

United States International Trade Commission

THE YEAR IN TRADE 2012

Operation of the Trade
Agreements Program

64TH REPORT

USITC Publication 4416
July 2013



U.S. International Trade Commission

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PREFACE

This report is the 64th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation. Section 163(c) of the Trade Act of 1974 states that “the International Trade Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.”

This report is one of the principal means by which the U.S. International Trade Commission provides Congress with factual information on trade policy and its administration for calendar year 2012. The trade agreements program includes “all activities consisting of, or related to, the administration of international agreements which primarily concern trade and which are concluded pursuant to the authority vested in the President by the Constitution” and congressional legislation.

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Abbreviations and Acronyms

AB	Appellate Body (WTO)
ACTA	Anti-Counterfeiting Trade Agreement
AD	antidumping
AGOA	African Growth and Opportunity Act
AIT	American Institute in Taiwan
ALJ	Administrative Law Judge
APEC	Asia-Pacific Economic Cooperation
APHIS	Animal and Plant Health Inspection Service (USDA)
ARRA	American Recovery and Reinvestment Act
ATEC	Agreement on Trade and Economic Cooperation (Brazil)
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BEA	Bureau of Economic Analysis (USDOC)
BECC	Border Environment Cooperation Commission (NAFTA)
BIT	Bilateral Investment Treaty
BOP	balance of payments
BSE	bovine spongiform encephalopathy
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act
CEC	Commission for Environmental Cooperation (NAFTA)
CETR	U.S.-Brazil Commission on Economic and Trade Relations
C.F.R.	Code of Federal Regulations
CLC	Commission for Labor Cooperation (NAFTA)
CNL	competitive need limitation
COOL	country of origin labeling
CSQ	country-specific quota
CSRM	Committee on Standards-Related Measures (NAFTA)
CTD	Committee on Trade and Development (WTO)
CTE	Committee on Trade and the Environment (WTO)
CTI	Committee on Trade and Investment (APEC)
CTPA	U.S.-Colombia Trade Promotion Agreement
CU	customs union
CVD	countervailing duty
DDA	Doha Development Agenda (WTO)
DG	Director-General (WTO)
DSB	Dispute Settlement Body (WTO)
DSU	Dispute Settlement Understanding (WTO)
EAC	Environmental Affairs Committee (NAFTA, Peru TPA)
EC	European Communities
ECC	Environmental Cooperation Commission (NAFTA, Peru TPA)
EDA	Economic Development Administration (USDOC)
EHI	U.S.-Japan Economic Harmonization Initiative
EIAP	Earned Import Allowance Program (CAFTA-DR)
EMC	electromagnetic compatibility
EMI	electromagnetic interference
ERS	Economic Research Service (USDA)

ETA	Employment and Training Administration (USDOL)
EU	European Union
FAO	Food and Agriculture Organization (UN)
FAS	Foreign Agricultural Service (USDA)
FDI	foreign direct investment
Fed. Reg.	Federal Register
FMCSA	Federal Motor Carrier Safety Administration (Mexico)
FSC	Food Safety Commission (Japan)
FTA	free trade agreement
FTAA	Free Trade Area of the Americas
FTAAP	Free Trade Area of the Asia-Pacific
FTC	Free Trade Commission (CAFTA-DR, NAFTA, Peru TPA)
FY	fiscal year
G-20	Group of 20 (major world industrial and emerging market economies)
G20	Group of 20 (WTO developing country group)
GATS	General Agreement on Trade in Services (WTO)
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GI	geographical indication
GPA	Agreement on Government Procurement (WTO)
GPS	global positioning system
GSP	Generalized System of Preferences
HELP	Haiti Economic Lift Program
HLRCC	U.S.-Mexico High-Level Regulatory Cooperation Council
HLRCF	U.S.-EU High-Level Regulatory Cooperation Forum
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act
HS	Harmonized Commodity Description and Coding System (international)
HTS	Harmonized Tariff Schedule of the United States
ICITE	International Collaborative Initiative on Trade and Employment (OECD)
ICSID	International Centre for the Settlement of Investment Disputes
ICT	information and communications technology
IMF	International Monetary Fund
IPR	intellectual property rights
ITA	International Technology Agreement (WTO)
ITA	International Trade Administration (USDOC)
JCCT	Joint Commission on Commerce and Trade
JECFA	Joint FAO/WHO Expert Committee on Food Additives
JNNSM	Jawaharlal Nehru National Solar Mission (India)
KFTA	Korea Fair Trade Commission
KORUS FTA	U.S.-Korea Free Trade Agreement
LCA	large civil aircraft
LCIA	London Court of International Arbitration
LDBDC	least-developed beneficiary developing country
LTFV	less than fair value
MEA	multilateral environmental agreement
Mercosur	Common Market of the South
MFN	most-favored nation
mmt	million metric tons
MOFCOM	Ministry of Commerce (China)
MOU	memorandum of understanding
MRA	mutual recognition agreement

MRL	maximum residue limit
NAAEC	North American Agreement on Environmental Cooperation (NAFTA)
NAALC	North American Agreement on Labor Cooperation (NAFTA)
NAC	National Advisory Committee (NAFTA)
NADB	North American Development Bank (NAFTA)
NAFTA	North American Free Trade Agreement
NAMA	nonagricultural market access
NAO	National Administrative Office (NAFTA)
NGTF	Negotiating Group on Trade Facilitation (WTO)
NASA	National Aeronautics and Space Administration (United States)
NTB	nontariff barrier
NTR	normal trade relations
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health (Office International des Epizooties)
OTEXA	Office of Textiles and Apparel (USDOC)
OTLA	Office of Trade and Labor Affairs (NAFTA)
PATPA	U.S.-Panama Trade Promotion Agreement
PNTR	permanent normal trade relations
PTPA	U.S.-Peru Trade Promotion Agreement
Pub. L.	Public Law
R&D	research and development
RMB	renminbi
ROOs	rules of origin
RTA	regional trade agreement
S&ED	Strategic and Economic Dialogue (China)
SBDC	Small Business Development Center (NAFTA)
SCM	subsidies and countervailing measures
SEM	Submissions on Environmental Measures (NAFTA)
SITC	Standard International Trade Classification
SLA	Softwood Lumber Agreement
SME	Sindicato Mexicano de Electricistas (NAFTA)
SMEs	small and medium-sized enterprises
SPS	sanitary and phytosanitary (standards)
SSA	sub-Saharan Africa
STRI	services trade restrictiveness index
TAA	Trade Adjustment Assistance
TAAC	Trade Adjustment Assistance Center
TAAEA	Trade Adjustment Assistance Extension Act
TAATC	Trade Agreement Administration and Technical Cooperation (USDOL)
TBT	Technical Barriers to Trade (WTO)
TEC	Transatlantic Economic Council
TIFA	trade and investment framework agreement
TMT	thousand metric tons
TNC	Trade Negotiations Committee (WTO)
TPA	trade promotion agreement
TPF	U.S.-India Trade Policy Forum
TPP	Trans-Pacific Partnership
TRIPS	Trade-Related Aspects of Intellectual Property Rights (WTO)
TRQ	tariff-rate quota
TTIP	Transatlantic Trade and Investment Partnership (EU)
UK	United Kingdom

UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
US&FCS	United States and Foreign Commercial Service (USDOC)
U.S.C.	United States Code
USAFTA	U.S.-Australia Free Trade Agreement
USCBP	United States Customs and Border Protection (USDHS)
USDA	United States Department of Agriculture
USDHS	United States Department of Homeland Security
USDOC	United States Department of Commerce
USDOE	United States Department of Energy
USDOL	United States Department of Labor
USDOS	United States Department of State
USDOT	United States Department of Transportation
USFDA	United States Food and Drug Administration
USITC	United States International Trade Commission
USMFTA	U.S.-Morocco Free Trade Agreement
USTR	United States Trade Representative
WHO	World Health Organization (UN)
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

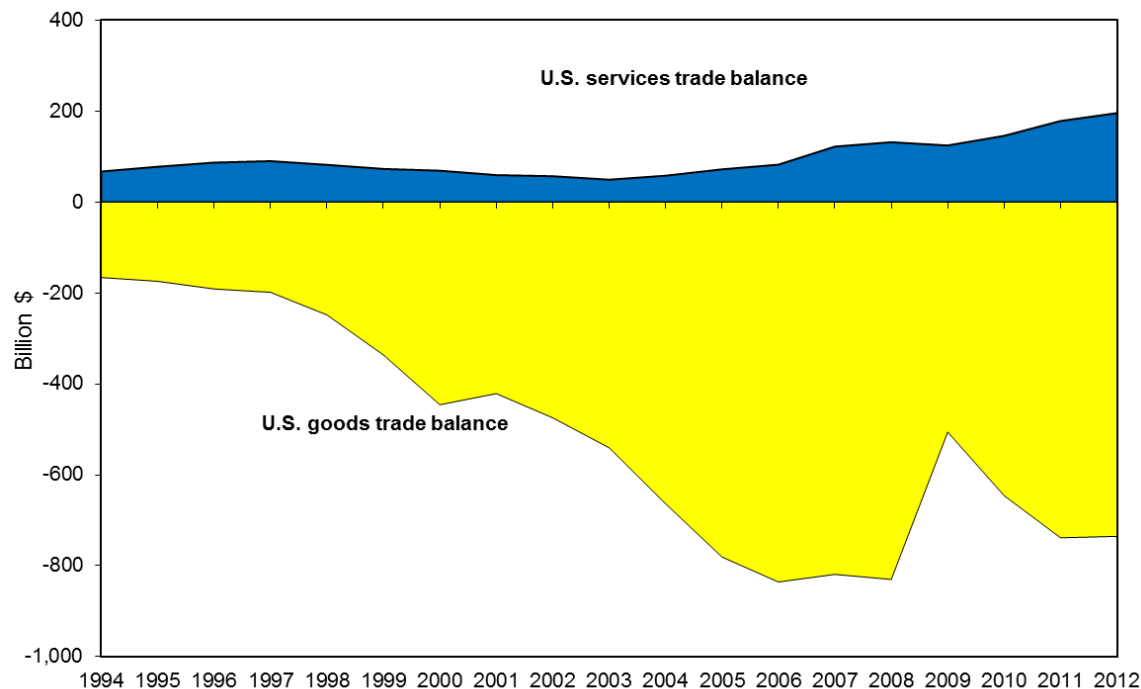
EXECUTIVE SUMMARY

The U.S. trade deficit for goods and services fell slightly from \$560.0 billion in 2011 to \$540.0 billion in 2012 on a balance-of-payments basis. The deficit on goods fell from \$738.4 billion in 2011 to \$735.3 billion in 2012, well below the \$835.7 billion record set in 2006. At the same time, the U.S. surplus on services rose from \$178.5 billion in 2011 to a new record of \$195.8 billion in 2012 (figure ES.1).

U.S. trade in goods and services grew in 2012, but the rate of growth for both exports and imports was roughly a quarter of the rates of increase for 2011. Generally lower growth in many foreign countries, particularly within the European Union (EU), as well as the drought in U.S. farm areas, led to a smaller expansion in U.S. exports of goods and services in 2012. The decline in U.S. import requirements for petroleum-related products led to similarly lower growth in total U.S. imports of goods and services in 2012 compared to 2011. The U.S. economic recovery that began in the summer of 2009 continued as real gross domestic product (GDP) grew by 2.2 percent in 2012, compared to 1.7 percent in 2011. In contrast, the pace of global economic growth slowed, from 3.9 percent in 2011 to 3.2 percent in 2012.

The U.S. dollar depreciated by slightly less than 1.0 percent in 2012 against a broad trade-weighted index of foreign currencies. By yearend, the dollar had fallen against major European and Western Hemisphere currencies by 1–5 percent, but had appreciated against the Japanese yen. These currency movements were uneven during the year as the dollar responded to financial market developments, as well as concerns about fiscal stresses in Europe and the global economic outlook, by falling in the first, third, and fourth quarters and rising in the second quarter of the year. The Chinese yuan followed a more stable path against the dollar, but the dollar ended the year lower by 1 percent against the yuan.

FIGURE ES.1 U.S. trade balance in goods and services, 1994–2012



Source: USDOC.

A summary of U.S. trade agreement activities in 2012 is presented below, followed by a table summarizing key developments on a monthly basis for the year (table ES.1). Trade agreement activities during 2012 included the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum; U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

Key Trade Developments in 2012

Administration of U.S. Trade Laws and Regulations

Safeguard actions: The U.S. International Trade Commission (USITC or the Commission) conducted no new safeguard investigations in 2012. Only one safeguard measure was in effect during part of 2012, involving imports of certain passenger vehicle and light truck tires from China, and it expired in September. The President had imposed additional tariffs on such tires from China in September 2009 for a three-year period, setting the tariffs at 35 percent ad valorem in the first year, 30 percent ad valorem in the second year, and 25 percent ad valorem in the third year.

Section 301: In 2012, one section 301 case was ongoing from previous years, and no new section 301 petitions were filed. The ongoing case concerned the EU meat hormone directive. In August 2012, the EU increased the tariff-rate quota (TRQ) for beef produced without growth-promoting hormones to 45,000 metric tons as previously agreed under a memorandum of understanding (MOU) between the United States and the EU pursuant to the beef hormone dispute.

Special 301: In the 2012 Special 301 review, the U.S. Trade Representative (USTR) examined the adequacy and effectiveness of intellectual property rights (IPR) protection in 77 countries. USTR did not list any countries as priority foreign countries, but identified 13 countries on the priority watch list: Algeria, Argentina, Canada, Chile, China, India, Indonesia, Israel, Pakistan, Russia, Thailand, Ukraine, and Venezuela. The Special 301 report highlighted the need for greater IPR protection and enforcement of all forms of IPR in China, noting concerns about compulsory licensing, trade secret theft, the persistence of “notorious” physical and online markets selling IPR-infringing goods, and “indigenous innovation” policies and related industrial policies in China. Although Russia remained on the priority watch list, the report noted that it has taken significant steps to improve IPR protection. Malaysia and Spain were removed from the watch list, while 26 countries remained. In September 2012, Israel was removed from the priority watch list and placed on the watch list when it introduced three bills to improve its pharmaceuticals regime. In December 2012, the USTR issued the Notorious Markets List and identified more than 30 Internet and physical markets that deal in goods and services that infringe IPR and cause economic harm.

Antidumping duty investigations: The Commission instituted 5 new preliminary antidumping investigations and completed 16 final investigations during 2012. Antidumping duty orders were issued by the U.S. Department of Commerce (USDOC) in 7 of the completed investigations on six products from four countries.

Countervailing duty investigations: The Commission instituted 9 new preliminary countervailing duty investigations and completed 9 final investigations during 2012.

Countervailing duty orders were issued by the USDOC in 2 of the completed investigations on two products from one country (China).

Sunset reviews: During 2012, the USDOC and the Commission instituted 42 sunset reviews of existing antidumping duty and countervailing duty orders and suspension agreements. The Commission completed 46 reviews, resulting in 38 antidumping duty and countervailing duty orders being continued for up to five additional years.

Section 337 investigations: During 2012, there were 127 active section 337 investigations and ancillary proceedings, 52 of which were instituted in 2012. Of these 52 new proceedings, 40 were new section 337 investigations and 12 were new ancillary proceedings relating to previously concluded investigations. In all but four of the 52 new section 337 proceedings in 2012, patent infringement was the only type of unfair act alleged. Approximately 40 percent of the active investigations involved telecommunications and computer equipment; integrated circuits; and display devices, such as digital televisions. At the close of 2012, 56 section 337 investigations and related proceedings were pending at the Commission.

Trade Adjustment Assistance: In fiscal year (FY) 2012, the U.S. Department of Labor (USDOL) received 1,427 petitions for Trade Adjustment Assistance (TAA) for workers allegedly harmed by imports, a decline from 1,671 TAA petitions filed in FY 2011 and 2,222 petitions filed in FY 2010. USDOL certified 1,144 petitions as eligible for TAA and denied 183 petitions in FY 2012. The TAA for Farmers and the TAA for Firms programs also provided assistance in 2012 to farmers and firms, respectively.

Trade Preference Programs

Generalized System of Preferences (GSP): Imports that entered duty free under the GSP program totaled \$19.9 billion in 2012, accounting for 5.9 percent of total U.S. imports from GSP beneficiary countries and 0.9 percent of total imports from all trading partners. India was the leading GSP beneficiary in 2012, followed by Thailand, Brazil, and Indonesia. Crude petroleum and new pneumatic rubber tires for motorcars were the top products entered under the GSP program. During 2012, Argentina was suspended from the GSP program (effective May 28); South Sudan became a GSP beneficiary (effective April 15) and a least-developed beneficiary (effective May 28); Senegal became eligible for least-developed beneficiary treatment (effective September 3); and St. Kitts and Nevis, Gibraltar, and the Turks and Caicos Islands were removed from the list of GSP beneficiaries based on high income (effective January 1, 2014).

African Growth and Opportunity Act (AGOA): At the end of 2011, 40 sub-Saharan African (SSA) countries were designated for benefits under AGOA in 2012, and 27 SSA countries were designated eligible for AGOA textile and apparel benefits. Duty-free U.S. imports under AGOA, including those covered by GSP, were valued at \$34.7 billion in 2012. U.S. imports under AGOA, exclusive of GSP, were valued at \$32.9 billion, down 36.9 percent from 2011. This decrease was driven mainly by a decline in the value of U.S. imports of petroleum-related products, which made up 90.0 percent of imports under AGOA in 2012. Nigeria and Angola were the largest AGOA suppliers in 2012. On December 20, 2012, South Sudan became eligible for AGOA benefits, and it was announced that Guinea-Bissau and Mali would no longer be eligible effective January 1, 2013.

Andean Trade Preference Act (ATPA): At yearend 2012, Ecuador was the only country eligible to receive trade preferences under ATPA, because Colombia lost its eligibility

following the entry into force of the U.S.-Colombia Trade Promotion Agreement (TPA) in May 2012. U.S. imports under ATPA increased over 150 percent in 2012 to \$11.2 billion because of the program's lapse between February and October 2011. Crude petroleum and petroleum products accounted for the overwhelming share (91.5 percent) of U.S. imports under ATPA in 2012.

Caribbean Basin Economic Recovery Act (CBERA): At yearend 2012, 16 countries and dependent territories were eligible for CBERA preferences, and 7 were eligible for Caribbean Basin Trade Partnership Act (CBTPA) preferences, an amendment to CBERA. Panama lost its eligibility for both CBERA and CBTPA preferences when the U.S.-Panama TPA entered into force on October 31, 2012. U.S. imports under CBERA decreased by 13.3 percent to \$3.1 billion in 2012, reflecting a decline in U.S. imports of crude petroleum, methanol, knitted apparel products, and undenatured ethyl alcohol, which are major imports from CBERA countries. Although Trinidad and Tobago remained the leading supplier of U.S. imports under CBERA in 2012, Haiti accounted for nearly all of U.S. imports of apparel entering under CBTPA. U.S. imports of apparel from Haiti totaled \$730.1 million, up 4.1 percent from 2011, of which \$423.6 million entered under CBTPA. U.S. imports of apparel entering under the Haitian Hemisphere Opportunity through Partnership Encouragement Acts (HOPE) and the Haiti Economic Lift Program (HELP), which added special provisions to CBERA, rose by one-third in 2012 to \$303.4 million.

WTO, OECD, and APEC

WTO developments: The WTO Director-General, in his capacity as chairman of the Trade Negotiations Committee of the Doha Development Agenda (DDA), summed up the results of discussions during the first half of 2012 as “meager.” By October, he noted signs of momentum, telling WTO members that in discussions in the latter half of the year, members appeared committed to achieving a “credible outcome” at the WTO Ninth Ministerial Conference in December 2013. In view of the lack of progress in the DDA negotiations, a number of countries—the so-called Really Good Friends of services group—explored the possibility during 2012 of negotiating a plurilateral agreement on trade in services under the WTO. Among other 2012 developments, WTO parties formally adopted a revised Agreement on Government Procurement, and parties to the WTO Information Technology Agreement (ITA) agreed to expand ITA to cover additional products.

Four countries acceded to the WTO in 2012—Montenegro, Samoa, Russia, and Vanuatu—bringing WTO membership to 157. Members also began the process of selecting a new WTO Director-General, whose term would begin September 1, 2013.

WTO dispute settlement: Of the 27 new requests for dispute settlement consultations filed in 2012, 5 involved the United States as complainant and 6 as the respondent. There were 11 new dispute panels established during the year, including 3 at the request of the United States against China and 2 by China against the United States. The Appellate Body report in a case involving an EU complaint about U.S. measures affecting trade in large civil aircraft—one of the longest-running disputes—was adopted in March 2012, and a compliance panel relating to that dispute was formed at the request of the EU towards the end of the year.

OECD developments: The 34 members of the OECD held their ministerial-level council meeting in Paris, May 23–24, 2012, where they discussed policies aimed at restoring economic growth, including those addressing job and gender inequalities. Ministers

focused on the OECD Green Growth Strategy, aimed at policies such as sustainable use of natural resources and more efficient energy use; the OECD Gender Initiative, aimed at making the best use of all available resources by orienting education, employment, and entrepreneurship policies more directly toward women; and the Framework for an OECD Strategy for Development, intended to broaden collaboration and knowledge sharing between the OECD and developing countries on policy successes and failures.

APEC developments: APEC was hosted by Russia in 2012, culminating in a summit of APEC leaders and ministers in Vladivostok in September. Following a 2011 commitment to reduce tariffs on environmental goods, APEC member countries agreed on a list of products for which they could cut tariffs on a most-favored-nation (MFN) basis to 5 percent or less by 2015. In addition, member countries worked toward practical steps to facilitate services trade and enhance cooperation on several key issues, such as privacy and food security. The APEC annual summit also served as a forum for discussing pathways toward a Free Trade Area of the Asia-Pacific, a long-time goal of APEC.

FTA Developments in 2012

U.S. FTAs in force in 2012: The United States was a party to 14 FTAs with 20 countries as of December 31, 2012. These include the U.S.-Panama TPA (2012); the U.S.-Colombia TPA (2012); the U.S.-Korea FTA (2012); the U.S.-Oman FTA (2009); the U.S.-Peru TPA (2009); a multiparty FTA with the countries of Central America and the Dominican Republic (CAFTA-DR) that entered into force first with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006–07) and then to Costa Rica (2009); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); the North American Free Trade Agreement (NAFTA) (1994); and the U.S.-Israel FTA (1985).

FTA developments: In 2012, the U.S.-Panama TPA (October 31, 2012), the U.S.-Colombia TPA (May 15, 2012), and the U.S.-Korea FTA (March 15, 2012) entered into force. Also during the year, five rounds of negotiations were concluded related to a Trans-Pacific Partnership (TPP) agreement. The United States and the other TPP partners extended an invitation to Mexico and Canada on June 18 and 19, 2012, respectively, to join TPP negotiations with the nine current participants—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States. In addition, the United States and the EU explored options for expanding bilateral trade and investment, but no final decision was made during the year.

FTA merchandise trade flows with FTA partners: Two-way merchandise trade (exports and imports) between the United States and its FTA partners amounted to \$1.4 trillion, or 37.7 percent of total U.S. merchandise trade in 2012. The NAFTA countries—Canada and Mexico—dominated U.S. trade with FTA partners in 2012, accounting for 75.0 percent of total U.S. merchandise trade with its FTA partners, or \$1.0 trillion. In 2012, U.S. merchandise exports to the NAFTA partners expanded by 6.5 percent and imports by 3.7 percent, resulting in a 2.4 percent decline in the U.S. merchandise trade deficit with the NAFTA partners to \$181.0 billion. Outside of the NAFTA, U.S. two-way merchandise trade with those FTA partners that had FTAs in place in 2011 increased by 4.4 percent to \$228.8 billion in 2012. The United States registered a merchandise trade surplus with these 15 partners of \$23.3 billion in 2012, an increase of 24.6 percent from 2011. Completion of FTAs with Korea, Colombia, and Panama in 2012 added an additional \$110.3 billion (8.8 percent) to 2012 U.S. two-way trade with FTA partners. In 2012, U.S.

imports entered under FTA provisions were valued at \$393.7 billion, accounting for 17.5 percent of total U.S. imports.

NAFTA developments: All of NAFTA's provisions were fully implemented as of January 1, 2008, with the exception of the NAFTA cross-border trucking provisions. (Developments in the trucking provisions in 2012 are described in the Mexico section below.) In 2012, the NAFTA Free Trade Commission (FTC) asked the NAFTA Committee for Standards-Related Measures to continue its work to enhance cooperation in developing, applying, and enforcing standards-related measures, and to provide a forum for the parties to consult on issues relating to these measures. The FTC also noted that the business development centers in the United States and Mexico are now linking small and medium-sized enterprises for trade opportunities through an interactive platform, the SBDCGlobal.com network. At the end of 2012, 11 files remained active under articles 14 and 15 of the North American Agreement on Environmental Cooperation, of which 2 were submitted in 2012.

NAFTA dispute settlement: In 2012, there were five active Chapter 11 cases filed against the United States, four of them filed by Canadian investors and one filed by a Mexican investor. In the same year, six active Chapter 11 cases were filed by U.S. investors against Canada; none were filed by U.S. investors against Mexico. At yearend, the NAFTA Secretariat listed 14 binational panels active under Chapter 19, 11 of which challenged U.S. agencies' antidumping and countervailing duty determinations. Among these panels, 5 were formed in 2012; 3 of these challenged U.S. agencies' determinations on products from Mexico, and 2 challenged Mexico's agency determinations on products from the United States.

Trade Activities with Major Trading Partners

European Union

The EU as a unit¹ continued to be the United States' largest two-way merchandise trading partner in 2012. U.S. merchandise trade with the EU was \$609.8 billion in 2012, which accounted for 16.9 percent of total U.S. merchandise trade. U.S. merchandise exports to the EU totaled \$235.6 billion, ranking the EU second to Canada, while the value of U.S. merchandise imports from the EU was \$374.1 billion, second to China. As a result, the U.S. merchandise trade deficit with the EU was \$138.5 billion in 2012. Leading U.S. exports included aircraft and parts, petroleum-related products, certain medicaments, nonmonetary gold, and coal. Leading U.S. imports included passenger motor vehicles, certain medicaments, petroleum-related products, parts of turbo jets, and certain heterocyclic compounds. The EU was also the United States' largest trading partner in terms of services in 2012, accounting for 32.6 percent of total trade in private services.² The United States registered a trade surplus in services with the EU of \$54.8 billion in 2012.

A major focus of the U.S.-EU trade relationship in 2012 was the work of the U.S.-EU High Level Working Group on Jobs and Growth, which was tasked with recommending ways to expand bilateral trade and investment. In June the group released an interim

¹ The 27 members of the EU in 2012 were Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

² The services trade data reported for the EU and other countries are based on trade in private services, which exclude government sales and purchases of services.

report concluding that a comprehensive agreement would, if achievable, provide the most significant benefits. There was also progress during 2012 in a number of areas of the work plan of the Transatlantic Economic Council, including initiatives related to small and medium-sized enterprises, raw materials, investment, and secure trade.

Canada

Canada continued to be the United States' largest single-country trading partner in 2012, with total two-way merchandise trade valued at \$568.1 billion, accounting for 15.8 percent of U.S. trade with the world. U.S. merchandise exports to Canada totaled \$244.2 billion and U.S. merchandise imports from Canada amounted to \$323.9 billion, resulting in a U.S. merchandise trade deficit with Canada of \$79.7 billion in 2012. Leading U.S. exports included passenger and truck motor vehicles and parts, and petroleum-related products. Leading U.S. imports included petroleum- and energy-related products, as well as passenger motor vehicles. Canada was also the United States' second-largest single-country trading partner for services in 2012, following the United Kingdom (UK). The United States ran a U.S. services trade surplus of \$30.5 billion with Canada in 2012.

In January 2012, the United States and Canada signed a two-year extension of the 2006 Softwood Lumber Agreement until October 13, 2015. In June 2012, Canada passed the Copyright Modernization Act, implementing the World Intellectual Property Organization (WIPO) Copyright Treaty and the Performances and Phonograms Treaty (“WIPO Internet Treaties”). Canada signed these treaties in 1997 but did not succeed in enacting them into national law until 2012.

China

In 2012, U.S. merchandise trade with China—the United States' second-largest single-country trading partner—was valued at \$528.4 billion, accounting for 14.7 percent of U.S. trade with the world. The United States' merchandise trade deficit with China, registering \$321.4 billion in 2012, remained higher than the U.S. deficit with any other trading partner. U.S. merchandise exports to China amounted to \$103.5 billion, and U.S. merchandise imports from China amounted to \$424.9 billion in 2012. Leading U.S. exports were soybeans, aircraft and parts, cotton, metal waste and scrap, and motor vehicles. Leading U.S. imports were computers and parts, cell phones, telecommunication equipment, toys, video games, and footwear. The United States ran a services trade surplus with China in 2012, which amounted to \$16.9 billion.

China's compliance with its WTO commitments remained a focus of U.S.-China trade relations in 2012. Notable areas of U.S. interest were IPR enforcement, industrial policies, export restraints on raw material inputs, import bans on certain U.S. agricultural products, and entry barriers in service sectors in China.

Mexico

Mexico was the United States' third-largest single-country trading partner in 2012, following Canada and China. With total two-way merchandise trade valued at \$451.6 billion, Mexico accounted for 12.5 percent of U.S. trade with the world. U.S. merchandise exports to Mexico totaled \$175.2 billion in 2012, and U.S. merchandise imports from Mexico amounted to \$276.4 billion, resulting in a merchandise trade deficit of \$101.2 billion. As in the previous year, automotive trade was an important component in both exports and imports. Leading U.S. exports to Mexico included petroleum products, motor vehicles and parts, corn, aircraft and parts, parts and accessories for

automatic data processing machines, and soybeans. Major U.S. imports from Mexico were crude petroleum and petroleum products, motor vehicles and parts, televisions, computers, cell phones, nonmonetary gold, and road tractors. The United States had a services trade surplus of \$11.6 billion with Mexico in 2012.

To address cross-border trucking between the United States and Mexico, the Federal Motor Carrier Safety Administration (FMCSA) announced the authorization of Mexico-domiciled motor carriers to transport cargo under a pilot program beyond the commercial zones and throughout the United States (long-haul operations) in 2011. In 2012, FMCSA conducted an audit of the program and in its interim report indicated that there may not be enough authorized carriers to statistically assess the safety of the pilot program.

Japan

In 2012, U.S. merchandise trade with Japan—the United States’ fourth-largest single-country trading partner—was valued at 209.1 billion, accounting for 5.8 percent of total U.S. merchandise trade with the world. U.S. merchandise exports to Japan were \$64.6 billion in 2012, and U.S. merchandise imports from Japan amounted to \$144.5 billion, resulting in a trade deficit of \$79.9 billion. Leading U.S. merchandise exports to Japan included aircraft and parts, various medical equipment, corn, certain medicaments, soybeans, and wheat. Leading U.S. imports from Japan included passenger vehicles and parts, aircraft parts, parts for printers and copiers, and heavy construction equipment. Japan was the United States’ third-largest single-country services trading partner in 2012. The United States registered a trade surplus in services with Japan of \$20.1 billion.

In 2012, Japan engaged with the United States in consultations toward joining the ongoing TPP negotiations, and in that context policymakers discussed bilateral trade irritants, including concerns over the competitive position of Japan Post and nontariff measures in the auto market. Japan agreed to raise the age limit on cattle used to produce U.S. beef exports from 20 months to 30 months, offering expanded opportunities for U.S. beef producers seeking to ship high-quality beef to Japan. U.S. imports from Japan in several sectors affected by the Great East Japan Earthquake Disaster of 2011 largely recovered in 2012.

Korea

In 2012, Korea was the United States’ seventh-largest single-country trading partner, with total two-way merchandise trade valued at \$97.9 billion; Korea accounted for 2.7 percent of U.S. merchandise trade with the world. U.S. merchandise exports to Korea were \$40.0 billion in 2012, and U.S. merchandise imports from Korea were \$57.9 billion, resulting in a merchandise trade deficit of \$17.9 billion. Leading U.S. exports to Korea included machinery for producing semiconductors, electronic integrated circuits and microassemblies and parts, ferrous waste and scrap, aircraft and parts, and coal. Leading U.S. imports from Korea were cell phones, automobiles and parts, computer parts and accessories, processed petroleum, and electronic integrated circuits. The United States had a services trade surplus of \$8.8 million with Korea in 2012.

The U.S.-Korea FTA entered into force on March 15, 2012. Another notable trade development was a new market access agreement, 10 years in the making, that permits U.S. exports of blueberries to Korea if U.S. growers and packers meet certain phytosanitary requirements.

Brazil

In 2012, Brazil became the United States' ninth-largest single-country trading partner, falling behind Saudi Arabia. Brazil remained the United States' largest South American partner and its second-largest Latin American partner behind Mexico. U.S. merchandise trade with Brazil was valued at \$69.0 billion in 2012, accounting for 1.9 percent of U.S. merchandise trade with the world. U.S. exports to Brazil amounted to \$37.3 billion, and U.S. imports from Brazil were \$31.7 billion, which resulted in a U.S. merchandise trade surplus of \$5.5 billion—lower than the 2011 surplus. Leading U.S. exports to Brazil were aircraft and parts, petroleum-related oils and refined petroleum products, coal, medicaments, and parts for boring and sinking machinery. Leading U.S. imports from Brazil included petroleum-related products, pig iron and semifinished iron, ethyl alcohol, unroasted coffee, chemical wood pulp, and coal. The U.S. services trade surplus with Brazil was \$15.8 billion in 2012.

On March 13, 2012, the United States hosted the first meeting of the U.S.-Brazil Commission on Economic and Trade Relations, which was established by the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC) in 2011. During the 2012 meeting, the two countries agreed to seek greater cooperation on a broad range of issues including investment, IPR, and cross-border trade in services. In September 2012, the government of Brazil approved a one-year increase in tariffs that applies to 100 products imported from outside of Mercosur. The increased tariff rates amount to 25 percent ad valorem. Brazil's foreign minister cited the currency effects of U.S. monetary stimulus and the resulting loss of Brazil's competitiveness as a part of the rationale for the tariff increases.

Taiwan

In 2012, Taiwan was the United States' 11th-largest single-country trading partner. Bilateral merchandise trade amounted to \$60.6 billion, which accounted for 1.7 percent of total U.S. trade. After a considerable rise in 2011, the U.S. trade deficit with Taiwan decreased slightly to \$16.9 billion in 2012. U.S. merchandise exports to Taiwan amounted to \$21.8 billion and U.S. merchandise imports from Taiwan totaled \$38.7 billion in 2012. Leading U.S. exports were semiconductor manufacturing related machines and instruments, ferrous waste and scrap, and soybeans. Leading U.S. imports were GPS devices, photosensitive semiconductor devices, electronic integrated circuits, computer memory chips, processors, accessories and parts, and digital camera and video recorders. The United States ran a services trade surplus of \$4.0 billion with Taiwan in 2012.

In 2012, Taiwan agreed to adopt and apply a “maximum residue level” standard for imports of U.S. beef raised with ractopamine, replacing its zero-tolerance policy. Taiwan's imports of U.S. beef soon increased, although the zero-tolerance policy remains in effect for imports of U.S. pork.

India

U.S. merchandise trade with India—the United States' 12th-largest single-country trading partner—was valued at \$59.1 billion in 2012, accounting for 1.6 percent of U.S. merchandise trade with the world. U.S. merchandise exports to India amounted to \$19.0 billion in 2012, and U.S. merchandise imports from India amounted to \$40.1 billion, resulting in a merchandise trade deficit of \$21.1 billion. Leading U.S. exports to India included nonmonetary gold, aircraft and parts, coal, diammonium phosphate, and certain

petroleum products used in the manufacture of tires. Leading U.S. imports from India were nonindustrial diamonds, certain medicaments, mucilages and thickeners, and light oils and preparations. India was the only major U.S. trading partner with which the United States did not have a surplus in services trade; in 2012, the United States' services trade deficit with India was \$5.8 billion.

The United States and India resumed discussions toward a bilateral investment treaty (BIT) in 2012 following the release of the U.S. model BIT in April. U.S. policymakers engaged members of the Indian government on India's increased localization requirements, particularly in the information and communications technology sectors as well as the solar energy sector. India permitted higher foreign equity shares in an effort to attract increased foreign direct investment (FDI) in several key services sectors, including allowing FDI in the multibrand retail sector.

Russia

Russia was the United States' 24th-largest single-country trading partner in 2012, with total two-way merchandise trade valued at \$39.0 billion, accounting for 1.1 percent of U.S. trade with the world. U.S. exports to Russia totaled \$10.0 billion, and U.S. imports from Russia were \$29.0 billion, resulting in a U.S. merchandise trade deficit with Russia of \$19.1 billion in 2012. Leading U.S. exports included aircraft and parts, passenger motor vehicles and parts, and animal products such as chicken, pig, and beef meat. U.S. imports were dominated by energy products, such as petroleum goods and gases. Data for U.S. trade in services with Russia were unavailable.

On August 22, 2012, Russia became the WTO's 157th member, completing 18 years of negotiations. The United States granted Permanent Normal Trade Relations treatment to Russia in December 2012, removing a key obstacle to applying MFN treatment to bilateral trade as required under WTO multilateral trade rules. Russia's tariff-rate quotas (TRQs) on imports of beef, pork, and poultry meat tightened in general at the beginning of 2012, but expanded later in 2012 when Russia's WTO commitments on TRQ imports took effect.

TABLE ES.1 Summary of 2012 trade agreement activities

January

9: The United States and India postpone a meeting of the Trade Policy Forum.

9–10: The United States and the Republic of Korea (Korea) hold meetings in Seoul to discuss issues related to implementation of the Korea-U.S. (KORUS) Free Trade Agreement (FTA).

15: The United States and Saudi Arabia discuss ways to strengthen their economic ties by expanding their trade and investment relationship at the second meeting of the U.S.-Saudi Arabia Trade and Investment Council.

18: The United States and Egypt agree to create an action plan to enhance current trade and investment between the two nations.

19: The United States and European Union (EU) request suspension of the World Trade Organization (WTO) Dispute Settlement Body (DSB) arbitration over the U.S. request to take countermeasures against EU measures affecting trade in large civil aircraft (DS316). The DSB arbitrator suspends proceedings the following day.

20: The United States appeals the WTO dispute settlement panel report concerning Mexico's complaint regarding U.S. measures on the importation, marketing, and sale of tuna and tuna products (DS381).

20: The WTO DSB establishes a dispute settlement panel to consider a U.S. complaint regarding China's antidumping and countervailing duty measures on broiler products from the United States (DS427).

20: The WTO DSB adopts the Appellate Body and panel report concerning a U.S. complaint regarding the Philippine's taxes on distilled spirits (DS403).

23: The Dominican Republic-Central America-United States (CAFTA-DR) Free Trade Commission meets in Miami, Florida. The Commission finalizes updates to the rules of origin for textile and apparel goods and establishes a working group to consider modifications to rules of origin on non-textiles and non-apparel goods.

25: Mexico appeals the WTO dispute settlement panel report concerning Mexico's complaint regarding U.S. measures on the importation, marketing, and sale of tuna and tuna products (DS381).

27: The United States Trade Representative (USTR) announces progress on the U.S.-Japan Economic Harmonization Initiative on a variety of issues, and releases a set of shared trade principles for information and communications technology (ICT) services with the aim of promoting these among other countries.

February

6: The United States signs agreements with Japan and the EU ending the dispute over the use of "zeroing" in trade remedy proceedings.

7: The United States and Japan hold a bilateral senior-level meeting to discuss Japan's interest in joining the Trans-Pacific Partnership (TPP) negotiations.

15: The United States and EU agree to a partnership regarding organic trade in which organic products certified in the EU or in the United States may be sold as organic in either region starting June 1.

16: Vietnam requests WTO dispute settlement consultations with the United States regarding U.S. antidumping measures on certain frozen warm-water shrimp from Vietnam (DS429).

17: The United States and China reach agreement to significantly increase market access for U.S. movies in order to resolve outstanding issues in a WTO dispute (DS363) related to films.

21–22: The United States and Japan hold a follow-up meeting among expert-level officials regarding Japanese interest in joining the TPP negotiations.

22: The WTO DSB adopts the Appellate Body and panel report concerning a complaint by the United States regarding China's export measures on various raw materials (DS394).

28: President Obama signs a law establishing the Interagency Trade Enforcement Center, which will act as the primary forum within the federal government for USTR and other agencies to coordinate enforcement of U.S. trade rights.

March

1: USTR submits the Administration's *2012 Trade Policy Agenda and 2011 Annual Report* to Congress.

6: The United States requests WTO dispute settlement consultations with India regarding India's import measures on certain agricultural products (DS430).

9: The United States and its TPP partners—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam—conclude the 11th round of TPP negotiations in Melbourne.

12: USTR Kirk applauds a Department of Commerce report showing that export-related jobs in the United States increased by 1.2 million between 2009 and 2011.

13: The United States requests WTO dispute settlement consultations with China regarding China's export restrictions on various forms of rare earths, tungsten, and molybdenum (DS431).

TABLE ES.1 Summary of 2012 trade agreement activities—*Continued*

March—Continued

13: The United States hosts the first meeting of the U.S.-Brazil Commission on Economic and Trade Relations, which was established by the 2011 Agreement on Trade and Economic Cooperation.

15: The U.S.-Korea FTA enters into force.

26: A Presidential proclamation designates South Sudan as a new beneficiary of the Generalized System of Preferences (GSP) and suspends Argentina's GSP eligibility.

27: The United States and Tunisia explore steps to increase trade and investment with each other as well as with other partners in the Middle East/North Africa region at a meeting of the bilateral Trade and Investment Framework Agreement (TIFA) Council in Tunis.

30: The WTO Committee on Government Procurement formally adopts revisions to the WTO Agreement on Government Procurement.

30: The United States requests a WTO DSB compliance panel regarding the EU's measures affecting trade in large civil aircraft (DS316).

April

2: USTR releases three reports—*2012 Report on Sanitary and Phytosanitary Measures*, *2012 Report on Technical Barriers to Trade*, and *2012 National Trade Estimate Report on Foreign Trade Barriers*.

3: The North American Free Trade Agreement (NAFTA) Free Trade Commission holds its annual meeting in Washington, DC.

4: USTR releases the annual *2012 Section 1377 Review* regarding the operation and effectiveness of telecommunications trade agreements.

9: The United States and Brazil agree to recognize distilled spirits from each nation as distinct products.

10: U.S. officials meet with officials from Egypt, Jordan, Morocco, and Tunisia to discuss ways to increase trade, investment, job creation, and integration within the region.

10: The United States and the EU announce agreement on shared principles for international investment, with a view to strengthening collaborative efforts to increase open investment worldwide.

13: The WTO DSB refers the U.S. request for a compliance panel regarding the EU's measures affecting trade in large civil aircraft (DS316) to the original panel.

April—Continued

20: The United States announces revisions to its tariff-rate quota allocations for raw sugar cane for fiscal year (FY) 2012.

20: The United States announces revisions to its model bilateral investment treaty (BIT), which forms the basis for how policymakers negotiate BITs. The revised model BIT enhances the 2004 model BIT by promoting transparency, strengthening labor and environmental protections, and adding provisions for state-led economies.

24: India requests WTO dispute settlement consultations with the United States regarding U.S. countervailing measures on certain hot-rolled carbon steel flat products from India (DS436).

30: USTR releases the *2012 Special 301 Report* concerning intellectual property rights (IPR) protection.

May

3–4: The third meeting of the U.S.-China Strategic and Economic Dialogue is held in Beijing, China.

4: The United States and EU sign a mutual recognition decision, which recognizes compatibility between the U.S. and EU cargo security programs.

15: USTR celebrates its 50th anniversary.

15: The U.S.-Colombia FTA enters into force.

18: The United States and its TPP partners conclude the 12th round of TPP negotiations in Dallas.

25: China requests WTO dispute settlement consultations with the United States regarding U.S. countervailing duties on certain products from China (DS437).

29: The United States and Georgia meet to discuss strengthening their bilateral relations in the form of an FTA, an updated investment agreement, and other measures.

29–31: The United States and Peru hold the third meeting of the U.S.-Peru Environmental Affairs Council, the second meeting of Environmental Cooperation Commission, and the fifth meeting of the Sub-committee on Forest Sector Governance.

TABLE ES.1 Summary of 2012 trade agreement activities—*Continued*

June

4–5: The Asia-Pacific Economic Cooperation (APEC) holds its annual Trade Ministers meeting in Kazan, Russia. APEC priorities at this meeting include regional economic integration, next-generation trade and investment issues, and liberalization of trade in environmental goods.

