95 percent of total industry assets, and have over 59 million individual shareholders.