9–10: The 10th annual African Growth and Opportunity Act (AGOA) Forum is held in Lusaka, Zambia.

13: The WTO DSB adopts the Appellate Body and panel report concerning a complaint by Mexico regarding the United States' measures on the importation, marketing, and sale of tuna and tuna products (DS381).

15: The WTO DSB circulates the panel report concerning the complaint by the United States regarding China's imposition of antidumping and countervailing duties on grain-oriented flat-rolled steel from the United States (DS414).

15: The United States and the East African Community pledge to pursue a new trade and investment partnership following a meeting in Washington, DC.

18: The United States and South Africa sign a trade and investment framework agreement (TIFA) as an amendment to the original TIFA signed in 1999.

18: The United States and other TPP members formally extend an invitation to Mexico to join the ongoing TPP negotiations.

18: The United States and Mauritius announce they have reached a nonbinding agreement creating a set of principles for ICT services. The countries also announce they will be promoting the adoption of these principles by other countries.

19: The United States and other TPP members formally extend an invitation to Canada to join the ongoing TPP negotiations.

20: The U.S.-EU High Level Working Group on Jobs and Growth releases an interim report recommending ways to expand bilateral trade and investment.

25: The WTO DSB establishes a dispute settlement panel to consider a U.S. complaint regarding Indian import measures on certain agricultural products (DS430).

26: The United States and Turkey hold the second meeting of the U.S.-Turkey Framework for Strategic Economic and Commercial Cooperation in Ankara, Turkey.

29: USTR announces the outcome of the Administration's 2011 Annual Review under the GSP program.

June—Continued

29: The President proclaims that Gibraltar and the Turks and Caicos Islands will be graduated from the GSP program on January 1, 2014.

29: USTR Kirk announces that USTR has closed the GSP country practice review for workers' rights in Sri Lanka and that no changes to Sri Lanka's GSP trade benefits will occur.

July

4: The EU Parliament rejects the Anti-Counterfeiting Trade Agreement (ACTA) with 478 members voting against it, 39 voting in favor, and 165 abstentions.

5: The United States requests WTO dispute settlement consultations with China regarding China's antidumping and countervailing duties on certain U.S. automobiles (DS440).

5: The United States and 15 other WTO members announce their intention to open negotiations on an international agreement liberalizing services trade.

10: The United States and its TPP partners conclude the 13th round of TPP negotiations in San Diego. During this round USTR officially notifies Congress that Mexico and Canada will join future negotiations.

11: Mexico signs the ACTA.

12: India requests a WTO dispute settlement panel concerning its complaint regarding the United States' countervailing duties on certain hot-rolled carbon steel flat products from India (DS436).

11–13: USTR Kirk meets with business leaders and government officials in Accra, Ghana, regarding the possibility of a BIT between the two nations as well as other means of strengthening democratic institutions and economic growth in the region.

16–17: The United States and Indonesia hold a TIFA meeting in Kuta, Indonesia, to discuss U.S. concerns over restrictions on access to Indonesian markets for livestock, horticulture, and other products; Indonesia's intellectual property rights' regime; and certain Indonesian concerns.

18: The United States and Sri Lanka hold the first meeting of the newly formed Labor Affairs Committee under the U.S.-Sri Lanka TIFA. The two governments discuss opportunities to continue and improve their cooperation on labor concerns.

18: The arbitration tribunal formed under the 2006 U.S.-Canada Softwood Lumber Agreement to examine U.S. claims concerning the underpricing of public timber harvested from the interior of British Columbia rules that Canada did not circumvent the agreement.

TABLE ES.1 Summary of 2012 trade agreement activities—*Continued*

July—*Continued*

20: China appeals the WTO DSB panel report concerning the United States' complaint regarding China's imposition of antidumping and countervailing duties on grain-oriented flat-rolled steel from the United States (DS414).

23: The WTO DSB establishes a single dispute settlement panel to consider multiple members' complaints regarding China's export restrictions on various forms of rare earths, tungsten, and molybdenum (DS431).

23: The WTO DSB adopts the Appellate Body and panel report concerning a complaint by Canada and Mexico to consider U.S. country of origin labeling (COOL) requirements (DS384, DS386).

26: Taiwan lawmakers vote in support of three amendments allowing the government to adopt maximum residue levels for ractopamine in beef. The amendments make clear that the action does not apply to pork.

31: The United States and Ukraine conclude the fourth U.S.-Ukraine Trade and Investment Council meeting in Washington, DC. Topics discussed included IPR, investment climate, bilateral trade irritants, taxation, agriculture, customs, aviation, and space.

August

2: The House and Senate pass legislation renewing AGOA's third-country fabric provision and making amendments to CAFTA-DR.

16: The U.S. Department of Transportation conducts an audit of the pilot program on the NAFTA Long-Haul Trucking Provisions designed to reopen cross-border trucking with Mexico.

21: The United States requests WTO dispute settlement consultations with Argentina regarding certain measures imposed by Argentina on imported goods (DS444).

22: Russia accedes to the WTO after 18 years of negotiations.

30: Argentina requests WTO dispute settlement consultations with the United States regarding certain measures imposed by the United States on imports of animals, meat, and other animal products (DS447).

31: The WTO DSB establishes a dispute settlement panel to consider a complaint by India regarding the United States' countervailing duties on certain hot-rolled carbon steel flat products from India (DS436).

31: The WTO DSB adopts the panel report concerning the complaint by the United States regarding China's measures affecting electronic payment services (DS413).

August—*Continued*

31: The first U.S.-Association of Southeast Asian Nations Business Summit concludes in Siem Reap, Cambodia, where intentions to deepen and strengthen trade and investment between the United States and Southeast Asia were discussed.

31: The United States and Cambodia agree to begin exploratory discussions regarding a BIT.

September

3: USTR Kirk concludes a meeting with Vietnamese officials regarding the countries' bilateral relations as well as issues related to TPP and APEC.

3: Argentina requests WTO dispute settlement consultations with the United States regarding certain U.S. measures affecting imports of fresh lemons from Argentina (DS448).

7: APEC reaches agreement on a list of environmental goods on which tariffs will be cut on an MFN basis to 5 percent or less by 2015, marking the first time that trade negotiations have produced tariff cuts on any list of environmental goods.

11: USTR announces country-specific in-quota allocations under the tariff-rate quotas on imported raw cane sugar, refined and specialty sugar, and sugar-containing products for FY 2013.

13: Japan becomes the first nation to ratify the ACTA, which will enter into force once six countries have ratified it.

13: Canada and Mexico request WTO DSB arbitration regarding U.S. COOL requirements (DS384, DS386).

14: USTR, State, and the Small Business Administration participate in a signing event for a memorandum of understanding between Brazil's Micro and Small Business Support Service, the U.S. Association of Small Business Development Centers, and the University of Texas at San Antonio Institute for Economic Development.

14: India's government approves up to 51 percent foreign direct investment in multibrand retail.

15: TPP negotiators meet in Leesburg, Virginia, to continue to resolve outstanding issues or narrow differences on issues that still require future negotiations. Negotiators made progress on issues such as market access, customs, rules of origin, technical barriers to trade, and others.

17: China requests WTO dispute settlement consultations with the United States regarding U.S. countervailing and antidumping measures on certain products from China (DS449).

TABLE ES.1 Summary of 2012 trade agreement activities—*Continued*

September—*Continued*

17: The United States requests WTO dispute settlement consultations with China regarding certain measures affecting the automobile and automobile parts industries (DS450).

18: USTR Kirk announces that the United States will contribute \$1 million for trade-related technical assistance to the WTO.

24: The United States removes Israel from the Special 301 Priority Watch List. This list identifies countries that deny sufficient and effective protection for IPR.

27: The United States signs a Framework Agreement for Trade, Economic, Investment, and Technical Cooperation with the Gulf Cooperation Council.

27: The EU requests WTO DSB authorization to take countermeasures against the United States regarding U.S. measures affecting trade in large civil aircraft (DS353) for U.S. failure to comply with DSB rulings.

28: The WTO DSB establishes a dispute settlement panel to consider a complaint by China regarding the United States' countervailing duties on certain products from China (DS437).

October

8: Mexico officially joins TPP negotiations.

9: Canada officially joins TPP negotiations.

11: The EU requests a WTO DSB compliance panel regarding U.S. measures affecting trade in large civil aircraft (DS353).

15: The United States and Israel sign the Mutual Recognition Agreement between the Government of the United States and the Government of Israel for Conformity Assessment of Telecommunications Equipment.

18: The WTO DSB circulates the Appellate Body and panel report concerning a U.S. complaint regarding China's imposition of duties on exports of grain oriented flat-rolled electrical steel from the United States (DS414).

19: The United States and the East African Community meet in Nairobi, Kenya, to continue progress on their Trade and Investment Partnership.

23: The WTO DSB establishes a dispute settlement panel to consider a U.S. complaint regarding China's antidumping and countervailing duties on certain U.S. automobiles (DS440).

October—*Continued*

23: The WTO DSB refers the EU request for a compliance panel regarding U.S. measures affecting trade in large civil aircraft (DS353) to the original panel. The parties agree to refer to DSB arbitration the EU request for authorization to take countermeasures against the United States.

31: The U.S.-Panama Trade Promotion Agreement enters into force.

November

16: The WTO DSB adopts the Appellate Body and panel report concerning a U.S. complaint regarding China's imposition of antidumping and countervailing duties on exports of grain oriented flat-rolled electrical steel from the United States (DS414).

16: U.S. House of Representatives votes to end the application of the so-called Jackson-Vanik amendment to Russia and Moldova, and authorizes the President to extend permanent normal trade relations (PNTR) to both countries.

19: China requests a WTO dispute settlement panel with the United States regarding U.S. countervailing and antidumping measures on certain products from China (DS449).

19: The United States and Colombia conclude the first meeting of the U.S.-Colombia Free Trade Commission. The two sides agree that both countries are benefiting from the agreement, which entered into force on May 15th.

27: The United States and EU request suspension of the arbitration regarding U.S. measures affecting trade in large civil aircraft (DS353). The arbitrator suspends proceedings the following day.

December

3: The United States and Nigeria hold the seventh U.S.-Nigeria TIFA meeting in Abuja, Nigeria, focusing on issues including market access, WTO cooperation, implementing AGOA, IPR, and improving bilateral relations between the two countries.

4: The WTO DSB arbitrator's report is circulated concerning a complaint by Canada and Mexico regarding U.S. COOL requirements (DS384, DS386).

6: U.S. Senate votes to end the application of Jackson-Vanik provisions to Russia and Moldova, and authorizes the President to extend PNTR to both countries.

6: Deputy USTR Marantis visits India to discuss issues related to India's manufacturing policy and the importance of innovation.

TABLE ES.1 Summary of 2012 trade agreement activities—*Continued*

December—Continued

6: The United States requests a WTO dispute settlement panel to consider certain import restrictions imposed by Argentina on imported goods (DS444).

6: Argentina requests a WTO dispute settlement panel to consider certain measures imposed by the United States on imports of animals, meat, and other animal products (DS447).

6: Argentina requests a WTO dispute settlement panel to consider certain measures imposed by the United States affecting imports of fresh lemons from Argentina (DS448).

7: The United States and Morocco announce new agreements on trade facilitation, joint investment principles, and joint ICT principles.

8: USTR Kirk and Secretary of Agriculture Vilsack request that Russia suspend its new testing requirements for U.S. meat exports to Russia, citing its commitments to the WTO.

12: The United States and its TPP partners conclude the 15th round of TPP negotiations in Auckland.

13: USTR Kirk announces the results of the Special 301 Out-of-Cycle Review of Notorious Markets identifying 30 marketplaces that facilitate global piracy and counterfeiting.

14: President Obama signs into law H.R. 6156, the Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law and Accountability Act of 2012. This allows the President to offer PNTR to the two countries and to apply the WTO Agreement to Russia.

December—Continued

17: The WTO DSB establishes a dispute settlement panel to consider a complaint by China regarding the United States' countervailing and antidumping measures on certain products from China (DS449).

18–19: The United States and China hold the 23rd meeting of the Joint Commission on Commerce and Trade in Washington, DC. The two sides discuss IPR protection, government procurement, agricultural concerns, regulatory obstacles, and other trade and investment related issues.

20: President Obama formally extends PNTR to Russia and Moldova by proclamation.

20: President Obama signs a proclamation designating the Republic of South Sudan eligible for AGOA benefits, giving the nation duty-free access to the U.S. market for certain products. President Obama simultaneously revoked eligibility for AGOA benefits for the Republic of Guinea-Bissau and the Republic of Mali, and terminated St. Kitts and Nevis eligibility under the GSP as of January 1, 2014.

21: The United States and Russia both notify the WTO of withdrawal of their notices of non-application, thereby agreeing to apply the WTO Agreement between them. The United States withdraws a similar non-application notification concerning Moldova so that the WTO Agreement applies between the United States and Moldova.

21: The United States and Russia announce an agreement on an IPR Action Plan to improve IPR protection and enforcement.

Source: Compiled from official and private sources, including the U.S. Department of Commerce, U.S. Department of State, U.S. Trade Representative, White House, World Trade Organization, *Inside U.S. Trade*, and *Washington Trade Daily*.

CHAPTER 1

Overview of U.S. Trade

Scope and Approach of the Report

This report provides factual information on the operation of the U.S. trade agreements program and its administration for calendar year 2012.¹ Trade agreement activities during 2012 include the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum; U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

This report is based on primary source materials about U.S. trade programs and administrative actions pertaining to them. These materials chiefly encompass U.S. government reports, notices, and news releases, including publications and news releases by the U.S. International Trade Commission (USITC or the Commission). Other primary sources of information include publications of international institutions, such as the International Monetary Fund (IMF), World Bank, OECD, WTO, United Nations (UN), and foreign governments. The report draws on professional journals, trade publications, and news reports for supplemental factual information when primary source information is unavailable.

Merchandise trade data are provided throughout the report. Chapters 1 and 5 also provide data on services trade. The services trade data by country are based on figures for trade in private services, which exclude government sales and purchases of services. Services data were compiled by the Commission primarily from figures provided by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce (USDOC or Commerce).

This chapter includes an overview of the U.S. economy in 2012, followed by sections on U.S. trade in goods and U.S. trade in private services in 2012.

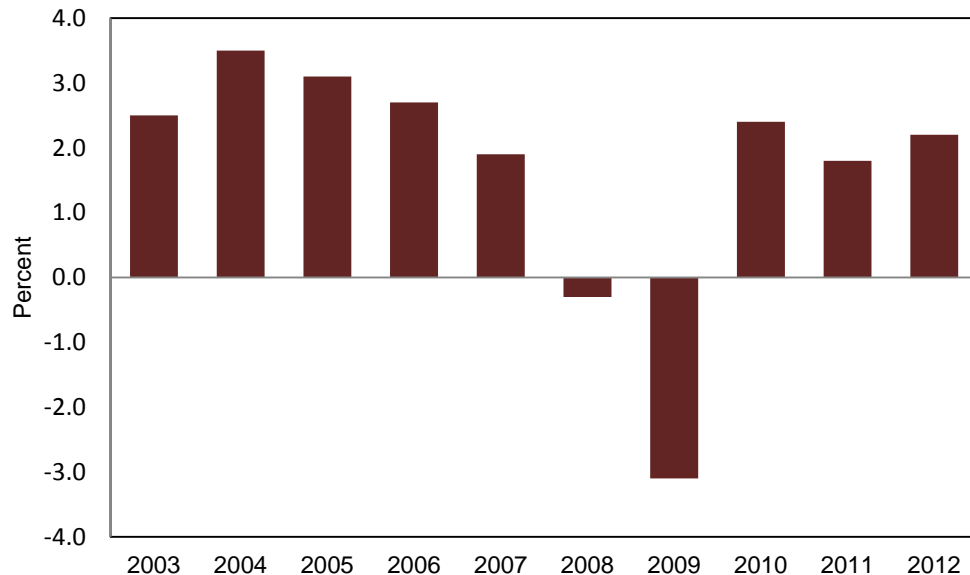
Overview of the U.S. Economy in 2012

In 2012, the U.S. economy continued to rebound from the economic recession of 2008 and 2009. U.S. real gross domestic product (GDP) increased by 2.2 percent in 2012, compared to 1.8 percent the previous year (figure 1.1). The increase in real GDP in 2012 mostly reflected positive contributions from personal consumption expenditures (1.33 percentage points) and gross private domestic investment (1.17 percentage points), partly offset by a small negative contribution from government spending (–0.34 percentage points).² The contribution of net exports of goods and services to growth in real GDP was 0.03 percentage points, as the export contribution was mostly offset by that of imports. Expressing concerns that the pace of economic growth was not high enough to

¹ This is the 64th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. § 2213(c)) and its predecessor legislation.

² USDOC, BEA, “Gross Domestic Product: Fourth Quarter and Annual 2012 (Second Estimate),” February 28, 2013.

FIGURE 1.1 U.S. real gross domestic product, annual rate of change, 2003–12



Source: USDOC. <http://www.bea.gov/national/xls/gdpchg.xls>.

maintain a sustained improvement in the labor market, the U.S. Federal Reserve kept the target range for the federal funds rate at 0 to 0.25 percent and stated that exceptionally low levels for the federal funds rate are likely to be warranted at least through mid-2015.³ The seasonally adjusted U.S. unemployment rate fell from 8.3 percent in January 2012 to 7.8 percent in December 2012.⁴

U.S. international trade continued to grow in 2012, although the percentage increase was significantly less than in 2011.⁵ Both U.S. imports and exports of goods and services increased by about a quarter of their rates of growth in 2011, reflecting generally slower growth in most other countries, drought conditions for agricultural products in the United States, and lower U.S. demand for imported petroleum-related products.⁶ The global economy grew by only 3.2 percent in 2012, compared to 3.9 percent in 2011.⁷ Economic growth fell in major advanced economies to 1.3 percent in 2012 from 1.6 percent in 2011. While growth was robust in many emerging and developing economies in both years, average growth for these economies decreased from 6.3 percent in 2011 to 5.2 percent in 2012. Among major U.S. trading partners, output growth in the European Union (EU) euro area fell from 1.4 percent in 2011 to -0.4 percent in 2012; in the United Kingdom, from 0.9 percent in 2011 to -0.2 percent in 2012; in Canada, from 2.6 percent in 2011 to 2.0 percent in 2012; in Mexico, from 3.9 percent in 2011 to 3.8 percent in 2012; in China, from 9.3 percent in 2011 to 7.8 percent in 2012; and in India, from 7.9 percent in 2011 to

³ Board of Governors of the Federal Reserve System (Federal Reserve), “Federal Reserve Issues FOMC Statement,” September 13, 2012. The federal funds rate is the interest rate at which depository institutions lend their excess deposits to each other overnight. Federal Reserve, “Open Market Operations,” n.d. (accessed March 5, 2013).

⁴ USDOL, BLS, “Labor Force Statistics from the Current Population Survey,” n.d. (accessed February 11, 2013).

⁵ USDOC, Census Bureau and BEA, “U.S. International Trade in Goods and Services January 2013,” March 7, 2013, exhibit 1.

⁶ The decline in the value of U.S. imports of petroleum-related products reflects a lower average crude oil import price, reduced U.S. consumption, and increased domestic production in 2012 compared to 2011. U.S. EIA, “Short-term Energy Outlook,” January 8, 2013.

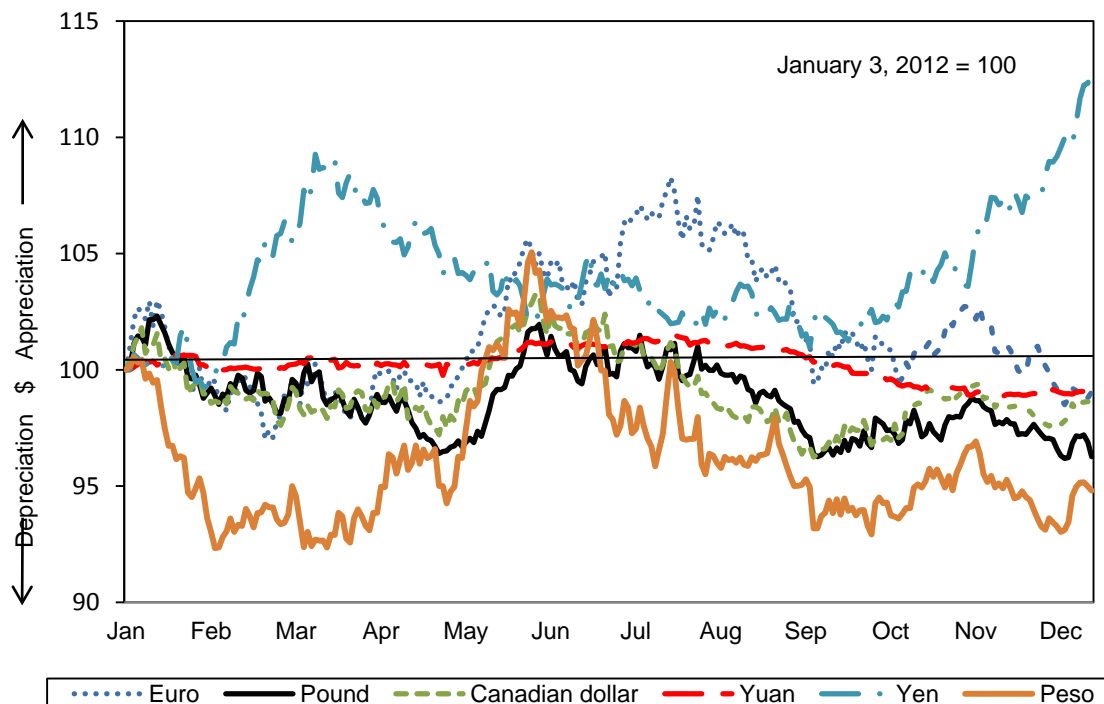
⁷ IMF, “World Economic Outlook Update,” January 23, 2013, table 1.

4.5 percent in 2012.⁸ An exception to these growth trends was Japan, whose economy grew 2.0 percent in 2012 (compared to -0.6 percent in 2011) as its economy recovered from the March 11, 2011, earthquake and its aftermath.

Exchange-Rate Trends

The U.S. dollar depreciated by less than 1 percent in 2012 against a broad dollar index.⁹ By yearend, the dollar appreciated 13 percent against the Japanese yen, but fell slightly against the Chinese and major European and Western Hemisphere currencies by 1 to 5 percent (as shown in figure 1.2). Fluctuations in the dollar reflected central bank policies as well as concerns about the global economic outlook. In the first quarter of the year, the dollar depreciated against most major currencies, with the exception of the yen, reflecting a higher growth outlook for the global economy.¹⁰ In the second quarter, the dollar appreciated due to reports of weakening global demand and concerns about the safety of the EU euro.¹¹ In the last half of the year, the dollar depreciated due to a weaker-than-expected U.S. economic outlook in the third quarter, a statement by the European Central Bank that it would act to preserve the euro, and a new bond-buy (quantitative easing)

FIGURE 1.2 Indices of U.S. dollar exchange rates for selected major foreign currencies, daily, 2012^a



Source: U.S. Federal Reserve Board.

^aUnits of the foreign currency per unit of the U.S. dollar. A decrease in the index represents a depreciation of the U.S. dollar relative to the foreign currency, and an increase in the index represents an appreciation of the U.S. dollar relative to the foreign currency.

⁸ Ibid.

⁹ The broad dollar index is a weighted average of the foreign exchange values of the U.S. dollar against those of the currencies of a large group of major U.S. trading partners.

¹⁰ FRBNY, "Treasury and Federal Reserve Foreign Exchange Operations January–March 2012," May 10, 2012, 1.

¹¹ FRBNY, "Treasury and Federal Reserve Foreign Exchange Operations April–June 2012," August 9, 2012, 1.

program by the Federal Reserve Board.¹² The Chinese yuan followed a more stable path against the dollar, although the dollar ended the year lower against the yuan. Changes in the value of the dollar relative to the yen typically reflect interest rate differentials between U.S. dollar and yen investments, as well as the view that the yen is a “safe” investment similar to the dollar.¹³ Additionally, the appreciation of the dollar relative to the yen in the last quarter of 2012 reflected expectations of further monetary easing in Japan based on the elections that brought Japan’s new prime minister, Shinzo Abe, into power.¹⁴ For the year, the dollar depreciated 3.7 percent against the pound, 1.0 percent against the yuan, 1.3 percent against the Canadian dollar, 0.9 percent against the euro, and 5.2 percent against the Mexican peso.

Balance of Payments¹⁵

The U.S. current-account deficit—the combined balances of trade in goods and services, income, and net unilateral current transfers—increased to \$475.0 billion (preliminary) in 2012 from \$465.9 billion in 2011, the third consecutive annual increase in the deficit.¹⁶ The deficit fell, however, as a share of U.S. GDP, from 3.1 percent in 2011 to 3.0 percent in 2012. The increase in the current-account deficit was due to a decrease in the surplus on income and an increase in net unilateral current transfers to foreigners as the deficit on goods and services decreased in 2012.

The U.S. trade deficit for goods and services fell from \$559.9 billion in 2011 to \$539.5 billion in 2012, following an increase in the previous year. The deficit on goods decreased slightly, from \$738.4 billion in 2011 to \$735.3 billion in 2012, and remained well below the record goods deficit of \$835.7 billion in 2006. U.S. exports of goods rose from \$1,497.4 billion in 2011 to \$1,564.1 billion, reflecting growth in exports of capital goods, particularly civilian aircraft. Imports of goods rose slightly from \$2,235.8 billion in 2011 to \$2,299.4 billion in 2012, with the largest increases in automotive vehicles, parts and engines, and capital goods.

¹² FRBNY, “Treasury and Federal Reserve Foreign Exchange Operations July–September 2012,” November 8, 2012, 4–6.

¹³ FRBNY, “Treasury and Federal Reserve Foreign Exchange Operations July–September 2012,” November 8, 2012, 5.

¹⁴ FRBNY, “Treasury and Federal Reserve Foreign Exchange Operations October–December 2012,” February 14, 2013, 5.

¹⁵ Trade data in this section of the report may not match data in other sections or the appendix because it is reported on a balance-of-payments (BOP) basis. Total goods data are reported on a BOP basis, whereas detailed commodity and country data for goods are reported on a Census basis. The Census-basis data for goods used elsewhere in this report are compiled from the documents collected by U.S. Customs and Border Protection (USCBP) of the U.S. Department of Homeland Security (USDHS) and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. foreign trade zones. Data on goods compiled on a Census basis are adjusted by the BEA to a BOP basis to bring the data in line with the concepts and definitions used to prepare the international and national accounts. These adjustments are made to supplement coverage of the Census-basis data, to eliminate duplication of transactions recorded elsewhere in the international accounts, and to value transactions according to a standard definition. For a more detailed discussion of the differences between BOP-basis and Census-basis data, see Bach, “A Guide to the U.S. International Transactions Accounts,” February 2010.

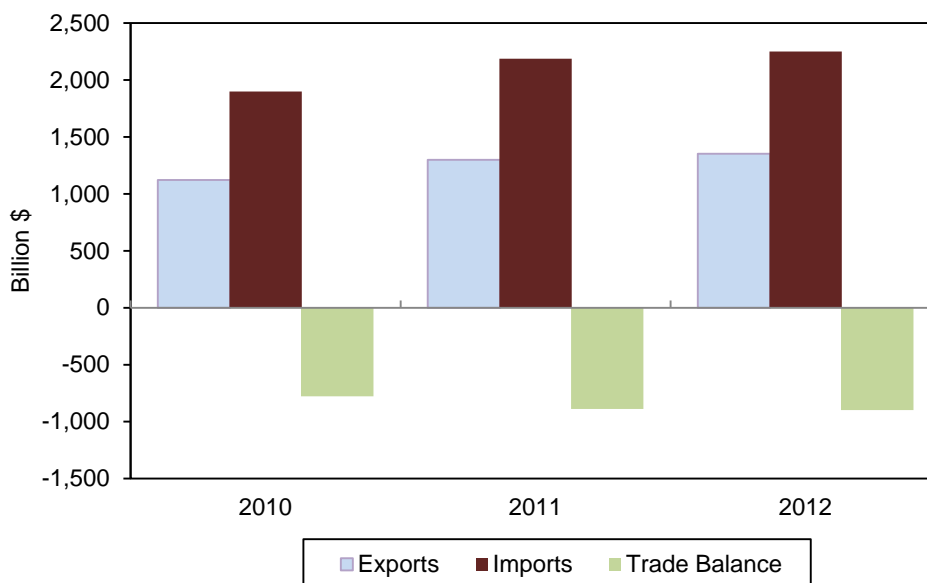
¹⁶ Unless otherwise indicated, information in this section is from USDOC, BEA, “U.S. International Transactions: Fourth Quarter and Year 2012,” March 14, 2013, 5–7. Income includes investment income and compensation of employees (compensation payments to U.S. residents by nonresidents and payments to nonresidents by U.S. residents). Net unilateral transfers include current transfers, such as private remittances, charitable contributions, taxes on international transactions, and transfers between U.S. and foreign insurance companies.

The U.S. trade surplus for services grew from \$178.5 billion in 2011 to \$195.8 billion in 2012, a new annual record.¹⁷ Services exports rose from \$606.0 billion to \$630.4 billion in this period. All major categories of services exports grew, with the largest increases in travel and other private services.¹⁸ At the same time, services imports also increased, rising from \$427.4 billion to \$434.6 billion in 2012. Four major categories of services imports rose (travel, royalties and license fees, passenger fares, and other transportation), while imports of three fell (direct defense expenditures, other private services, and U.S. government miscellaneous services).¹⁹

U.S. Trade in Goods in 2012

The value of both U.S. merchandise exports and U.S. merchandise imports increased in 2012, but the rate of growth was less than in 2011.²⁰ The value of U.S. exports and imports of goods grew by 4.2 percent and 2.9 percent, respectively, in 2012, compared to 15.8 percent and 15.2 percent, respectively, in 2011. The reduced growth in U.S. merchandise trade in 2012 reflected slower growth among the world economies and the reduction in the value of U.S. imports of petroleum-related products. Merchandise imports continued to exceed merchandise exports. U.S. merchandise exports increased from \$1,299.2 billion (8.6 percent of GDP) in 2011 to \$1,353.2 billion (also 8.6 percent of GDP) in 2012, while U.S. merchandise imports increased from \$2,187.0 billion (14.5 percent of GDP) in 2011 to \$2,251.0 billion (14.4 percent of GDP) in 2012 (figure 1.3). Although the merchandise trade deficit was up slightly in 2012 at \$897.8 billion, it fell from 6.4 percent of GDP to 5.7 percent in 2012.

FIGURE 1.3 U.S. merchandise trade with the world, 2010–12



Source: USDOC.

¹⁷ Services data include trade in private services, as well as transfers under U.S. military agency sales contracts and U.S. government purchases of miscellaneous services. U.S. trade in services is described in detail below.

¹⁸ Exports of other private services include “mainly film and television tape rentals and expenditures of foreign residents temporarily working in the United States.” USDOC, BEA, “U.S. International Transactions Accounts Data: Table 3a,” March 14, 2013.

¹⁹ Services trade is discussed in more detail later in this chapter.

²⁰ Merchandise trade data in this section do not match the BOP-basis data presented above because of adjustments made to the data, as described in footnote 15.

U.S. Merchandise Trade by Product Category

Exports

U.S. exports in seven of the ten 1-digit categories under the Standard International Trade Classification (SITC) system increased by \$56.2 billion total in 2012, but fell in three of these categories (food and live animals; crude materials, inedible, except fuels; and animal and vegetable oils, fats and waxes) by \$2.2 billion total (appendix table A.1). Machinery and transport equipment, which consistently ranks as the largest U.S. SITC export category, accounted for 37.4 percent of total exports in 2012. U.S. exports of machinery and transport equipment were valued at \$506.5 billion in 2012, up 7.5 percent from \$471.0 billion in 2011. Of the seven categories of exports that grew in 2012, 78.1 percent of this growth was accounted for by increased exports from two SITC groups: machinery and transport equipment (mainly aircraft; motor vehicles and parts; processors and controllers; and other electronic products), and mineral fuels, lubricants, and related materials (mainly refined petroleum products and coal) (see appendix table A.2 for details at the Schedule B subheading level). Machinery and transport equipment alone accounted for 62.5 percent of the export growth in these seven categories. The decline in the value of exports of food and live animals, which accounted for the largest share among the SITC groups with negative growth, was largely due to lower corn and cotton exports, which fell due to the drought in the Midwest and other growing areas.

Imports

U.S. imports of goods in seven of the ten SITC groups increased by \$100.5 billion in 2012, while imports fell in three SITC groups (minerals, lubricants, and related materials; animal and vegetable oils, fats and waxes; and chemicals and related products, n.e.s.)²¹ by \$36.4 billion. Machinery and transport equipment, which consistently ranks as the largest U.S. SITC import category, accounted for 38.3 percent of total imports in 2012. U.S. imports of machinery and transport equipment were valued at \$862.5 billion in 2012, up 9.2 percent from \$789.7 billion in 2011. Of the seven SITC groups that experienced import growth in 2012, 83.1 percent of this growth was accounted for by increased imports of goods from two SITC groups: machinery and transport equipment (mainly motor vehicles, computers, cellular telephones, and other electronic products) and miscellaneous manufactured articles (see appendix table A.3 for details at the Harmonized Tariff Schedule of the United States [HTS] subheading level). Machinery and transport equipment alone accounted for 72.4 percent of these increased imports. U.S. imports of mineral fuels, lubricants, and related materials were valued at \$397.4 billion in 2012, down 7.4 percent from \$429.4 billion in 2011. This SITC group accounted for 17.6 percent of total U.S. imports in 2012, compared to 19.6 percent in 2011. As noted earlier, the decline in the value of imports of mineral fuels, lubricants, and related materials was due to decreased petroleum import prices as well as the drop in U.S. import demand in 2012.

U.S. Imports under Preferential Trade Programs and Free Trade Agreements

The value of U.S. imports under the United States' four preferential trade programs with developing countries fell from \$78.4 billion in 2011 to \$66.9 billion in 2012; they accounted for 3.0 percent of total U.S. imports during 2012. Most of these entered free of duty. Duty-free imports totaled \$19.9 billion under the U.S. Generalized System of

²¹ The abbreviation "n.e.s." refers to "not elsewhere specified."

Preferences (GSP) program (appendix table A.14); \$32.7 billion (excluding GSP imports) under the African Growth and Opportunity Act (AGOA) (appendix table A.17); and \$11.2 billion under the Andean Trade Preference Act (ATPA) (appendix table A.19). In addition, imports that entered free of duty or at reduced rates under the Caribbean Basin Economic Recovery Act (CBERA) totaled \$3.1 billion (appendix table A.21). Imports under the AGOA and CBERA programs, which fell by 36.9 percent and 13.3 percent, respectively, accounted for the decline in U.S. imports under these preferential trade programs. A much larger share of U.S. imports enter under free trade or trade promotion agreement provisions; the value of these imports increased by 10.3 percent in 2012 to \$393.7 billion, or 17.5 percent of total U.S. imports.²²

*U.S. Merchandise Trade with Leading Partners*²³

Table 1.1 shows U.S. trade with selected major trading partners, ranked by total trade (exports and imports) in 2012 (see appendix tables A.4 and A.5 for U.S. trade with the top 15 single-country trading partners).²⁴ In 2012, Canada was the leading global market for U.S. exports, overtaking the EU (as a unit), which had been the leading market in previous years. China continued as the leading source of U.S. imports through 2012. Canada remained the largest single-country two-way trading partner of the United States, followed by China and Mexico. The leading U.S. export markets and import suppliers, respectively, by share in 2012 are shown in figures 1.4 and 1.5.

China alone accounted for 35.8 percent, or \$321.4 billion, of the total U.S. merchandise deficit of \$897.8 billion in 2012, up from \$301.6 billion in 2011. Canada and Mexico, the United States' partners in the North American Free Trade Agreement (NAFTA), together accounted for 20.2 percent (\$181.0 billion) of this deficit. U.S. exports to China rose at a slightly faster rate (6.8 percent) than U.S. imports from China (6.6 percent) in 2012, although both grew at slower rates than in 2011 (13.0 percent and 9.4 percent, respectively).

TABLE 1.1 U.S. merchandise trade with major trading partners and the world, 2012, millions of dollars

Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU	235,620	374,134	-138,514	609,754
Canada	244,199	323,925	-79,726	568,124
China	103,508	424,874	-321,367	528,382
Mexico	175,159	276,408	-101,249	451,568
Japan	64,599	144,538	-79,939	209,137
Korea	40,004	57,874	-17,870	97,878
Brazil	37,252	31,720	5,532	68,972
Taiwan	21,832	38,722	-16,890	60,554
India	18,972	40,105	-21,133	59,078
Russia	9,976	29,049	-19,073	39,025
All others	402,090	509,685	-107,595	911,775
World	1,353,211	2,251,035	-897,824	3,604,247

Source: USDOC.

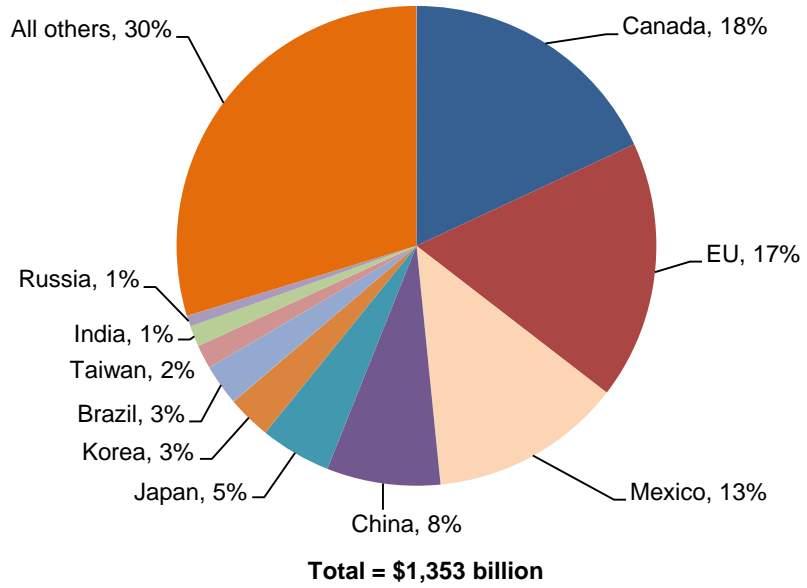
Note: Because of rounding, figures may not add to totals shown.

²² U.S. imports under preferential trade programs are discussed in chapter 2. U.S. trade with countries under free trade or trade promotion agreement provisions is discussed in chapter 4.

²³ See chapter 5 for further information on U.S. merchandise trade with major trading partners, including the EU, Canada, China, Mexico, and other countries.

²⁴ Leading U.S. exports to and imports from these major trading partners are presented in tables A.25–A.54.

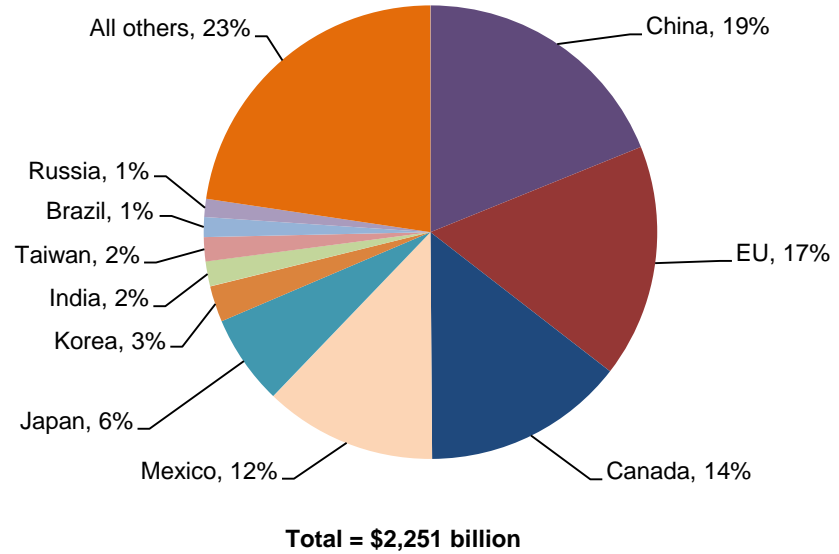
FIGURE 1.4 Leading U.S. merchandise export markets, by share, 2012



Source: USDOC.

Note: Because of rounding, figures may not add to 100 percent.

FIGURE 1.5 Leading U.S. merchandise import sources, by share, 2012



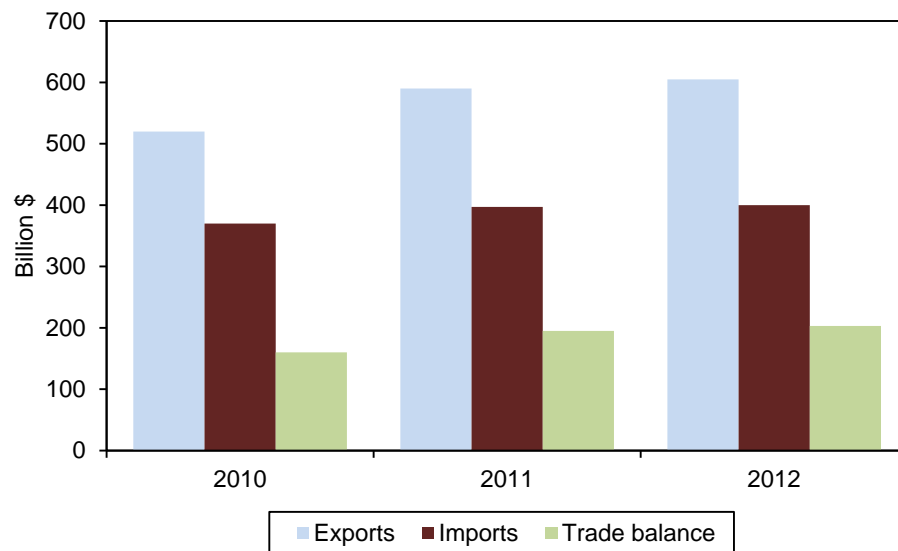
Source: USDOC.

Note: Because of rounding, figures may not add to 100 percent.

U.S. Trade in Services in 2012²⁵

The U.S. surplus in cross-border private services trade increased 6.9 percent in 2012 to \$207.1 billion (figure 1.6).²⁶ The year 2012 represented the third consecutive year of growth in U.S. services trade since 2009. U.S. cross-border exports of private services rose 4.1 percent in 2012 to \$611.2 billion, faster than the 2.8 percent increase in U.S. imports, which reached \$404.0 billion. U.S. exports of private services posted gains in 10 of the 11 service categories in 2012, the exception being financial services. By contrast, U.S. imports of private services decreased in four service categories: financial services, insurance services, port services, and telecommunications services. Appendix table A.6 provides data on U.S. trade in private services by product category.

FIGURE 1.6 U.S. private cross-border services trade with the world, 2010–12^a



Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2013, table 3a.

^aData for 2012 are preliminary.

²⁵ This section focuses primarily on cross-border transactions in private services, which exclude government sales and purchases of services. Services trade data are drawn from the BEA. In these national accounts data, “cross-border transactions” occur when firms resident in one country provide services to consumers in another, with people, information, or money crossing U.S. boundaries in the process. Cross-border transactions appear explicitly as imports and exports in the balance of payments. U.S. firms also provide services to foreign consumers through affiliates established in host countries, with the income generated through “affiliate transactions” appearing as investment income in the balance of payments. The channel of delivery used by service providers depends primarily on the nature of the service. For example, many financial services, such as retail banking services, are supplied most effectively by affiliates located close to the consumer. Conversely, most trade in education services takes the form of cross-border transactions, with students traveling abroad to attend foreign universities.

²⁶ USDOC, BEA, “U.S. International Transactions Accounts Data: Table 3a,” March 14, 2013.

U.S. Services Trade by Product Category

Exports

Business, professional, and technical services²⁷ led U.S. cross-border services exports in 2012, accounting for 23.1 percent of the total, followed by travel services (21.0 percent)²⁸ and royalties and license fees (19.9 percent).²⁹ Although most services categories experienced export growth in 2012, many sectors faced growth rates that were well below 2011 levels. For instance, in 2012, U.S. exports of freight services and port services increased by 0.8 percent and 0.3 percent, respectively, compared to growth rates of 5.5 percent each in 2011. Similarly, U.S. exports of royalties and license fees increased by 0.8 percent in 2012, far slower than the 12.8 percent growth rate recorded in the previous year. Among all service categories, only U.S. exports of insurance services grew faster in 2012 (10.5 percent) than in 2011 (6.5 percent), likely reflecting an increase in cross-border sales by U.S. firms of reinsurance services.³⁰

The post-recessionary growth experienced by U.S. exports of travel and passenger fares³¹ began to slow in 2012. In that year, travel increased 10.7 percent to \$128.6 billion, and passenger fares increased 7.9 percent to \$39.5 billion, as compared to 12.2 percent and 18.2 percent, respectively, in 2011. Growth in U.S. exports of passenger fares and travel services occurs when more foreign visitors travel to the United States on U.S. airlines and when there is an increase in visitors' travel-related expenditures.³² In 2012, global demand for airline travel was tempered by the European debt crisis.³³ In addition, U.S. travel expenditures fell in the third quarter of 2012, partly due to fewer purchases of transportation-related goods and services, such as car rental and leasing, travel reservation services, and fuel.³⁴ Other private services sectors that experienced moderate export growth in 2012 were business, professional, and technical

²⁷ Business, professional, and technical services are characterized as labor-intensive services employing highly skilled and highly educated individuals who fill positions that frequently require specialized licensing or training. USITC, *Recent Trends in U.S. Services Trade: 2011 Annual Report*, July 2011, iii.

²⁸ Travel services comprise purchases of goods and services by U.S. residents traveling abroad (U.S. imports of travel services) and by foreign travelers in the United States (U.S. exports of travel services). These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the country of travel, and other items incidental to a foreign visit.

²⁹ U.S. exports of royalties and license fees comprise payments by foreigners to U.S. owners of intellectual property, such as trademarks, computer software, and industrial processes.

³⁰ Reinsurance refers to a practice in which a primary insurance company transfers a portion of its risk, or liability, to a secondary insurer (i.e., a reinsurer). The primary insurance company pays the reinsurance firm a fee and, in return, the reinsurance company reimburses the primary insurer for losses covered by a reinsurance agreement. While the BEA's quarterly data do not break out U.S. exports of insurance services by subsector, industry sources estimate that net premiums underwritten by U.S. reinsurance firms grew nearly 13 percent between 2011 and 2012. Reinsurance Association of America, "Reinsurance Underwriting Report," March 6, 2013.

³¹ U.S. exports of passenger fares consist of payments by foreigners to U.S. airlines for travel between the United States and foreign countries or between foreign destinations.

³² USDOC, BEA, "U.S. International Services: Cross-Border Trade in 2011 and Services Supplied Through Affiliates in 2010," October 2012, 23.

³³ BLS, "Beyond the Numbers: International Air Passenger Fares Shrug Off the Recession," May 2012, vol. 1, no. 1.

³⁴ USDOC, BEA, "Travel and Tourism Spending Slowed," December 17, 2012.

services (4.8 percent), education services (6.0 percent), and telecommunications services (7.7 percent).

Imports

Business, professional, and technical services (26.4 percent of total imports) and travel services (20.7 percent) led U.S. cross-border services imports in 2012. Among all service categories, U.S. import growth was mixed. U.S. imports of passenger fares experienced the largest growth at 10.7 percent (down from 14.1 percent in 2011), followed by royalties and license fees (9.3 percent). By contrast, U.S. imports of port services³⁵ fell by 6.8 percent and insurance services, by 5.7 percent. The decrease in U.S. imports of port services likely resulted, in part, from a decline in U.S. goods imports in 2012.³⁶ Elsewhere, U.S. imports of business, professional, and technical services increased by only 1.9 percent, compared to 15.7 percent in 2011. Similarly, U.S. imports of financial services decreased 0.8 percent in 2012, after posting a gain of 9.8 percent in the previous year.

U.S. Services Trade with Leading Partners

The EU was the United States' largest export market for, and foreign supplier of, services in 2012 (table 1.2), accounting for \$192.7 billion (31.5 percent) of total U.S. services exports and \$138.0 billion (34.1 percent) of total U.S. services imports (figures 1.7 and 1.8).³⁷ Canada and Japan were the second- and third-largest U.S. services trading partners in 2012. The U.S. trade surplus with the EU increased to \$54.8 billion in 2012, up from \$52.0 billion in 2011. The United States also maintained large trade surpluses in services with other leading trade partners, including Canada (\$30.5 billion), Japan (\$20.1 billion), China (\$16.9 billion), and Brazil (\$15.8 billion). In addition, the United States posted modest, albeit growing, trade surpluses with Korea (\$8.8 billion) and Taiwan (\$4.0 billion). India was the only leading services trade partner with which the United States recorded a trade deficit, \$5.8 billion, representing a decrease of nearly 1.6 percent from 2011. Although industry-specific data by trading partner are not yet available for 2012, the U.S. services trade deficit with India has been driven for the past several years by an increase in U.S. imports of computer and information services from that country. In 2011, the U.S. cross-border deficit with India for such products was \$7.2 billion.³⁸

³⁵ U.S. imports of port services reflect the value of goods (except fuel) and services procured by U.S. air and ocean carriers at foreign ports. USDOC, BEA, "U.S. International Services: Cross-Border Trade in 2011 and Services Supplied Through Affiliates in 2010," October 2012, 32.

³⁶ USDOC, BEA and Census, "U.S. International Trade in Goods and Services," January 2013, March 7, 2013, 1.

³⁷ In terms of single countries, the United Kingdom (a member of the EU) was the United States' largest export market and largest import supplier of private services in 2012.

³⁸ USDOC, BEA, "U.S. International Services: Cross-Border Trade in 2011 and Services Supplied Through Affiliates in 2010," October 2012, 51–52.

TABLE 1.2 U.S. private services trade with major trading partners and the world, 2012,^a billions of dollars

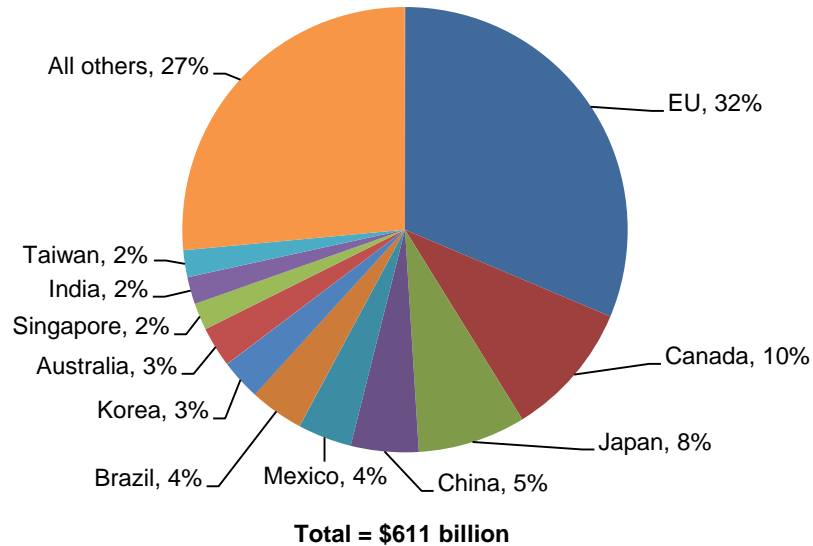
Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU	192.7	138.0	54.8	330.7
Canada	58.1	27.6	30.5	85.7
Japan	46.6	26.5	20.1	73.2
Mexico	26.6	15.0	11.6	41.6
China	29.2	12.3	16.9	41.5
India	11.9	17.7	-5.8	29.5
Brazil	22.5	6.8	15.8	29.3
Korea	18.0	9.3	8.8	27.3
Australia	16.7	6.6	10.1	23.3
Taiwan	11.4	7.4	4.0	18.9
Singapore	12.7	4.9	7.8	17.5
All others	164.7	131.9	32.8	296.6
World	611.2	404.0	207.1	1,015.2

Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2013, table 12.

Note: Because of rounding, figures may not add to totals shown.

^aData are preliminary.

FIGURE 1.7 Leading U.S. export markets for private services, by share, 2012^a

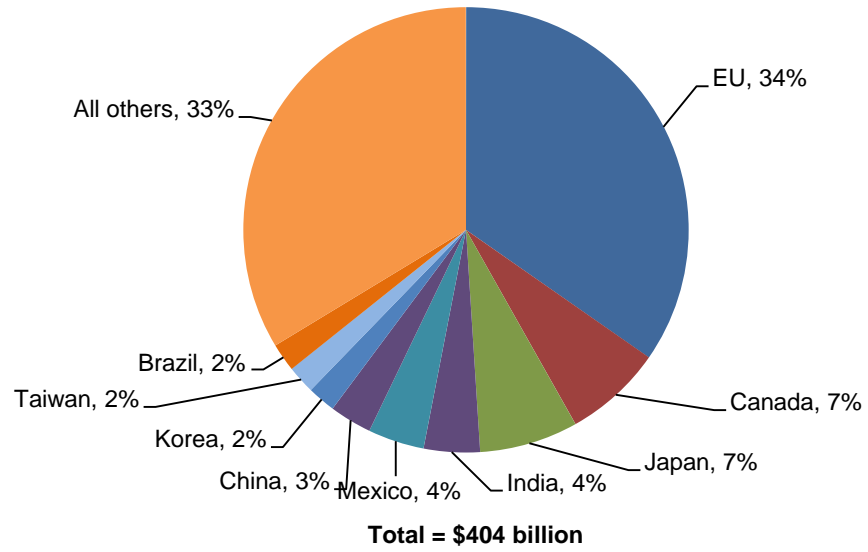


Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2013, table 12.

Note: Because of rounding, percentages may not add to 100 percent.

^aData for 2012 are preliminary.

FIGURE 1.8 Leading U.S. import sources of private services, by share, 2012^a



Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2013, table 12.

Note: Because of rounding, percentages may not add to 100 percent.

^aData for 2012 are preliminary.

CHAPTER 2

Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration of U.S. trade laws during 2012. It covers import relief laws, laws against unfair trade practices, trade adjustment assistance, and tariff preference programs, including the U.S. Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Andean Trade Preference Act (ATPA), and the Caribbean Basin Economic Recovery Act (CBERA), including initiatives aiding Haiti.

Import Relief Laws

Safeguard Actions

This section covers safeguard actions under provisions administered by the Commission, including the global safeguards provided for in sections 201–204 of the Trade Act of 1974,¹ the China safeguards provided for in section 421 of the Trade Act of 1974,² and the safeguards provided for in various bilateral free trade agreements (FTAs) involving the United States.

The Commission conducted no new safeguard investigations during 2012. The one safeguard measure in effect during part of 2012, with respect to imports of certain passenger vehicle and light truck tires from China, expired on September 25, 2012, and was not extended. The President imposed the measure in September 2009 following receipt of an affirmative determination of market disruption from the Commission under section 421 of the Trade Act of 1974.³

Laws against Unfair Trade Practices

Section 301 Investigations

Section 301 of the Trade Act of 1974 is the principal U.S. statute for addressing unfair foreign practices affecting U.S. exports of goods or services.⁴ Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and also may be used to respond to unjustifiable, unreasonable, or discriminatory foreign government practices that burden or restrict U.S. commerce. Interested persons may petition the United States Trade Representative (USTR) to investigate foreign government policies or practices, or the USTR may initiate an investigation itself.

¹ 19 U.S.C. §§ 2251–2254.

² 19 U.S.C. § 2451.

³ USITC, *Certain Passenger Vehicle and Light Truck Tires from China*, July 2009; Proclamation No. 8414, September 11, 2009, 74 Fed. Reg. 47861 (September 16, 2009).

⁴ Section 301 refers to sections 301–310 of the Trade Act of 1974, as amended (19 U.S.C. §§ 2411–2420).

If the investigation involves a trade agreement and consultations do not result in a mutually acceptable resolution, section 303 of the Trade Act of 1974 requires the USTR to use the dispute settlement procedures that are available under the subject agreement. If the matter is not resolved by the conclusion of the investigation, section 304 of the Trade Act of 1974 requires the USTR to determine (1) whether the practices in question deny U.S. rights under a trade agreement, or (2) whether they are unjustifiable, unreasonable, or discriminatory and burden or restrict U.S. commerce. If the practices are determined to violate a trade agreement, the USTR must take action; the USTR must also take action if the practices are determined to be unjustifiable and to burden or restrict U.S. commerce.⁵ If the practices are determined to be unreasonable or discriminatory and to burden or restrict U.S. commerce, the USTR must determine whether action is appropriate and, if so, what type of action to take.⁶ The time period for making these determinations varies according to the type of practices alleged.

Section 301 Cases in 2012

In 2012, there was one ongoing section 301 case, and no new section 301 petitions were filed. The ongoing section 301 case concerned the meat hormone directive of the European Union (EU).⁷ In 1999, the United States imposed additional ad valorem duties of 100 percent on about \$117 million in imports from the EU, following a successful World Trade Organization (WTO) challenge of an EU measure prohibiting imports of meat from animals that have been treated with certain hormones.⁸ In January 2009, the United States and the EU initiated a series of consultations in an effort to resolve the dispute through negotiation. On May 13, 2009, the United States and the EU announced the signing of a memorandum of understanding (MOU).⁹ Under the MOU, the EU agreed to open a tariff-rate quota (TRQ) with an in-quota tariff rate of zero for beef produced without growth-promoting hormones (i.e., “high quality beef”)¹⁰ in the amount of 20,000 metric tons,¹¹ and the United States agreed to reduce the scope of the retaliation list.¹² The MOU further provided that the parties could enter a second phase under which the EU would increase the TRQ to 45,000 metric tons beginning in August 2012, and the United States would lift the remaining additional duties.¹³ In August 2012, the United States and the EU entered into the second phase of the MOU, and the EU increased the TRQ for high-quality beef to 48,200 metric tons, effective August 1, 2012.¹⁴

⁵ Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. § 2411(a)).

⁶ Section 301(b) of the Trade Act of 1974, as amended (19 U.S.C. § 2411(b)).

⁷ European Commission, Directorate General on Health and Consumers, “Hormones in Meat—Introduction,” (accessed March 5, 2013).

⁸ 64 Fed. Reg. 40638 (July 27, 1999); WTO, *European Communities—Measures Concerning Meat and Meat Products* (DS26, DS48) (accessed February 27, 2013).

⁹ *Memorandum of Understanding between the United States of America and the European Commission Regarding the Importation of Beef From Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Communities*, May 13, 2009 (U.S.-EU Beef MOU). For more information on the three-phase MOU, see USITC, *The Year in Trade 2009*, 2010, 5-5.

¹⁰ Article VI of the U.S.-EU Beef MOU defines “high quality beef.”

¹¹ U.S.-EU Beef MOU, Art. II(1).

¹² U.S.-EU Beef MOU, Art. II(3); 74 Fed. Reg. 40864 (August 13, 2009).

¹³ U.S.-EU Beef MOU, Arts. I(2), II(4), and IV(2). The USTR terminated the imposition of the remaining additional duties in May 2011. For more background, see USITC, *The Year in Trade 2011*, 2012, 2-3.

¹⁴ Regulation (EU) No. 464/2012 of the European Parliament and of the Council, OJ L 149, June 8, 2012, 1. The quota was raised to 45,000 metric tons based on the U.S.-EU MOU; the additional 3,200 metric tons resulted from a similar case between the EU and Canada.

Special 301

The Special 301 law¹⁵ requires that the USTR annually identify and issue a list of foreign countries that deny adequate and effective protection of intellectual property rights (IPR), or deny fair and equitable market access to U.S. persons who rely on IPR protection.¹⁶ Under the statute, a country denies adequate and effective IPR protection if the country does not allow foreign persons “to secure, exercise, and enforce rights related to patents, process patents, registered trademarks, copyrights and mask works.”¹⁷

Under the statute, a country denies fair and equitable market access if it denies access to a market for a product that is protected by a copyright or related right, patent, trademark, mask work, trade secret, or plant breeder’s right through the use of laws and practices that violate international agreements or that constitute discriminatory nontariff trade barriers.¹⁸ A country may be found to deny adequate and effective IPR protection even if it is in compliance with its obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).¹⁹

In addition, the Special 301 law directs the USTR to identify and list so-called priority foreign countries.²⁰ Priority foreign countries are countries that have the most onerous or egregious acts, policies, or practices with the greatest adverse impact (actual or potential) on the relevant U.S. products.²¹ Such countries must be designated as priority foreign countries unless they are entering into good-faith negotiations, or making significant progress in bilateral or multilateral negotiations to provide adequate and effective IPR protection.²² The identification of a country as a priority foreign country triggers a section 301 investigation,²³ unless the USTR determines that the investigation would be detrimental to U.S. economic interests.²⁴

In addition to identifying priority foreign countries as required by statute, the USTR has adopted a practice of naming countries to a “watch list” or a “priority watch list” when the countries’ IPR laws and practices fail to provide adequate and effective IPR protection, but the deficiencies do not warrant identification of the countries as priority foreign countries.²⁵ The priority watch list identifies countries with significant IPR problems that warrant close monitoring and bilateral consultation. If a country on the priority watch list makes progress, it may be moved to the watch list or removed from

¹⁵ The Special 301 law is set forth in section 182 of the Trade Act of 1974, as amended (19 U.S.C. § 2242).

¹⁶ “Persons who rely on IPR protection” means persons involved in “(A) the creation, production or licensing of works of authorship ... that are copyrighted, or (B) the manufacture of products that are patented or for which there are process patents.” Section 182(d)(1) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(d)(1)).

¹⁷ Section 182(d)(2) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(d)(2)). Section 901(a)(2) of the Semiconductor Chip Protection Act (17 U.S.C. § 901(a)(2)) defines “mask work” as a “series of related images, however fixed or encoded—(A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and (B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product.”

¹⁸ Section 182(d)(3) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(d)(3)).

¹⁹ Section 182(d)(4) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(d)(4)).

²⁰ Section 182(a)(2) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(a)(2)).

²¹ Section 182(b)(1) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(b)(1)).

²² Section 182(b)(1) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(b)(1)).

²³ Section 182(f)(2) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(f)(2)).

²⁴ Section 302(b)(2)(B) of the Trade Act of 1974, as amended (19 U.S.C. § 2412(b)(2)(B)). See also USTR, *2012 Trade Policy Agenda*, March 2012, 178.

²⁵ USTR, “2012 Special 301 Review,” 76 Fed. Reg. 81555 (December 28, 2011).

any listing. On the other hand, a country that fails to make progress may be elevated from the watch list to the priority watch list, or from the priority watch list to the list of priority foreign countries.

In the 2012 Special 301 review, the USTR examined the adequacy and effectiveness of IPR protection in 77 countries.²⁶ In conducting the review, the USTR focused on a wide range of issues and policy objectives relating to IPR protection and enforcement, including copyright piracy over the Internet and digital piracy; trademark counterfeiting and copyright piracy of goods, including counterfeit medicines and health care products; transshipment of pirated and counterfeit goods; strengthened criminal and border enforcement; IPR training, resources, and prosecutions; criminal prosecutions and deterrent sentencing; ensuring that foreign government ministries only use legally authorized and properly licensed business software; market access barriers faced by U.S. pharmaceutical and medical device manufacturers; adequate implementation of the World Intellectual Property Organization (WIPO) Internet treaties;²⁷ and proper implementation of the TRIPS Agreement by developed and developing countries.

In the 2012 Special 301 review, no countries were identified as priority foreign countries. The 2012 Special 301 report identified 13 countries on the priority watch list: Algeria, Argentina, Canada, Chile, China, India, Indonesia, Israel, Pakistan, Russia, Thailand, Ukraine, and Venezuela. The report highlighted the need for greater protection and enforcement of all forms of IPR in China, including patents, trademarks, copyrights, trade secrets, and the protection of pharmaceutical test data. It noted U.S. concerns about compulsory licensing, trade secret theft, the persistence of “notorious” physical and online markets selling IPR-infringing goods, and “indigenous innovation” policies and related industrial policies in China that may disadvantage U.S. rights holders. Ukraine was elevated to the priority watch list in the 2012 Special 301 review because, according to the review, it made only minimal progress implementing its 2010 IPR action plan commitments; it failed to address adequately the government’s use of unlicensed software, to strengthen its copyright law, and to increase enforcement efforts against the widespread availability of counterfeit and pirated goods. Although Russia remained on the priority watch list, the Special 301 report noted that Russia had made important progress in improving IPR protection and enforcement.²⁸ The 2012 Special 301 Report also identified 26 countries on the watch list,²⁹ and noted that Malaysia and Spain had made progress and were removed from the watch list.

In September 2012, the USTR announced that Israel was being removed from the priority watch list and placed on the watch list because Israel introduced three bills to improve its pharmaceutical patent regime.³⁰ Under a MOU between the United States and Israel that

²⁶ USTR, “USTR Releases Annual Special 301 Report,” April 30, 2012; USTR, *2012 Special 301 Report*, April 30, 2012.

²⁷ The WIPO Internet treaties include the WIPO Copyright Treaty (WCT), adopted in Geneva on December 20, 1996, and the WIPO Performance and Phonograms Treaty (WPPT), adopted in Geneva on December 20, 1996. See USTR, *2012 Special 301 Report*, April 30, 2012, Annex 2.

²⁸ On December 21, 2012, the USTR announced that the United States and Russia had agreed to an Intellectual Property Rights Action Plan to improve IPR protection and enforcement in Russia. USTR, “United States and Russian Federation Agree on Action Plan,” December 21, 2012.

²⁹ The countries on the 2012 watch list are Belarus, Bolivia, Brazil, Brunei Darussalam, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Finland, Greece, Guatemala, Italy, Jamaica, Kuwait, Lebanon, Mexico, Norway, Peru, Philippines, Romania, Tajikistan, Turkey, Turkmenistan, Uzbekistan, Vietnam. USTR, *2012 Special 301 Report*, April 30, 2012.

³⁰ USTR, “United States Trade Representative Ron Kirk Announces Removal of Israel,” September 24, 2012.

was signed in February 2010, the USTR had agreed to lower Israel to the watch list when such legislation was introduced.³¹

Since 2006, the USTR has also identified so-called notorious markets in the annual Special 301 Report. In 2010, the USTR announced that the agency would begin issuing a list of these markets separately.³² In February 2011, the USTR published the first separate Notorious Markets List, which includes examples of both Internet and physical marketplaces that deal in infringing goods and help sustain global piracy and counterfeiting.³³ Such markets have been the subject of enforcement actions or may merit further investigations for possible IPR infringement. In August 2012, the USTR solicited public comments for the 2012 Special 301 Out-of-Cycle Review of Notorious Markets,³⁴ and issued the list itself in December 2012.³⁵ The Notorious Markets List is not intended by the USTR to be exhaustive, but to highlight some of the most prominent markets, including ones on the Internet, where pirated and counterfeit goods are reportedly available.³⁶ The USTR identified more than 30 Internet and physical markets that deal in goods and services that infringe IPR and can cause economic harm to U.S. and other IPR holders.

Antidumping and Countervailing Duty Investigations and Reviews

Antidumping Duty Investigations

The U.S. antidumping law is contained in title VII of the Tariff Act of 1930, as amended.³⁷ This law offers relief to U.S. industries that are injured by dumping, which is the sale of imported goods at less than their “fair value” (see below). The U.S. government provides relief by imposing a special additional duty on an underpriced import in order to offset its “dumping margin”—the amount by which its sale price is less than its fair value. Antidumping duties are imposed when (1) the U.S. Department of Commerce (USDOC), the administering authority, has determined that imports are being, or are likely to be, sold at less than fair value (LTFV) in the United States, and (2) the Commission has determined that a U.S. industry is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded by reason of such imports. (Such a conclusion is called an “affirmative determination.”) Most investigations are conducted on the basis of a petition filed with the USDOC and the Commission by or on behalf of a U.S. industry. The USDOC and the Commission each conduct preliminary and final antidumping duty investigations in making their separate determinations.

³¹ *Memorandum of Understanding between the United States and Israel*, signed February 18, 2012, available at http://www.ustr.gov/webfm_send/3540.

³² 75 Fed. Reg. 60854 (October 1, 2010). The decision was made in coordination with the office of the Intellectual Property Enforcement Coordinator and in accordance with the 2010 Joint Strategic Plan on Intellectual Property Enforcement (June 2010), page 9, http://www.whitehouse.gov/sites/default/files/omb/assets/intellectualproperty/intellectualproperty_strategic_plan.pdf.

³³ USTR, “USTR Announces Results of Special 301 Review of Notorious Markets,” February 28, 2011; USTR, “Out-of-Cycle Review of Notorious Markets,” February 28, 2011.

³⁴ 77 Fed. Reg. 48583 (August 14, 2012).

³⁵ USTR, “USTR Announces Results of Special 301 Review of Notorious Markets,” December 13, 2011; USTR, “Out-of-Cycle Review of Notorious Markets,” December 13, 2012.

³⁶ USTR, “USTR Announces Results of Special 301 Review of Notorious Markets,” December 13, 2012.

³⁷ 19 U.S.C. § 1673 et seq.

In general, imports are considered to be sold at LTFV when the U.S. price (i.e., the purchase price or the exporter's sales price, as adjusted) is less than the foreign-market value, which is usually the home-market price; or, in certain cases, the price in a third country; or a constructed value, calculated as set out by statute.³⁸ The antidumping duty is calculated to equal the difference between the U.S. price and, generally, the foreign-market value.³⁹ The duty specified in an antidumping duty order reflects the weighted average dumping margins found by the USDOC both for specific exporters it has examined and for all other exporters.⁴⁰ This rate of duty will be applied to subsequent imports from the specified producers/exporters in the subject country, but it may be adjusted if the USDOC receives a request for an annual review.⁴¹

The Commission instituted 5 new preliminary antidumping investigations and completed 16 final investigations in 2012.⁴² Antidumping duties were imposed in 2012 as a result of affirmative Commission determinations in 7 of those completed investigations on six products from four countries (table 2.1).

The status of all antidumping investigations active at the Commission during 2012 is presented in appendix table A.7. A list of all antidumping duty orders, including suspension agreements,⁴³ in effect as of the end of the year is presented in appendix table A.8.

TABLE 2.1 Antidumping duty orders that became effective during 2012^a

Country	Product	Range of dumping margins (percent)
China	CSPV Cells and Modules	18.32–249.96
China	High Pressure Steel Cylinders	6.62–31.21
China	Stilbenic Optical Brightening Agents	61.04–106.17
Korea	Large Power Transformers	14.95–29.04
Taiwan	Steel Wire Garment Hangers	69.98–125.43
Taiwan	Stilbenic Optical Brightening Agents	6.19
United Arab Emirates	Steel Nails	2.51–184.41

Source: Compiled by USITC from *Federal Register* notices.

^aAntidumping duty orders become effective subsequent to final affirmative determinations by USDOC and the Commission.

³⁸ 19 U.S.C. § 1677b; 19 C.F.R. part 353, subpart D.

³⁹ 19 U.S.C. § 1677(35)(A).

⁴⁰ 19 U.S.C. § 1677(35)(B); 19 U.S.C. § 1673d(c).

⁴¹ 19 U.S.C. § 1675(a).

⁴² Data reported here and in the following two sections (“Countervailing Duty Investigations” and “Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements”) reflect the total number of investigations. In other Commission reports these data are grouped by product because the same investigative team and all of the parties participate in a single grouped proceeding, and the Commission generally produces one report and issues one opinion containing its separate determinations for each investigation.

⁴³ An antidumping investigation may be suspended if exporters accounting for substantially all of the imports of the merchandise under investigation agree either to eliminate the dumping or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if exporters agree to revise prices to completely eliminate the injurious effect of exports of the merchandise in question to the United States. A suspended investigation is reinstated if LTFV sales recur. See 19 U.S.C. § 1673c.

Countervailing Duty Investigations

The U.S. countervailing duty law is also set forth in title VII of the Tariff Act of 1930, as amended. It provides for the imposition of special additional duties to offset (“countervail”) foreign subsidies on products imported into the United States.⁴⁴ In general, procedures for such investigations are similar to those under the antidumping law. Petitions are filed with the USDOC (the administering authority) and with the Commission. Before a countervailing duty order can be issued, the USDOC must find that a countervailable subsidy exists and the Commission must make an affirmative determination that a U.S. industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded because of the subsidized imports.

The Commission instituted 9 new preliminary countervailing duty investigations and completed 9 final investigations during 2012. Countervailing duties were imposed in 2012 as a result of affirmative Commission determinations in 2 of the completed investigations on two products from one country—China (table 2.2). The status of all countervailing duty investigations active at the Commission during 2012 is presented in appendix table A.9, and a list of all countervailing duty orders (including suspension agreements)⁴⁵ in effect at the end of the year is presented in appendix table A.10.

Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements

Section 751(a) of the Tariff Act of 1930 requires the USDOC, if requested, to conduct annual reviews of outstanding antidumping duty and countervailing duty orders to ascertain the amount of any net subsidy or dumping margin and to determine whether suspension agreements are being complied with.⁴⁶ Section 751(b) also authorizes the USDOC and the Commission, as appropriate, to review certain outstanding determinations and agreements after receiving information or a petition that shows changed circumstances.⁴⁷ In these instances, the party that is asking to have an

TABLE 2.2 Countervailing duty orders that became effective during 2012^a

Country	Product	Range of countervailable subsidy rates (percent)
China	CSPV Cells and Modules	14.78–15.97
China	High Pressure Steel Cylinders	15.81

Source: Compiled by USITC from *Federal Register* notices.

^aCountervailing duty orders become effective subsequent to final affirmative determinations by USDOC and the Commission.

⁴⁴ A subsidy is defined as a bounty or grant bestowed directly or indirectly by any country, dependency, colony, province, or other political subdivision on the manufacture, production, or export of products. See 19 U.S.C. § 1677(5) and 1677-1(a).

⁴⁵ A countervailing duty investigation may be suspended if the government of the subsidizing country or exporters accounting for substantially all of the imports of the merchandise under investigation agree to eliminate the subsidy, to completely offset the net subsidy, or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if the government of the subsidizing country or exporters agrees to completely eliminate the injurious effect of exports of the merchandise in question to the United States. A suspended investigation is reinstated if subsidization recurs. See 19 U.S.C. § 1671c.

⁴⁶ 19 U.S.C. § 1675(a).

⁴⁷ 19 U.S.C. § 1675(b).

antidumping duty order, countervailing duty order, or suspension agreement revoked or modified has the burden of persuading the USDOC and the Commission that circumstances have changed enough to warrant review and revocation. On the basis of either the USDOC's or Commission's review, the USDOC may revoke an antidumping duty or countervailing duty order in whole or in part, or may either terminate or resume a suspended investigation. No changed-circumstances investigations were conducted at the Commission during 2012.

Section 751(c) of the Tariff Act of 1930 requires both the USDOC and the Commission to conduct sunset reviews of outstanding orders and suspension agreements five years after their publication to determine whether revocation of an order or termination of a suspension agreement would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy and material injury.⁴⁸ During 2012, the USDOC and the Commission instituted 42 sunset reviews of existing antidumping duty and countervailing duty orders and suspension agreements,⁴⁹ and the Commission completed 46 reviews. As a result, 38 antidumping duty and countervailing duty orders were continued for five more years.⁵⁰ Appendix table A.11 shows completed reviews of antidumping duty and countervailing duty orders and suspension agreements in 2012.⁵¹

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended,⁵² prohibits certain unfair acts in the importation of goods into the United States. Most section 337 investigations involve allegations of patent infringement—specifically, whether products that infringe a valid and enforceable U.S. patent are being imported into the United States, sold for importation, or sold after importation. In order to find a violation of section 337 based on patent infringement, the Commission must also determine that an industry in the United States relating to articles protected by the patent exists or is in the process of being established. Similar standards govern investigations involving infringement of registered trademarks, registered copyrights, registered mask works, and registered vessel hull designs. In addition, the Commission has broad authority to investigate other unfair methods of competition and unfair acts in the importation and sale of products in the United States (such as products manufactured abroad by use of stolen U.S. trade secrets), the threat or effect of which is to destroy or injure a U.S. industry, to prevent the

⁴⁸ 19 U.S.C. § 1675(c).

⁴⁹ During 2012, two antidumping reviews and one countervailing duty review were subsequently terminated and the outstanding order/finding revoked because a domestic industry did not request that they be continued. These reviews were honey from Argentina (antidumping and countervailing duty reviews) and folding tables and chairs from China (antidumping review).

⁵⁰ USDOC's final determination was pending at yearend for the review on folding gift boxes from China.

⁵¹ For detailed information on reviews instituted, as well as Commission action in all reviews, see the Commission's website section "Five-Year (Sunset) Reviews," at <http://info.usitc.gov/oinv/sunset.NSF>.

⁵² 19 U.S.C. § 1337.

establishment of a U.S. industry, or to restrain or monopolize trade and commerce in the United States.⁵³ The Commission may institute an investigation on the basis of a complaint or on its own initiative.

If the Commission determines that a violation exists, it can issue an exclusion order directing U.S. Customs and Border Protection (USCBP) to exclude the subject imports from entry into the United States, and a cease and desist order directing the violating parties to stop engaging in the unlawful practices. The orders enter into force unless disapproved for policy reasons by the USTR⁵⁴ within 60 days of issuance.⁵⁵

During calendar year 2012, there were 127 active section 337 investigations and ancillary proceedings, 52 of which were instituted in 2012. Of these 52 new proceedings, 40 were new section 337 investigations and 12 were new ancillary proceedings relating to previously concluded investigations. In all but 4 of the new section 337 investigations instituted in 2012, patent infringement was the only type of unfair act alleged. Of the remaining 4 investigations, 1 involved only allegations of trademark infringement, and 1 involved only allegations of trade secret misappropriation. The third investigation involved allegations of patent infringement, trademark infringement, passing off, trademark dilution, and trade dress infringement, and the fourth involved allegations of misappropriation of trade secrets, copyright infringement, breach of contract, and tortious (wrongful and injurious) interference with contract.

The Commission completed a total of 71 investigations and ancillary proceedings under section 337 in 2012, including 2 remand proceedings, 2 advisory proceedings, 2 modification proceedings, 4 bond-related proceedings, and 1 enforcement proceeding. In addition, 8 exclusion orders, including 6 general exclusion orders, and 33 cease and desist orders were issued during 2012. The Commission terminated 42 investigations without determining whether there had been a violation. Twenty-six of these investigations were terminated on the basis of settlement agreements and/or consent orders.

The section 337 investigations active in 2012 involved a broad spectrum of products. Approximately 40 percent of the proceedings involved telecommunications and computer equipment, such as cellular telephones; integrated circuits, such as memory chips; and display devices, such as digital televisions. Another approximately 10 percent of the proceedings involved accessories for such devices, ranging from USB connectors to protective cases. Slightly less than 10 percent of the proceedings involved lighting products. The remaining 40 percent of the proceedings involved a wide variety of other types of goods, including medical and pharmaceutical products, video games systems,

⁵³ Other unfair methods of competition and unfair acts have included common-law trademark infringement, trade dress infringement, trademark dilution, false advertising, and false designation of origin. (“Trade dress,” in general terms, is a product’s total appearance and image, which may be unfairly imitated by competitors. Examples might be the shape of a shampoo bottle, the color scheme of a book series, or the distinctive architecture of a fast-food chain.) Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

⁵⁴ 19 U.S.C. § 1337(j). Although the statute reserves the review for the President, since 2005 this function has been officially delegated to USTR. 70 Fed. Reg. 43251 (July 26, 2005).

⁵⁵ Section 337 investigations at the Commission are conducted before an administrative law judge in accordance with the Administrative Procedure Act, 5 U.S.C. §§ 551 et seq. The judge conducts an evidentiary hearing and makes an initial determination, which is transmitted to the Commission. The Commission may adopt the determination by deciding not to review it, or it may choose to review it. In either case, if the Commission finds a violation, it must determine the appropriate remedy, the amount of any bond to be collected while its determination is under review by USTR, and whether public interest considerations preclude issuing a remedy.

global positioning systems (GPS), video analytics software, solar panels, wind turbines, automobile wiper blades, and rare-earth magnets.

At the close of 2012, 56 section 337 investigations and related proceedings were pending at the Commission. Commission activities involving section 337 actions in 2012 are presented in appendix table A.12. As of December 31, 2012, there were 90 exclusion orders based on violations of section 337 in effect. Appendix table A.13 lists the investigations in which these exclusion orders were issued.

Trade Adjustment Assistance

The United States provides trade adjustment assistance (TAA) to aid U.S. workers, farmers, and firms in the 50 states, the District of Columbia, and Puerto Rico adversely affected by import competition or by U.S. production moving to foreign countries.⁵⁶ The three main TAA programs in effect in 2012 were TAA for Workers, administered by the U.S. Department of Labor (USDOL); TAA for Farmers, administered by the U.S. Department of Agriculture (USDA); and TAA for Firms, administered by the USDOC.⁵⁷ Selected developments in these TAA programs during fiscal year (FY) 2012 are summarized below. The most current information on each of the TAA programs, including the status of authorizing legislation and program funding, is available from the respective administering agencies cited in this report.

Assistance for Workers

The TAA for Workers program provides federal assistance (including training and reemployment services, income support, and a tax credit for health care) to eligible workers who have been adversely affected by foreign trade. Although funded by the federal government, benefits are largely administered by the states.⁵⁸ The most current information on provisions of the TAA for Workers program as well as detailed information on program eligibility requirements, benefits, and available services, is available at the USDOL's Employment and Training Administration (ETA) website for TAA, <http://www.doleta.gov/tradeact/>.

To be certified by USDOL as being eligible for TAA, a group of workers must establish that they were separated from their employment either because their jobs moved outside the United States or because of an increase in directly competitive imports. Workers at firms that are suppliers to or downstream users of the output of TAA-certified firms may

⁵⁶ TAA was first established by the Trade Expansion Act of 1962 (Pub. L. 87-793) and subsequently expanded and reauthorized numerous times. The most recent extension and modification of TAA was made by the Trade Adjustment Assistance Extension Act (TAAEA) of 2011 (Pub. L. 112-40), which was signed into law on October 21, 2011. The TAAEA generally extends most TAA provisions through December 31, 2013. CRS, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy*, January 9, 2013, 14.

⁵⁷ A TAA program for communities adversely impacted by trade was mostly discontinued by legislation in 2011 because it was considered duplicative of other federal programs. One component of that program, the trade adjustment assistance community college and career training grants, was retained and is administered by the USDOL in partnership with the U.S. Department of Education. CRS, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy*, January 9, 2013, 14. The college and career training grants program is not further discussed in this report, but information is available from USDOL, Employment and Training Administration, "Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant Program," <http://www.doleta.gov/taaccct/>.

⁵⁸ CRS, *Trade Adjustment Assistance for Workers*, December 17, 2012, 6.

also be eligible for TAA benefits.⁵⁹ Under current law, both manufacturing and service workers (except those in the public sector) are eligible for TAA.⁶⁰

As of April 2013, the ETA database⁶¹ reported that groups of workers submitted 1,427 petitions for TAA in FY 2012. ETA certified 1,144 petitions as eligible for TAA and denied 183 that year.⁶² ETA estimated that 57.4 percent of TAA petitions certified during FY 2012 were in goods-producing industries and covered 55,132 workers.⁶³ Nearly all of the goods-producing industries were in the manufacturing sector. ETA estimated that 42.6 percent of TAA petitions certified during FY2012 were in service sectors and that they covered 26,212 workers.⁶⁴ Among the service sector petitions, 12 percent were in professional, scientific, and technical services (3,780 workers); 10.1 percent in information service (5,294 workers), and 9.3 percent in finance and insurance (3,304 workers). The greatest number of new TAA-certified workers in FY 2012 was recorded by California (7,214 workers), followed by Ohio (7,082 workers), New York (4,262 workers), Arkansas (4,169 workers), and Pennsylvania (4,013 workers). Regionally, the South census region⁶⁵ had the largest number of petitions certified during FY 2012 (400 petitions certified covering 30,821 workers), followed by the Northeast (260 petitions certified covering 15,702 workers),⁶⁶ the West (240 petitions certified covering 15,842 workers),⁶⁷ and the Midwest (230 petitions certified covering 18,692 workers).⁶⁸

Assistance for Farmers

The TAA for Farmers program provides technical training and cash benefits to eligible U.S. producers of raw agricultural commodities and eligible fishermen whose crops or catch have been adversely affected by imports. The most current information on provisions of the TAA for Farmers program, along with detailed information on program eligibility requirements, benefits, and available services, is available at the USDA's Foreign Agricultural Service (FAS) website for TAA, <http://www.fas.usda.gov/itp/taa/>.

To be eligible for training and benefits, a group of agricultural producers ("producer group") must show that imports were a significant cause for at least a 15 percent decline in one of the following factors: the price of the commodity, the quantity of the commodity produced, or the production value of the commodity. Once a producer group is certified for program eligibility, an individual producer within that group must meet certain requirements to be approved for program benefits. A training component is

⁵⁹ CRS, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy*, January 9, 2013, 14.

⁶⁰ CRS, *Trade Adjustment Assistance for Workers*, December 17, 2012, 2.

⁶¹ ETA's petition database may be found at http://www.doleta.gov/tradeact/taa/taa_search_form.cfm. The database was last accessed for this report on April 8, 2013.

⁶² Petitions are accepted and investigated on a rolling basis throughout the year, and petitions may be withdrawn and investigations terminated at any point. For these reasons, the number of petitions certified and denied for TAA in any fiscal year may not equal the total number of petitions filed in that year. USDOL, ETA, "Petition Filing Frequently Asked Questions (FAQ)," (accessed March 19, 2013).

⁶³ U.S. Congress, Joint Economic Committee, *Trade Adjustment Assistance: Helping Workers*, December 12, 2012, 3, table 1.

⁶⁴ *Ibid.*, 3–4.

⁶⁵ ETA defines the South census region as including Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. *Ibid.*

⁶⁶ ETA defines the Northeast census region as including Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. *Ibid.*

⁶⁷ ETA defines the West census region as including Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. *Ibid.*

⁶⁸ ETA defines the Midwest census region as including Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio, South Dakota, and Wisconsin. *Ibid.*

intended to help the producer become more competitive in producing the same or another commodity. Financial assistance (capped, as of this report, at \$12,000 over a three-year period for an approved producer) is to be used to develop and implement a business adjustment plan designed to address the impact of import competition.⁶⁹

Producers of five commodities were certified for the TAA for Farmers program during FY 2012: asparagus, catfish, lobster, shrimp, and wild blueberries. (These commodities may actually have been certified before FY 2012, as benefits and services provided under the program may span multiple years.) More than 9,800 individual farmer applicants were approved for benefits as of April 2012 (the most recent period for which data are available), including 259 applicants for benefits with respect to asparagus, 743 for catfish, 3,842 for lobster, 4,754 for shrimp, and 254 for wild blueberries.⁷⁰

Assistance for Firms

The TAA for Firms program provides technical and financial assistance to U.S. manufacturers and service sector firms adversely affected by imports. The TAA for Firms program helps eligible firms that have been certified for benefits to develop a business recovery plan (“adjustment proposal”). TAA also provides funds to help certified firms expand markets, strengthen their operations, or otherwise increase their global competitiveness. The most current information on provisions of the TAA for Firms program, as well as detailed information on program eligibility requirements, benefits, and available services, is available at the USDOC’s Economic Development Administration (EDA) website for TAA, <http://www.taacenters.org/>.

To be eligible for TAA, firms must show that imports have contributed to declines in employment and sales or production. Assistance is in the form of matching funds that can be applied toward the cost of hiring consultants, engineers, designers, or industry experts for improvement projects in areas such as manufacturing, engineering, marketing, information technology, and quality.⁷¹ Under the program, the firm’s management receives assistance to help identify the firm’s strengths and weaknesses and develop an adjustment proposal to stimulate recovery and growth. Firms generally have up to five years to carry out an approved adjustment proposal.⁷²

EDA reported that in FY 2012 it accepted 83 petitions for TAA, with 79 petitions certified as eligible for assistance and 3 denied or withdrawn during the year. In comparison, EDA accepted 129 petitions in FY 2011, with 149 certified and 22 denied or withdrawn.⁷³ Firms located in Illinois received the most certifications in FY 2012 (13 certifications, or 16 percent of the total), followed by firms in Texas (7 certifications, or 9

⁶⁹ CRS, *Trade Adjustment Assistance for Farmers*, September 5, 2012, 2–3.

⁷⁰ GAO, *Trade Adjustment Assistance*, July 2012, 30. CRS reported that legislation currently in force “authorized \$90 million in each of FY2012 and FY2013, and \$22.5 million for the first quarter of FY2014 (i.e., October through December 2013),” but noted that the provision, “unlike those in the 2002 and 2009 authorizations, did not appropriate any funds,” and that “the Obama Administration did not request funds for the [TAA for Farmers] program in FY2012 or in its budget proposal for FY2013.” CRS, *Trade Adjustment Assistance for Farmers*, September 5, 2012, 5 and 11.

⁷¹ USDOC, EDA, “Trade Adjustment Assistance for Firms: FAQs” (accessed March 1, 2013).

⁷² USDOC, EDA, *Fiscal Year 2012 Annual Report to Congress: Trade Adjustment Assistance for Firms Program*, December 15, 2012, 11.

⁷³ Petitions are certified on a rolling basis throughout the year. Petitions certified in one fiscal year may be the result of those received or accepted in the previous fiscal year, while petitions received or accepted in a fiscal year may not result in certification in that year. USDOC, EDA, *Fiscal Year 2012 Annual Report to Congress: Trade Adjustment Assistance for Firms Program*, December 15, 2012, 14.

percent), and New York and Pennsylvania (each with 6 certifications, or 8 percent).⁷⁴ Manufacturing firms accounted for 90 percent of the firms certified for TAA during FY 2012, with firms in technical services, transportation, and wholesale trade accounting for the remainder.⁷⁵ EDA approved 102 adjustment proposals in FY 2012 with a total government funding share valued at \$5.4 million, down from 183 adjustment proposals with a government funding share valued at \$11.1 million approved in FY 2011.⁷⁶

Tariff Preference Programs

Generalized System of Preferences

The U.S. Generalized System of Preferences (GSP) program authorizes the President to grant duty-free access to the U.S. market for certain products that are imported from designated developing countries and territories.⁷⁷ Certain additional products are allowed duty-free treatment when imported only from countries designated as least-developed beneficiary developing countries. The President's authority to provide duty-free treatment under the GSP program expired on December 31, 2010,⁷⁸ and was renewed retroactively only on October 21, 2011, to be effective through July 31, 2013.⁷⁹ Because of the program's lapse, USTR did not conduct an annual review of the GSP in 2011; in 2012, however, it carried out a condensed review based on 2011 annual trade. For 2012 annual trade, USTR is conducting a review with results to be announced on July 1, 2013.

The GSP program aims to accelerate economic growth in developing countries by offering unilateral tariff preferences. An underlying principle of the GSP program is that the creation of trade opportunities for developing countries encourages broad-based economic development and sustains momentum for economic reform and liberalization. The GSP program also allows U.S. companies to have access to intermediate products from beneficiary countries on generally the same terms that are available to competitors in other developed countries that grant similar trade preferences.⁸⁰

Countries are designated as "beneficiary developing countries" under the GSP program by the President, although they can lose this designation based on petitions alleging improper country practices, including inadequate protection of IPR or internationally recognized worker rights.⁸¹ The President also designates the articles that are eligible for duty-free treatment, but may not designate articles that he determines to be "import-sensitive" in the context of the GSP. Certain articles (for example, footwear, textiles, and apparel) are designated by statute as "import-sensitive" and thus not eligible for duty-free treatment under the GSP program. The statute also provides for graduating countries from the program when they become "high income" and for ending the eligibility of articles, or of articles from certain countries, under certain conditions.

⁷⁴ USDOC, EDA, *Fiscal Year 2012 Annual Report to Congress: Trade Adjustment Assistance for Firms Program*, December 15, 2012, Exhibit 11, 17–18.

⁷⁵ *Ibid.*, Exhibit 12, 19.

⁷⁶ *Ibid.*, Exhibit 19, 27.

⁷⁷ The program is authorized by title V of the Trade Act of 1974, as amended, 19 U.S.C. § 2461 et seq.

⁷⁸ Pub. L. 111-124.

⁷⁹ Pub. L. 112-40.

⁸⁰ USTR, *2012 Trade Policy Agenda*, March 2012, 188.

⁸¹ The list of current GSP beneficiaries can be found on the USTR's website at http://www.ustr.gov/webfm_send/2469

Competitive need limitations (CNLs) are another important part of the GSP program's structure. CNLs are quantitative ceilings on GSP benefits for each product and beneficiary developing country. The GSP statute provides that a beneficiary developing country will lose its GSP eligibility with respect to a product if the CNLs are exceeded, though waivers may be granted under certain conditions. There are two different CNLs that may apply to U.S. imports of a particular product from a beneficiary developing country during any calendar year. One CNL applies to imports that account for 50 percent or more of the value of total U.S. imports of that product, and the other CNL applies to imports that exceed a certain dollar value (\$155 million in 2012).⁸² The act extending the GSP program in 2006 provided that a CNL waiver in effect on a product for five or more years should be revoked if U.S. imports from a specific supplier meet certain "super-competitive" value thresholds.⁸³

The following developments with respect to the U.S. GSP program occurred in 2012:

- On March 26, 2012, the President proclaimed that Argentina would be suspended from the GSP program effective 60 days from the date of the proclamation (May 28, 2012) as a result of not acting in good faith in enforcing arbitral awards in favor of a U.S. entity. On the same day, he also proclaimed that South Sudan would become a GSP beneficiary effective 20 days from the date of the proclamation (April 15, 2012), and a least-developed GSP beneficiary effective 60 days from the date of the proclamation (May 28, 2012).⁸⁴
- On June 29, 2012, the President proclaimed that Gibraltar and the Turks and Caicos Islands would be graduated from the GSP program for high income effective January 1, 2014. The President also proclaimed that Senegal would be treated as a least-developed GSP beneficiary effective 60 days from the date of the proclamation (September 3, 2012). Effective July 1, 2012, seven HTS numbers for cotton fiber products were made eligible for GSP for least-developed beneficiaries only. In addition, Côte d'Ivoire regained eligibility for kola nuts, for which it had previously been excluded; 11 products were excluded from particular GSP beneficiaries; 3 "supercompetitive" CNL waivers were revoked (for products which had had waivers for at least five years, and had imports of 150 percent of the CNL level); and 4 new CNL waivers were granted.⁸⁵
- On December 20, 2012, the President proclaimed that St. Kitts and Nevis would be graduated from the GSP program for high income, effective January 1, 2014.⁸⁶
- On December 28, 2012, USTR published a notice in the *Federal Register* announcing that it had accepted certain products for annual review for possible GSP eligibility or CNL waivers, and announced the final disposition of one product based on the 2011 annual review.⁸⁷

⁸² USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, December 2012, 11.

⁸³ 19 U.S.C. § 2463(d)(4)(B)(ii).

⁸⁴ Proclamation No. 8788 of March 26, 2012, 77 Fed. Reg. 18899 (March 29, 2012).

⁸⁵ Proclamation No. 8840 of June 29, 2012, 77 Fed. Reg. 39885 (July 5, 2012).

⁸⁶ Proclamation No. 8921 of December 20, 2012, 77 Fed. Reg. 76799 (December 28, 2012).

⁸⁷ USTR, "GSP Federal Register Notices," 77 Fed. Reg. 76594 (December 28, 2012).

- In addition, country practice reviews continued for a number of GSP beneficiaries. These reviews focused on worker rights, IPR, and arbitral awards issues.

Duty-free imports entered under the GSP program totaled \$19.9 billion in 2012, accounting for 5.9 percent of total U.S. imports from GSP beneficiary countries and 0.9 percent of total imports (table 2.3).⁸⁸ India was the leading GSP beneficiary in 2012, followed by Thailand, Brazil, and Indonesia (appendix table A.14). Appendix table A.15 shows the overall sectoral distribution of GSP benefits, and appendix table A.16 shows the top 25 products imported under the GSP in 2012.

African Growth and Opportunity Act

The African Growth and Opportunity Act (AGOA) was enacted in 2000 to provide unilateral preferential trade benefits to eligible sub-Saharan African (SSA) countries pursuing political and economic reform.⁸⁹ AGOA provides duty-free access to the U.S. market for all GSP-eligible products⁹⁰ and for more than 1,800 additional qualifying tariff line-item products from designated SSA countries, and exempts these beneficiaries from GSP CNLs. AGOA also provides duty-free treatment for certain apparel articles made in qualifying SSA countries. AGOA is scheduled to be in effect until September 30, 2015.⁹¹

Each year, the President must consider whether SSA countries⁹² are, or remain, eligible for AGOA benefits based on specific criteria.⁹³ At the end of 2011, a total of 40 SSA countries were designated as eligible for AGOA benefits in 2012,⁹⁴ and 27 of these countries also qualified for AGOA textile and apparel benefits.⁹⁵ On December 20, 2012, President Obama proclaimed that South Sudan was eligible for AGOA benefits and that

⁸⁸ Imports entering the United States free of duty under preference programs are given duty-free preference only upon an importer's claim for each shipment, supported with documentation.

⁸⁹ In addition to providing preferential access to the U.S. market for eligible SSA products, AGOA also includes a number of trade-facilitating provisions. For more detailed background information about AGOA, see the USDOC AGOA website, <http://www.agoa.gov/>, and the USTR AGOA website, <http://www.ustr.gov/trade-topics/trade-development/preference-programs/african-growth-and-opportunity-act-agoa>.

⁹⁰ The eligibility criteria for GSP and AGOA substantially overlap, and countries must be GSP eligible in order to receive trade benefits under AGOA. USDOC, ITA, "AGOA: General Country Eligibility Provisions" (accessed March 5, 2013).

⁹¹ 19 U.S.C. § 3701 note. AGOA provisions that provide preferential treatment for certain textiles and apparel also expire on September 30, 2015. 19 U.S.C. § 3721(f).

⁹² 19 U.S.C. § 3706 lists a total of 48 countries, or their successor political entities, as potential AGOA beneficiaries.

⁹³ 19 U.S.C. § 3703(a).

⁹⁴ The following 40 countries were listed in general note 16 of the HTS as designated AGOA beneficiaries during 2012: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Comoros, Republic of the Congo, Côte d'Ivoire, Djibouti, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Uganda, and Zambia. USITC, HTS 2013, March 3, 2012, 186.

⁹⁵ The following 27 countries are listed in U.S. Note 7 of the HTS as eligible to receive AGOA apparel benefits during 2012: Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Chad, Ethiopia, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia. USITC, HTS 2012, Annotated for Statistical Reporting Purposes, XXII, 98-II-3, U.S. Notes 7(a), March 15, 2012. Also, see USDOC, OTEXA, "Trade Preference Programs: AGOA" (accessed July 6, 2012).

TABLE 2.3 U.S. imports for consumption from GSP beneficiaries, 2010–12

Item	2010	2011	2012
Total imports from GSP beneficiaries (million \$)	303,178	365,902	338,138
Total imports under GSP (million \$)	22,554	18,539	19,857
Imports from non-LDBDCs (million \$) ^a	17,098	18,036	19,317
Imports from LDBDCs (million \$) ^b	5,455	503	540
Share of total imports under GSP (percent of total)	7.4	5.1	5.9

Source: USDOC.

Note: LDBDC = least-developed beneficiary developing countries. GSP was expired December 31, 2010–October 21, 2011. This table includes retroactive entries.

^aNon-LDBDC-eligible products are those for which a rate of duty of “free” appears in the special rate column of the Harmonized Tariff Schedule of the United States (HTS) followed by the symbols “A” or “A*” in parentheses. The symbol “A” indicates that all beneficiary countries are eligible for duty-free treatment with respect to all articles listed in the designated provisions, and the symbol “A*” indicates that certain beneficiary countries, specified in general note 4(d) of the HTS, are not eligible for duty-free treatment with respect to any article provided for in the designated provision.

^bLDBDC-eligible products are those for which a rate of duty “free” appears in the special rate column of the HTS followed by the symbol “A+” in parentheses. The symbol “A+” indicates that all LDBDCs (and only LDBDCs) are eligible for duty-free treatment with respect to all articles listed in the designated provisions.

Guinea-Bissau and Mali would no longer be designated as eligible for AGOA benefits effective on January 1, 2013.⁹⁶

In 2012, articles entering the United States free of duty under AGOA were valued at \$32.7 billion, a 36.9 percent decrease from 2011, and accounted for 68.7 percent of all imports from AGOA countries (table 2.4). This decrease in total imports was driven primarily by a drop in the value of imports of petroleum-related products, particularly from Nigeria, Angola, the Republic of the Congo (Congo ROC), Chad, and Ghana. Duty-free U.S. imports under AGOA, including under the GSP program, were valued at \$34.9 billion in 2012, accounting for 73.2 percent of total imports from AGOA countries and representing a total decline of 35.2 percent over 2011.

The leading suppliers of duty-free U.S. imports under AGOA in 2012 were Nigeria (54.1 percent of total AGOA imports), Angola (20.3 percent), South Africa (7.3 percent), Chad (7.3 percent), Gabon (3.9 percent), and the Congo ROC (3.7 percent). These six countries accounted for 96.6 percent of total imports by value under AGOA, a decrease of 0.6 percentage points from 2011 (appendix table A.17). Of the leading imports under AGOA, petroleum-related products fell to \$29.5 billion in 2012, down 39.0 percent by value from 2011, and accounted for 90.0 percent of the total value of AGOA imports in 2012 (appendix table A.18).⁹⁷ Imports of apparel remained at approximately \$0.7 billion in 2012 and 2011, but as a percentage of total AGOA imports by value, apparel rose from 1.3 percent in 2011 to 2.0 percent in 2012.

⁹⁶ Proclamation 8921 of December 20, 2012, To Take Certain Actions under the African Growth and Opportunity Act and for Other Purposes, 77 Fed. Reg. 76799 (December 28, 2012).

⁹⁷ The decrease in imports of petroleum and related products primarily reflects a decline in the volume of U.S. imports. Petroleum import volumes (HS chapter 27, barrels) from the five leading AGOA petroleum suppliers (Nigeria, Angola, Chad, the Republic of the Congo, and Gabon) decreased by 41 percent between 2011 and 2012, while the value per barrel (landed duty-paid value) of these imports increased by 3.5 percent. DataWeb/USDOC (accessed March 25, 2013).

TABLE 2.4 U.S. imports for consumption from AGOA beneficiaries, 2010–12

Item	2010	2011	2012
Total imports from AGOA countries (million \$)	60,531	72,198	47,638
Total under AGOA, including GSP (million \$) ^a	44,270	53,840	34,892
Total under AGOA, excluding GSP (million \$)	38,665	51,883	32,748
Share of total imports under AGOA (percent of total)	67.1	74.6	73.2

Source: USDOC.

^aAGOA-eligible products are those for which a rate of duty “free” appears in the special rate column of the HTS followed by the symbol “D” in parentheses (the symbol “D” indicates that all AGOA beneficiaries are eligible for duty-free treatment with respect to all articles listed in the designated provisions). In addition, provisions of subchapters II and XIX of chapter 98 of the HTS set forth specific categories of AGOA-eligible products, under the terms of separate country designations enumerated in subchapter notes.

Section 105 of AGOA requires the President to establish the U.S.-SSA Trade and Economic Cooperation Forum (also known as the AGOA Forum) through which USTR and the Secretaries of State, Commerce, and the Treasury meet with senior-level officials from AGOA-eligible countries to discuss trade, investment, and development relationships. The 11th AGOA Forum, held in Washington, DC, on June 14–15, 2012, provided for government-to-government ministerial meetings, as well as meetings of representatives from the U.S. and SSA private sectors and civil societies. The theme of the forum was “Enhancing Africa’s Infrastructure for Trade.”⁹⁸

Andean Trade Preference Act

The Andean Trade Preference Act (ATPA) was enacted in 1991 to promote broad-based economic development and viable economic alternatives to coca cultivation and cocaine production by offering Andean products broader access to the U.S. market.⁹⁹ The President’s authority to provide preferential treatment under ATPA first expired on December 4, 2001, but was renewed and expanded by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), part of the Trade Act of 2002.¹⁰⁰ Preferential treatment under ATPA, as amended by ATPDEA, has expired a number of times,¹⁰¹ most recently on February 12, 2011.¹⁰² However, on October 21, 2011, ATPA treatment was retroactively renewed until July 31, 2013, for Colombia and Ecuador.¹⁰³ In addition, three out of the four original beneficiary countries (Bolivia, Peru, and Colombia) have been removed from eligibility in recent years. Bolivia lost its eligibility on December 15, 2008,

⁹⁸ USDOS “AGOA Forum 2012,” <http://www.state.gov/p/af/rt/agoa/2012/index.htm> (accessed March 5, 2013).

⁹⁹ For a more detailed description of ATPA, including country and product eligibility, see USITC, *Andean Trade Preference Act*, September 2012.

¹⁰⁰ Pub. L. 107-210, title XXXI. ATPA beneficiaries are not automatically eligible for ATPDEA preferences. ATPDEA authorizes the President to designate any ATPA beneficiary as eligible for ATPDEA benefits, provided the President determines the country has satisfied certain requirements, including protection of IPR and internationally recognized workers’ rights. The President designated all four ATPA beneficiaries as ATPDEA beneficiaries on October 31, 2002. Presidential Proclamation—To Implement the Andean Trade Promotion and Drug Eradication Act, Proclamation No. 7616, 67 Fed. Reg. 67283 (October 31, 2002).

¹⁰¹ Pub. L. 109-432, § 7001 et seq.; Pub. L. 110-42; Pub. L. 110-191; Pub. L. 110-436; Pub. L. 111-124, § 2; Pub. L. 111-344, § 201.

¹⁰² Pub. L. 111-344, § 201.

¹⁰³ Pub. L. 112-42, § 501. Importers had 180 days to claim retroactive refunds. USCBP, Memorandum on the Renewal of ATPA, October 24, 2011, http://www.cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/special_trade_programs/atpa/atpdea.ctt/atpdea.pdf.

for failing to meet ATPA's counternarcotics cooperation criteria.¹⁰⁴ Peru lost its eligibility effective January 1, 2011, due to the implementation of the U.S.-Peru Trade Promotion Agreement (TPA). Most recently, Colombia lost its eligibility when the U.S.-Colombia TPA entered into force on May 15, 2012.¹⁰⁵ As a result, Ecuador is the only ATPA beneficiary country remaining.

A wide range of products were eligible for duty-free entry under ATPA as originally enacted. ATPDEA amended ATPA to provide duty-free treatment for certain products previously excluded from ATPA, including certain textiles and apparel, certain footwear, tuna in foil or other flexible airtight packages (not cans), crude petroleum and petroleum products, and watches and watch parts assembled from components originating in countries not eligible for U.S. normal trade relations (NTR) rates of duty. Products that continue to be excluded from ATPA preferential treatment include textile and apparel articles not otherwise eligible for preferential treatment under ATPDEA (primarily textile articles), certain footwear, canned tuna, rum and tafia, and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products).

Total (dutiable and duty-free) U.S. imports from the ATPA-eligible countries were valued at \$20.2 billion in 2012. This represented a decrease of 36.6 percent from \$31.9 billion in 2011 (table 2.5), reflecting the exit of Colombia from ATPA in May 2012.¹⁰⁶ U.S. imports under ATPA increased over 150 percent in 2012 to \$11.2 billion because the program had lapsed during February–October 2011.

U.S. imports under ATPA represented 55.3 percent of all imports from ATPA countries in 2012, compared to 13.7 percent in 2011, when the program had lapsed, and 51.1 percent in 2010. U.S. imports under ATPDEA accounted for 92.8 percent of imports under ATPA in 2012 (\$10.4 billion) and U.S. imports under the original ATPA (ATPA excluding ATPDEA) accounted for the remaining 7.2 percent, valued at \$801 million. With the implementation of the U.S.-Colombia TPA, Ecuador became the largest source of U.S. imports under ATPA in 2012 (appendix table A.19).

Crude petroleum and petroleum products accounted for 91.5 percent of U.S. imports under ATPA in 2012 and represented 5 of the top 25 U.S. imports under the program (appendix table A.20). Fresh cut flowers was the next-largest category of imports under ATPA, accounting for 4.2 percent of such imports and 6 of the 25 leading imports under ATPA. The share of U.S. imports under ATPA accounted for by the other 14 leading imports was only 4.3 percent. Together, these 25 leading imports accounted for 97.9 percent of total U.S. imports under ATPA in 2012.

Caribbean Basin Economic Recovery Act

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 as part of the Caribbean Basin Initiative (CBI) to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of

¹⁰⁴ Proclamation No. 8323 of November 25, 2008, 73 Fed. Reg. 72677 (November 28, 2008).

¹⁰⁵ Proclamation No. 8818 of May 14, 2012, 77 Fed. Reg. 29519–23 (May 18, 2012).

¹⁰⁶ Total U.S. imports from Colombia in 2012 only included those months when Colombia was an ATPA beneficiary country.

TABLE 2.5 U.S. imports for consumption from ATPA countries, 2010–12^a

Item	2010	2011	2012
Total imports from ATPA countries (million \$)	28,179	31,891	20,228
Total under ATPA (million \$)	14,411	4,380	11,183
Imports under ATDPEA (million \$) ^b	12,960	3,963	10,383
Imports under ATPA, excluding ATPDEA (million \$) ^c	1,451	417	801
Share of total imports under ATPA (percent of total)	51.1	13.7	55.3

Source: USDOC.

Note: ATPA was expired February 12, 2011–October 21, 2011. This table includes retroactive entries.

^aPeru's status as an ATPA beneficiary country ended effective January 1, 2011. Therefore, imports from Peru are included in this table only through the end of 2010. (Note that duty-free imports from Peru under ATPA were officially recorded, even after it was no longer a designated ATPA beneficiary as \$4.8 million in 2011; however, 2011 imports from Peru are not included in this table.) Colombia's status as an ATPA beneficiary country ended effective May 15, 2012. Therefore, imports from Colombia are included in this table only through May 2012. (Note that imports from Colombia under ATPA after it was no longer a designated ATPA beneficiary were officially recorded as \$222 million, but these imports are not included in this table.)

^bATPDEA-eligible products are those for which a rate of duty "free" appears in the special rate column of the HTS followed by the symbol "J+" in parentheses. The symbol "J+" indicates that all ATPDEA beneficiary countries are eligible for duty-free treatment with respect to all articles listed in the designated provisions.

^cATPA-eligible products (excluding ATPDEA-eligible products) are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbols "J" or "J*" in parentheses. The symbol "J" indicates that all beneficiary countries are eligible for special duty rate treatment with respect to all articles listed in the designated provisions, and the symbol "J*" indicates that certain articles, specified in general note 11(d) of the HTS, are not eligible for special duty rate treatment with respect to any article listed in the designated provision. In addition, subchapter XXI of chapter 98 sets forth provisions covering specific products given duty-free eligibility under the ATPDEA, under the terms of separate country designations enumerated in that subchapter.

nontraditional products through duty preferences.¹⁰⁷ The Caribbean Basin Trade Partnership Act (CBTPA) amended CBERA in 2000 and expanded the list of qualified articles, for eligible countries, to include certain apparel.¹⁰⁸ The CBTPA also extended NAFTA-equivalent treatment (that is, rates of duty equivalent to those accorded to goods under the same rules of origin applicable under NAFTA) to a number of other products previously excluded from CBERA, including certain tuna, crude petroleum and petroleum products, certain footwear, watches and watch parts assembled from parts originating in countries not eligible for NTR rates of duty, and certain handbags, luggage, flat goods, work gloves, and leather wearing apparel. Products that continue to be excluded from CBERA preferential treatment include textile and apparel products not otherwise eligible for preferential treatment under CBTPA (mostly textile products) and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products). CBTPA preferential treatment provisions were extended in 2010 through September 30, 2020,¹⁰⁹ while other parts of CBERA have no expiration date. In the section that follows, the term CBERA refers to CBERA as amended by the CBTPA.

¹⁰⁷ For a more detailed description of CBERA, including country and product eligibility, see USITC, *Caribbean Basin Economic Recovery Act*, September 2011.

¹⁰⁸ Textiles and apparel not subject to textile agreements in 1983 (which includes only textiles and apparel of silk or non-cotton vegetable fibers, mainly linen and ramie) are eligible for duty-free entry under the original CBERA provisions, which do not have an expiration date.

¹⁰⁹ Certain preferential treatment provisions relating to import-sensitive textile and apparel articles from CBERA countries and relating to textile and apparel articles imported under special rules for Haiti (see section on Haiti below) have been extended to September 30, 2020. This occurred on May 24, 2010, when the President signed the Haiti Economic Lift Program Act of 2010, Pub. L. 111-171, § 3.

At yearend 2012, 16 countries and dependent territories were eligible for nonexpiring CBERA preferences,¹¹⁰ and 7 were eligible for CBTPA preferences.¹¹¹ Panama lost its eligibility for both CBERA and CBTPA preferences when the U.S.-Panama TPA entered into force on October 31, 2012.¹¹² In 2012, Aruba, The Bahamas, Dominica, Grenada, Montserrat, St. Kitts and Nevis, and St. Vincent and the Grenadines requested eligibility to receive benefits under CBTPA.¹¹³ Although the Congress identified these countries for benefits under CBTPA in 2000, they did not request benefits under CBTPA until 2012.¹¹⁴ While Congress identified the Turks and Caicos Islands as potentially eligible for CBERA benefits in 1983, they did not request beneficiary status until July 2012. Following the dissolution of the Netherlands Antilles in October 2010, Curaçao and Sint Maarten requested CBERA and CBTPA benefits in July and June of 2012, respectively.¹¹⁵

U.S. imports under CBERA fell by 13.3 percent, from \$3.6 billion in 2011 to \$3.1 billion in 2012 (table 2.6). This decrease reflected a decline in the value of 2012 U.S. imports of crude petroleum, methanol, knitted apparel products, and undenatured ethyl alcohol, which are major imports from CBERA countries. U.S. imports under CBERA accounted for 26.5 percent of all U.S. imports from CBERA countries in 2012. Trinidad and Tobago continued as the leading supplier of U.S. imports under CBERA in 2012, accounting for 69.2 percent of the total. Haiti and Jamaica were also leading suppliers (appendix table A.21). Mineral fuels, methanol, and apparel products dominated the list of imports under CBERA in 2012 (appendix table A.22). Of the 25 leading products under CBERA in 2012, 14 were agricultural and food products, which entered under CBERA (accounting for 7.9 percent of total U.S. imports under CBERA in 2012); 4 were knitted apparel entered under CBTPA (13.4 percent); 3 were petroleum and fuel products entered under CBTPA (38.4 percent), 2 were organic chemicals entered under CBERA (33.3 percent); and the remaining 2 were products that qualify for benefits under CBERA provisions. Together, these 25 leading imports accounted for 97.5 percent of total U.S. imports under CBERA in 2012.

Haiti Initiatives

Since 2006, three laws have added special provisions to CBERA to expand and enhance trade benefits for Haiti and to give Haitian apparel producers exporting to the United

¹¹⁰ Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands.

¹¹¹ Barbados, Belize, Guyana, Haiti, Jamaica, St. Lucia, and Trinidad and Tobago.

¹¹² Proclamation No. 8894, 77 Fed. Reg. 66507–11 (November 5, 2012).

¹¹³ USTR, “Joint Statement from U.S.-CARICOM Trade and Investment Council Meeting,” March 31, 2012; 77 Fed. Reg. 61816-17 (October 11, 2012).

¹¹⁴ 77 Fed. Reg. 61816-17 (October 11, 2012).

¹¹⁵ 77 Fed. Reg. 61816-17 (October 11, 2012). “The Netherlands Antilles, a semi-autonomous territory of the Netherlands comprising the islands of Curaçao, Sint Maarten (the Dutch part of the Island of St. Martin), Bonaire, Saba, and Sint Eustatius, was dissolved on October 10, 2010. As of that date, Curaçao and Sint Maarten became autonomous territories of the Netherlands, and Bonaire, Saba, and St. Eustatius were placed under the direct administration of the Netherlands. Curaçao and Sint Maarten have requested eligibility to receive CBI benefits. The United States is reviewing these requests.” USTR, *Ninth CBERA Report*, December 31, 2011. In addition, Suriname requested beneficiary status under CBERA and CBTPA in December 2009. In April 2010, USTR requested public comments regarding granting Suriname eligibility for benefits under CBERA and the CBTPA. 75 Fed. Reg. 17198–17200 (April 5, 2010).

TABLE 2.6 U.S. imports for consumption from CBERA countries, 2010–12^a

Item	2010	2011	2012
Total imports from CBERA countries (million \$)	9,936	14,515	11,849
Total under CBERA/CBTPA (million \$)	2,893	3,619	3,137
Imports under CBTPA (million \$) ^b	1,671	1,879	1,633
Imports under CBERA, excluding CBTPA (million \$) ^c	1,221	1,740	1,504
Share of total imports under CBERA (percent of total)	29.1	24.9	26.5

Source: USDOC.

^aThe Netherlands Antilles was dissolved on October 10, 2010. Therefore, imports from the Netherlands Antilles are included only through October 2010. (Note that duty-free imports from the Netherlands Antilles under CBERA were officially recorded after its dissolution as \$206,000 in 2010 and \$344,000 in 2011; however, imports from the Netherlands Antilles from the time after it was no longer designated a beneficiary are not included in this table.) Also, data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012.

^bCBTPA-eligible products are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbol “R” in parentheses. The symbol “R” indicates that all CBTPA beneficiary countries are eligible for special duty rate treatment with respect to all articles listed in the designated provisions. In addition, subchapters II and XX of chapter 98 set forth provisions covering specific products eligible for duty-free entry, under separate country designations enumerated in those subchapters (and including the former CBTPA beneficiaries).

^cCBERA (excluding CBTPA)-eligible products are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbols “E” or “E*” in parentheses. The symbol “E” indicates that all beneficiary countries are eligible for special duty rate treatment with respect to all articles listed in the designated provisions, and the symbol “E*” indicates that certain articles, specified in general note 7(d) of the HTS, are not eligible for special duty rate treatment with respect to any article listed in the designated provision.

States more flexibility in sourcing.¹¹⁶ The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act)¹¹⁷ amended CBERA to expand the rules of origin for inputs to apparel and wire harness automotive components assembled in Haiti and imported into the United States.¹¹⁸ Two years later, the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act)¹¹⁹ amended the HOPE Act to enhance the existing provisions and provide additional trade preferences to attract new investment and jobs in Haiti while also offering incentives to encourage the use of U.S. inputs.¹²⁰ Finally, in 2010, in the wake of the January 12, 2010, earthquake, the President signed into law the Haiti Economic Lift Program of 2010 (HELP Act).¹²¹ Designed to make Haiti more attractive to large-scale manufacturing operations,¹²² the

¹¹⁶ Haiti’s textiles and apparel industry is the largest sector of the country’s economy and considered a key growth area. Just-style.com, “Haiti: SAE-A Trading on Track,” September 18, 2012 http://www.just-style.com/news/sae-a-trading-on-track-to-begin-production_id115580.aspx; U.S. Department of State, U.S. Embassy, Port-au-Prince, “Haiti: FY2012 Second Quarter Report on the NEI Initiative,” April 27, 2012.

¹¹⁷ Pub. L. 109-432, § 5001 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006.

¹¹⁸ There were no U.S. imports of wire harness automotive components from Haiti during 2007–2012.

¹¹⁹ Pub. L. 110-234, § 15401 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008.

¹²⁰ U.S. Government Accountability Office, “Letter to the Honorable Max Baucus and the Honorable Dave Camp,” December 14, 2012. For more details on the programs under the HOPE Acts, see USITC, *The Year in Trade 2010*, July 2011, 2-21 to 2-22; USITC, *Textiles and Apparel: Effects of Special Rules for Haiti*, June 2008, i, ES-1, 1-3 to 1-5.

¹²¹ Pub. L. 111-171, § 2, Haiti Economic Lift Program Act of 2010.

¹²² Parc Industriel de Caracol, SONAPI, IDB, and SAE-A Trading Co., Ltd., “Caracol Industrial Park,” November 2011, 2.

HELP Act expanded and extended existing U.S. trade preferences¹²³ (especially duty-free treatment for certain qualifying apparel) for Haiti established under the CBTPA and the HOPE Act and HOPE II (collectively referred to as HOPE or the HOPE Acts). The HOPE Acts, as well as CBTPA, are scheduled to expire on September 30, 2020.

U.S. imports of textiles and apparel from Haiti totaled \$730.1 million in 2012, up 4.1 percent from \$701.5 million in 2011 (table 2.7).¹²⁴ Virtually all (99.6 percent) U.S. imports of apparel from Haiti entered duty free under trade preference programs in 2012.¹²⁵ The modest growth in U.S. imports of apparel from Haiti in 2012 compared with the sharp rise in these imports in 2011 (35.5 percent) may be attributed to several factors. The slow U.S. economic recovery has weakened demand in the U.S. apparel market and caused U.S. apparel firms to be cautious.¹²⁶ Also, Haiti's current limited port capacity, inadequate infrastructure, scarcity of building space, and lack of trained apparel personnel hamper the Haitian apparel industry's ability to increase production substantially.¹²⁷

Nevertheless, the trade preferences expanded and extended by HOPE and HELP appear to be encouraging new investments in manufacturing and prompting some apparel firms to increase their business activity in Haiti. For example, in 2012, some Haitian apparel firms added new U.S. customers who in the past would not have considered doing business in Haiti, and such interest is reportedly growing.¹²⁸ In addition, the October 2012 opening of the \$300 million Caracol Industrial Park in northern Haiti is expected to create many manufacturing jobs, particularly for Haiti's textiles and apparel sector.¹²⁹ In 2012, Haiti accounted for nearly all (99.3 percent) of U.S. imports of apparel entering under CBTPA.¹³⁰ Although more than half (58.3 percent) of U.S. imports of apparel from Haiti entered under CBTPA provisions in 2012, U.S. imports of apparel entering under

¹²³ For additional details on the HELP Act, see USITC, *The Year in Trade 2010*, July 2011, 2-21 to 2-22.

¹²⁴ Haitian apparel production remains concentrated in high-volume commodity garments that have reasonably predictable consumer demand and few styling changes. Cotton knit shirts and blouses, cotton underwear, and cotton trousers and pants dominated U.S. imports from Haiti, accounting for 49 percent, 16 percent, and 11 percent each, respectively, of total U.S. imports of apparel from Haiti in 2012.

¹²⁵ Based on data from USDOC, OTEXA, "U.S. Imports under Trade Preference Programs."

¹²⁶ U.S. apparel industry representatives, telephone interview by USITC staff, February 5, 2013 and U.S. apparel industry representative, interview by USITC staff, February 13, 2013. In 2012, U.S. imports of men's and boys' knit cotton shirts and other products that are leading exports from Haiti were also down from suppliers worldwide. Based on data from USDOC, OTEXA, "Major Shippers Report: U.S. General Imports by Category."

¹²⁷ U.S. apparel industry representative, telephone interview by USITC staff, February 5, 2013; Haitian apparel industry representative, email message to USITC staff, January 25, 2013.

¹²⁸ Haitian apparel industry representative, email message to USITC staff, January 25, 2013.

¹²⁹ Backed by the governments of Haiti and the United States, the Inter-American Development Bank (IDB), and Korea's largest garment manufacturer, Sae-A Trading Company, the Caracol facility plans to boost Haiti's production capacity by adding numerous sewing programs and by building Haiti's first textile mill with knitting and dyeing facilities. In addition, in December 2012, the IDB approved a loan of up to \$1 million to a new firm, Industrial Revolution II LP, to retrofit and equip a garment factory in Port-au-Prince. Workers will be trained to produce higher-quality, high-end apparel to help Haiti's apparel industry reduce its reliance on producing high-volume, low-margin apparel for the mass market, for which worldwide competition is intense. U.S. Department of State, U.S. Embassy, Port-au-Prince, "Port-Au-Prince Scenestetter for the Visit of Vice Admiral Parker," November 8, 2012; Just-style.com, "Haiti: \$300M Industrial Park Opens for Business," October 30, 2012 http://www.just-style.com/news/300m-industrial-park-opens-for-business_id115965.aspx; "Haiti: Sae-A Trading on Track to Begin Production," September 18, 2012 http://www.just-style.com/news/sae-a-trading-on-track-to-begin-production_id115580.aspx; IDB, "New Manufacturing Company in Haiti to Initiate High-End Apparel Production with IDB support," December 21, 2012; "Haiti: IDB Approves Loan for New Manufacturing Company in Port-au-Prince," December 21, 2012.

¹³⁰ Based on data from USDOC, OTEXA, "U.S. Imports under Trade Preference Programs."

TABLE 2.7 U.S. imports for consumption of apparel from Haiti, 2010–12

Item	2010	2011	2012
Total imports from Haiti (million \$)	517.6	701.5	730.1
Imports under trade preference programs (million \$)	515.7	689.1	727.1
Under CBERA (CBTPA) (million \$)	355.9	461.4	423.6
Under the HOPE and HELP Acts (million \$)	159.8	227.7	303.4
Imports under trade preference programs (percent of total imports)	99.6	98.3	99.6
Under CBERA (CBTPA) (percent of total under trade preference programs)	69.0	67.0	58.3
Under the HOPE and HELP Acts (percent of total under trade preference programs)	31.0	33.0	41.7

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

the HOPE Acts rose by one-third (33.3 percent), from \$227.7 million in 2011 to \$303.4 million in 2012,¹³¹ and represented 41.7 percent of total U.S. apparel imports that entered free of duty from Haiti. Most of the apparel imported from Haiti under the HOPE Acts entered under tariff preference levels that allow duty-free treatment for certain apparel up to established annual quotas (“restraint limits”).¹³² In 2012, about 40.1 percent (\$121.7 million) of these U.S. imports of apparel entered under the Hope Acts entered under the woven apparel restraint limit, and close to half (\$134.4 million) of the imports of apparel from Haiti entered under the knit apparel and value-added restraint limits.¹³³

Virtually all of the remaining U.S. imports (\$34.7 million) under the HOPE Acts in 2012 entered under the Earned Import Allowance Program (EIAP), a special trade provision created under HOPE II. The HELP Act reduced the EIAP exchange ratio from 3-for-1 to 2-for-1 in an effort to encourage the program’s use, since no apparel from Haiti was exported to the United States under the original 3-for-1 program.¹³⁴ The sharp rise in U.S. imports of apparel from Haiti under the EIAP, from \$8.9 million in 2011 to \$34.7 in 2012, can likely be attributed to the increased awareness of firms already producing clothing in Haiti that their apparel trade may also qualify for benefits under the EIAP.¹³⁵ In 2012, no U.S. imports entered under the HELP provisions added in 2010, i.e., HTS 9820.61.45 (certain knit apparel—unlimited) and HTS 9820.63.05 (home goods).

¹³¹ Data on trade under the HOPE Acts are from USDOC, OTEXA, “U.S. Imports under Trade Preference Programs.”

¹³² The tariff preference limits allow certain knit and woven apparel (both of which must be wholly assembled in Haiti) as well as certain apparel for which the export value added must have a minimum of inputs from Haiti, the United States, or an FTA country of 50 to 60 percent, to enter the United States free of duty regardless of the source of the fabric.

¹³³ The fill rates for the woven apparel restraint limit (HTS subheading 9820.62.05), knit apparel restraint limit (HTS subheading 9820.61.35), and value-added restraint limits (HTS subheadings 9820.61.25 and 9820.61.30) were 42.2 percent, 34.7 percent, and 5.4 percent respectively, for the preferential treatment period October 1, 2011, to September 30, 2012.

¹³⁴ The HELP Act liberalized the earned import allowance rule by allowing the duty-free importation of one square meter equivalent of apparel wholly assembled or knit-to-shape in Haiti, regardless of the origin of the inputs, for every two square meter equivalents (previously it was for every three square meter equivalents) of qualifying fabric from the United States.

¹³⁵ U.S. Government Accountability Office, “Letter to the Honorable Max Baucus and the Honorable Dave Camp,” December 14, 2012.

CHAPTER 3

Selected Trade Developments in the WTO, OECD, and APEC

This chapter covers 2012 developments in the World Trade Organization (WTO), including the Doha Round of multilateral trade negotiations; the work programs, decisions, and reviews of the General Council (the council); plurilateral agreements; and dispute settlement. The chapter also covers activities in other multilateral groups, including the Organisation for Economic Co-operation and Development (OECD) and the Asia-Pacific Economic Cooperation (APEC) forum.

World Trade Organization

Doha Development Agenda

In 2012, the WTO Director-General (DG)—in his capacity as chairman of the Trade Negotiations Committee (TNC)—reported on developments in the Doha Development Agenda (DDA or Doha Round) to members at each council session, and at informal meetings of WTO Heads of Delegations in June and July. The council held five meetings in 2012: February 14 and 24; May 1; July 25–26; October 3–4; and December 11–12.

In February, the DG highlighted the tasks arising out of the WTO Eighth Ministerial Conference held in December 2011,¹ and in May, he noted that the situation overall had not evolved much since February.² In July, the DG summed up the results of discussions held during the first half of 2012 as meager.³ By October, he noted signs of momentum in talks under the DDA, where negotiating group chairs were consulting with delegations on how to advance work on various issues.⁴

By the yearend council meeting on December 11, the DG reported to WTO members that “the discussion was encouraging” at the formal meeting of the TNC held December 7, 2012. He remarked that members appeared “committed to achieving a credible outcome” at the WTO Ninth Ministerial Conference, scheduled for December 2013. Nonetheless, he noted that members at the December TNC meeting did not seem to consider the 2013 ministerial meeting as the end point for the Doha Round, but rather as a stage along the way in a longer-term process toward a conclusion whose framework was yet to be agreed.⁵

¹ WTO, General Council, “Tuesday, 14 February 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/17, February 14, 2012, 1.

² WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 1 May 2012,” WT/GC/M/136, June 6, 2012.

³ WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 25–26 July 2012,” WT/GC/M/137, September 13, 2012.

⁴ WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012, 1–3.

⁵ WTO, “WTO: 2012 News Items—11 December 2012—General Council—Lamy Says Members’ Negotiating Outlook for 2013 ‘Encouraging,’” December 11, 2012.

In regard to the Special Session of the Committee on Agriculture, the DG reported that members near yearend were reengaged in dialogue with the introduction of two new proposals by the Group of 20 (G-20) developing countries⁶ at an “Informal Open-Ended Special Session” of the full membership of the Agriculture Committee on September 28, 2012.⁷ One proposal addressed the administration of agricultural tariff-rate quotas, focused in particular on how imports are shared among importers within the quota limit. The other called for several WTO Secretariat studies on tariff quota administration and on possible hidden export subsidies in areas such as export credit and insurance, state trading enterprises, and food aid. Nonetheless, the DG noted that the 10 outstanding issues⁸ identified in 2011 remained the key political issues requiring resolution.⁹

The DG reported that the Negotiating Group on Market Access had met on several occasions in 2012 in regard to advancing its work on tariffs and nontariff measures.¹⁰ In July 2012, the outgoing chairman of this negotiating group gave his assessment that the group was “facing a logjam in the tariff negotiations” with several unsuccessful attempts made “to break the stalemate.”¹¹ He reported that the group had accomplished substantial work regarding nontariff measures since 2009, in particular on the Horizontal Mechanism,¹² but that opposition to the mechanism remained stiff. He described the main objections as revolving around possible linkages between the mechanism and WTO dispute settlement procedures, the possible dilution of the role of the Committee on Market Access as a forum for addressing specific trade concerns, and whether the scope of the mechanism would encompass measures under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures and cover agricultural goods.¹³ The chairman also reported on the developments for other major subjects under discussion in the group, including textile labeling; transparency, in particular concerning technical regulations and standards; remanufactured goods; appropriate standards-setting

⁶ The 23 members of the “G-20” coalition of developing countries are Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, the Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, and Zimbabwe. The G-20 coalition of developing countries is separate from the G-20 group of finance ministers and central bank governors from the world’s major economies.

⁷ “WTO, “WTO: 2012 News Items—28 September 2012—Agriculture Negotiations: Informal Meeting—Agricultural G-20 Proposals Could Revive Negotiators’ Engagement,” September 28, 2012.

⁸ The chairman of the special session identified these issues in 2011 as the bracketed or otherwise annotated items in the session’s draft modalities text: (1) product-specific limits under the “Blue Box” subsidy category; (2) cotton; (3) longstanding preferences and preference erosion; (4) the designation of sensitive products; (5) special products; (6) the special safeguard mechanism; (7) tariff caps; (8) tariff-rate quota creation; (9) tariff simplification; and (10) tropical and diversification products. WTO, Committee on Agriculture Special Session, “Negotiating Group on Agriculture—Report by the Chairman, H.E. Mr. David Walker, to the Trade Negotiations Committee—21 April 2011.” TN/AG/26, April 21, 2011.

⁹ WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012, 3; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 3 October 2012,” WT/GC/M/138, November 15, 2012.

¹⁰ WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 25–26 July 2012,” WT/GC/M/137, September 13, 2012; WTO, “Informal Meeting at the Level of Heads of Delegation—Tuesday, 17 July 2012,” JOB/GC/20, July 17, 2012, 3.

¹¹ WTO, Negotiating Group on Market Access, “Negotiating Group on Market Access—Report by the Chairman, Ambassador Luzius Wasescha—18 July 2012,” TN/MA/23, July 18, 2012, par. 4.

¹² The NAMA (Nonagricultural Market Access) Horizontal Mechanism—formally, the draft Ministerial Decision on Procedures for the Facilitation of Solutions on Non-Tariff Barriers—is a proposal in the negotiations aimed at providing a process through which WTO members can identify, reduce, eliminate, or otherwise resolve nontariff barriers (NTBs) so as to increase market access opportunities, in particular NTBs on products of export interest to developing country members. WTO, Negotiating Group on Market Access, “Draft Modalities for Non-agricultural Market Access—Third Revision—10 July 2008,” July 10, 2008.

¹³ WTO, Negotiating Group on Market Access, “Negotiating Group on Market Access—Report by the Chairman, Ambassador Luzius Wasescha—18 July 2012,” TN/MA/23, July 18, 2012, par. 11–13.

procedures for international standards; and various sectoral topics, such as automobiles and electronics.¹⁴

For the Special Session of the Council for Trade in Services, the DG reported that the Working Party on Domestic Regulation and the Working Party on General Agreement on Trade in Services (GATS) Rules held consultations during the year on how to advance negotiations, but made no progress.¹⁵ The DG said, however, that greater progress appeared to be underway in talks among some members on alternative means to further open trade in services.¹⁶ These alternative discussions followed technical-level discussions in 2011 among approximately 30 negotiators from both services-exporting and services-importing countries on how to advance services negotiations. These discussions subsequently narrowed to a group of 16 participants—the so-called Really Good Friends of services group. The group included Australia; Canada; Chile; Colombia; the European Union (EU); Hong Kong, China; Japan; the Republic of Korea (Korea); Mexico; New Zealand; Norway; Pakistan; Singapore; Switzerland; Taiwan; and the United States. The group met February 15–16, 2012, to consider aspects of a possible plurilateral services agreement under the WTO. On July 5, 2012, the group issued a media release, “Advancing Negotiations on Trade in Services,” citing plans for discussions to define an agreement on trade in services that would build on progress already made in the WTO GATS as well as building on other services trade agreements already notified to the WTO. The group noted that the agreement should (1) be comprehensive in scope, with substantial sectoral coverage and no automatic exclusion of either sector or mode of supply; (2) include negotiated market access commitments that correspond to actual practice and provide new opportunity for improved market access; and (3) contain new and enhanced rules developed through negotiations. Discussions advanced during the second half of 2012 and continued into 2013.¹⁷

In regard to other negotiating groups, the DG noted that the Negotiating Group on Rules continued to look for ways to move forward in meetings of the Technical Group, seeking to share members’ practices in the area of rulemaking.¹⁸ He reported, however, that no overall interest had been expressed in resuming negotiations in the short term.¹⁹ Similarly, he reported that, despite bilateral consultations with several delegations, there appeared to be no interest in the Special Session of the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) for negotiations over a register for geographical

¹⁴ WTO, Negotiating Group on Market Access, “Negotiating Group on Market Access—Report by the Chairman, Ambassador Luzius Wasescha—18 July 2012,” TN/MA/23, July 18, 2012, par. 15–19.

¹⁵ WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012, 3.

¹⁶ *Ibid.*

¹⁷ On January 15, 2013, the United States Trade Representative notified the U.S. House of Representatives of the administration’s intent to enter into negotiations for a new trade agreement to promote international trade in services. The letter cited the following trading partners as the initial group conducting negotiations for an international services agreement (revised from the July 2012 participants): Australia; Canada; Chile; Colombia; Costa Rica; the EU; Hong Kong, China; Iceland; Israel; Japan; Korea; Mexico; New Zealand; Norway; Pakistan; Panama; Peru; Switzerland; Taiwan; Turkey; and the United States. USTR, Letter from Ron Kirk, United States Trade Representative, to the Honorable John Boehner, Speaker of the U.S. House of Representatives, January 15, 2013; Inside Washington Publishers, “U.S., EU among Organizers of Doha Services Market Access Meeting,” February 11, 2011; Inside Washington Publishers, “WTO Members Brainstorm Services Plurilateral Options, No Decision Yet,” February 24, 2012; USTR, “WTO Members Announce New Phase in Services Talks,” July 5, 2012.

¹⁸ WTO, General Council, “Tuesday, 1 May 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/18, May 1, 2012, 2; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 1 May 2012,” WT/GC/M/136, June 6, 2012.

¹⁹ WTO, “Informal Meeting at the Level of Heads of Delegation—Tuesday, 17 July 2012,” JOB/GC/20, July 17, 2012, 2.

indications for wine and spirits, given members' positions on the issues.²⁰ Bilateral consultations were also held between delegations and the chair of the Special Session of the Committee on Trade and Environment on how to advance negotiations, but without progress.²¹

During 2012, negotiations in the Special Session of the Committee on Trade and Development continued its three areas of work on (1) a group of six agreement-specific proposals,²² (2) a monitoring mechanism on special and differential treatment, and (3) the 28 agreement-specific proposals arising out of the 2003 Cancún ministerial conference.²³ The Special Session held three formal meetings during July and November 2012, in addition to frequent informal meetings held to consider the agreement-specific proposals. Despite significant engagement during the year, the DG did not report any conclusive progress in the session during 2012.²⁴

At yearend, the DG reported that talks within the Negotiating Group on Trade Facilitation continued through the primary track known as the “facilitator” process, as well as through a secondary track of bilateral and plurilateral meetings. Issues covered through the facilitator process included special and differential treatment, capacity building, customs cooperation, and expedited shipments, as well as cross-cutting issues. Work also advanced in the area of technical assistance, aimed at helping developing and least-developed countries to identify their trade facilitation needs and priorities²⁵ under section II of the trade facilitation group’s Draft Consolidated Negotiating Text.²⁶ Participants in the trade facilitation group also touched on topics that might form part of any agreed

²⁰ WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 1 May 2012,” WT/GC/M/136, June 6, 2012; WTO, “Informal Meeting at the Level of Heads of Delegation—Tuesday, 17 July 2012,” JOB/GC/20, July 17, 2012, 3.

²¹ WTO, “Informal Meeting at the Level of Heads of Delegation—Tuesday, 17 July 2012,” JOB/GC/20, July 17, 2012, 3.

²² WTO, “Informal Meeting at the Level of Heads of Delegation—Tuesday, 17 July 2012,” JOB/GC/20, July 17, 2012, 2; WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012, 23; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 3 October 2012,” WT/GC/M/138, November 15, 2012. This group of six proposals addresses matters concerning Article 10.2 and Article 10.3 of the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement) and Article 3.5 of the Agreement on Import Licensing. WTO, Committee on Trade and Development—Special Session, “Special Session of the Committee on Trade and Development—Report by the Chairman, Ambassador Thawatchai Sophastienphong (Thailand),” TN/CTD/25, March 22, 2010; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, II.18–II.19.

²³ This group of 28 proposals addressed matters concerning the Agreement on Agriculture (Article 15.2); Agreement on Import Licensing Procedures (Article 1.2); Agreement on Rules of Origin; Decision on Measures in Favour of Least-Developed Countries (Paragraph 2); Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (the so-called Enabling Clause); GATS (Articles IV, IV.3, XXV, Annex on Telecommunications); GATT 1994 (Articles XVIII:B, XVIII:C, XXXVI, XXXVII, XXXVIII); PSI (Pre-shipment Inspection) Agreement (Article 3.3); Review of Progress on Market Access for Least-Developed Countries; Rules Relating to Notification Procedures; TRIPS Agreement (Articles 66.2, 67, 70.9); Understanding on Balance-of-Payments Provisions of the GATT 1994 (Paragraph 8); Understanding on Rules and Procedures Governing the Settlement of Disputes (Article 8.10); and Understanding on the Interpretation of Article XVII of the GATT 1994. WTO, “Informal Meeting at the Level of Heads of Delegation—Tuesday, 17 July 2012—Statement by the Director-General,” JOB/GC/20, July 17, 2012, 2; WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012, 2; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 3 October 2012,” WT/GC/M/138, November 15, 2012.

²⁴ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 1, 2013, II.14.

²⁵ WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012, 2.

²⁶ WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 3 October 2012,” WT/GC/M/138, November 15, 2012.

“deliverable package,” such as items concerning tariff-rate quota administration in agriculture, the special and differential treatment monitoring mechanism, or expansion of the Information Technology Agreement.²⁷

The DG reported at yearend that the Special Session of the Dispute Settlement Body continued efforts toward a possible revised chairman’s document, addressing the 12 dispute settlement issues under consideration in the group.²⁸ During the year, the group focused in particular on third-party rights, panel composition, member control and flexibility, and “strictly confidential” information,²⁹ as well as the issues of remand and developing-country interests.³⁰

General Council

As noted earlier, the WTO General Council held five meetings in 2012, hearing at each session an update on the status of the DDA from the WTO’s DG.³¹ Concerning its direct matters, the council noted progress in addressing the subjects of small and vulnerable economies, aid for trade, and the development aspects of cotton. Other subjects considered by the council included electronic commerce, issues regarding the WTO Agreement on TRIPS, and various waivers from WTO obligations, as well as standard administrative matters. During the year, the council welcomed four new members acceding to the WTO: Montenegro, Samoa, Russia, and Vanuatu. The council was also informed about plans for the 2013 WTO Ministerial Conference in Indonesia, as well as the process of selection of a new WTO DG for an appointment starting on September 1, 2013.

Work Programs, Decisions, and Reviews

Regarding ongoing General Council programs, the council heard from the Committee on Trade and Development about activities under the Work Program on Small Economies. Activities under the program focused in 2012 on the identification of nontariff measures and their effects on small economies. The DG reported on preparations for the Fourth Global Review of Aid for Trade, scheduled for July 2013, to include submissions from

²⁷ Ibid.

²⁸ Ibid.

²⁹ WTO, General Council, “Tuesday, 1 May 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/18, May 1, 2012, 3.

³⁰ WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 1 May 2012,” WT/GC/M/136, June 6, 2012.

³¹ WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 14 and 24 February 2012,” WT/GC/M/135, March 27, 2012; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 1 May 2012,” WT/GC/M/136, June 6, 2012; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 25–26 July 2012,” WT/GC/M/137, September 13, 2012; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 3 October 2012,” WT/GC/M/138, November 15, 2012; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 11 December 2012,” WT/GC/M/141, February 19, 2013; WTO, General Council, “Minutes of Meeting—Held in the Centre William Rappard on 3 October 2012,” WT/GC/M/138, November 15, 2012; WTO, General Council, “Tuesday, 1 May 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/18, May 1, 2012; WTO, General Council, “Wednesday, 25 July 2012—Agenda Item 2—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/21, July 25, 2012; WTO, General Council, “Wednesday, 3 October 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/23, October 3, 2012; WTO, General Council, “Tuesday, 11 December 2012—Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” JOB/GC/27, December 11, 2012.

the private sector for the first time. The DG also presented his Fifth Periodic Report on the Development Assistance Aspects of Cotton to the council.³²

During the year, the council reviewed activities under the Work Program on Electronic Commerce to renew attention to the development dimension of electronic commerce. The council also was apprised of an informal discussion addressing e-commerce cross-cutting issues, and of plans for a Workshop on E-Commerce, Development, and Small and Medium-Sized Enterprises, to be held April 8–9, 2013.³³

Concerning TRIPS matters, the council agreed to extend the period for acceptance of the Protocol Amending the TRIPS Agreement through the end of 2013. The council further noted the annual review of the decision concerning the TRIPS Agreement and Public Health that took place on November 6–7, 2012.³⁴

The council acted on a variety of waiver matters during 2012, such as extending waivers for exchange arrangements for Cuba; broadening autonomous trade preferences granted by the EU to Pakistan; and extending the adoption period for members to introduce nomenclature changes under the Harmonized System 2002, 2007, and 2012, to their WTO Schedules of Tariff Concessions, among others. Most of these waivers fell under WTO Article IX:4 (Decision-making).³⁵

Finally, the council dealt with the budget and other administrative matters, efforts to streamline procedures, and election of chairpersons. In 2012, the council also heard about progress toward the selection and appointment of the next WTO DG, whose appointment is to start September 1, 2013, following expiration of the current DG's term on August 31.³⁶ In addition, the council reviewed plans for the upcoming Ninth Session of the WTO Ministerial Conference, presently slated for the first week of December 2013 in Bali, Indonesia.

³² The Director-General noted progress in the areas of cotton-specific development assistance, as well as the broader category of agriculture and infrastructure-related development assistance. These categories are found in the evolving table on cotton development assistance, which provides a framework structure for the project.

³³ WTO, "Development: Workshop—8–9 April 2013—Workshop on E-Commerce, Development and Small and Medium-sized Enterprises (SMEs)." https://www.wto.org/english/tratop_e/devel_e/wkshop_apr13_e/wkshop_apr13_e.htm (accessed February 26, 2013).

³⁴ Formally, the Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

³⁵ The WTO Article IX:4 waivers include a number that are granted to the United States, which—although not up for renewal in 2012—include waivers for the Former Trust Territory of the Pacific Islands (granted from July 27, 2007 through December 31, 2016, see WT/L/857); Caribbean Basin Economic Recovery Act (May 27, 2009–December 31, 2014, see G/C/W/611); African Growth and Opportunity Act (May 27, 2009–September 30, 2015, see G/C/W/612); and Andean Trade Preference Act (May 27, 2009–December 31, 2014, see G/C/W/613).

³⁶ In January 2013, the General Council heard presentations from each of the nine candidates for the post of WTO Director-General: Roberto Carvalho de Azevêdo (Brazil), Taeho Bark (Korea), Herminio Blanco (Mexico), Anabel González (Costa Rica), Tim Groser (New Zealand), Ahmad Thougan Hindawi (Jordan), Alan John Kwadwo Kyerematen (Ghana), Amina C. Mohamed (Kenya), and Mari Elka Pangestu (Indonesia). WTO, "WTO: 2013 News Items—29 to 31 January 2013—Director-General Selection Process—WTO Members Meet the DG Candidates," January 29, 2013. At the General Council meeting on May 14, 2013, members approved the appointment of Ambassador Roberto Carvalho de Azevêdo as the next WTO Director-General, to begin his 4-year term on September 1, 2013. WTO, "WTO: 2013 News Items—14 May 2013—General Council Appoints Azevêdo as Next Director General," May 14, 2013.

Accessions

Four countries acceded to the WTO during 2012, bringing total WTO membership to 157 by yearend (table 3.1). On April 29, the WTO welcomed Montenegro as its 154th member. On May 10, Samoa joined as the 155th WTO member. Completing an accession process that started in June 1993, Russia became the 156th WTO member on August 22.³⁷ On August 24, the WTO welcomed Vanuatu as its 157th member. During 2012, WTO accession negotiations also were concluded for Laos and Tajikistan, with the council inviting Laos to accede on October 26, 2012.³⁸ In addition, the WTO had 26 observers to the WTO by the end of 2012 (table 3.2).

In a related matter, the council adopted a revision of the Decision on Accession of Least-Developed Countries³⁹ aimed at making WTO accession easier for the least-developed countries. The original decision was adopted in 2002 to assist the least-developed countries in matters concerning market access, WTO rules, the WTO accession process, as well as issues concerning trade-related technical assistance and capacity building.

Selected Plurilateral Agreements

Agreement on Government Procurement

The Committee on Government Procurement held four formal meetings during 2012, on March 30, July 18, October 31, and December 5.⁴⁰ As of December 6, 2012, there were 15 parties⁴¹ to the WTO Agreement on Government Procurement (GPA), and 26 observer governments⁴² to the committee, following the acceptance in 2012 of Malaysia, Indonesia, Montenegro, and Vietnam as new observers. There were 10 WTO members in the process of acceding to the GPA in 2012,⁴³ and a further 6 WTO members have provisions in their WTO accession protocols to eventually accede to the GPA.⁴⁴

³⁷ For a summary of Russia's WTO commitments, see chapter 5, box 5.1.

³⁸ On February 2, 2013, Laos acceded as the 158th WTO member.

³⁹ WTO, "Accession of Least-developed Countries—Decision of 10 December 2002," WT/L/508, January 20, 2003; WTO, "Accession of Least-developed Countries—Decision of 25 July 2012—Addendum," WT/L/508/Add.1, July 30, 2012.

⁴⁰ WTO, "Report (2012) of the Committee on Government Procurement," GPA/116, December 6, 2012; WTO, Committee on Government Procurement, "Minutes of the Formal Meeting of the Committee on Government Procurement, at Heads of Delegations' Level, of 30 March 2012," GPA/M/46, August 13, 2012; WTO, Committee on Government Procurement, "Minutes of the Formal Meeting of 18 July 2012," GPA/M/47, August 20, 2012; WTO, Committee on Government Procurement, "Minutes of the Formal Meeting of 31 October 2012," GPA/M/48, November 19, 2012.

⁴¹ At yearend 2012, parties to the Agreement on Government Procurement were Armenia; Aruba; Canada; the EU; Hong Kong, China; Iceland; Israel; Japan; Korea; Liechtenstein; Norway; Singapore; Switzerland; Taiwan; and the United States.

⁴² Observers to the GPA Committee in 2012 were Albania, Argentina, Australia, Bahrain, Cameroon, Chile, China, Colombia, Croatia, Georgia, India, Indonesia, Jordan, Kyrgyzstan, Malaysia, Moldova, Mongolia, Montenegro, New Zealand, Oman, Panama, Saudi Arabia, Sri Lanka, Turkey, Ukraine, and Vietnam.

⁴³ WTO members in the process of acceding to the GPA are Albania, China, Georgia, Jordan, Kyrgyzstan, Moldova, New Zealand, Oman, Panama, and Ukraine.

⁴⁴ The following countries have commitments in the WTO accession protocols to join the GPA: Croatia, Macedonia, Mongolia, Montenegro, Russia, and Saudi Arabia.

TABLE 3.1 WTO membership in 2012

Albania	Georgia	Niger
Angola	Germany	Nigeria
Antigua and Barbuda	Ghana	Norway
Argentina	Greece	Oman
Armenia	Grenada	Pakistan
Australia	Guatemala	Panama
Austria	Guinea	Papua New Guinea
Bahrain	Guinea-Bissau	Paraguay
Bangladesh	Guyana	Peru
Barbados	Haiti	Philippines
Belgium	Honduras	Poland
Belize	Hong Kong, China	Portugal
Benin	Hungary	Qatar
Bolivia	Iceland	Romania
Botswana	India	Russia
Brazil	Indonesia	Rwanda
Brunei Darussalam	Ireland	Saint Kitts and Nevis
Bulgaria	Israel	Saint Lucia
Burkina Faso	Italy	Saint Vincent and the Grenadines
Burma (Myanmar)	Jamaica	Samoa
Burundi	Japan	Saudi Arabia
Cambodia	Jordan	Senegal
Cameroon	Kenya	Sierra Leone
Canada	Korea, Republic of	Singapore
Cape Verde	Kuwait	Slovakia
Central African Republic	Kyrgyz	Slovenia
Chad	Latvia	Solomon Islands
Chile	Lesotho	South Africa
China	Liechtenstein	Spain
Colombia	Lithuania	Sri Lanka
Congo, Republic of the	Luxembourg	Suriname
Congo, Democratic Republic of the	Macao, China	Swaziland
Costa Rica	Macedonia ^a	Sweden
Côte d'Ivoire	Madagascar	Switzerland
Croatia	Malawi	Taiwan ^b
Cuba	Malaysia	Tanzania
Cyprus	Maldives	Thailand
Czech Republic	Mali	Togo
Denmark	Malta	Tonga
Djibouti	Mauritania	Trinidad and Tobago
Dominica	Mauritius	Tunisia
Dominican Republic	Mexico	Turkey
Ecuador	Moldova	Uganda
Egypt	Mongolia	Ukraine
El Salvador	Montenegro	United Arab Emirates
Estonia	Morocco	United Kingdom
European Union	Mozambique	United States of America
Fiji	Namibia	Uruguay
Finland	Nepal	Vanuatu
France	Netherlands	Venezuela
Gabon	New Zealand	Vietnam
Gambia	Nicaragua	Zambia
		Zimbabwe

Source: WTO, "Membership of the World Trade Organization."

Note: On February 2, 2013, Laos acceded as the 158th WTO member.

^aIn the WTO, Macedonia is known as the Former Yugoslav Republic of Macedonia.

^bIn the WTO, Taiwan is known as the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu, informally referred to as "Chinese Taipei."

TABLE 3.2 WTO observers in 2012

Afghanistan	Equatorial Guinea	Serbia
Algeria	Ethiopia	Seychelles
Andorra	Iran	Sudan
Azerbaijan	Iraq	Syria
Bahamas	Kazakhstan	Tajikistan
Belarus	Lebanon	Uzbekistan
Bhutan	Liberia	Vatican (Holy See)
Bosnia and Herzegovina	Libya	Yemen
Comoros	São Tomé and Príncipe	

Source: WTO, "Understanding the WTO: the Organization—Members and Observers."
http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm.

On March 30, 2012, the parties to the GPA formally adopted a revised agreement containing the negotiated offers agreed to in December 2011, as well as related items.⁴⁵ The decision adopting the outcome of negotiations⁴⁶ is composed of two appendixes. Appendix 1 contains the decision of the committee⁴⁷ to adopt the protocol amending the agreement; the protocol,⁴⁸ which amends the agreement; an annex to the protocol, which establishes definitions, scope and coverage, exceptions, general principles, and similar items; and two appendixes. Appendix 1 to the protocol also contains the 15 final offers on coverage negotiated by each party to the agreement. Appendix 2 contains a number of decisions by the committee, set out in annexes (Annexes A–G). Five of these annexes establish work programs on small and medium-sized enterprises, collection and reporting of statistical data concerning procurement, sustainable procurement, exclusions and restrictions by parties to the agreement, and safety standards in international procurement.⁴⁹

The revised GPA expands the market access commitments of the parties, estimated by the WTO Secretariat to be in the range of \$80–\$100 billion annually. Extended coverage by parties includes at least 400 additional procuring entities; additional coverage of services procurement by the majority of parties, in particular for telecommunications services; and additional coverage of construction services, where all parties will now cover construction services in full, as well as additional market access liberalization offered by various parties. The revised agreement now takes into account the widespread use of electronic procurement tools by the GPA parties and other WTO members. Transitional measures to assist developing countries to accede to the agreement have been clarified and improved to provide them with special and differential treatment. The text of the agreement also contains a new requirement that participating governments and

⁴⁵ WTO, Committee on Government Procurement, "Adoption of the Results of the Negotiations under Article XXIV:7 of the Agreement on Government Procurement," GPA/113, April 2, 2012.

⁴⁶ WTO, Decision on the Outcomes of the Negotiations under Article XXIV:7 of the Agreement on Government Procurement—Decision of 30 March 2012, 3.

⁴⁷ WTO, Decision of the Committee on Government Procurement on Adoption of the Text of "The Protocol Amending the Agreement on Government Procurement—Decision of 30 March 2012," 5.

⁴⁸ WTO, Protocol Amending the Agreement on Government Procurement, 6.

⁴⁹ The appendix 2 decisions are formally titled: (1) Decision of the Committee on Government Procurement on Notification Requirements under Articles XIX and XXII of the Agreement (Annex A); (2) Decision of the Committee on Government Procurement on Adoption of Work Programmes (Annex B); (3) Decision of the Committee on Government Procurement on a Work Programme on SMEs (Annex C); (4) Decision of the Committee on Government Procurement on a Work Programme on the Collection and Reporting of Statistical Data (Annex D); (5) Decision of the Committee on Government Procurement on a Work Programme on Sustainable Procurement (Annex E); (6) Decision of the Committee on Government Procurement on a Work Programme on Exclusions and Restrictions in Parties' Annexes (Annex F); and (7) Decision of the Committee on Government Procurement on a Work Programme on Safety Standards in International Procurement (Annex G).

procurement entities avoid conflicts of interest and prevent corrupt practices. Entry into force of the revised GPA remains subject to submission of formal instruments of acceptance by two thirds of parties to the agreement, although the majority of parties have confirmed their intention to do so as soon as possible in 2013.⁵⁰

China, as part of its 2001 WTO Protocol of Accession, committed to begin negotiations for accession to the GPA, submitting its initial procurement coverage offer in December 2007. China submitted its first revised GPA offer in July 2010, and a second revised offer in November 2011, the latter including several subcentral entities. China submitted a third revised GPA offer to the committee on November 29, 2012.⁵¹

Agreement on Trade in Civil Aviation

By yearend 2012, there were 32 signatories⁵² to the WTO plurilateral Agreement on Trade in Civil Aircraft, with Montenegro becoming the 32nd signatory on November 10, 2012.⁵³ In addition, there were 24 observer governments to the committee by yearend.⁵⁴ The Committee on Trade in Civil Aircraft held one meeting on November 8, 2012, where it discussed continued work on bringing the agreement's Product Coverage Annex into line with 2007 Harmonized System nomenclature.

Ministerial Declaration on Trade in Information Technology Products

At the end of 2012, there were 48 participants⁵⁵ in the Information Technology Agreement (ITA), covering 74 countries and states, and representing approximately 96 percent of world trade in information technology products. The Committee of Participants on the Expansion of Trade in Information Technology Products continued to work on its Nontariff Measures Work Program, a pilot project to survey participants concerning electromagnetic compatibility/electromagnetic interference (EMC/EMI) properties affecting information technology equipment. It also continued work on its

⁵⁰ WTO, "Report (2012) of the Committee on Government Procurement," GPA/116, December 6, 2012, par. 7, 8, 12.

⁵¹ USTR, "China," *2013 National Trade Estimate Report on Foreign Trade Barriers*. Draft, March 2013. USTR, *2012 Report to Congress On China's WTO Compliance*, December 2012, 71–72.

⁵² At yearend 2012, signatories to the Agreement on Trade in Civil Aircraft were Albania; Canada; Egypt; the EU; Georgia; Japan; Macao, China; Montenegro; Norway; Switzerland; Taiwan; and the United States. In addition, the following 20 EU member states are signatories to the agreement in their own right: Austria, Belgium, Bulgaria, Denmark, Estonia, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Spain, Sweden, and the United Kingdom.

⁵³ WTO, "Report (2012) of the Committee on Trade in Civil Aircraft," WT/L/869, November 26, 2012; WTO, "Agreement on Trade in Civil Aircraft Done at Geneva on 12 April 1979," WT/Let/865, October 23, 2012.

⁵⁴ Observers to the Committee on Trade in Civil Aircraft at the end of 2012 were Argentina, Australia, Bangladesh, Brazil, Cameroon, China, Colombia, Gabon, Ghana, India, Indonesia, Israel, Korea, Mauritius, Nigeria, Oman, Russia, Saudi Arabia, Singapore, Sri Lanka, Trinidad and Tobago, Tunisia, Turkey, and Ukraine.

⁵⁵ The EU signs on behalf of its 27 member states, making them participants in the agreement. Other participants are Albania; Australia; Bahrain; Canada; China; Colombia; Costa Rica; Croatia; Dominican Republic; Egypt; El Salvador; Georgia; Guatemala; Honduras; Hong Kong, China; Iceland; India; Indonesia; Israel; Japan; Jordan; Korea; Kuwait; Kyrgyzstan; Macao, China; Malaysia; Mauritius; Moldova; Montenegro; Morocco; New Zealand; Nicaragua; Norway; Oman; Panama; Peru; the Philippines; Saudi Arabia; Singapore; Switzerland (Customs Union of Switzerland and Liechtenstein); Taiwan; Thailand; Turkey; Ukraine; the United Arab Emirates; the United States; and Vietnam. Counting individual countries—the 27 EU member states, but without the European Union as a separate signatory—there were 74 countries participating in the agreement, who together represent the great majority of world trade in these technology items.

program on classification divergences—in particular for products under List I(A) items.⁵⁶ The committee held two formal meetings in 2012, on May 15 and November 1.⁵⁷

Colombia and Montenegro became the 73th and 74th countries in the ITA on March 28 and May 30, respectively, upon completing their negotiations and committing to a schedule of liberalization.⁵⁸ During the year, Russia said that it intended to fully join the ITA once it has completed its WTO accession, and its draft ITA schedule was circulated to the committee's participants on August 1, 2012.⁵⁹

On May 14–15, 2012, participants in the agreement held a symposium to mark the 15th anniversary of the ITA. The purpose of the symposium was to review the evolution of information and communications technology (ICT) products and their impact on developing countries; take an overview of the latest developments in the ICT sector, including new technology, technological innovation, and global supply chains; and look at the prospects for further expansion of trade in ICT products.⁶⁰ In preparation for the symposium, the United States and other co-sponsors—Canada, Japan, Korea, Singapore, and Taiwan—introduced a paper calling for negotiations to expand the ITA.⁶¹

At their committee meeting on November 1, 2012, ITA participants reported progress in technical discussions on expanding product coverage under the agreement, with 17 participants moving to compile a revised consolidated list of products for future circulation.⁶² These participants—Australia; Canada; China; Costa Rica; the EU; Hong Kong, China; Japan; Korea; Malaysia; New Zealand; Norway; the Philippines; Singapore; Switzerland; Taiwan; Thailand; and the United States—began with an examination of the

⁵⁶ WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Report (2012) of the Committee of Participants on the Expansion of Trade in Information Technology Products—Draft 1,” G/IT/W/37, November 1, 2012. List I(A) contains products where divergences have been narrowed to one classification option, whereas List I(B) contains products where divergences have been narrowed to two or more classifications, but where participants have nonetheless agreed upon a product's classification.

⁵⁷ WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Report (2012) of the Committee of Participants on the Expansion of Trade in Information Technology Products—Draft 1,” G/IT/W/37, November 1, 2012; WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Minutes of the Meeting of 15 May 2012,” G/IT/M/55, October 19, 2012; WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Minutes of the Meeting of 15 May 2012,” G/IT/M/55, October 19, 2012.

⁵⁸ WTO, “WTO: 2012 News Items—28 March 2012—Information Technology Agreement—Colombia Joins WTO's Information Technology Agreement,” March 28, 2012; WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Report (2012) of the Committee of Participants on the Expansion of Trade in Information Technology Products—Draft 1,” G/IT/W/37, November 1, 2012.

⁵⁹ WTO, “WTO: 2012 News Items—15 May 2012—Information Technology Agreement—Informal Talks Set to Begin on Expanding the Information Technology Agreement,” May 15, 2012; WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Report (2012) of the Committee of Participants on the Expansion of Trade in Information Technology Products—Draft 1,” G/IT/W/37, November 1, 2012.

⁶⁰ WTO, “WTO: 2012 News Items—4 May 2012—Information Technology Agreement—Information Technology Agreement Marks 15th Anniversary with Two-Day Symposium,” May 4, 2012.

⁶¹ WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Concept Paper for the Expansion of the ITA,” G/IT/W/36, May 2, 2012.

⁶² WTO, “WTO: 2012 News Items—1 November 2012—Information Technology Agreement—Information Technology: Progress Reported on Expanding Product Coverage,” November 1, 2012; Inside Washington Publishers, “ITA Negotiations Could Start In Early 2013,” November 9, 2012.

current list of over 400 products covered, and began to develop a more concise list that could serve as a basis for more formal negotiations in 2013 to expand coverage.⁶³

Dispute Settlement Body

This section focuses on complaints filed before the WTO Dispute Settlement Body (DSB), and on panel and Appellate Body findings and recommendations adopted under the WTO Dispute Settlement Understanding (DSU) during calendar year 2012 that involve the United States.⁶⁴ Appendix table A.23 shows developments during 2012 in the WTO dispute settlement proceedings in which the United States was either a complainant or respondent. Box 3.1 provides an overview of the WTO dispute settlement process. The summaries in this section are intended to identify key issues raised in the complaints, note key procedural events as the disputes move forward, and indicate the panel or Appellate Body rulings. The summaries should not be regarded as comprehensive or as reflecting a U.S. government interpretation of the issues raised or addressed in the disputes or in panel or Appellate Body reports. The summaries are based entirely on information in publicly available documents, including summaries published online by the WTO and news releases issued by U.S. government agencies.

This section does not generally address matters that arose during the compliance stage of disputes after the adoption by the DSB of the panel or Appellate Body report in the original dispute. As indicated in box 3.1, dispute settlement litigation does not necessarily end when the DSB adopts a panel or Appellate Body report that addresses the matters raised in the original dispute. Rather, the litigation may continue during a compliance stage, when the member whose actions were the subject of the adopted report is expected to comply with any DSB recommendations and rulings. Proceedings at the compliance stage can be complex and continue for several years. There were a significant number of disputes in the compliance stage during all or part of 2012, including two high-profile disputes brought by the United States and the European Communities (EC),⁶⁵ respectively, against each other's large civilian aircraft measures.⁶⁶

⁶³ For additional information, see USITC, *The Information Technology Agreement—Advice and Information on the Proposed Expansion: Part 1*, October 2012; USITC, *The Information Technology Agreement—Advice and Information on the Proposed Expansion: Part 2*, February 2013.

⁶⁴ For additional information on the WTO dispute settlement process, the DSU, and individual dispute cases, see the WTO, "Dispute Settlement" at http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm.

⁶⁵ In this report's WTO dispute settlement section, the term "European Communities" (EC) is used rather than "EU" if the source document WTO online summary uses "EC."

⁶⁶ See DS316, European Communities—Measures Affecting Trade in Large Civil Aircraft, online summary, report adopted by the DSB in June 2011. On December 9, 2011, the United States sought authorization from the DSB to take countermeasures against the EU. On December 22, 2011, the EU objected to the level of suspension sought by the United States and requested that the matter be referred to arbitration under Article 22.6 of the DSU. The matter was referred to arbitration, but on January 19, 2012, the United States and the EU requested that the arbitrator suspend its work. The proceedings were then suspended until either party requests their resumption. See also DS353, United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint, online summary, report adopted in May 2012. On September 23, 2012, the United States notified the DSB of the withdrawal of subsidies and removal of adverse effects in this dispute and stated that it had fully complied with the DSB recommendations and rulings. On September 25, 2012, the EU requested consultations pursuant to Article 21.5 of the DSU. On October 11, 2012, the EU requested establishment of a compliance panel, which was established on October 23, 2012, and composed on October 30, 2012. On January 15, 2013, the chairman of the panel informed the DSB that it expects to circulate its report during the first half of 2014. On September 27, 2012, the EU requested authorization from the DSB to take countermeasures under Article 22 of the DSU, and on October 22, 2012, the United States objected to the proposal and referred the matter to arbitration pursuant to Article 22.6 of the DSU. The matter was referred to arbitration on October 23, 2012. On November 27, 2012, the United States and the EU asked the arbitrator to suspend the arbitration proceedings.

BOX 3.1 Overview of the WTO dispute settlement procedures

The WTO DSU establishes a framework for the resolution of disputes that arise between members under the WTO agreements.^a Under the DSU, a member may file a complaint with the WTO DSB. After filing, the member must first seek to resolve the dispute through consultations with the named respondent party.^b If the parties fail to resolve the dispute through consultations, the complaining party may ask the DSB to establish a panel to review the matters raised by the complaint and make findings and recommendations.^c Either party may appeal issues of law covered in the panel report and legal interpretations developed by the panel to the WTO's Appellate Body.^d

The findings and recommendations of the Appellate Body and of the panel (as modified by the Appellate Body) are then adopted by the DSB unless there is a consensus by the members to reject the ruling. While the guidelines suggest that panels should complete their proceedings in six months, and the Appellate Body should complete its review in 60 days, these periods are often extended.

Once the panel report or the Appellate Body report is adopted, the party concerned must notify the DSB of its intentions with respect to implementing the adopted recommendations.^e If it is impracticable to comply immediately, the party concerned is given a reasonable period of time to comply, with the time to be decided either through agreement of the parties and approval by the DSB, or through arbitration. Further provisions set out rules for compensation or the suspension of concessions in the event the respondent fails to implement the recommendations.^f Within a specified timeframe, parties can enter into negotiations to agree on mutually acceptable compensation. Should the parties fail to reach agreement, a party to the dispute may request the DSB's authorization to suspend concessions or other obligations to the other party concerned. Disagreements over the proposed level of suspension may be referred to arbitration.

^aWTO, "Understanding on Rules and Procedures Governing the Settlement of Disputes," 1995.

^bWTO DSU, Article 4.

^cWTO DSU, Article 6.

^dWTO DSU, Article 17.6.

^eWTO DSU, Article 21.3.

^fWTO DSU, Article 22.

New Requests for Consultations and New Panels Established

During 2012, WTO members filed 27 new requests for WTO dispute settlement consultations, compared with 8 in 2011, 17 in 2010, and 14 in 2009. The United States was either the complainant or named respondent in 11 of the 27 requests filed during 2012, followed by China and Argentina, which were either the complainant or named respondent in 10 and 8 of the requests, respectively. The United States filed the most requests during 2012 (5), followed by China, Argentina, and Japan (3 each). China was the named respondent in the most disputes (7), followed by the United States (6 disputes). Eleven new dispute settlement panels were established in 2012 (table 3.3), including 3 at the request of the United States against China and 2 by China against the United States. This compares with 7 panels established in 2011, 7 in 2010, 10 in 2009, and 5 in 2008.

Requests for consultations filed during 2012 in which the United States was the complaining party or named respondent

Three of the five requests for dispute settlement consultations filed by the United States during 2012 concerned measures taken by China—China's measures related to the

TABLE 3.3 WTO dispute settlement panels established during 2012

Case no.	Complainant	Respondent	Case name	Panel established
DS420	Korea	United States	United States—Anti-Dumping Measures on Corrosion-Resistant Carbon Steel Flat Products from Korea	February 22, 2012; (on June 12, 2012, Korea asked that the panel be suspended)
DS425	EU	China	China—Definitive Anti-Dumping and Countervailing Duties on X-Ray Security Inspection Equipment from the European Union	January 20, 2012
DS426	EU	Canada	Canada—Measures Relating to the Feed-in Tariff Program	January 20, 2012
DS427	United States	China	China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States	January 20, 2012
DS430	United States	India	India—Measures Concerning the Importation of Certain Agricultural Products from the United States	June 25, 2012
DS431, DS432, DS433	United States EU Japan	China China China	China—Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum	July 23, 2012, single panel for DS431, DS432, DS433
DS434	Ukraine	Australia	Australia—Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging	September 28, 2012
DS436	India	United States	United States—Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India	August 31, 2012
DS437	China	United States	United States—Countervailing Duty Measures on Certain Products from China	September 28, 2012
DS440	United States	China	China—Anti-Dumping and Countervailing Duties on Certain Automobiles from the United States	October 23, 2012
DS449	China	United States	United States—Countervailing and Anti-dumping Measures on Certain Products from China	December 17, 2012

Source: Derived from WTO, “Dispute Settlement: The Disputes—Chronological List of Disputes” (accessed March 15, 2013).

exportation of rare earths, tungsten, and molybdenum,⁶⁷ China's antidumping and countervailing duties on U.S. automobiles,⁶⁸ and China's measures affecting the automobile and automotive parts industries.⁶⁹ The remaining two concerned Argentina's measures affecting the importation of certain goods⁷⁰ and India's measures concerning importation of certain agricultural goods.⁷¹ Panels were established during 2012 in two of the five disputes: the dispute with China related to exportation of rare earths, and the dispute with India. The issues raised in these two disputes are described in greater detail in the next section.

The United States was the named respondent in six disputes filed in 2012, two filed by China, two by Argentina, one by Vietnam, and one by India. The two disputes filed by China concerned U.S. countervailing duty measures on certain products from China,⁷² and U.S. countervailing and antidumping measures on certain products from China.⁷³ The two filed by Argentina concerned U.S. measures affecting the importation of animals, meat, and other animal products from Argentina,⁷⁴ and U.S. measures affecting the importation of fresh lemons.⁷⁵ Vietnam filed a dispute concerning U.S. antidumping measures on certain frozen warmwater shrimp from Vietnam,⁷⁶ and India filed a dispute concerning U.S. countervailing measures on certain hot-rolled carbon steel flat products from India.⁷⁷ Panels were established in three of the six disputes during 2012: the two disputes brought by China and the dispute brought by India. The issues raised in these three disputes are described in greater detail in the next section.

Panels established during 2012 at the request of the United States

As indicated in table 3.3, during 2012 the DSB established four panels at the request of the United States. The issues raised and the procedural histories of the four disputes are summarized below.

⁶⁷ WTO, DSB, *DS431: China—Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum*, online summary (accessed March 12, 2013).

⁶⁸ WTO, DSB, *DS440: China—Anti-Dumping and Countervailing Duties on Certain Automobiles from the United States*, online summary (accessed January 8, 2013).

⁶⁹ WTO, DSB, *DS450: China—Certain Measures Affecting the Automobile and Automobile-Parts Industries*, online summary (accessed January 8, 2013).

⁷⁰ WTO, DSB, *DS444: Argentina—Measures Affecting the Importation of Goods*, online summary (accessed March 6, 2013). A single panel was established on January 28, 2013, to examine this dispute and disputes DS438 and DS445, filed by the EU and Japan, respectively. In a press release the USTR cited import licensing requirements as well as trade-balancing requirements and other schemes under which companies seeking to obtain authorization to import products must agree to (1) export goods of an equal or greater value, (2) make investments in Argentina, (3) lower prices of imported goods, and/or (4) refrain from repatriating profits. USTR, "United States Challenges Argentina's Widespread Use of Import Restrictions," August 21, 2012.

⁷¹ WTO, DSB, *DS430: India—Measures Concerning the Importation of Certain Agricultural Products from the United States*, online summary (accessed March 14, 2013).

⁷² WTO, DSB, *DS437: United States—Countervailing Duty Measures on Certain Products from China*, online summary (accessed January 8, 2013).

⁷³ WTO, DSB, *DS449: United States—Countervailing and Anti-Dumping Measures on Certain Products from China*, online summary (accessed January 8, 2013).

⁷⁴ WTO, DSB, *DS447: United States—Measures Affecting the Importation of Animals, Meat and Other Animal Products from Argentina*, online summary (accessed March 7, 2013). A panel was established on January 28, 2013.

⁷⁵ WTO, DSB, *DS448: United States—Measures Affecting the Importation of Fresh Lemons*, online summary (accessed March 6, 2013).

⁷⁶ WTO, DSB, *DS429: United States—Anti-Dumping Measures on Certain Frozen Warmwater Shrimp from Viet Nam*, online summary (accessed March 14, 2013). A panel was established on February 27, 2013.

⁷⁷ WTO, DSB, *DS436: United States—Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India*, online summary (accessed March 13, 2013).

China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States (DS427). In this dispute, filed on September 20, 2011, the United States alleged that the measures imposed by China appear to be inconsistent with various provisions of Articles of the Anti-Dumping Agreement and SCM Agreement and also appear to be inconsistent with Article VI of the GATT 1994, including improper reliance on the facts available and insufficient explanation of the basis for the determinations. After consultations failed to resolve the dispute, the United States asked that a panel be established. A panel was established on January 20, 2012, and composed (i.e., panelists were chosen) on May 24, 2012. On November 23, 2012, the chairman of the panel notified the DSB that it would not be able to issue its report within six months. The panel expected to conclude its work by the end of June 2013.⁷⁸

India—Measures Concerning the Importation of Certain Agricultural Products from the United States (DS430). In this dispute, filed on March 6, 2012, the United States alleged that the Indian Livestock Importation Act, 1898, orders issued under the act, and related measures appear to be inconsistent with certain articles of the WTO Sanitary and Phytosanitary Agreement and Articles I and XI of the GATT 1994 and appear to nullify or impair U.S. benefits accruing directly or indirectly under those agreements.⁷⁹ More specifically, the United States challenged India’s prohibition on certain American agricultural exports, including poultry meat and chicken eggs. India claims that its trade ban is aimed at preventing avian influenza, but the United States claims that India has not provided scientific evidence in line with international standards on avian-influenza control.⁸⁰ After consultations failed to resolve the dispute, the United States asked that a panel be established. A panel was established on June 25, 2012, and composed on February 18, 2013.⁸¹

China—Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum (DS431). In this dispute, filed on March 13, 2012, the United States alleged that China, through published and unpublished measures, imposes and administers restrictions on the export of various forms of rare earths, tungsten, and molybdenum. The United States alleged that these restrictions include export duties, export quotas, minimum export price requirements, export licensing requirements, and additional requirements and procedures in connection with the administration of the quantitative restrictions. The United States claimed that these measures are inconsistent with Article VII, VIII, X, and XI of the GATT 1994 and certain specified paragraphs of China’s WTO Protocol of Accession. On June 27, 2012, after consultations failed to resolve the dispute, the United States asked that a panel be established. As Japan and the EU had also requested consultations to address allegations about similar restrictions and had also requested establishment of a panel, the DSB on July 23, 2012, established a

⁷⁸ WTO, DSB, *DS427: China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States*, online summary (accessed February 27, 2013).

⁷⁹ WTO, DSB, *DS430: India—Measures Concerning the Importation of Certain Agricultural Products from the United States*, online summary (accessed March 14, 2013).

⁸⁰ USTR, “U.S. Trade Representative Kirk Enforces Rights of U.S. Farmers,” March 6, 2012.

⁸¹ WTO, DSB, *DS430: India—Measures Concerning the Importation of Certain Agricultural Products from the United States*, online summary (accessed March 14, 2013).

single panel to examine the U.S. dispute (DS431), the EU dispute (DS432), and the Japanese dispute (DS433). The panel was composed on September 24, 2012.⁸²

China—Anti-Dumping and Countervailing Duties on Certain Automobiles from the United States (DS440). In this dispute, filed on July 5, 2012, the United States alleged that the measures imposed by China appear to be inconsistent with various provisions of Articles of the Anti-Dumping Agreement and SCM Agreement and also to be inconsistent with Article VI of the GATT 1994, including improper reliance on the facts available and insufficient explanation of the basis for the determinations. After consultations failed to resolve the dispute, the United States asked that a panel be established. A panel was established on October 23, 2012, and composed on February 11, 2013.⁸³

Panels established during 2012 in which the United States was the named respondent

As indicated in table 3.3, the DSB established four panels during 2012 in which the United States was the named respondent. As of the end of 2012, the panel proceedings in three of the four disputes were still pending, with the panel proceeding in the fourth dispute, brought by Korea, suspended. The issues raised and the procedural histories of the four disputes are summarized below.

United States—Anti-Dumping Measures on Corrosion-Resistant Carbon Steel Flat Products from Korea (DS420). In this dispute, filed in January 31, 2011, Korea alleged that a number of U.S. antidumping measures on corrosion-resistant carbon steel flat products from Korea were inconsistent with U.S. obligations under Article VI of the GATT 1994, several provisions of the Anti-Dumping Agreement, and Article XVI of the WTO Agreement. More specifically, Korea's request for consultations concerned several U.S. laws, regulations, administrative proceedings, and practices related to the use of "zeroing" methodology⁸⁴ in antidumping determinations concerning the products at issue. After consultations failed to resolve the dispute, Korea asked on September 15, 2011, that a panel be established. On September 27, 2011, before a panel was established, Korea withdrew the request. On February 9, 2012, Korea again requested the establishment of a panel, and the DSB established a panel on February 22, 2012. On June 12, 2012, before

⁸² WTO, DSB, *DS431:China—Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum*, online summary (accessed March 12, 2013). In a press release issued at the time the dispute was filed, the USTR, in noting that the United States had recently won a WTO challenge in DS394 against China's export restraints on nine other industrial inputs, characterized China's export restraint measures on rare earths, tungsten, and molybdenum as "appear[ing] to be part of the same troubling industrial policy aimed at providing substantial competitive advantages for Chinese manufacturers." USTR, "United States Challenges China's Export Restraints," March 13, 2012.

⁸³ WTO, DSB, *DS440: China—Anti-Dumping and Countervailing Duties on Certain Automobiles from the United States*, online summary (accessed January 8, 2013). In a press release issued at the time the dispute was filed, the USTR said that the United States believes that China initiated the investigations without sufficient evidence, failed to objectively examine the evidence, and made unsupported findings of injury to China's domestic industry. The USTR also said that China failed to disclose "essential facts" underlying its conclusions, failed to provide an adequate explanation of its conclusions, improperly used investigative procedures, and failed to require nonconfidential summaries of Chinese company submissions. USTR, "Obama Administration Challenges China's Unfair Imposition of Duties," July 5, 2012.

⁸⁴ Prior to 2006, USDOC engaged in a practice called "zeroing," in which it treated non-dumped transactions as having a zero margin for purposes of computing a weighted average dumping margin for a class or kind of subject merchandise. USDOC has changed this practice in response to adverse rulings from the WTO. Under the revised practice, USDOC uses the non-dumped transactions as an offset to dumped transactions.

the panel had been composed, Korea requested that the panel proceedings be suspended.⁸⁵

United States—Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India (DS436). In this dispute, filed on April 24, 2012, India alleged that the U.S. countervailing duty investigation and countervailing duties imposed on certain hot-rolled carbon steel flat products from India are inconsistent with Articles I and VI of the GATT 1994 and with certain articles of the SCM Agreement. After consultations failed to resolve the dispute, India asked that a panel be established. A panel was established on August 31, 2012, and composed on February 18, 2013.⁸⁶

United States—Countervailing Duty Measures on Certain Products from China (DS437). In this dispute, filed on May 25, 2012, China challenged various aspects of certain identified U.S. countervailing duty investigations, including their opening, conduct, and the preliminary and final determinations that led to the imposition of countervailing duties. China also challenged the “rebuttable presumption” allegedly established and applied by the U.S. Department of Commerce (USDOC) that majority government ownership is sufficient grounds for treating an enterprise as a “public body.” China claims that the U.S. measures are inconsistent with Article VI of the GATT 1994, Articles 1, 2, 11, 12, and 14 of the SCM Agreement, and Article 15 of the Protocol of Accession of China. After consultations failed to resolve the dispute, China requested that a panel be established. A panel was established on September 28, 2012, and composed on November 26, 2012.⁸⁷

United States—Countervailing and Anti-Dumping Measures on Certain Products from China (DS449). In this dispute, filed on September 17, 2012, China challenged the following U.S. measures: (1) new U.S. legislation in Public Law 112-99 that explicitly allows the application of countervailing measures to non-market economy countries; (2) countervailing duty determinations or actions made or performed by U.S. authorities between November 20, 2006, and March 13, 2012, with respect to Chinese products; (3) antidumping measures associated with the countervailing duty measures involved as well as the combined effect of these antidumping measures and the parallel countervailing duty measures; and (4) the United States’ failure to give the USDOC the legal authority to identify and avoid double remedies connected with investigations or reviews initiated on or between November 20, 2006 and March 13, 2012. China claimed that these measures are inconsistent with Articles 10, 15, 19, 21, and 32 of the SCM Agreement, Articles VI and X of the GATT 1994, and Articles 9 and 11 of the Anti-Dumping Agreement. After consultations failed to resolve the dispute, China requested that a panel be established. A panel was established on December 17, 2012, and composed on March 4, 2013.⁸⁸

⁸⁵ WTO, DSB, *DS420: United States—Anti-Dumping Measures on Corrosion-Resistant Carbon Steel Flat Products from Korea*, online summary (accessed March 5, 2013).

⁸⁶ WTO, DSB, *DS436: United States—Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India*, online summary (accessed March 13, 2013).

⁸⁷ WTO, DSB, *DS437: United States—Countervailing Duty Measures on Certain Products from China*, online summary (accessed January 8, 2013).

⁸⁸ WTO, DSB, *DS449: United States—Countervailing and Anti-Dumping Measures on Certain Products from China*, online summary (accessed March 7, 2013).

Panel and Appellate Body Reports Issued and/or Adopted during 2012 that Involve the United States

During 2012, the DSB adopted panel and/or Appellate Body reports in original disputes⁸⁹ in 10 cases in which the United States was the complainant or a respondent (table 3.4). The reports in 9 of the 10 cases are summarized below. The report in the 10th, which was issued in 2011 and adopted in January 2012, was summarized in the 2011 *Year in Trade* report.

Reports in which the United States was the complainant

China—Measures Related to the Exportation of Various Raw Materials (DS394). A more complete description of this dispute, filed in June 2009, can be found in the Commission's report on *The Year in Trade 2011*. In this dispute, the United States alleged that China imposed restraints on exports of various forms of raw materials in violation of Articles VIII, X, and XI of the GATT 1994 and paragraphs 5.1, 5.2, 8.2, and 11.3 of part I of China's Protocol of Accession to the WTO, as well as China's obligations under paragraph 1.2 of part I of China's Protocol of Accession. The panel was charged with examining this dispute, as well as two disputes involving similar issues brought by the EU and Mexico (DS395 and DS398). The panel report was circulated to members on July 5, 2011.

The dispute concerned four types of export restraints (export duties, export quotas, minimum export price requirements, and export licensing requirements) that China imposes on nine raw materials. The materials include various forms of bauxite, coke, fluorspar, magnesium, manganese, silicon carbide, silicon metal, yellow phosphorus, and zinc, for almost all of which China is a leading global producer. The complainants⁹⁰ collectively identified 40 specific Chinese measures in connection with their claims. They argued that the use of export restraints creates scarcity and raises the prices of these raw materials in global markets, giving the Chinese industry an advantage in the form of a sufficient supply of the raw materials and a stable price. The panel found the export duties to be inconsistent with China's commitments in its Protocol of Accession under which China agreed to eliminate all export duties (except on certain listed products) and agreed not to apply export quotas. The panel also found that the wording of the protocol did not allow China to use the general exceptions in Article XX of the GATT 1994 to justify its WTO-inconsistent export duties and that, even if the protocol did, China had not complied with the requirements for those exceptions. The panel also rejected as insufficiently supported certain arguments made by China relating to the conservation of exhaustible natural resources and protection of the health of its citizens. The panel also found that certain aspects of China's export licensing regime relating to the products were inconsistent with WTO rules.

Both China and the United States appealed certain issues of law and legal interpretations of the panel report. The report of the Appellate Body was circulated to members on January 30, 2012, and adopted by the DSB on February 22, 2012 (along with the panel report as modified by the Appellate Body report). The Appellate Body upheld the panel's recommendation that China bring its export duty and export quota measures into conformity with its WTO obligations. However, the Appellate Body found that the panel

⁸⁹ As opposed to panel and Appellate Body reports issued in subsequent compliance proceedings.

⁹⁰ Other complainants include Argentina, Brazil, Canada, Chile, Colombia, Ecuador, the EU, India, Japan, Korea, Mexico, Norway, Saudi Arabia, Taiwan, and Turkey.

TABLE 3.4 WTO dispute settlement panel and Appellate Body (AB) reports circulated or adopted in 2012 in which the United States was a party

Case no.	Complainant	Respondent	Case name	Date of report circulation or adoption
DS353	European Communities	United States	United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint	AB report adopted (March 23, 2012).
DS381	Mexico	United States	United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	AB report adopted (June 13, 2012).
DS384, DS386	Canada, Mexico	United States	United States—Certain Country of Origin Labeling (COOL) Requirements	AB report adopted (July 23, 2012).
DS394	United States	China	China—Measures Related to the Exportation of Various Raw Materials	AB report adopted (Feb. 22, 2012).
DS403 ^a	United States	Philippines	Philippines—Taxes on Distilled Spirits	AB report adopted (Jan. 20, 2012).
DS406	Indonesia	United States	United States—Measures Affecting the Production and Sale of Clove Cigarettes	AB report adopted (April 24, 2012).
DS413	United States	China	China—Certain Measures Affecting Electronic Payment Services	Panel report adopted (Aug. 31, 2012).
DS414	United States	China	China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States	Panel report circulated (June 15, 2012); AB report adopted (Nov. 16, 2012).
DS422	China	United States	United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China	AB report adopted (July 23, 2012).

Source: Derived from WTO, “Dispute Settlement: The Disputes—Chronological List of Disputes” (accessed March 20, 2013).

^aFor a description of DS403, see USITC, *The Year in Trade 2011, 2012*, 3-23.

erred in making findings regarding 37 of the challenged measures because the complainants had failed to provide sufficiently clear linkages between these 37 measures and the broad range of obligations in the covered agreements that were allegedly violated by China. The Appellate Body upheld the panel on several other findings, including that China’s Accession Protocol did not allow China to use the exceptions in Article XX of the GATT 1994 to justify export duties that are inconsistent with China’s obligations under Paragraph 11.3 of China’s Accession Protocol.⁹¹

China informed the DSB on March 23, 2012, of its intention to implement the DSB recommendations and rulings, and China and the United States notified the DSB on May 24, 2012, that they had agreed that the reasonable period of time for China to do so would

⁹¹ WTO, DSB, *DS394: China—Measures Related to the Exportation of Various Raw Materials*, online summary (accessed January 8, 2013). See also USTR, “U.S. Trade Representative Ron Kirk Announces U.S. Victory in Challenge to China’s Raw Materials Export Restraints,” January 27, 2012.

be December 31, 2012. On January 17, 2013, China and the United States informed the DSB of agreed procedures under Articles 21 and 22 of the DSU.⁹²

China—Certain Measures Affecting Electronic Payment Services (DS413). In this dispute, filed in September 2010, the United States alleged that China appears to be acting inconsistently with its obligations under Articles XVI and XVII of the GATS in restrictions and requirements pertaining to electronic payment services for payment card transactions and the suppliers of those services. The United States alleged that China permits only a Chinese entity (China Union Pay) to supply electronic payment services for payment card transactions denominated and paid in renminbi (RMB) in China; that China requires all payment card processing devices to be compatible with that entity's system, and requires that payment cards bear that company's logo; and that the Chinese entity has guaranteed access to all merchants in China that accept payment cards, while services suppliers of other WTO members must negotiate for access to merchants. After consultations failed to resolve the dispute, the United States asked that a panel be established. A panel was established on March 25, 2011, and composed on July 4, 2011.

The panel report was circulated to members on July 16, 2012, and adopted by the DSB on August 31, 2012. While the panel rejected the U.S. claim, on the basis of insufficient evidence, that China maintains China Union Pay as an across-the-board monopoly supplier for the processing of all domestic RMB payment card transactions, the panel concluded that China maintains the company as a monopoly supplier for the clearing of certain types of RMB-denominated payment card transactions, and that China in this regard acted inconsistently with its mode 3 market access commitment under Article XVI:2(a) of the GATS. With respect to the other Chinese requirements, the panel found that China maintains a requirement that all payment cards issued in China bear the "YinLian"/ "Union Pay" logo and be interoperable with that network; a requirement that all terminal equipment in China must be capable of accepting "YinLian"/ "Union Pay" logo cards; and a requirement that acquiring institutions post the "YinLian"/ "Union Pay" logo and be capable of accepting all payment cards bearing the "YinLian"/ "Union Pay" logo. The panel found each of these requirements to be inconsistent with China's mode 1 and mode 3 national treatment obligations under Article XVII of the GATS, and that China, through these requirements, modifies the conditions of competition in favor of China Union Pay and therefore fails to provide national treatment to electronic payment service suppliers of other members, contrary to China's commitments.

At the DSB meeting on September 28, 2012, China stated that it intended to implement the DSB's recommendations and ruling in a manner that respects its WTO obligations. On November 22, 2012, China and the United States informed the DSB that the reasonable period of time for doing so would expire on July 31, 2013.⁹³

China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States (DS414). In this dispute, filed in September 2010, the United States alleged that China acted inconsistently with its obligations under certain articles of the SCM Agreement and the Anti-Dumping Agreement and Article VI of the GATT 1994 in imposing countervailing duties and antidumping duties on grain-oriented flat-rolled electrical steel from the United States. The U.S. subsidies that China

⁹² WTO, DSB, *DS394: China—Measures Related to the Exportation of Various Raw Materials*, online summary (accessed March 5, 2013).

⁹³ WTO, DSB, *DS413: China—Certain Measures Affecting Electronic Payment Services*, online summary (accessed January 8, 2013). See also USTR, "USTR Requests WTO Dispute Settlement Panels in Two Cases against China," February 11, 2011.

determined to confer a benefit are the “Buy America” provisions of the American Recovery and Reinvestment Act of 2009, and state government procurement laws. After consultations failed to resolve the dispute, the United States asked that a panel be established; the panel was established on March 25, 2011, and composed on May 10, 2011.

The panel report was circulated to WTO members on June 15, 2012, and it upheld most of the claims made by the United States. More specifically, the panel upheld U.S. claims (1) with respect to the initiation of certain countervailing duty investigations, (2) with respect to the adequacy of nonconfidential summaries, (3) with respect to the use of facts available, (4) with respect to the price effects analysis of China’s Ministry of Commerce (MOFCOM), and (5) with respect to MOFCOM’s causation analysis. On July 20, 2012, China notified the DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretations covered by the panel report.

The Appellate Body report was circulated to members on October 18, 2012. China’s appeal was limited to the panel’s findings in relation to MOFCOM’s price effects finding and the related disclosure of underlying facts. The Appellate Body upheld the panel’s findings that the MOFCOM’s price effects finding, failure to disclose underlying facts, and failure to explain its determination were inconsistent with certain articles of the Anti-Dumping Agreement and the SCM Agreement.

On November 16, 2012, the DSB adopted the Appellate Body report and the panel report, as upheld by the Appellate Body. At the DSB meeting on November 30, 2012, China stated that it intended to implement the DSB recommendations rulings and that it would need a reasonable period of time to do so. On February 8, 2013, the United States requested that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) of the DSU. On February 28, 2013, the Director-General appointed an arbitrator.⁹⁴

Reports in which the United States was the respondent

United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint (DS353). In this dispute, the EC alleged that the United States provides prohibited and actionable subsidies at the federal, state, and local level to U.S. producers of large civil aircraft that are inconsistent with Articles 3, 5, and 6 of the SCM Agreement and Article III:4 of the GATT 1994. The EC cited 10 categories of measures and estimated the total amount of the alleged subsidies was \$19.1 billion between 1989 and 2006, with more than half this amount accounted for by alleged research and development (R&D) subsidies directed toward the U.S. National Aeronautics and Space Administration (NASA). A panel was established on February 17, 2006, and composed on November 22, 2006. The report of the panel was delayed numerous times due to the substantive and procedural complexities of the dispute.

The panel report was circulated to members on March 31, 2011. The panel upheld the EC’s claims with respect to some of the measures maintained by the states of Washington, Kansas, Illinois, and municipalities therein, the NASA aeronautics R&D measures, some of the U.S. Department of Defense (DOD) aeronautics R&D measures, and tax breaks relating to the U.S. Foreign Sales Corporations and Extraterritorial Income

⁹⁴ WTO, DSB, *DS414: China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States*, online summary (accessed March 14, 2013). See also USTR, “United States Prevails in Steel Dispute with China,” October 18, 2012.

Exclusion Act and successor acts. The panel estimated the total amount of these subsidies between 1989 and 2006 to have been at least \$5.3 billion. The panel either rejected other EC claims or exercised judicial economy and did not make findings. On April 1, 2011, the EU notified the DSB of its decision to appeal to the Appellate Body certain issues of law covered in the panel report and certain legal interpretations, and on April 28, 2011, the United States also notified the DSB of its decision to appeal.

The Appellate Body circulated its report to members on March 12, 2012, and on March 23, 2012, adopted the Appellate Body report and the panel report, as modified by the Appellate Body. With regard to measures under the NASA R&D programs and the U.S. DOD programs at issue, the Appellate Body found the payments and access to facilities, equipment, and employees provided to Boeing constitute financial contributions within the meaning of Article 1.1(a)(1) of the SCM Agreement, but took a different approach than the panel in reaching that conclusion. Among other things, the Appellate Body upheld, for different reasons, the panel's finding that the payment and access to facilities, equipment, and employees provided under the NASA procurement contract, and payments and access to facilities provided under the U.S. DOD assistance instruments, conferred a benefit on Boeing within the meaning of Article 1.1(b) of the SCM Agreement. The Appellate Body also upheld in part and reversed in part certain panel findings regarding Washington State tax reductions and Wichita, Kansas, Industrial Revenue Bonds and their effects.

On September 25, 2012, the EU requested consultations pursuant to Article 21.5 of the DSU, and on October 11, 2012, requested the establishment of a compliance panel. A compliance panel was composed on October 30, 2012, and on January 15, 2013, the chairman of the panel informed the DSB that the panel, in view of the complexity of the dispute, expects to circulate its report with the first half of 2014.

On September 27, 2012, the EU requested authorization by the DSB to take countermeasures under Article 22 of the DSU and Articles 4, 10, and 7.9 of the SCM Agreement. The United States objected to the level of suspension of concessions or other obligations, and requested that the matter be referred to arbitration pursuant to Article 22.6 of the DSU. At the DSB meeting on October 23, 2012, it was agreed that the matter should be referred to arbitration. On November 27, 2012, the arbitrator received requests from the United States and the EU to suspend the arbitration proceedings. The arbitrator suspended the arbitration proceedings on November 28, 2012.⁹⁵

United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products (DS381). In this dispute, Mexico challenged the United States' "dolphin-safe" labeling provisions. Mexico alleged that the U.S. measures—which establish the conditions for use of a "dolphin-safe" label on tuna products, and which condition access to the USDOC label upon the provision of documentary evidence that varies depending on the area where the tuna product is harvested and the fishing method used—are inconsistent with Articles I:1 and III:4 of the GATT 1994 and Articles 2.1, 2.2, and 2.4 of the TBT Agreement. Mexico asserted that the measures are discriminatory and

⁹⁵ WTO, DSB, *DS353: United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint*, online summary (accessed March 12, 2013). See also USTR, "United States Prevails in WTO Dispute over Large Civil Aircraft," March 31, 2011; and USTR, "U.S. Trade Representative Kirk Announces U.S. Victory," March 12, 2012. According to the USTR's press release, the Appellate Body found between \$3 billion and \$4 billion in U.S. subsidies, in the form of research funded by NASA and the Department of Defense and tax breaks granted by the state of Washington and city of Wichita, as well as lost sales of just over 100 aircraft.

also unnecessary. A panel was established on April 20, 2009, and composed on December 14, 2009.

The panel report was circulated to members on September 15, 2011. The panel rejected Mexico's first claim, finding that the U.S. labeling provisions do not discriminate against Mexican tuna products and are not inconsistent with Article 2.1 of the TBT Agreement. The panel also rejected Mexico's claim under Article 2.4 of the TBT Agreement, finding that the U.S. labeling requirements are not in violation of this provision, which requires that technical regulations be based on relevant international standards where possible. (The panel found that international standards identified to the panel by Mexico would not be appropriate or effective to achieve the U.S. objectives.) However, with respect to Mexico's claim under Article 2.2, the panel found that Mexico had demonstrated that the U.S. provisions are more trade-restrictive than necessary in light of the fact that they only partly address the legitimate objectives pursued by the United States and the fact that Mexico had provided the panel with a less restrictive alternative that could provide the same level of protection. The panel declined to rule on Mexico's nondiscrimination claims under GATT 1994 on judicial economy grounds. After the Mexico and the United States were granted an extension of time for filing an appeal, the United States notified the DSB on January 20, 2012, of its decision to appeal certain issues of law and legal interpretations developed by the panel, and on January 25, 2012, Mexico did so as well.

The Appellate Body report was circulated to members on May 16, 2012. With respect to Mexico's claim under Article 2.1 of the TBT Agreement, the Appellate Body reversed the panel's finding that the U.S. "dolphin-safe" labeling provisions are not inconsistent with Article 2.1, and found instead that the U.S. measure is inconsistent. Among other things, the Appellate Body reasoned that the U.S. measure modifies the conditions of competition to the detriment of Mexican tuna products by excluding most Mexican tuna products from access to the "dolphin-safe" label while granting access to most U.S. tuna products and tuna products from other countries. With regard to Mexico's claim under Article 2.2 of the TBT Agreement, the Appellate Body reversed the panel's finding that Mexico had demonstrated that the U.S. "dolphin-safe" labeling provisions are more trade restrictive than necessary to fulfill the United States' legitimate objectives. The Appellate Body reasoned that the panel had conducted a flawed analysis and comparison between the challenged measure and the alternative measure proposed by Mexico. The Appellate Body did not disagree with the panel's conclusion that the U.S. measure at issue is not inconsistent with Article 2.4 of the TBT Agreement.

The DSB adopted the Appellate Body report and the panel report, as modified by the Appellate Body report, at its meeting on June 13, 2012. At the DSB meeting on June 25, 2012, the United States said that it intends to implement the DSB recommendations and ruling, and the United States and Mexico subsequently advised the DSB that a reasonable time for the United States to do so is by July 13, 2013.⁹⁶

United States—Certain Country of Origin Labeling (COOL) Requirements (DS384) and United States—Certain Country of Origin Labeling Requirements (DS386). In these disputes, Canada and Mexico, respectively, challenged mandatory country of origin labeling (COOL) provisions in U.S. legislation that applied to certain covered agricultural commodities, including beef and pork, and were implemented through U.S. Department

⁹⁶ WTO, DSB, *DS381: United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products*, online summary (accessed March 11, 2013).

of Agriculture regulations.⁹⁷ These regulations included an obligation to inform retail consumers of the country of origin of the covered commodities. It also required that a commodity, in order to be labeled as exclusively of U.S. origin, had to be born, raised, and slaughtered in the United States. Canada and Mexico variously alleged that the U.S. measures were inconsistent with Articles III, IX, and X of the GATT 1994, Articles 2 and 12 of the TBT Agreement, Article 2 of the Agreement on Rules of Origin, and Articles 2, 5, and 7 of the Sanitary and Phytosanitary Measures (SPS) Agreement. On November 19, 2009, the DSB established a single panel to consider both disputes.

The panel report was circulated to members on November 18, 2011. The panel affirmed that the United States has the right under WTO rules to adopt COOL requirements and also confirmed that the United States had adopted the requirements to provide consumers with information about the origin of the meat products. However, the panel disagreed with the way in which the United States designed its requirements. The panel found the U.S. COOL statutory provisions and regulations violate Article 2.1 of the TBT Agreement by according less favorable treatment to imported Canadian cattle and hogs and Mexican cattle than to like domestic products, and also found that the requirements do not fulfill the legitimate objective of providing consumers with information on origin, and therefore violate Article 2.2 of the TBT Agreement. The panel also found that a letter issued by the U.S. Secretary of Agriculture on the implementation of the COOL measure constitutes unreasonable administration of the measure in violation of Article X:3(a) of the GATT 1994. However, the panel determined that Mexico failed to demonstrate that the COOL regulations violate Articles 2.4, 12.3, and 12.1 of the TBT Agreement. The panel did not find it necessary to rule on certain other claims under Articles III and Article XXIII of the GATT 1994. Following an extension of the appeal deadline, the United States on March 23, 2012, and Canada and Mexico on March 28, 2012, notified the DSB of their respective decisions to appeal certain issues of law covered in the panel report and certain legal interpretations developed by the panel.

The Appellate Body report was circulated to members on June 29, 2012, and adopted by the DSB on July 23, 2012 (along with the panel report, as modified by the Appellate Body report). The appeal concerned primarily the U.S. COOL measure (the U.S. statutory provisions and regulations) and the panel's findings that the measure is inconsistent with Articles 2.1 and 2.2 of the TBT Agreement. The Appellate Body upheld, for different reasons, the panel's finding that the COOL measure violates Article 2.1 of the TBT Agreement by according less favorable treatment to imported Canadian cattle and hogs and Mexican cattle than to like domestic cattle and hogs. The Appellate Body found the panel's analysis to be incomplete because it did not go on to consider whether the de facto detrimental impact stems exclusively from a legitimate regulatory distinction, in which case it would not violate Article 2.1. The Appellate Body found the COOL measure to lack evenhandedness because of its recordkeeping and verification requirements, and thus found that the detrimental impact on imported livestock cannot be said to stem exclusively from a legitimate regulatory distinction. The Appellate Body reversed the panel's finding that the COOL measure violates Article 2.2 of the TBT Agreement. The Appellate Body found that the panel had erred both in its analysis and in ignoring its own findings, which demonstrated that the COOL measure does contribute, at least to some extent, to achieving its objective of providing consumer information on origin.

⁹⁷ Specifically, provisions in the Agricultural Marketing Act of 1946, as amended by the Farm, Security and Rural Investment Act of 2002 and the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill), and as implemented through an interim final rule in 7 CFR Parts 60 and 65.

On August 21, 2012, the United States informed the DSB that it intended to implement the DSB recommendations and rulings and would need a reasonable period of time to do so. Canada requested that the reasonable period of time be determined through binding arbitration, and on October 4, 2012, the Director-General appointed an arbitrator. On December 4, 2012, the WTO arbitrator issued a determination announcing that the reasonable period of time would be until May 23, 2013.⁹⁸

United States—Measures Affecting the Production and Sale of Clove Cigarettes (DS406). In this dispute, Indonesia challenged a U.S. ban on clove cigarettes. Indonesia alleged that section 907 of the U.S. Federal Food, Drug, and Cosmetic Act signed into law on June 22, 2009,⁹⁹ prohibits the production or sale in the United States of cigarettes containing certain additives, including clove, but would continue to permit the production and sale of other cigarettes, including cigarettes containing menthol. Indonesia alleged that section 907 is inconsistent, inter alia, with Article III:4 of the GATT 1994, Article 2 of the TBT Agreement, and various provisions of the SPS Agreement. After consultations failed to resolve the dispute, Indonesia requested establishment of a panel. A panel was established on July 20, 2010, and composed on September 9, 2010.

The panel report was circulated to members on September 2, 2011. Indonesia made two main claims—that the ban is discriminatory, and that it restricts trade more than necessary. The panel agreed with Indonesia on the first claim. It found the measure to be a technical regulation that falls within the scope of the TBT Agreement and found the U.S. ban to be inconsistent with the national treatment obligation in Article 2.1 of the TBT Agreement because it accords less favorable treatment to clove cigarettes than to menthol cigarettes. The panel found clove and menthol-flavored cigarettes to be “like products” within the meaning of the TBT Agreement, based in part on its factual findings that both types of cigarettes are flavored and appeal to youth. However, the panel rejected Indonesia’s second main claim, indicating that Indonesia had failed to demonstrate that the ban is more trade-restrictive than necessary to fulfill a legitimate objective (in this case, reducing youth smoking) within the meaning of Article 2.2 of the TBT Agreement. The panel also found that the United States had acted inconsistently with its obligations in several other respects, including failure to notify technical regulations and failure to allow a reasonable interval between publication and entry into force of the regulation. However, the panel also found that Indonesia had failed to demonstrate that the United States acted inconsistently in other respects, such as in its obligations to provide an explanation of the draft technical regulation. On January 5, 2012, the United States notified the DSB that it would appeal to the Appellate Body certain issues of law covered in the panel report and legal interpretations.

The Appellate Body report was circulated to members on April 4, 2012, and adopted on April 24, 2012 (along with the panel report, as modified by the Appellate Body). The Appellate Body upheld the panel report but on somewhat different grounds. While agreeing with the panel that clove cigarettes and menthol cigarettes are “like products” within the meaning of Article 2.1 of the TBT Agreement, it disagreed with the panel’s finding that “like products” should be interpreted based on the regulatory purpose of the technical regulation at issue. Instead, the Appellate Body concluded that “like products” in Article 2.1 of the TBT Agreement should be considered in the context of the

⁹⁸ WTO, DSB, *DS384: United States—Certain Country of Origin Labeling (COOL) Requirements*; WTO, DSB, *DS386: United States—Certain Country of Origin Labeling Requirements*, online summary (accessed February 27, 2013).

⁹⁹ Section 907(a)(1)(A) of the Federal Food, Drug, and Cosmetic Act as added by section 101 of the Family Smoking Prevention Tobacco Control Act of 2009, Pub. L. 111-31.

competitive relationship between the products, based on an analysis of the traditional “likeness” criteria, such as physical characteristics, end-uses, and consumer tastes and habits. It viewed the regulatory concerns, such as health risks, as more appropriately considered in the context of the competitive relationship between the products. The Appellate Body also found that the design, architecture, revealing structure, operation, and application of section 907 of the U.S. statute strongly suggests that the detrimental impact on competitive opportunities for clove cigarettes reflects discrimination against the like products imported from Indonesia. The Appellate Body also upheld the panel’s finding that the United States had not met the minimum six months notification requirement in Article 2.12 of the TBT Agreement between publication and entry into force of a technical regulation.

On May 24, 2012, the United States informed the DSB of its intention to implement the DSB recommendations and rulings in a manner that protects public health and respects its WTO obligations. The United States and Indonesia agreed that a reasonable time to do this would be by July 24, 2013.¹⁰⁰

United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China (DS422). In this dispute, China challenged U.S. use of zeroing in the original investigation and several administrative reviews in calculating dumping margins on imports of shrimp from China and with regard to the U.S. zeroing practice in calculating dumping margins on imports of diamond sawblades and parts thereof from China. China asserted that the U.S. zeroing practices are inconsistent with U.S. obligations under Article VI of GATT 1994 and the Anti-Dumping Agreement. China also asserted that the USDOC’s reliance, in the sunset review, on the dumping margins calculated in the original investigation and administrative reviews is inconsistent with U.S. obligations under Article 11.3 of the Anti-Dumping Agreement. After consultations failed to resolve the dispute, China asked that a panel be established. A panel was established on October 25, 2011, and the panel was composed on December 21, 2011.

The panel report was circulated to members on June 8, 2012. Before the panel, China restricted its claims to the alleged use by the USDOC of zeroing in the antidumping investigations at issue. China’s claims concerned (1) the use by USDOC of the zeroing methodology in the calculation of certain dumping margins in these original investigations, and (2) the USDOC’s reliance on the same dumping margins, calculated with zeroing, in calculating the separate rate applied to exporter/producers not selected for individual examination but who had established that they act independently from the Chinese government in the export activities. The United States did not contest the factual assertions made by China regarding the USDOC’s use of zeroing in the investigations at issue and the USDOC’s reliance upon dumping margins calculated with zeroing to establish the separate rate. Nor did the United States contest the legal relevance, to the facts in dispute, of the Appellate Body reports cited by China.

The panel upheld China’s claim concerning the USDOC’s use of zeroing in the calculation of dumping margins for individually examined exporters/producers, and found that the zeroing methodology used by USDOC in calculating the margins of dumping for the three antidumping investigations at issue was inconsistent with Article 2.4.2 of the Anti-Dumping Agreement. The panel rejected China’s claim concerning the separate rate, but noted that the calculation of the separate rate on the basis of individual

¹⁰⁰ WTO, DSB, *DS406: United States—Measures Affecting the Production and Sale of Clove Cigarettes*, online summary (accessed March 8, 2013).

margins calculated with zeroing necessarily incorporated the WTO-inconsistent zeroing methodology.

The DSB adopted the panel report on July 23, 2012. On July 27, 2012, China and the United States informed the DSB that they had agreed that the reasonable period of time for the United States to implement the DSB recommendation and rulings would be eight months—by March 23, 2013.¹⁰¹

Organisation for Economic Co-operation and Development

The Organisation for Economic Co-operation and Development (OECD) provides a forum for member governments to review and discuss economic, social, and other policy experiences affecting their market economies, as well as engage with other major nonmember economies to address issues facing the global economy. At the end of 2012, there were 34 OECD members.¹⁰²

Ministerial Council Meeting

The meeting of the OECD Council at the ministerial level was held in Paris, France, on May 23–24, 2012. During its ministerial meeting, the council discussed policies addressing economic growth and domestic employment, as well as policy issues focused on trade and on OECD development partners.¹⁰³ In addition, ministers welcomed Russia and Colombia as new members of the Working Group on Bribery in International Business Transactions, and also welcomed the recent OECD Recommendation on Public Governance of Public-Private Partnership.¹⁰⁴

Responding to the OECD's economic outlook—which cited a fragile and uneven recovery across different regions even as the world economy seemed to be gaining momentum—ministers highlighted the need to move forward with structural reforms as a key channel to spur economic growth and raise confidence.¹⁰⁵ Ministers underlined the importance of promoting policies that maximize job creation and counter job inequality, increase long-term investment and regional integration through structural reforms, and reform the financial system and make it more resilient.¹⁰⁶

¹⁰¹ WTO, DSB, *DS422: United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China*, online summary (accessed January 8, 2013).

¹⁰² The 34 OECD members at yearend 2012 were Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States. OECD, "List of OECD Member Countries—Ratification of the Convention on the OECD." n.d. <http://www.oecd.org/general/listofocdmembercountries-ratificationoftheconventionontheoecd.htm> (accessed March 1, 2013).

¹⁰³ OECD, Council, "Draft Agenda—Meeting of the Council at Ministerial Level: All on Board—Policies for Inclusive Growth and Jobs," C/A(2012)7, May 21, 2012.

¹⁰⁴ OECD, "Ministerial Council Meeting 2012—Chair's Summary," n.d. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013).

¹⁰⁵ OECD, "Economy: Global Economy Recovering," n.d. <http://www.oecd.org/economy/economyglobaleconomyrecoveringbutmajorriskremainsaysoecd.htm> (accessed April 11, 2013).

¹⁰⁶ OECD, "Ministerial Council Meeting 2012—Chair's Summary," n.d. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013).

Following discussion of the current economic outlook, the OECD Secretary-General¹⁰⁷ addressed the ministers concerning policies aimed at restoring strong, inclusive, and jobs-rich growth, in particular those aimed at addressing job and gender inequalities.¹⁰⁸ The Secretary-General urged the OECD to strengthen its work on policies aimed at new sources of growth, such as “green” growth, knowledge-based assets, job skills, gender equality, and migration.¹⁰⁹ Ministers encouraged further work under the OECD Innovation and Green Growth Strategies, the latter of which in particular looks to expand economic growth and job creation through sustainable use of natural resources, greater efficiencies in energy use, and development of a framework to value ecosystem services. Recognizing that structural policies, green growth, and science, technology, and innovation policies can be mutually reinforcing, the ministers called on the OECD to prepare an integrated policy report for their meeting in 2013 as one means by which to incorporate related policy recommendations into regular policy analysis and discussions.¹¹⁰

Ministers welcomed the launch of the OECD Skills Strategy,¹¹¹ which is designed to promote investment in people and jobs, with particular attention to policies addressing the areas of education, entrepreneurship, and employment opportunities that help expand gender equality.¹¹² In this context, ministers stressed the need to help countries and governments invest in skills shown to drive growth in their economies. The strategy focuses on policy areas intended to develop the necessary skills to respond to labor market needs, ensure that existing skills are fully utilized, tackle unemployment by helping young people find jobs that make the best use of their skills, and stimulate the creation of high-skilled and value-added jobs, as well as exploit linkages to other policy fields, such as education, science and technology, employment, economic development, migration, and public finance.¹¹³ In a related effort, ministers welcomed a report on the OECD Gender Initiative, launched in 2010, and called for work to continue in this area.¹¹⁴ The report highlighted that, over the past 50 years, increased education has accounted for roughly half of economic growth in OECD countries, and that policies directed toward education, employment, and entrepreneurship for women in particular can help bring about strong and sustainable economic growth by making best use of all available resources.¹¹⁵

¹⁰⁷ OECD, Council, “Meeting of the Council at Ministerial Level, 23–24 May 2012—Strategic Orientations by the Secretary-General,” C/MIN(2012)1/FINAL, June 15, 2012.

¹⁰⁸ OECD, Council, “Meeting of the Council at Ministerial Level, 23–24 May 2012—New Approaches to Economic Challenges—A Framework Paper,” C/MIN(2012)2/FINAL, June 13, 2012.

¹⁰⁹ OECD, Council, “Meeting of the Council at Ministerial Level, 23–24 May 2012—Strategic Orientations by the Secretary-General,” C/MIN(2012)1/FINAL, June 15, 2012, 2–4.

¹¹⁰ OECD, “Ministerial Council Meeting 2012—Chair’s Summary,” undated. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013).

¹¹¹ OECD, Council, “Better Skills. Better Jobs. Better Lives. The OECD Skills Strategy,” C/MIN(2012)4, April 30, 2012.

¹¹² OECD, Council, “Gender Equality in Education, Employment and Entrepreneurship—Final Report to the MCM 2012,” C/MIN(2012)5, April 27, 2012.

¹¹³ OECD, Council, “Better Skills. Better Jobs. Better Lives. The OECD Skills Strategy,” C/MIN(2012)4, April 30, 2012, 2, 6.

¹¹⁴ OECD, Council, “Gender Equality in Education, Employment and Entrepreneurship—Final Report to the MCM 2012,” C/MIN(2012)5, April 27, 2012, 2; OECD, “Ministerial Council Meeting 2012—Chair’s Summary,” n.d. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013); OECD, *Secretary-General’s Report to Ministers 2012*, May 9, 2012, 29.

¹¹⁵ OECD, Council, “Gender Equality in Education, Employment and Entrepreneurship—Final Report to the MCM 2012,” C/MIN(2012)5, April 27, 2012, 2–7.

Ministers also discussed relations and initiatives regarding development matters¹¹⁶ between the OECD and five so-called Enhanced Engagement partners—Brazil, China, India, Indonesia, and South Africa.¹¹⁷ In addition, ministers considered OECD involvement with strategic regions, such as the Middle East and North Africa. Ministers endorsed the Framework for an OECD Strategy on Development, a strategy intended to broaden collaboration and knowledge sharing between the OECD and developing countries regarding both policy successes and failures. The strategy will address issues such as innovative and sustainable sources of growth; greater mobilization of domestic resources for development, including a favorable investment climate; and good governance practices, with an emphasis on policies to combat corruption and help correct poorly functioning or nontransparent tax systems that pose major barriers to long-term growth in many developing countries.¹¹⁸

Finally, ministers addressed the area of trade policy as a driver of jobs-rich growth,¹¹⁹ again stressing the importance of the multilateral trade system and its rules-based disciplines as an essential source of sustainable economic growth, development, and job creation. They pointed to trade facilitation as a major driver of competitiveness and an important tool to increase jobs and growth.¹²⁰ Ministers renewed their commitment to resist protectionism,¹²¹ reaffirming their standstill and rollback commitments concerning protectionist trade measures.¹²² They welcomed the completion of the work done under the International Collaborative Initiative on Trade and Employment (ICITE) as a means to better understand mechanisms by which trade affects employment patterns.¹²³ Ministers further encouraged OECD research on trade in services, particularly work developing a services trade restrictiveness index (STRI).¹²⁴ Ministers stressed that this work should include Enhanced Engagement partner countries¹²⁵ that are or look to be major services providers in the world economy, but which are not now OECD members.¹²⁶

¹¹⁶ OECD, Council, “OECD Strategy on Development,” C/MIN(2012)6, April 27, 2012, 7.

¹¹⁷ OECD, Council, “Meeting of the Council at Ministerial Level, 23–24 May 2012—The OECD’s Relations with Its Key Partners,” C/MIN(2012)8, April 27, 2012.

¹¹⁸ OECD, Council, “OECD Strategy on Development,” C/MIN(2012)6, April 27, 2012, 2; OECD, “Ministerial Council Meeting 2012—Chair’s Summary,” undated. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013); OECD, *Secretary-General’s Report to Ministers 2012*, May 9, 2012, 30.

¹¹⁹ OECD, Council, “Towards a More Open Trading System and Jobs Rich Growth,” C/MIN(2012)9, April 27, 2012.

¹²⁰ OECD, “Ministerial Council Meeting 2012—Chair’s Summary,” undated. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013).

¹²¹ OECD, Council, “Towards a More Open Trading System and Jobs Rich Growth,” C/MIN(2012)9, April 27, 2012, 3.

¹²² OECD, “Ministerial Council Meeting 2012—Chair’s Summary,” undated. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013).

¹²³ This work was released in OECD, *Policy Priorities for International Trade and Jobs*, 2012.

¹²⁴ OECD, Council, “Towards a More Open Trading System and Jobs Rich Growth,” C/MIN(2012)9, April 27, 2012, 6–7.

¹²⁵ The 2012 Ministerial Council Meeting marked the fifth anniversary of the launching of the OECD’s Enhanced Engagement program, which is aimed at advancing the OECD’s relationship with five key partners—Brazil, China, India, Indonesia, and South Africa.

<http://www.oecd.org/general/theoecdrelationswithitskeypartners.htm> (accessed March 1, 2013).

¹²⁶ OECD, “Ministerial Council Meeting 2012—Chair’s Summary,” undated. <http://www.oecd.org/general/ministerialcouncilmeeting2012-chairsummary.htm> (accessed April 11, 2013).

*Trade Committee*¹²⁷

The OECD Trade Committee held its 159th session on May 9–10, 2012. In its plenary session, the chair of the Working Party of the Trade Committee presented highlights of ongoing work on services, notably agreement on methodology toward the STRI. The chair also drew attention to committee work on global value chains, and on trade in value-added terms.¹²⁸ In nonplenary session, the committee heard a post-accession report on progress made by Chile in IPR, in particular legal and regulatory reforms, enforcement actions, and measures to advance innovation capacity in the Chilean economy.¹²⁹ The committee also took up items related to Russia's OECD accession, both overall and in the context of the Trade Committee. Regarding the accession's overall status, members of the Trade Committee heard a report that most of the 22 OECD committees involved in reviewing the accession had opened substantive discussions on their issues, with discussions on shipbuilding already concluded. At the time of the meeting, the OECD committee reviews were set to be completed by June 2013.¹³⁰

The OECD Trade Committee held its 160th session on November 7, 2012. In its plenary session, members discussed steps to move work on the STRI toward substantive results for presentation at the OECD Ministerial Council Meeting in spring 2014. They welcomed the prospect that a database of measures affecting trade in services covering Brazil, China, India, Indonesia, and South Africa would be ready by the end of June 2013. Members also agreed in November that work on financial services should begin directly to meet the mandate that all major service sectors be covered in the index by June 2014. They further agreed that logistics services were also important, considering their connection to global value chains and trade facilitation.¹³¹

In nonplenary session, the committee reviewed ongoing work on cross-border aspects of state-owned enterprises, which focuses on such issues as subsidies, discriminatory regulations, discriminatory procurement practices, and selective law enforcement. The committee touched again on Russia's accession to the OECD, focusing on its market openness review, and hearing a status report on Russia's accession to the WTO. The committee also heard concerns from WTO members regarding Russia's commitments in areas such as tariffs, recycling fees on imported vehicles, and Russia's SPS regime, as well as others.¹³²

The Trade Committee also touched on its Global Relations Strategy, a recent activity which includes engaging southeast Asian nations in the work of the committee. As part of the strategy, committee members agreed to continue meetings with nonmember G20 economies, and proposed inviting several nonmember countries to become Trade Committee observers. The committee discussed continuing Argentina's participation in the committee, and inviting China, India, Indonesia, Saudi Arabia, and South Africa to

¹²⁷ OECD, "Summary Record: 157th Session of the Trade Committee—Plenary Session—4–5 May 2011," TAD/TC/M(2011)1, October 28, 2011; OECD, "Summary Record: 157th Session of the Trade Committee—Confidential Session—4–5 May 2011," TAD/TC/M(2011)1/ANN, October 28, 2011.

¹²⁸ OECD, TAD, TC, "Summary Record: 159th Session of the Trade Committee—Plenary Session—9–10 May 2012," TAD/TC/M(2012)1, August 29, 2012.

¹²⁹ Chile acceded to the OECD in May 2010.

¹³⁰ OECD, TAD, TC, "Summary Record: 159th Session of the Trade Committee—Confidential Session—9 May 2012," TAD/TC/M(2012)1/ANN, Confidential, August 29, 2012.

¹³¹ OECD, TAD, TC, "160th Session of the Trade Committee: Plenary Session—Draft Agenda—7 November, 2012," TAD/TC/A(2012)2, October 2, 2012.

¹³² OECD, TAD, TC, "160th Session of the Trade Committee: Confidential Session—Draft Agenda—6–7 November 2012," TAD/TC/A(2012)2/ANN, Confidential, October 2, 2012.

become observers in different aspects of its work. Lastly, the committee discussed scheduling Israel's initial and subsequent progress reports since its OECD accession on the subjects of IPR and taxes on alcoholic spirits.¹³³

Asia-Pacific Economic Cooperation

Asia-Pacific Economic Cooperation (APEC) is an international organization composed of 21 Pacific Basin economies seeking to enhance intraregional economic growth and cooperation.¹³⁴ The organization operates as a cooperative, multilateral economic and trade group, where decisions are made by consensus and commitments are undertaken voluntarily. Since its inception, APEC has aimed to facilitate economic growth, trade, investment, and cooperation in the Asia-Pacific region.¹³⁵ APEC pursues progress toward greater regional economic integration through annual meetings of heads of state and trade ministers, and coordinates capacity-building and liberalization efforts with member economies throughout the year. In 1994, member economies committed to the “Bogor Goals”—named for the summit meeting in Bogor, Indonesia—which aimed to create a free and open trade and investment area in the Asia-Pacific region by 2010 for the industrialized member economies and by 2020 for the developing member economies.¹³⁶

Under the chairmanship of Russia throughout 2012, APEC focused on three goals: increasing regional economic integration in the context of a troubled and evolving global economy; expanding green economic growth initiatives that began in 2011; and improving cooperation on food security.¹³⁷ In addition, the APEC annual summit, held in Vladivostok, Russia, in September 2012, served as a forum for discussing possible pathways and progress toward a Free Trade Area of the Asia-Pacific (FTAAP) as well as other multilateral commitments. APEC's various groups worked throughout the year to improve the prospects of meeting the Bogor Goals and to develop a coordinated approach to the FTAAP.

The Bogor Goals, FTAAP, and Related APEC Commitments

In 2012, APEC ministers and leaders remained committed to achieving the Bogor Goals, finding that APEC member economies had moved in the right direction since progress toward the goals had previously been assessed in 2010, but that trade barriers between the member economies remained.¹³⁸ These assessments were based on reports and “dashboards” of indicators prepared by the APEC Policy Support Unit, which identified qualitative and quantitative achievements and areas for improvement for each country.¹³⁹ Trade ministers highlighted the role of capacity-building programs as useful instruments

¹³³ Israel acceded to the OECD in September 2010.

¹³⁴ APEC was established in 1989 when ministers from 12 Asia-Pacific governments met in Canberra, Australia, to discuss world and regional economic developments, global trade liberalization, and opportunities for regional cooperation. Current APEC membership includes Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Taiwan; Thailand; the United States; and Vietnam. For further details, see APEC, *APEC at a Glance*, January 2013, and the APEC website, <http://www.apec.org/>.

¹³⁵ APEC, *APEC at a Glance*, January 2013.

¹³⁶ Ibid.

¹³⁷ APEC, “2012 Leaders' Declaration,” September 9, 2012.

¹³⁸ APEC, “2012 Leaders' Declaration,” September 9, 2012; APEC, “2012 Ministers' Joint Statement,” September 6, 2012.

¹³⁹ APEC, PSU, *APEC's Bogor Goals Progress Report*, August 2012; APEC, PSU, *APEC's Bogor Goals Dashboard*, August 2012.

toward reaching the Bogor Goals.¹⁴⁰ In particular, they singled out their support for the Capacity Building Needs Initiative, an ongoing APEC program designed to identify and build capacity in the trade policymaking tools which will be needed by countries to negotiate an eventual FTAAP.¹⁴¹ Recognizing that multiple FTAs are in effect or are being negotiated among APEC countries, APEC member economies developed and endorsed a model chapter intended to encourage consistent approaches to the design of chapters on transparency standards in various FTAs under negotiation. Using the WTO rules as the minimum standard for transparency provisions, the model chapter draws on existing chapters in FTAs between member countries, Article X of the GATT, and Article III of the GATS.¹⁴²

The trade ministers of nine countries negotiating the Trans-Pacific Partnership (TPP)—one of the stated possible pathways toward the FTAAP—again used the APEC Leaders’ Meeting in September as a forum to announce progress toward reaching an agreement.¹⁴³ Leaders from the nine TPP countries reaffirmed their commitments (made in the previous year) to conclude the regional agreement as a promising pathway for free trade and economic integration across the Asia-Pacific. Leaders further welcomed Canada and Mexico as new partners in anticipation of their expected participation in TPP negotiations later in 2012, and directed negotiating teams to continue discussions with other Asia-Pacific partners interested in joining the TPP.¹⁴⁴

Russia acceded to the WTO in 2012, making 2012 the first year in which all APEC members were also members of the WTO. APEC leaders and ministers reiterated their confidence in the underlying institutional strength of the WTO, and reaffirmed support for “different, fresh and credible” negotiating approaches aimed at concluding the Doha Round, as well as nearer-term possible outcomes such as progress on trade facilitation and other development-related issues.¹⁴⁵ In addition, trade ministers encouraged swift progress in the negotiations to expand product coverage and membership of the WTO Information Technology Agreement (ITA), noting that expansion would bolster the economy and contribute to APEC’s mission to facilitate regional economic integration. Ministers called on all APEC economies to join the agreement.¹⁴⁶

Regional Economic Integration, Regulatory Cooperation, and Food Security

In addition to providing a forum for leaders to discuss possible pathways toward multilateral liberalization, APEC pursues an agenda of regional economic integration that relies on developing nonbinding common principles, action plans, workshops, and research on best practices. In addition, APEC pursues economic objectives of shared importance driven by the needs and interests of member countries. This work ranges from technical policy prescriptions, studies, and workshops to more open-ended forums for discussion, and is therefore designed to deal practically with known issues as well as explore new areas of economic integration. These efforts continue year-round under the

¹⁴⁰ APEC, “2012 Ministers’ Joint Statement,” September 6, 2012.

¹⁴¹ APEC, CTI, *CTI Annual Report to Ministers: 2012*, September 2012, appendix 1.

¹⁴² APEC, CTI, *CTI Annual Report to Ministers: 2012*, September 2012, appendix 2.

¹⁴³ TPP Leaders, “Trans-Pacific Partnership Trade Ministers’ Report to Leaders,” September 9, 2012.

¹⁴⁴ TPP Trade Ministers, “Trans-Pacific Partnership Leaders Statement,” September 9, 2012.

¹⁴⁵ APEC, “2012 Ministers’ Joint Statement,” September 6, 2012; APEC, “2012 Leaders’ Declaration,” September 9, 2012.

¹⁴⁶ APEC, “2012 Leaders’ Declaration,” September 9, 2012.

oversight of the APEC Committee on Trade and Investment (CTI) and are guided by the outcomes of ministerial and leadership meetings.

Building on an initiative begun in 2011, member economies agreed on a finalized APEC List of Environmental Goods and committed to reduce applied tariffs on these products to 5 percent or less on an MFN basis by the end of 2015. The list includes renewable and clean technology products, water and waste water treatment equipment, air pollution control equipment, and environmental monitoring assessment equipment.¹⁴⁷ Other green growth initiatives included a continuation of technical initiatives designed to facilitate and encourage trade in remanufactured goods, efforts to disseminate and apply energy efficient technologies, and a renewal of commitments to refrain from protectionism in the name of green growth promotion.¹⁴⁸

The APEC Group on Services made progress on several initiatives, including developing an Action Plan on Statistics on Trade in Services, an effort to improve collection methods and the quality of services statistics in the region. Member countries also participated in expanding the Services Trade Access Requirements (STAR) Database, which is a tool businesses can use to facilitate trade in services, and is particularly useful for small and medium-sized enterprises.¹⁴⁹ The Electronic Commerce Steering Group took practical steps to begin implementation of the Cross-Border Privacy Rules (CBPR) System, a program designed to reduce potential barriers to information flows while simultaneously enhancing consumer privacy according to the various privacy regimes held by member economies.¹⁵⁰ Trade ministers also highlighted the need for discussion on issues of potential interoperability between the EU's Binding Corporate Rules and APEC's CBPR System.¹⁵¹

Food security was a major focal point in APEC's policy agenda in 2012. Specifically, APEC countries were focused on improving agricultural productivity, promoting food trade and development of food markets, enhancing food safety, reducing food vulnerability for certain groups, and ensuring sustainable management of fisheries.¹⁵² In Kazan, Russia, in May 2012, APEC countries held the inaugural meeting of the APEC Policy Partnership on Food Security, a high-level consultative forum which serves to foster policy and technical cooperation as a means of ensuring food security in the region.¹⁵³ APEC also launched the Asia-Pacific Food Security Information Platform in March 2012, which is an online system for sharing information on food security in the APEC region.¹⁵⁴

¹⁴⁷ Ibid., Annex C.

¹⁴⁸ APEC, "2012 Leaders' Declaration," September 9, 2012; APEC, CTI, *CTI Annual Report to Ministers: 2012*, September, 2012, appendix 4.

¹⁴⁹ APEC, CTI, *CTI Annual Report to Ministers: 2012*, September 2012.

¹⁵⁰ Ibid, 36–37.

¹⁵¹ APEC, "2012 Ministers' Joint Statement," September 6, 2012.

¹⁵² APEC, *Outcomes and Outlook*, January 2013.

¹⁵³ APEC, "2012 Ministers' Joint Statement," September 6, 2012.

¹⁵⁴ Ibid; Asia-Pacific Information Platform on Food Security. <http://www.apip-apec.com/> (accessed March 5, 2012).

CHAPTER 4

U.S. Free Trade Agreements

This chapter summarizes developments related to U.S. free trade agreements (FTAs) during 2012. It describes trends in U.S. merchandise trade with FTA partners, the status of U.S. FTA negotiations during the year, and major North American Free Trade Agreement (NAFTA) activities, including NAFTA dispute settlement developments during the year.

FTAs in Force during 2012

The United States was a party to 14 FTAs as of December 31, 2012.¹ Three FTAs entered into force in 2012: the U.S.-Panama Trade Promotion Agreement (TPA) (October 31), the U.S.-Colombia TPA (May 15), and the U.S.-Korea FTA (March 15). The other FTAs in force during 2012 were the U.S.-Oman FTA (2009); the U.S.-Peru TPA (2009); a multiparty FTA with the countries of Central America and the Dominican Republic (CAFTA-DR) that includes the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (entered into force 2006–07), and Costa Rica (2009); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); NAFTA with Canada and Mexico (1994); and the U.S.-Israel FTA (1985).

Two-way merchandise trade between the United States and its 20 FTA partners amounted to \$1.4 trillion or 37.7 percent of total U.S. merchandise trade in 2012 (table 4.1). U.S. trade with FTA partners is dominated by trade with the NAFTA countries. In 2012, Canada and Mexico accounted for 75.0 percent of total U.S. trade with its FTA partners, or \$1.0 trillion. Two-way trade with Canada and Mexico increased by 4.8 percent in 2012, with exports expanding by 6.5 percent and imports by 3.7 percent. Strong growth in U.S. exports to the NAFTA countries was led by exports of machinery and equipment, while U.S. imports of crude petroleum, a major import from both Canada and Mexico, increased only slightly in value. The U.S. merchandise trade deficit with the NAFTA partners declined by 2.4 percent in 2012 to \$181.0 billion.

Outside of the NAFTA, U.S. two-way trade with those FTA partners with whom FTAs were in place in 2011² amounted to \$228.8 billion and increased by 4.4 percent in 2012. Growth in U.S. exports outstripped that of U.S. imports, with exports rising by 6.0 percent in 2012 compared to 2.5 percent for imports. The United States registered a merchandise trade surplus with these partners of \$23.3 billion in 2012, an increase of 24.6 percent from 2011 and an increase of over 100 percent from the level in 2010. Completion of FTAs with Korea, Colombia, and Panama in 2012 added an additional \$110.3 billion (8.8 percent) to 2012 U.S. two-way trade with FTA partners.

¹ Since the U.S.-Singapore FTA in 2004, the modifications to the Harmonized Tariff Schedule of the United States (HTS) required to implement each FTA can be found at USITC, Tariff Information Center website, http://www.usitc.gov/tariff_affairs/hts_index.htm.

² Outside of the NAFTA, there were 15 FTA partners with 10 FTAs in place during 2011, including CAFTA-DR (with six FTA partners) and FTAs with Israel, Jordan, Chile, Singapore, Australia, Morocco, Bahrain, Oman, and Peru.

TABLE 4.1 U.S. merchandise trade with FTA partners, by FTA partner, 2010–12

	2010	2011	2012
	Million \$		
Exports:			
Israel	6,479	8,084	9,729
NAFTA	337,558	393,684	419,358
Canada	205,956	233,774	244,199
Mexico	131,602	159,910	175,159
Jordan	1,138	1,410	1,645
Chile	9,903	14,498	17,309
Singapore	26,349	28,224	27,013
Australia	20,296	25,491	28,907
Morocco	1,931	2,842	2,237
Bahrain	1,204	1,166	1,146
CAFTA-DR	22,735	28,403	28,204
Oman	1,061	1,369	1,661
Peru	6,079	7,412	8,196
Korea	0	0	33,122
Colombia	0	0	10,038
Panama	0	0	1,687
FTA partner total	434,732	512,584	590,252
World total	1,122,131	1,299,176	1,353,211
FTA partner share of world (percent)	38.7	39.5	43.6
Imports:			
Israel	20,975	23,022	22,122
NAFTA	504,360	579,067	600,333
Canada	275,536	316,397	323,925
Mexico	228,824	262,671	276,408
Jordan	974	1,060	1,155
Chile	7,068	9,170	9,385
Singapore	17,345	18,982	20,080
Australia	8,610	10,173	9,575
Morocco	685	991	937
Bahrain	420	518	701
CAFTA-DR	23,701	27,947	30,848
Oman	773	2,184	1,354
Peru	5,173	6,153	6,586
Korea	0	0	48,926
Colombia	0	0	16,411
Panama	0	0	109
FTA partner total	590,083	679,267	768,523
World total	1,898,610	2,186,951	2,251,035
FTA partner share of world (percent)	31.1	31.1	34.1
Trade Balance:			
Israel	-14,496	-14,938	-12,393
NAFTA	-166,802	-185,384	-180,975
Canada	-69,580	-82,623	-79,726
Mexico	-97,222	-102,761	-101,249
Jordan	164	350	490
Chile	2,835	5,328	7,923
Singapore	9,005	9,243	6,933
Australia	11,685	15,318	19,332
Morocco	1,246	1,851	1,300
Bahrain	784	648	446
CAFTA-DR	-966	456	-2,644
Oman	288	-815	307
Peru	906	1,259	1,610
Korea	0	0	-15,804
Colombia	0	0	-6,374
Panama	0	0	1,578
FTA partner total	-155,351	-166,683	-178,271
World total	-776,479	-887,775	-897,824
FTA partner share of world (percent)	20.0	18.8	19.9

Source: USDOC.

Note: The U.S.-Korea FTA entered into force on March 15, 2012 (data reported for March forward); the U.S.-Colombia FTA entered into force on May 15, 2012 (data reported for May forward); and the U.S.-Panama FTA entered into force on October 31, 2012 (data reported for November forward).

TABLE 4.2 U.S. imports entered under FTA provisions, by FTA partner, 2010–12

FTA partner	2010	2011	2012	% change, 2011–12
	Million \$			
Israel	2,726	2,661	2,952	10.9
NAFTA	286,131	326,551	343,832	5.3
Canada	145,426	162,734	175,241	7.7
Mexico	140,705	163,817	168,591	2.9
Jordan	606	870	1,012	16.3
Chile	4,429	5,706	5,668	-0.7
Singapore	1,163	1,138	1,068	-6.1
Australia	2,751	3,034	3,419	12.7
Morocco	163	201	166	-17.8
Bahrain	274	326	425	30.3
CAFTA-DR	10,513	11,912	12,610	5.9
Oman	350	1,526	655	-57.1
Peru	2,224	3,079	2,658	-13.7
Korea	0	0	11,635	^(a)
Colombia	0	0	7,638	^(a)
Panama	0	0	4	^(a)
Total imports under FTA provisions	311,329	357,005	393,742	10.3
World	1,898,610	2,186,951	2,251,035	2.9
	Share of total imports from FTA partner			
Israel	13.0	11.6	13.3	
NAFTA	56.7	56.4	57.3	
Canada	52.8	51.4	54.1	
Mexico	61.5	62.4	61.0	
Jordan	62.2	82.1	87.7	
Chile	62.7	62.2	60.4	
Singapore	6.7	6.0	5.3	
Australia	31.9	29.8	35.7	
Morocco	23.8	20.3	17.7	
Bahrain	65.3	62.9	60.6	
CAFTA-DR	44.4	42.6	40.9	
Oman	45.3	69.8	48.3	
Peru	43.0	50.0	40.4	
Korea	^(a)	^(a)	23.8	
Colombia	^(a)	^(a)	46.5	
Panama	^(a)	^(a)	3.6	
FTA partner total	52.8	52.6	51.2	

Source: USDOC.

^aNot applicable.

The value of U.S. imports entered under FTA provisions increased 10.3 percent from \$357.0 billion in 2011 to \$393.7 billion in 2012 (table 4.2), partly due to the entry into force of three new FTAs in 2012. U.S. imports that entered under FTA provisions accounted for 51.2 percent of total imports from FTA partners. Approximately 40.9 percent of total imports from CAFTA-DR partners entered under FTA provisions in

2012. Particularly high shares (more than 60 percent) of total imports from Jordan, El Salvador, Honduras, Mexico, Bahrain, and Chile (listed in descending order of magnitude) entered under FTA provisions. By contrast, particularly low shares (20 percent or less) of total imports from Morocco, Israel, Costa Rica, Singapore, and Panama entered under FTA provisions.

The share of U.S. imports from these countries (except Panama) that entered under FTA provisions continued to be small in 2012 because a large share (over 60 percent) of the imports from these countries already entered the United States duty free under normal trade relations.³ Imports that entered under FTA provisions accounted for 17.5 percent of total U.S. imports in 2012, an increase from 16.3 percent in 2011.

FTA Developments during 2012

During 2012, as noted earlier, U.S. FTAs entered into force with Korea, Colombia, and Panama. In June 2012, the United States and the other Trans-Pacific Partnership (TPP) negotiating partners extended an invitation to Mexico and Canada to join the negotiations, pending successful conclusion of Mexico and Canada's domestic procedures.⁴ During 2012, the United States and the European Union (EU) explored options for expanding bilateral trade and investment, but no final decision was made during the year.⁵ The status of U.S. FTA negotiations during 2012 is shown in table 4.3.

Thirteen of the 14 U.S. FTAs have provisions on labor rights. According to the U.S. Department of Labor (USDOL), there are ongoing labor disputes under NAFTA, CAFTA-DR, the U.S.-Bahrain FTA, and the U.S.-Peru TPA.⁶ In 2008, the AFL-CIO and six Guatemalan unions filed a public submission under the CAFTA-DR alleging that the Guatemalan government failed to enforce its labor law effectively.⁷ USTR requested consultations with Guatemala under CAFTA-DR in 2010, and the establishment of an arbitral panel in 2011. This case represents the first labor case the United States has brought against a trade agreement partner.⁸

Ten FTAs contain provisions designed to protect foreign investors and their investments and to facilitate the settlement of investment disputes. According to the U.S. Department of State, among the U.S. FTAs that provide for investor-state dispute settlement, there are ongoing investor disputes under NAFTA,⁹ CAFTA-DR, the U.S.-Chile FTA, and the U.S.-Peru TPA.¹⁰

³ Less than 5 percent of U.S. imports from Panama entered under the U.S.-Panama TPA because the TPA did not enter into force until October 31, 2012.

⁴ USTR, "U.S. Trade Representative Kirk Welcomes Mexico," June 18, 2012; "U.S. Trade Representative Kirk Welcomes Canada," June 19, 2012.

⁵ On February 13, 2013, the United States and EU announced their intentions to launch negotiations on a Transatlantic Trade and Investment Partnership (TTIP).

⁶ USDOL, Office of Trade and Labor Affairs, "Free Trade Agreements, How Labor Rights are Enforced in FTAs (Submissions)." <http://www.dol.gov/ilab/programs/otla/freetradeagreement.htm> (accessed April 2, 2013).

⁷ USTR, "USTR Kirk Announces Labor Rights Trade Enforcement Case Against Guatemala," July 30, 2010.

⁸ USTR, "U.S. Trade Representative Ron Kirk Announces Next Step in Labor Rights Enforcement Case Against Guatemala," August 9, 2011.

⁹ For more information on dispute settlement under NAFTA, see the section on NAFTA later in this chapter.

¹⁰ For more information, see U.S. Department of State, International Claims and Investment Disputes. <http://www.state.gov/s/l/c3433.htm> (accessed April 2, 2013).

TABLE 4.3 Status of U.S. FTA negotiations during 2012

FTA partner(s)	Negotiations launched	Negotiations concluded	Agreement signed by parties	Date of entry into force
Korea	Feb. 2, 2006	Apr. 1, 2007	June 30, 2007	Mar. 15, 2012
Colombia	May 18, 2004	Feb. 27, 2006	Nov. 22, 2006	May 15, 2012
Panama	Apr. 26, 2004	Dec. 9, 2006	June 28, 2007	Oct. 31, 2012
Trans-Pacific Partnership (Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam)	Dec. 14, 2009	—	—	—

Source: USTR, various press releases, 2006–12. <http://www.ustr.gov>.

Note: No negotiations have taken place for the Free Trade Area of the Americas since 2005, and none have taken place for the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland), Ecuador, Thailand, and the United Arab Emirates since 2006.

Changes to the United States-Australia Free Trade Agreement (USAFTA)

On March 15, 2012, Australia notified the United States that it had completed applicable domestic procedures to amend the rules of origin under the USAFTA for Product Specific Rules for HTS subheadings 5501–5511 contained in Annex 4-A of the agreement (Textile or Apparel Specific Rules of Origin) for certain yarns made of mixed synthetic staple fibers. Officials of both governments agreed to implement these changes with respect to each other’s eligible goods effective June 1, 2012.¹¹

Entry into Force of the U.S.-Colombia Trade Promotion Agreement (CTPA)

On October 3, 2011, the President submitted draft legislation to Congress to implement the U.S.-Colombia TPA.¹² Officials of both governments reviewed the other’s laws and regulations related to the implementation of the agreement, as well as Colombia’s steps to fulfill the Action Plan Related to Labor Rights. USTR and the Colombian government exchanged letters confirming that they had completed all applicable legal requirements and procedures for the agreement’s entry into force. In March 2012, the Colombian Labor Minister launched a targeted enforcement plan in two additional priority sectors identified under the Labor Action Plan (cut flowers and ports).¹³ On April 15, 2012, USTR announced that Colombia would no longer be an eligible beneficiary country under the ATPDEA as of May 15, 2012, when the CTPA¹⁴ entered into force.¹⁵

Presidential Proclamation 8818 of May 14, 2012, implemented U.S. tariff commitments under the CTPA and incorporated by reference Publication 4320 of the USITC, *Modifications to the Harmonized Tariff Schedule of the United States to Implement the United States-Colombia Trade Promotion Agreement*.¹⁶ On May 15, over 80 percent of U.S. exports of consumer and industrial products to Colombia became duty-free, with all

¹¹ USTR, “Notice of Effective Date of Modifications to the Rule of Origin of the United States-Australia Free Trade Agreement,” 77 Fed. Reg. 31683 (May 29, 2012).

¹² CRS, *The U.S.-Colombia Free Trade Agreement*, November 9, 2012.

¹³ USTR, “Fact Sheet: Historic Progress on Labor Rights in Colombia,” April 15, 2012.

¹⁴ Pub. L. No. 112-42, 125 Stat. 462.

¹⁵ USTR, “United States, Colombia Set Date for Entry into Force of U.S.-Colombia Trade Agreement,” April 15, 2012; “To Implement the United States-Colombia Trade Promotion Agreement and for Other Purposes,” 77 Fed. Reg. 29519 (May 18, 2012).

¹⁶ For more details see USITC, *The Year in Trade 2011*, July 2012, 4-8.

remaining tariffs scheduled to be phased out within 10 years.¹⁷ Under the CTPA, U.S. manufactured products receiving immediate duty-free treatment included agricultural and construction equipment, aircraft and parts, motor vehicle parts, fertilizers and agrochemicals, information technology equipment, medical and scientific equipment, and wood.¹⁸ U.S. textiles and apparel also received immediate duty-free access, subject to rules-of-origin requirements. Colombia has also agreed not to adopt or maintain any prohibition or restriction on imports of U.S. remanufactured goods.¹⁹

Colombia applied variable levies to imports of certain agricultural products pursuant to the Andean Community's price band system.²⁰ However, when the CTPA entered into force, Colombia immediately stopped applying these variable levies to imports from the United States. Under the CTPA, more than 50 percent of U.S. agricultural exports to Colombia became free of duty immediately including high quality beef, an assortment of poultry products, soybeans and soymeal, cotton, wheat, whey, and most horticultural and processed food products. The remaining duties on U.S. agricultural exports are scheduled to be phased out over defined time periods. U.S. agricultural exporters also benefit from zero duty tariff rate quotas (TRQs) on corn, rice, poultry parts, dairy products, sorghum, dried beans, beef, animal feeds, and soybean oil. The TRQs permit immediate duty-free access for specified quantities of each of these products, with the duty-free amount expanding during its tariff phase-out period.²¹

The agreement will also provide significant access to Colombia's \$180 million services market. In March 2012, Colombia joined the WTO Information Technology Agreement, under which members eliminate tariffs on a most-favored-nation (MFN) basis for a wide range of information technology products.

On November 19, 2012, the inaugural meeting of the U.S.-Colombia Free Trade Commission met in Washington, D.C. to supervise the implementation of the agreement.²² Officials of both governments also monitored the fulfillment of commitments with a post-entry into force deadline and reviewed the work of the Technical Barriers to Trade, Agriculture, and Sanitary and Phytosanitary Measures committees.

Changes to the Dominican Republic-Central America-United States Free Trade Agreement

The CAFTA-DR Free Trade Commission (FTC) met in Miami on January 23, 2012 to review trade and economic flows within the CAFTA-DR region.²³ The Free Trade Commission, a plurilateral ministerial-level body responsible for supervising the implementation of the agreement, agreed to consider modifying the rules of origin (ROOs) for textile and apparel goods to enhance the competitiveness of the region's

¹⁷ USDOC, "U.S.-Colombia Trade Promotion Agreement Now in Force!," The Commerce Blog, May 15, 2012.

¹⁸ USTR, "U.S.-Colombia Trade Agreement and Action Plan," April 6, 2011.

¹⁹ USTR, *2012 National Trade Estimates Report on Foreign Trade Barriers*, March 2012, 106.

²⁰ USTR, *2013 National Trade Estimates Report on Foreign Trade Barriers*, March 2013, 121.

²¹ USTR, "Fact Sheet: Benefits of the U.S.-Colombia Trade Promotion Agreement: More American Exports, More American Jobs," April 15, 2012.

²² USTR, "U.S. and Colombia Conclude First Meeting of the U.S.-Colombia Free Trade Commission," November 19, 2012.

²³ USTR, "Joint Statement from the Meeting of the Dominican Republic-Central America-United States Free Trade Commission," January 23, 2012.

textiles sector.²⁴ The changes to these ROOs were made pursuant to a decision of the first FTC meeting in February 2011, and are aimed at facilitating regional sourcing and encouraging greater integration of the textile and apparel supply chain in the region. On August 10, 2012, the President signed into law H.R. 5986 that included technical amendments to the textile and apparel rules of origin provisions under the CAFTA-DR.²⁵

On October 13, 2012, technical corrections and modifications to the CAFTA-DR ROOs for certain textile and apparel products went into effect.²⁶ Designed to maximize the benefits of the free trade agreement, the changes to the ROOs clarify the treatment of certain items on CAFTA-DR's "short supply" list,²⁷ "correct" the CAFTA-DR chapter rules for sewing thread in order to promote U.S. exports and support U.S. jobs, and ensure duty-free treatment for women's and girls' woven pajama bottoms.²⁸

Three modifications to the CAFTA-DR ROOs affect the short supply provisions of the CAFTA-DR:

- Textile and apparel goods made in the region of short supply yarns and fabrics are eligible for duty-free treatment, even if they contain non-originating elastomeric yarn (e.g., spandex). Previously, such articles were ineligible for duty-free treatment.
- Apparel goods imported under the short supply provision may contain a non-originating ribbed waistband (in addition to collars and cuffs) if the garment contains both a waistband and cuffs and the waistband has the same construction as the cuffs. Previously, apparel items imported under the short supply provision made with non-originating ribbed collars, cuffs, and ribbed waistbands were ineligible for duty-free treatment.
- Materials used as visible linings, narrow elastic fabrics, sewing thread, and pocketing fabrics used in apparel products imported under CAFTA-DR may now be designated as items in short supply. Previously, the

²⁴ USTR, "Request for Petitions to Modify the Rules of Origin Under the Dominican Republic-Central America-United States Free Trade Agreement," 77 Fed. Reg. 9724 (February 17, 2012).

²⁵ White House, "Statement by the Press Secretary of Key Trade Measures in H.R. 5986," August 10, 2012.

²⁶ In February 2011, the CAFTA-DR Free Trade Commission adopted the amendments to certain rules of origin (ROOs) for textile and apparel goods set forth in Annex 4.1 of the agreement. The modifications were signed into law on August 10, 2012 (Public Law 112-63) and included in the HTS. For the changes to become effective, the Office of the U.S. Trade Representative (USTR) had to determine and provide notice that the equivalent amendments were entered into force in all other CAFTA-DR Parties. These steps were completed and on September 26, 2012, USTR published a Federal Register notice (77 Fed. Reg. 59241) announcing the October 13, 2012 effective date for the modifications. For more information see "Customs Border Protection (CBP) Modifications to Certain Textile & Apparel Rules of Origin under the United States-Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) TBT-12-005," October 12, 2012. http://cbp.ov/xp/cgov/trade/priority_trade/textiles/tbts/dr_cafta.xml (accessed February 26, 2013).

²⁷ The CAFTA-DR contains an exception to the rule of origin, the Commercial Availability Provision, that provides a "short supply" list of fibers, yarns, and fabrics that the parties to the agreement have determined are not available in commercial quantities in a timely manner from suppliers in the United States or other participatory countries (i.e., Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) and therefore may be sourced from outside these countries for use in qualifying textile and apparel products. For example, a fabric on the short supply list may come from a non-CAFTA-DR country, be cut-and-assembled into a garment in a CAFTA-DR country, and then imported into the United States free of duty.

²⁸ USTR, "U.S. Trade Representative Kirk Applauds Congress's Agreement to Advance Urgent AGOA, CAFTA-DR Changes," June 21, 2012; Sandler, Travis & Rosenberg, P.A. "Reminder: Technical Corrections to DR-CAFTA Origin Rules to Enter into Force October 13," October 11, 2012.

short supply provision applied only to the outer shell and/or essential character of the product.

Another change to the CAFTA-DR ROOs was the addition of synthetic filament yarn (HTS²⁹ heading 5402), when used as a sewing thread, to the list of sewing threads (HTS headings 5204, 5401, and 5508) that must be formed and finished in a CAFTA-DR country for apparel or textile articles to qualify as originating goods.

The final modification to the CAFTA-DR ROOs replaces the word “nightwear” with “sleepwear” and also extends the “cut-and-sew rule”³⁰ of origin for woven sleepwear to women’s and girls’ woven sleep pants.³¹ Previously such pants were subject to a yarn-forward requirement.

Entry into Force of the U.S.-Korea Free Trade Agreement

On March 15, 2012 the United States-Korea Free Trade Agreement (KORUS FTA) entered into force.³² Presidential Proclamation 8783 of March 6, 2012, implemented U.S. tariff commitments under the KORUS FTA and incorporated by reference Publication 4308 of the USITC, *Modifications to the Harmonized Tariff Schedule of the United States to Implement the United States-Korea Free Trade Agreement*. The agreement provides for elimination of tariffs on over 95 percent of U.S. exports of industrial and consumer goods within 5 years, with the remaining tariffs being eliminated within 10 years. Duties were eliminated immediately on aerospace equipment, agricultural equipment, environmental goods, all footwear and travel goods, paper products, scientific equipment, and shipping and transportation equipment.³³ Korean textile products will qualify for preferential treatment under the agreement if they use U.S. or Korean fabric and yarn (the yarn-forward rule). The agreement provides for reciprocal duty-free access immediately for most textile and apparel products and contains a special textile safeguard that allows the United States to impose tariffs on textiles and apparel if injury occurs due to import surges.

Through a combination of tariff elimination and expansion of TRQs, nearly two-thirds of U.S. agricultural exports became duty-free immediately. Other farm products received some immediate duty-free access under new TRQs.³⁴ Duties were eliminated immediately on wheat, corn for feed, soybeans for crushing, whey for feed use, hides and skins, cotton, cherries, pistachios, almonds, orange juice, grape juice, and wine. The KORUS FTA also requires Korea to eliminate its 40 percent tariff on beef muscle meats imported from the United States over a 15-year period, to remove its 25 percent tariff on

²⁹ “HTS” refers to the Harmonized Tariff Schedule of the United States.

³⁰ The “cut and sew” or “cut and assemble” rule of origin permits the use of third country inputs (often lower-cost Asian yarns and fabrics) for certain specified apparel and textile goods provided they are cut and assembled in a CAFTA-DR country.

³¹ These sleep pants are imported under HTS statistical reporting numbers 6208.91.3010, 6208.91.3020, 6208.92.0030, 6208.92.0040, and 6208.99.2020.

³² Pub. L. No. 112-41, 125 Stat. 428, October 21, 2012. For more information, see the section on Korea in chapter 5 of this report; see also USITC, *The Year in Trade 2011*, July 2012, 5-19 to 5-22. Also, in February 2013, the USITC initiated an investigation for the purpose of preparing a report on certain effects of the KORUS FTA: *U.S.-Korea Free Trade Agreement: Effects on U.S. Small and Medium-Sized Enterprises*. The USITC submitted its report to the USTR on May 1, 2013.

³³ USTR, “United States, Korea Set Date,” February 21, 2012.

³⁴ USTR, “New Opportunities for U.S. Exporters under the U.S.-Korea Trade Agreement, U.S.-Korea Free Trade Agreement,” n.d. (accessed April 3, 2013).

90 percent of U.S. pork product exports by 2016, and to abolish its 22.5 percent tariff on other pork products within 10 years.³⁵

The agreement also provides meaningful market access commitments across virtually all major services sectors, including improved access for telecommunications and express delivery services, and the opening up of the Korean market for foreign legal consulting services. The agreement increased access to the Korean financial services market and ensured greater transparency and fair treatment for U.S. suppliers of insurance and other financial services.³⁶

Discussions and Agreements Connected with the U.S.-Morocco Free Trade Agreement (USMFTA)

In September, the USMFTA's Subcommittees on Agricultural Trade and Sanitary and Phytosanitary Matters met to discuss Morocco's implementation of the TRQs established under the FTA for U.S. wheat. The purpose of the TRQs is to provide U.S. wheat producers preferential access to the Moroccan market. The United States raised its concerns about the administration of the TRQs at this meeting.³⁷

On December 5, 2012, during the third Joint Committee meeting under the U.S.-Morocco FTA, the USTR and Morocco signed agreements intended to stimulate trade and investment between the two countries. Prior to the Joint Committee meeting, the two governments initialed a trade facilitation agreement to expand FTA commitments by setting new standards for transparency and predictability in customs matters making it easier for companies to bring products into both markets.³⁸ The two countries also reached an agreement on a set of joint principles for international investment designed to promote an open and stable investment climate between the two countries. This agreement includes strong protection for foreign investment, including the right to compensation in the event of a direct or indirect expropriation. In an additional agreement, the two countries endorsed a set of joint principles for international global ICT services that stressed the importance of transparency, open network access, and the free flow of information across borders.³⁹ Experts from the two countries also discussed implications of the labor and environment provisions of the FTA and deliberated on the next steps for implementing the 2011 Anti-Counterfeiting Trade Agreement.

Entry into Force of the U.S.-Panama Trade Promotion Agreement (PATPA) and Progress on Information Technology

On October 22, 2012, USTR and the government of Panama exchanged diplomatic letters in which they determined that the U.S.-Panama TPA would enter into force on October 31, 2012.⁴⁰ The implementation of the PATPA⁴¹ followed completion of a review of U.S.-Panama laws and regulations related to the implementation of the agreement. Panama ceased to be a CBERA beneficiary country upon entry into force of the PATPA.

³⁵ USTR, "Jobs on the Way: U.S.-Korea Trade Agreement Enters into Force," March 15, 2012.

³⁶ USTR, *2013 National Trade Estimates Report on Foreign Trade Barriers*, March 2013, 235.

³⁷ USTR, "Morocco Free Trade Agreement," <http://www.ustr.gov/trade-agreements/free-trade-agreements/morocco-fta> (accessed April 10, 2013).

³⁸ USDOS, "New U.S.-Morocco Agreements Seen as Boost to Trade Relations," December 10, 2012.

³⁹ USTR, "United States and Morocco Reach Agreement on Trade Facilitation, Joint Investment Principles and Joint Information and Communication Technology (ICT) Principles," December 7, 2012.

⁴⁰ USTR, "United States, Panama Set Date for Entry into Force of United States-Panama Trade Promotion Agreement," October 22, 2012.

⁴¹ Pub. L. No. 112-43, 125 Stat. 497.

On October 31, over 86 percent of U.S. exports of consumer and industrial products to Panama became duty free, including information technology equipment, agricultural and construction equipment, aircraft and parts, medical and scientific equipment, environmental products, pharmaceuticals, fertilizers, and agro-chemicals. Apparel products made in Panama will be duty free under the PATPA if they use U.S. or Panamanian fabric and yarn.⁴²

Additionally, nearly half of U.S. exports of agricultural commodities to Panama became duty free under the FTA, including wheat, barley, soybeans, high-quality beef, bacon, and almost all fruit and vegetable products, with most of the remaining tariffs to be eliminated within 15 years.⁴³ The TPA also provides for immediate improved market access opportunities through TRQs for certain U.S. agricultural products. The TRQs permit immediate duty-free access for specified quantities of certain agricultural products during the tariff phase-out period, with the duty-free amount expanding during that period. The TRQs are administered mostly on a first-come, first-served basis.⁴⁴

U.S. services providers will also gain improved access to Panama's \$22 billion services market. This expanded access includes such priority areas as financial, telecommunications, computer, distribution, express delivery, energy, environmental, and professional services.⁴⁵

The agreement will also preserve duty-free access for Panamanian goods previously granted under U.S. trade preference programs. On October 26, 2012, USTR provided notice that tariff-rate quotas for sugar established under this agreement will be administered using certificates as of October 31, 2012.⁴⁶

In 2012, Panama notified the WTO of its WTO Information Technology Agreement (ITA) tariff schedule and thereby achieved membership in the ITA. As an ITA participant, Panama has committed to provide duty-free treatment on imports of products covered by the ITA to all WTO members. On October 5, 2012, Panama amended its telecommunications law to eliminate the universal service program contribution amount charged on inbound international traffic to Panama that was significantly higher than the amount collected from carriers engaged in domestic communication. Under the revised law, which took effect January 1, 2013, all carriers engaged in telecommunications in Panama will contribute up to 1 percent of their taxable income to Panama's universal service program. This charge eliminates the competition imbalance Panama's former law had imposed on foreign competitors.⁴⁷

Law 61 of October 5, 2012, amending Panama's industry property law, and Law 64 of October 10, 2012, amending Panama's copyright law, introduced important updates to Panama's legislative framework. Among other things, the new laws implemented certain intellectual property rights (IPR) obligations of the PATPA.

⁴² USTR, *2013 National Trade Estimates Report on Foreign Trade Barriers*, March 2013, 288.

⁴³ USDOS, "U.S.-Panama Trade Promotion Agreement (TPA) Enters Into Force," October 31, 2012.

⁴⁴ USTR, *2013 National Trade Estimates Report on Foreign Trade Barriers*, March 2013, 288.

⁴⁵ USTR, "U.S. and Panama Set Date for Entry-Into-Force of the U.S.-Panama Trade Promotion Agreement," October 23, 2012.

⁴⁶ USTR, "Implementation of United States-Panama Trade Promotion Agreement Tariff-Rate Quota for Imports of Sugar," 77 Fed. Reg. 65439 (October 26, 2012).

⁴⁷ USTR, *2013 National Trade Estimates Report on Foreign Trade Barriers*, March 2013, 290.

Progress on Environmental Matters Connected with the U.S.-Peru Trade Promotion Agreement (PTPA)

During May 29–31, 2012, the governments of the United States and Peru held their fifth meeting of the Sub-Committee on Forest Sector Governance, the third meeting of the Environmental Affairs Committee (EAC), and the second meeting of the Environmental Cooperation Commission (ECC).⁴⁸ The EAC reviewed progress both countries had made in ensuring effective implementation of, and compliance with, the obligations under the PTPA chapter on environment. Peru's efforts to develop regulations to implement a new Forestry and Wildlife Law were also discussed by the parties.⁴⁹ The ECC reviewed the activities of the EAC, in particular the status of cooperative environmental activities under the 2011–2014 work program. USTR also led a rigorous review of Peru's efforts to implement its commitments to the PTPA Annex on Forest Sector Governance with respect to the harvest and export of bigleaf mahogany and Spanish cedar timber products.⁵⁰

Negotiations and Consultations toward the Trans-Pacific Partnership (TPP) Agreement

The United States and its TPP partners—Australia, Brunei Darussalam, Chile, New Zealand, Peru, Singapore, Malaysia, and Vietnam—concluded five formal rounds of negotiations during 2012. The 11th round of the TPP was held in March (Melbourne, Australia); the 12th round in May (Dallas, TX), the 13th round in July (San Diego, CA), the 14th round in September (Leesburg, VA), and the 15th round in December (Auckland, New Zealand). TPP leaders also met on the margins of the APEC trade ministers' meeting in June (Kazan, Russia) and the APEC ministerial meeting in September (Vladivostok, Russia).

On February 7, 2012, the United States and Japan held the first senior-level bilateral consultation following Japan's announcement in November 2011 of its intention to begin consultations with TPP countries toward joining the TPP negotiations.⁵¹ Canada and Mexico held similar consultations with the United States on February 13, 2012, and February 16, 2012, respectively, following the announcements of their intention to begin consultations toward joining the TPP negotiations.⁵² The United States and eight other TPP countries extended invitations to Mexico and Canada to join the TPP negotiations on June 18, 2012, and June 19, 2012, respectively.⁵³

The 11th round of TPP negotiations was hosted by Australia March 1–9 in Melbourne.⁵⁴ In the round, TPP partners continued to develop and implement detailed plans for

⁴⁸ USTR, "Meetings of the U.S.-Peru Environmental Affairs Council, Environmental Cooperation Commission, and Subcommittee on Forest Sector Governance," May 30, 2012.

⁴⁹ USTR, "Joint Communiqué of the Meetings of the United States-Peru Environmental Affairs Council, Environmental Cooperation Commission and Sub-Committee on Forest Sector Governance," June 1, 2012.

⁵⁰ USTR, "The United States and Peru Reach Agreement on Action Plan," January 1, 2013.

⁵¹ USTR, "U.S., Japan Hold High-level Consultation on the Trans-Pacific Partnership," February 7, 2012; USTR, "U.S., Canada Hold High-level Consultation on the Trans-Pacific Partnership," February 13, 2012.

⁵² USTR, "U.S., Canada Hold High-level Consultation on the Trans-Pacific Partnership," February 13, 2012; USTR, "U.S. Trade Representative Kirk Welcomes Mexico," June 18, 2012.

⁵³ USTR, "U.S. Trade Representative Kirk Welcomes Canada," June 19, 2012; USTR, "U.S. Trade Representative Kirk Welcomes Mexico," June 18, 2012.

⁵⁴ Government of Australia, Department of Foreign Affairs and Trade, "Eleventh Round of Trans-Pacific Partnership Agreement (TPP) Negotiations," March 2012.

concluding negotiations, especially on regulatory coherence, transparency, competitiveness and business facilitation, the interests of small and medium-sized enterprises, and development. Negotiations on market access for goods, services, investment, and government procurement also progressed with several countries presenting improved offers in these areas.⁵⁵

The 12th round of TPP negotiations was hosted by the United States May 8–18 in Dallas.⁵⁶ The negotiations narrowed the differences on many areas of the legal text, and negotiating groups worked toward concluding most of the more than 20 chapters of the agreement. Progress was made in goods, services, investment, telecommunications, e-commerce, government procurement, customs, IPR, labor, and competition. The teams focused discussions on:

- Small and medium-sized enterprises (SMEs), a new feature in a U.S. FTA intended to support SMEs' integration into global trade;⁵⁷
- Developing ambitious tariff packages that would give partners access to each other's individual goods, agricultural, and textile markets;
- Finding closure on the cross-cutting issues of regulatory coherence, deepening of regional supply linkages between TPP countries, and promoting development; and
- A new format introduced by the United States for negotiators to engage with more than 300 stakeholders from the United States and other TPP countries.

On June 5, TPP trade ministers met on the margins of the APEC trade ministers meeting. Ministers discussed the status of TPP negotiations, welcomed important progress made in 2012, and instructed negotiators to work to close as much of the legal text of the agreement as possible during the 13th round in San Diego.⁵⁸ The ministers welcomed the interest of Canada, Mexico, and Japan in joining the TPP and discussed the progress of each TPP country's bilateral consultations with the three new members.⁵⁹ No decision was made on the entry of Mexico, Canada, and Japan at this time, but as noted earlier, the United States and other TPP partners extended invitations to Mexico and Canada on June 18 and 19, respectively, to join the TPP negotiations, pending successful conclusion of their domestic procedures.⁶⁰

The 13th round of TPP negotiations was hosted by the United States July 2–10 in San Diego. Talks continued to move toward conclusion of the more than 20 chapters under negotiation between TPP partners.⁶¹ Negotiating groups made significant progress in chapters covering customs, cross-border services, telecommunications, government procurement, competition policy, and cooperation and capacity building. They also

⁵⁵ Ibid.

⁵⁶ Government of Australia, Department of Foreign Affairs and Trade, "Twelfth Round of Trans-Pacific Partnership Agreement (TPP) Negotiations," May 2012.

⁵⁷ USTR, "Trans-Pacific Partnership (TPP) Talks Advance in Texas," May 16, 2012.

⁵⁸ Government of Australia, Department of Foreign Affairs and Trade, "Twelfth Round of Trans-Pacific Partnership (TPP) Negotiations," May 2012.

⁵⁹ USTR, "Readout of the Meeting of Trans-Pacific Partnership Ministers in Kazan, Russia," June 5, 2012.

⁶⁰ USTR, "U.S. Trade Representative Kirk Welcomes Mexico," June 18, 2012; USTR, "U.S. Trade Representative Kirk Welcomes Canada," June 19, 2012.

⁶¹ USTR, "Important Progress Made at TPP Talks in San Diego," July 10, 2012.

continued to move forward on rules of origin, investment, financial services, and temporary entry. The United States tabled a new proposal in the IPR group addressing copyright limitations and exceptions.⁶² On July 2, USTR welcomed more than 150 stakeholders to the TPP negotiations in San Diego for an Official Stakeholders Engagement Forum with USTR's negotiating officials. On July 3, both USTR officials and chief negotiators from other TPP countries held a briefing with stakeholders.⁶³

On July 9 and 10, USTR notified Congress of its plans to enter negotiations with Mexico and Canada, respectively, as part of the TPP. The notification triggered a 90-day consultation period with Congress on U.S. negotiating objectives with respect to Mexico and Canada. On July 23, 2012, the USTR published requests for comments regarding negotiating objectives with respect to Mexico and Canada's participation in the TPP negotiations.⁶⁴

On September 6, TPP leaders met in Vladivostok on the margins of the APEC ministerial meeting to review the progress of TPP negotiations. Ministers provided a report to TPP leaders outlining the substantial headway achieved to date.⁶⁵ Leaders reported significant progress in comprehensive market access, regional agreement, and cross-cutting trade issues. TPP leaders confirmed their commitment to concluding a comprehensive regional TPP agreement as rapidly as possible, and welcomed Canada and Mexico to the negotiating group.

The 14th round of TPP negotiations was hosted by the United States September 6–15 in Leesburg, Virginia. Good progress was made in advancing efforts to reach agreement on the text of 29 chapters of the agreement.⁶⁶ TPP negotiators continued to move forward in constructing the tariff and other specific market-opening commitments that each country was making on industrial goods, agriculture, textiles, services and investment, and government procurement. Nine members also reported a continued focus on IPR, labor, and the environment.⁶⁷ After the conclusion of the round, USTR held public hearings on matters related to Mexico's and Canada's participation in TPP negotiations on September 21 and September 24, respectively.⁶⁸ Witnesses representing industry associations, nongovernment organizations, and organized labor offered testimony on both Mexico and Canada.

The 15th round was hosted by New Zealand December 11–12 in Auckland.⁶⁹ Leaders took steps toward closing the remaining gaps between the participating countries and confirmed their mutual priority commitment to conclude a state-of-the-art, comprehensive agreement as quickly as possible. Canada and Mexico participated in the negotiations for the first time, and negotiators reported progress on closing outstanding legal texts of the 29 chapters of the agreement covering all trade- and investment-related issues. Further steps forward were also made on goods, services, investment, and government procurement, and leaders agreed to comprehensive access to each other's markets in all areas. They continued to advance tariff packages for industrial goods, agriculture, and textiles; market-opening commitments on services and investment; rules

⁶² Ibid.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ USTR, "Trans-Pacific Partnership Trade Ministers' Report to Leaders," September 9, 2012; "Trans-Pacific Partnership Leadership Statement," September 9, 2012.

⁶⁶ USTR, "Progress Continues in Trans-Pacific Partnership Talks," September 15, 2012.

⁶⁷ Ibid.

⁶⁸ USTR, "USTR Hold Public Hearing on Mexico and the Trans-Pacific Partnership," September 21, 2012; "USTR Holds Public Hearing on Canada and the Trans-Pacific Partnership," September 24, 2012.

⁶⁹ USTR, "TPP Chief Negotiators Pleased to Report Continued Progress," December 11, 2012.

on government procurement; and rules of origin promoting the development of supply chains that include companies based in the TPP partner countries.

With the addition of Canada and Mexico, U.S. trade with TPP negotiating partners is now largely dominated by its trade with the NAFTA countries, which accounted for 80.8 percent of U.S. exports to TPP partners and 86.3 percent of U.S. imports from TPP partners in 2012 (table 4.4). Four other TPP partners also have FTAs with the United States: Singapore, Australia, Chile, and Peru. In total, U.S. exports to and imports from TPP partners with which it already has FTAs, including NAFTA, accounted for 96.4 percent of U.S. TPP exports and 92.9 percent of TPP imports.

Nonetheless, the U.S. trade relationship with its non-FTA TPP partners is also important. The United States runs a trade deficit, which has been increasing since 2010, with the non-FTA TPP partners Brunei Darussalem, Malaysia, New Zealand, and Vietnam. U.S. exports to the non-FTA TPP countries are dominated by electronic integrated circuits, aircraft, ferrous waste and scrap, soybeans, diodes and transistors, and cotton. The largest categories of U.S. imports from the non-FTA TPP countries include telephone sets, electronic circuits and diodes, furniture, diodes and transistors, automatic data processing machines, and sweaters, pullovers, and sweatshirts. In total, the TPP in its current form covers 38.4 percent of total 2012 U.S. exports and 30.9 percent of U.S. imports; if concluded, it would be the world's largest FTA in terms of total trade covered.

North American Free Trade Agreement⁷⁰

The North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico entered into force on January 1, 1994. All of the agreement's provisions were implemented by January 1, 2008, with the exception of the NAFTA

TABLE 4.4 U.S. merchandise trade with TPP partners,^a 2010–12

Trade with TPP partners	2010	2011	2012	% change, 2011–12
	Million \$ (unless otherwise specified)			
Exports:				
TPP partners with FTAs	400,184	469,309	500,783	6.7
Of which NAFTA	337,558	393,684	419,358	6.5
TPP partners without FTAs	18,380	20,011	18,390	-8.1
Total exports to TPP	418,565	489,320	519,173	6.1
Share with FTAs (percent)	95.6	95.9	96.4	
Imports:				
TPP partners with FTAs	542,555	623,545	645,960	3.6
Of which NAFTA	504,360	579,067	600,333	3.7
TPP partners without FTAs	43,275	46,214	49,341	6.8
Total imports from TPP	585,831	669,759	695,300	3.8
Share with FTAs (percent)	92.6	93.1	92.9	
Trade Balance:				
TPP partners with FTAs	-142,371	-154,236	-145,176	5.9
Of which NAFTA	-166,802	-185,383	-180,975	2.4
TPP partners without FTAs	-24,895	-26,203	-30,951	-18.1

Source: USDOC.

^aTPP negotiating partners at yearend 2012 included Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Of these, the United States has FTAs with Australia, Canada, Chile, Mexico, Peru, and Singapore.

⁷⁰ U.S. bilateral trade relations with Canada and Mexico are described in chapter 5 of this report.

cross-border trucking provisions.⁷¹ In 2012, total two-way (exports plus imports) U.S. merchandise trade with its NAFTA partners increased by 4.8 percent over 2011, with U.S.-Canada merchandise trade amounting to \$568.1 billion and U.S.-Mexico merchandise trade totaling \$451.6 billion (table 4.1). The U.S. merchandise trade deficit with NAFTA partners decreased to \$181.0 billion in 2012 from \$185.4 billion in the previous year—a decrease of 2.4 percent, in contrast to an increase of 11.1 percent in 2011. Leading products responsible for the deficit in 2012 included crude petroleum and petroleum products, natural gas, motor vehicles and parts and accessories, televisions, computers, and cell phones.

The following sections describe the major activities of NAFTA’s Free Trade Commission (FTC), Commission for Labor Cooperation (CLC), and Commission for Environmental Cooperation (CEC), as well as the dispute settlement activities under NAFTA Chapters 11 and 19 during 2012.

Free Trade Commission

The FTC is NAFTA’s central oversight body. It is chaired jointly by trade representatives or their designees from the three member countries.⁷² The FTC is responsible for overseeing NAFTA’s implementation and elaboration, as well as activities under its dispute settlement provisions.⁷³ At its meeting in April 2012 in Washington, DC, the FTC agreed to engage in regulatory cooperation to contribute meaningfully to bilateral and trilateral initiatives with a view towards facilitating trade and cutting administrative costs.⁷⁴ The FTC “asked the NAFTA Committee for Standards-Related Measures (CSRMS) to continue its work to enhance cooperation on the development, application and enforcement of standards-related measures, and to provide a forum for the Parties to consult on issues relating to standards-related measures.”⁷⁵ At the meeting, the FTC agreed to enhance trade in chemicals starting with exploratory work on rules of origin, customs procedures, and classification. The FTC also asked the relevant NAFTA working groups and committees to address issues in these areas and to look for ways to reduce unnecessary differences in regulations and procedures in order to reduce transaction costs and facilitate trade.⁷⁶ Regarding the bilateral mutual recognition agreements (MRAs) for telecommunications equipment signed by the United States and Mexico (May 2011), and Mexico and Canada (November 2011), the FTC reiterated its commitment to the MRAs’ full implementation.⁷⁷

The FTC also noted that the parties had a robust discussion on the experiences of SMEs in North America. The FTC pointed out that the Small Business Development Centers (SBDCs) in the United States and Mexico are linking SMEs for trade opportunities through an interactive platform, the SBDCGlobal.com network.⁷⁸ Canada, after exploring the potential to join the network, will engage stakeholders regarding the possibility of

⁷¹ The section on Mexico in chapter 5 discusses NAFTA’s cross-border trucking provisions. Information on the last remaining restrictions on U.S.-Mexico trade that were removed on January 1, 2008, is given in USITC, *The Year in Trade 2008, 2009*, 5-16.

⁷² The representatives are the USTR, Canadian Minister for International Trade, and Mexican Secretary of the Economy.

⁷³ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 133.

⁷⁴ USTR, “Joint Statement from 2012 NAFTA Free Trade Commission Meeting,” April 3, 2012.

⁷⁵ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 133; USTR, “Statement from 2012 NAFTA Free Trade Commission Meeting,” April 3, 2012.

⁷⁶ USTR, “Joint Statement from 2012 NAFTA Free Trade Commission Meeting,” April 3, 2012.

⁷⁷ The United States and Canada have had an MRA since 2003. USTR, “Statement from 2012 NAFTA Free Trade Commission Meeting,” April 3, 2012.

⁷⁸ USTR, “Joint Statement from 2012 NAFTA Free Trade Commission Meeting,” April 3, 2012.

joining the SBDCGlobal.com network.⁷⁹ In addition, the FTC released “The NAFTA Certificate of Origin: Frequently Asked Questions,” a publication designed to answer basic questions about completing that form, particularly for SMEs. The FTC also instructed officials to find additional ways of meeting the distinct requirements of SMEs to allow them to seize export opportunities.⁸⁰

On May 19, 2010, the presidents of the United States and Mexico created the High-Level Regulatory Cooperation Council (HLRCC) to identify areas of mutual interest for regulatory cooperation that are intended to improve commerce and competitiveness in North America.⁸¹ The HLRCC finalized its Terms of Reference in March 2011; key principles cover making regulations more compatible, and increasing regulatory simplification and transparency. On February 28, 2012, the HLRCC released the United States-Mexico Work Plan, which outlines the activities to be carried out for the next two years.⁸² This plan focuses on the following six areas: food, transportation, nanotechnology, e-health, offshore oil and gas development standards, and accreditation of conformity assessment bodies.⁸³

Commission for Labor Cooperation

The CLC, composed of a ministerial council and an administrative secretariat, was established under the North American Agreement on Labor Cooperation (NAALC). The NAALC is a supplemental agreement to NAFTA that aims to promote effective enforcement of domestic labor laws and foster transparency in administering them. The CLC is responsible for implementing the NAALC. Each NAFTA partner has established a national administrative office (NAO) within its labor ministry to serve as the contact point with the other parties, the secretariat, other government agencies, and the public. In the United States, that office is the Division of Trade Agreement Administration and Technical Cooperation under the Office of Trade and Labor Affairs (OTLA) within the Department of Labor.⁸⁴ Another NAO function is to receive and respond to public communications on labor law matters arising in another NAALC country. Each NAO establishes its own domestic procedures for reviewing and responding to public communications. The NAOs and the secretariat also carry out the cooperative activities of the CLC, including seminars, conferences, joint research projects, and technical assistance.⁸⁵

In 2012, the CLC met to discuss ways to strengthen the NAALC. Also, the National Advisory Committee for Labor Provisions in U.S. Free Trade Agreements (NAC) provided recommendations to the U.S. NAO on how to improve the functioning of the NAALC.⁸⁶ On January 13, 2012, OTLA announced that it accepted for review a submission by the Sindicato Mexicano de Electricistas, a Mexican union. The Sindicato Mexicano de Electricistas had filed the submission on behalf of 93 other organizations. The submitters allege that the government of Mexico failed to fulfill its obligations under the NAALC regarding workers’ rights.⁸⁷ On July 2, 2012, OTLA extended the period of

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ White House, “Fact Sheet: Enhancing U.S.-Mexico Cooperation,” March 3, 2012.

⁸² White House, United States-Mexico High-Level Regulatory Cooperation Council Work Plan,” February 28, 2012.

⁸³ Ibid.

⁸⁴ USDOL, ILAB, OTLA, “Division of Trade Administration and Technical Cooperation (TAATC),” n.d. (accessed March 26, 2013).

⁸⁵ CLC, “The National Administrative Offices,” (accessed March 27, 2013).

⁸⁶ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 133.

⁸⁷ 77 Fed. Reg. 4366 (January 27, 2012).

review for the submission, as OTLA had received a supplemental submission from the submitters containing new allegations on May 25, 2012.⁸⁸

Commission for Environmental Cooperation

The CEC was established under the North American Agreement on Environmental Cooperation (NAAEC). It is a supplemental agreement to NAFTA designed to ensure that trade liberalization and efforts to protect the environment are mutually supportive. The CEC oversees the mandate of the NAAEC and is composed of (1) the Council—the governing body of the CEC—made up of the environmental ministers from the United States, Canada, and Mexico;⁸⁹ (2) the Joint Public Advisory Committee, made up of five private citizens from each of the NAFTA parties; and (3) the Secretariat, located in Montreal. The Secretariat carries out initiatives and conducts research on topics pertaining to the North American environment, environmental law, and environmental standards, as well as processing citizen submissions on enforcement matters.⁹⁰

Articles 14 and 15 of the NAAEC provide citizens and nongovernmental organizations with a mechanism to help enforce environmental laws in the NAFTA countries. Article 14 governs alleged violations submitted for review by the CEC. It sets forth guidelines regarding criteria for submissions and parties that can file complaints. Article 15 outlines the Secretariat’s obligations in considering the submissions and publishing findings in the factual record.⁹¹ At the end of 2012, 11 complaint files remained active under Articles 14 and 15, 2 of which were submitted in 2012 (table 4.5). In 2012, 1 active file involved the United States, 5 involved Canada, and 5 involved Mexico.

At the 19th regular session of the CEC Council on July 11, 2012, in New Orleans, the CEC Council took action to modernize the implementation of the Submissions on Enforcement Matters (SEM) process. The council made a number of improvements intended to increase the process’s timeliness, transparency, and accessibility, and to bring more clarity to this information-sharing mechanism. One significant change—the revisions to the Guidelines on Submissions on Enforcement Matters under Articles 14 and 15 of the North American Agreement on Environmental Cooperation (NAAEC)—establishes target deadlines for key steps in the SEM process aimed at cutting the average processing time by half. Additional planned improvements included setting up new online tools to make submissions easier, stepping up public outreach, and evaluating how well deadlines are complied with.⁹² The council also instructed its officials to consider specific initiatives in areas such as electronic waste, clean energy, and other specific economically integrated sectors in North America.

In 2009, the Free Trade Commission established an ad hoc working group composed of senior trade officials to explore areas of potential collaboration between the FTC and the CEC. At its regular annual session, the CEC Council noted that its Executive Director participated in the April FTC meeting, where the group’s work plan was approved. Highlights of the work plan included ensuring cooperation and communication between the FTC and the CEC; involving trade officials in planning and carrying out CEC projects; and launching initiatives addressing links between trade and the environment—

⁸⁸ 77 Fed. Reg. 39265 (July 2, 2012).

⁸⁹ The CEC Council consists of the U.S. Environmental Protection Agency Administrator, Canadian Environment Minister, and Mexican Secretary for Environment and Natural Resources.

⁹⁰ CEC, Secretariat, “Three Countries, One Environment” (accessed March 27, 2013).

⁹¹ CEC, “Submissions on Enforcement Matters,” n.d. (accessed March 27, 2013).

⁹² CEC, “CEC Ministerial Statement: Nineteenth Regular Session of the CEC Council” (accessed March 27, 2013).

TABLE 4.5 Active files as of yearend 2012 under Articles 14 and 15 of the North American Agreement on Environmental Cooperation

Name	Case	First filed	Country ^a	Status
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	The Secretariat posted a request for information relevant to the factual record on its website on September 15, 2008.
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	The Secretariat posted a request for information relevant to the factual record on its website on August 21, 2012.
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	The Secretariat posted a request for information relevant to the factual record on its website on August 29, 2012.
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	The Secretariat posted a request for information relevant to the factual record on its website on August 29, 2012.
Wetlands in Manzanillo	SEM-09-002	Feb. 4, 2009	Mexico	The Secretariat received a response from the concerned government party and began considering on October 12, 2010, whether to recommend a factual record.
Alberta Tailings Ponds	SEM-10-002	Apr. 13, 2010	Canada	The Secretariat received and began to analyze a revised submission on October 1, 2010.
Iona Wastewater Treatment	SEM-10-003	May 7, 2010	Canada	The Secretariat received a response from the concerned government party and began considering on February 14, 2012, whether to recommend a factual record.
Sumidero Canyon II	SEM-11-002	Nov. 29, 2011	Mexico	The Secretariat received a response from the concerned government party and began considering on November 27, 2012, whether to recommend a factual record.
Protection of Polar Bears	SEM-11-003	Dec. 5, 2011	Canada	The Secretariat received a submission and began a preliminary analysis of it on December 5, 2011.
BC Salmon Farms	SEM-12-001	Feb. 10, 2012	Canada	The Secretariat began reviewing the submission under Article 14(1) on February 14, 2012.
St. Lawrence River Wind Farms	SEM-12-002	Dec. 14, 2012	Canada	The Secretariat began reviewing the submission under Article 14(1) on December 14, 2012.

Source: CEC, "Submission on Enforcement Matters: Active Submissions."

^aRefers to the country against which an allegation was filed.

for example, "exchanging information on the trade flows and cross-border supply chains in used electronics within North America."⁹³

In November 1993, the United States and Mexico agreed on arrangements to help border communities with environmental infrastructure projects in order to further the goals of

⁹³ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 133.

NAFTA and the NAAEC. The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) are working with communities throughout the U.S.-Mexico border region to address their environmental infrastructure needs.⁹⁴ As of December 31, 2012, the NADB had contracted a cumulative total of approximately \$1.9 billion in loans and grants, of which a total of \$1.7 billion had already been disbursed. These funds helped finance 171 projects certified by the BECC with an estimated total cost of \$5.1 billion, principally involving water and wastewater systems.⁹⁵

Dispute Settlement

The dispute settlement provisions of NAFTA Chapters 11 and 19 cover a variety of areas.⁹⁶ The sections below describe developments during 2012 in NAFTA Chapter 11 investor-state disputes and Chapter 19 binational reviews of final determinations of antidumping and countervailing cases. Appendix table A.24 presents an overview of developments in NAFTA Chapter 19 dispute settlement cases to which the United States was a party in 2012.

Chapter 11 Dispute Settlement Developments

Chapter 11 of NAFTA includes provisions designed to protect cross-border investors and ease the settlement of investment disputes. An investor who alleges that a NAFTA country has breached its investment obligations under Chapter 11 may pursue arbitration through internationally recognized channels or remedies available in the host country's domestic courts.⁹⁷ A key feature of the Chapter 11 arbitral provisions is the enforceability in domestic courts of final awards made by arbitration tribunals.⁹⁸

In 2012, there were five active Chapter 11 cases filed against the United States, four of them filed by Canadian investors and one filed by a Mexican investor;⁹⁹ six filed by U.S. investors against Canada;¹⁰⁰ and none filed against Mexico.¹⁰¹

Chapter 19 Dispute Panel Reviews

Chapter 19 of NAFTA contains a mechanism that provides for a binational panel to review final determinations made by national investigating authorities in antidumping and countervailing duty cases. Such a panel serves as an alternative to judicial review by domestic courts and may be established at the request of any involved NAFTA country.¹⁰²

⁹⁴ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 133.

⁹⁵ BECC and NADB, *Quarterly Status Report*, December 31, 2012; NADB, "Summary of Project Implementation Activities: Active Projects," December 31, 2012.

⁹⁶ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions," (accessed March 28, 2013).

⁹⁷ Internationally recognized arbitral mechanisms include the International Centre for the Settlement of Investment Disputes (ICSID) at the World Bank, ICSID's Additional Facility Rules, and the rules of the United Nations Commission on International Trade Law (UNCITRAL Rules).

⁹⁸ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions" (accessed March 28, 2013).

⁹⁹ USDOS, "NAFTA Investor-State Arbitrations: Cases Filed against the United States" (accessed March 29, 2013).

¹⁰⁰ USDOS, "NAFTA Investor-State Arbitrations: Cases Filed against the Government of Canada" (accessed March 29, 2013).

¹⁰¹ USDOS, "NAFTA Investor-State Arbitrations: Cases Filed against the United Mexican States" (accessed March 29, 2013); Secretaría de Economía, "Solución de Controversias: Inversionistas-Estado" (accessed March 29, 2013).

¹⁰² NAFTA Secretariat, "Overview of the Dispute Settlement Provisions" (accessed March 29, 2013).

At the end of 2012, the NAFTA Secretariat listed 14 binational panels active under Chapter 19 (table 4.6). Eleven of the 14 active cases in 2012 challenged U.S. agencies' determinations. Five binational panels were formed in 2012 under Chapter 19. Two of the 5 challenged the Mexican agency's determinations on products from the United States, and three challenged U.S. agencies' determinations on products from Mexico.¹⁰³

TABLE 4.6 NAFTA Chapter 19 binational panels, active reviews as of yearend 2012

Country ^a	Case number	National agencies' final determination ^b	Case title
Mexico			
	MEX-USA-2011-1904-01	SE Countervailing Duty	Stearic Acid
	MEX-USA-2012-1904-01	SE Antidumping Administrative Review	Chicken Thighs and Legs
	MEX-USA-2012-1904-02	SE Antidumping Administrative Review	Ethylene Glycol Monobutyl Ether
United States			
	USA-CDA-2008-1904-02	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod
	USA-CDA-2009-1904-01	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod
	USA-MEX-2007-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2008-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2009-1904-02	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2010-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2011-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2011-1904-02	USDOC Antidumping Administrative Review	Light-Walled Rectangular Pipe and Tube
	USA-MEX-2012-1904-01	USDOC Antidumping Administrative Review	Light-Walled Rectangular Pipe and Tube
	USA-MEX-2012-1904-02	USDOC Antidumping Administrative Review	Bottom Mount Combination Refrigerator-Freezers
	USA-MEX-2012-1904-03	USDOC Antidumping Administrative Review	Seamless Refined Copper Pipe and Tube

Source: NAFTA Secretariat, "Status Report of Dispute Settlements Proceedings."

^aThe United States filed the first three cases contesting Mexico's determinations, Canada filed the next two cases contesting U.S. determinations, and Mexico filed the remaining cases contesting U.S. determinations.

^bIn Canada, final dumping and subsidy determinations are made by the Canada Border Services Agency, and injury determinations are made by the Canadian International Trade Tribunal. In Mexico, all determinations are made by the Secretariat of the Economy. In the United States, dumping and subsidy determinations are made by the U.S. Department of Commerce (USDOC), and injury determinations are made by the USITC. NAFTA Secretariat, "Overview of the Dispute Settlement Provisions," accessed March 28, 2013.

¹⁰³ NAFTA Secretariat, "NAFTA—Chapter 19 Active Cases," undated (accessed April 1, 2013).

CHAPTER 5

U.S. Relations with Major Trading Partners

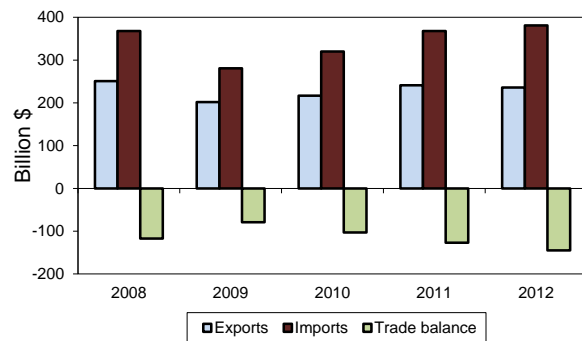
This chapter reviews U.S. bilateral trade relations with 10 selected trading partners during 2012: the European Union (EU), Canada, China, Mexico, Japan, the Republic of Korea (Korea), Brazil, Taiwan, India, and Russia (ordered by value of two-way merchandise trade). Appendix tables A.4 and A.5 show U.S. trade with its top 15 single-country trading partners in 2012.

European Union

The EU as a unit¹ is the largest two-way (exports and imports) U.S. trading partner in terms of both goods and services. The value of U.S. merchandise trade with the EU rose 1.0 percent in 2012 to \$609.8 billion, accounting for 16.9 percent of total U.S. trade. However, U.S.-EU trade that year still had not recovered to the level recorded in 2008 (\$614.9 billion), just before the global economic downturn. Although U.S. imports from the EU grew slightly in 2012, U.S. exports to the EU declined as slow growth in the EU continued. As a result, the U.S. merchandise trade deficit with the EU grew \$17.2 billion or 14.2 percent, to \$138.5 billion in 2012 (figure 5.1). On the other hand, the U.S. trade surplus in private services with the EU was \$54.8 billion in 2012, up \$2.8 billion from 2011 (figure 5.2); the EU accounted for 32.6 percent of U.S. two-way trade in services in 2012.²

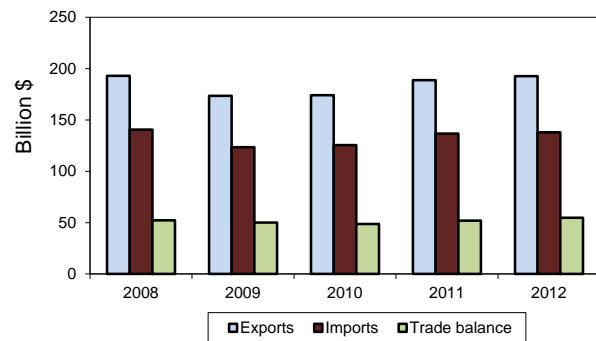
The EU fell behind Canada to rank second as a market for U.S. exports in 2012 for the first time since 2006. U.S. merchandise exports to the EU decreased 2.3 percent in 2012 to \$235.6 billion. Leading U.S. exports included aircraft and parts, petroleum-related products, certain medicaments (medicines), nonmonetary gold, and coal. The most notable gains among top exports were recorded for certain passenger motor vehicles,

FIGURE 5.1 U.S. merchandise trade with the EU, 2008–12



Source: USDOC.

FIGURE 5.2 U.S. private services trade with the EU, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

¹ The 27 members of the EU in 2012 were Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

² The services trade data by country reported in this chapter are based on trade in private services, which exclude government sales and purchases of services.

contributing to an increase for all such vehicles of 2.5 percent. Exports of certain medicaments also rose significantly by value. The decline in the value of U.S. exports was led by nonmonetary gold, human vaccines, and aircraft and parts. One-half of the top 25 U.S. exports to the EU declined by value between 2011 and 2012.

The EU also ranked second as a source for U.S. imports, following China. U.S. merchandise imports from the EU rose 3.2 percent in 2012 to \$374.1 billion. Leading U.S. imports included passenger motor vehicles, certain medicaments, petroleum-related products, turbojets and parts, and certain heterocyclic compounds. Among the top imports, the most notable increases were in motor vehicles, which grew by over \$5 billion, and turbojets and parts. U.S.-EU merchandise trade data are shown in appendix tables A.25 through A.27.

A major focus of the U.S.-EU trade relationship in 2012 was the work of the U.S.-EU High Level Working Group on Jobs and Growth, which was launched by the U.S.-EU Summit in late 2011 to recommend ways to expand bilateral trade and investment. Several initiatives under the umbrella of the Transatlantic Economic Council (TEC) also made progress, including initiatives related to small and medium-sized enterprises (SMEs), raw materials, investment, and secure trade, which are described below.

In other developments, the United States and the EU implemented an agreement to recognize each other's organic product certifications on June 1, reducing duplicative requirements and certification costs in organic trade.³ Also, on August 1, 2012, the second phase of the 2009 U.S.-EU Memorandum of Understanding (MOU) relating to the beef hormone dispute, as well as the second phase of a similar EU agreement with Canada, were implemented, raising the EU's quota for high-quality beef to 48,200 metric tons.⁴ There were developments in several World Trade Organization (WTO) dispute settlement cases involving the United States and the EU in 2012, including the long-running U.S. and EU complaints about each other's measures affecting trade in large civil aircraft (see chapter 3 and appendix table A.23).

The U.S.-EU High Level Working Group on Jobs and Growth

The U.S.-EU High Level Working Group on Jobs and Growth was set up to identify and assess policies and measures that can increase U.S.-EU trade and investment to support job creation, economic growth, and international competitiveness.⁵ The working group was to provide an interim update to U.S. and EU leaders in June 2012 and a final report with findings and recommendations at the end of 2012. Although the final report was delayed until 2013, the interim report was released as scheduled.⁶ The interim report concluded that a "comprehensive agreement that addresses a broad range of bilateral trade and investment policies as well as issues of common concern with respect to third

³ USDA, FAS, *EU-27: The EU-U.S. Organic Equivalence Cooperation Arrangement*, February 15, 2012.

⁴ High-quality beef is beef from cattle not treated with hormones. The EU's high-quality beef quota is open to all countries on a most-favored-nation basis. The quota was raised to 45,000 metric tons based on the U.S. WTO dispute settlement case alone; the additional 3,200 metric tons results from the EU's WTO dispute with Canada. See chapter 2's discussion of section 301 investigations for more information. USDA, FAS, *EU-27: Changes to the EU High Quality Beef Quota Published*, June 12, 2012.

⁵ EU-U.S. High Level Working Group on Jobs and Growth, "Interim Report to Leaders from the Co-Chairs," June 19, 2012.

⁶ The final report was released on February 11, 2013, and on February 13, the United States and EU announced their intentions to launch negotiations on a Transatlantic Trade and Investment Partnership (TTIP).

countries would, if achievable, provide the most significant benefit.”⁷ The agreement would include traditional free trade agreement provisions as well as new rules that affect trade and investment.⁸ Subject to further study, the interim report envisions seven areas to include in the agreement: elimination of all tariffs, improved regulatory compatibility and elimination of nontariff barriers, services liberalization, investment liberalization and protections, improved access to government procurement opportunities, intellectual property rights (IPR) protection and enforcement, and new rules that would be relevant to bilateral trade as well as multilateral and third-country agreements. The rules could cover the following: trade facilitation/customs; trade-related aspects of competition and state-owned enterprises; trade-related aspects of labor and the environment; horizontal (cross-cutting) provisions on SMEs; strengthening supply chains; and access to raw materials and energy.

To improve regulatory compatibility, the two sides agreed to seek to negotiate a WTO-plus sanitary and phytosanitary (SPS) standards chapter and a WTO-plus technical barriers to trade (TBT) chapter,⁹ which would include establishing bilateral forums to address SPS and TBT issues, respectively, as they arise. The new agreement would also include horizontal disciplines (rules) on regulatory coherence and transparency for goods and services, including early consultations on significant regulations, impact assessment, upstream regulatory cooperation, and good regulatory practices.”¹⁰ Commitments would also be made to promote regulatory compatibility in mutually agreed sectors. As stated in the interim agreement, to help them develop concrete action plans, in September 2012 the United States and EU asked for stakeholder comments on how to make regulations on both sides of the Atlantic more compatible with each other in general, as well as how to achieve greater regulatory compatibility in particular economic sectors.¹¹

Transatlantic Economic Council (TEC)

The TEC oversees and guides a large work plan aimed at lowering transatlantic barriers to trade and investment in order to strengthen integration and promote growth. During 2012, the TEC made progress in four areas—improving trade opportunities for SMEs; export duties and other trade measures in the raw materials sector; investment principles; and secure trade—as described below.

Under the auspices of the TEC, two workshops were held in 2012 to exchange ideas among government officials, SME stakeholders, and business associations about how to increase trade and investment opportunities for SMEs. Participants in the first workshop, held in Rome, Italy, in July 2012, exchanged best practices, pointed out challenges facing SMEs seeking to export, and addressed trade barriers that disproportionately affect SMEs.¹² Also discussed were strategies for selling to EU markets, increasing exports through e-commerce platforms, and SME finance mechanisms.¹³ At the second workshop, held in Washington, DC, in December 2012, participants discussed best practices in entrepreneurial programs for women- and youth-owned SMEs; IPR resources for SMEs; the impact of standards on SME access to markets; SME business financing

⁷ EU-U.S. High Level Working Group on Jobs and Growth, “Interim Report to Leaders from the Co-Chairs,” June 19, 2012.

⁸ Trans-Atlantic Business Dialogue, “Monthly Newsletter: September 2012,” 2.

⁹ WTO-plus refers to strengthening and reinforcing the rules and disciplines of the WTO’s agreements on SPS and TBT.

¹⁰ Upstream regulatory cooperation refers to cooperating when developing new regulations in order to avoid creating unintended barriers to trade.

¹¹ 77 Fed. Reg. 59702 (September 28, 2012).

¹² USTR, “Deputy U.S. Trade Representative Sapiro Leads U.S. Delegation,” July 12, 2012.

¹³ Ibid.

tools, including crowd funding; and geographic clusters with a specific industry focus, including small business suppliers.¹⁴ In addition, at the December workshop U.S. and EU officials signed an MOU between the International Trade Administration (ITA) of the U.S. Department of Commerce (USDOC) and the European Enterprise Network, which is a worldwide network of 600 business and innovation support organizations managed by the European Commission's Directorate-General for Enterprise and Industry (DGE).¹⁵ The MOU formalizes U.S. and EU efforts to collaborate on trade promotion and networking opportunities, information sharing, and policy initiatives that will help SMEs to access foreign markets.¹⁶ According to the USDOC, the MOU will facilitate the ITA and DGE in undertaking specific initiatives to address market access problems and other barriers that restrict SME trade and investment.¹⁷ Both sides expect to quickly develop a work plan and form a working group (as laid out in the MOU) to develop an agenda of concrete initiatives.¹⁸

The TEC made progress in several areas related to raw materials, including trade cooperation and cooperation on raw materials data. U.S. and EU officials reaffirmed their commitment to the principle of eliminating export duties in their bilateral trade agreements with third countries and agreed to coordinate with respect to such commitments in pursuing trade negotiations with third countries. Both sides also agreed to raise awareness of the global impact of trade barriers in the raw materials sector through the WTO Trade Policy Review process and to develop a checklist of raw materials-related trade disciplines to use in discussions related to WTO accession. The two sides are also strengthening cooperation on reducing export restrictions on raw materials at the Organisation for Economic Co-operation and Development (OECD).¹⁹ In September, the United States and EU held a workshop on the availability and trade flows of mineral raw materials where participants explored steps to create a joint raw materials data inventory and other means to share data to ensure reliable and diverse supplies of raw materials.²⁰

On April 10, 2012, the TEC's working group on investment announced an agreement on Shared Principles for International Investment.²¹ These principles reaffirm the U.S. and EU joint commitment to open, transparent, and nondiscriminatory international investment policies in order to attract long-term sustainable investment.²² The two sides plan to observe these principles bilaterally as well as to promote them with third countries in developing investment policy in the future.²³ For example, the Office of the U.S. Trade Representative (USTR) noted that the countries in North Africa and the Middle East "have signaled they are ready to adopt these principles to spur greater investment."²⁴

¹⁴ USTR, "USTR Welcomes U.S.-EU Memorandum of Understanding," December 4, 2012; USDOS, "U.S.-EU Workshop on Small and Medium-sized Enterprises," December 3-4, 2012.

¹⁵ Memorandum of Understanding between U.S. Department of Commerce International Trade Administration and European Commission Directorate-General for Enterprise and Industry Concerning Cooperation on Small and Medium-Sized Enterprises, December 3, 2012. <http://www.ustr.gov/sites/default/files/12042012%20U.S.-EU%20SME%20MOU.pdf> (accessed April 12, 2013).

¹⁶ USDOC, "Commerce and European Union Officials Sign MOU," December 4, 2012.

¹⁷ Ibid.

¹⁸ Camuñez, speech before the TEC SME workshop opening session, Washington, DC, December 3, 2012.

¹⁹ USDOS, "TEC Work Plan for Cooperation on Raw Materials," April 3, 2012.

²⁰ USDOS, "EU-U.S. Expert Workshop on Raw Material Flows & Data," September 14, 2012.

²¹ USDOS, "Statement of the European Union and the United States," April 10, 2012.

²² USTR, "United States, European Union Reaffirm Commitment," April 10, 2012; European Commission, Directorate-General for Trade, "EU and US Adopt Blueprint for Open and Stable Investment Climates," April 10, 2012.

²³ USTR, "United States, European Union Reaffirm Commitment," April 10, 2012.

²⁴ Sapiro, Remarks at the Transatlantic Legislators' Dialogue, Washington, DC, November 30, 2012.

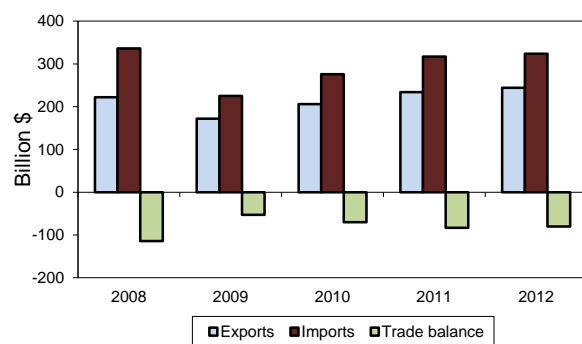
With respect to secure trade, on May 4, 2012, the United States and EU signed a mutual recognition decision between the U.S. Customs-Trade Partnership against Terrorism program and the EU Authorized Economic Operator program, which recognizes compatibility between the U.S. and EU cargo security programs and ensures a safer Atlantic supply chain.²⁵ The decision was partially implemented in July 2012 and fully implemented on January 31, 2013.²⁶

Canada

Canada is the United States' largest single-country trading partner in terms of two-way trade in goods (exports plus imports), and its second-largest single-country partner for trade in services, after the United Kingdom (UK). Canada is also the single largest foreign supplier of energy to the United States. The value of U.S. merchandise trade with Canada rose 3.3 percent in 2012 to \$568.1 billion, which accounted for 15.8 percent of total U.S. trade. The relatively small increase in U.S.-Canada merchandise trade in 2012 contrasted with double-digit increases in 2010 and 2011, when trade between the two countries was rebounding from the 2008–09 global economic downturn. In contrast, demand for Canadian commodities surged in emerging-market economies, reducing the U.S. share of Canada's merchandise exports on a value basis.²⁷ U.S. exports grew slightly more than U.S. imports, resulting in a 3.6 percent decline in the U.S. merchandise trade deficit with Canada to \$79.7 billion (figure 5.3).

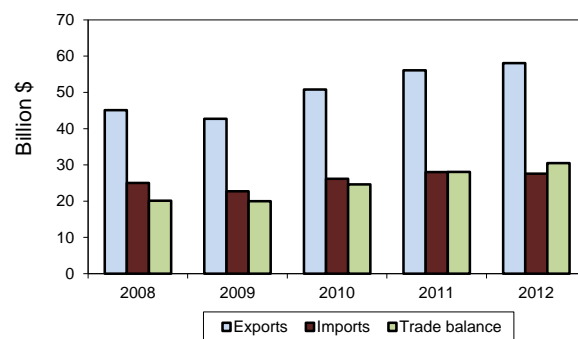
U.S. exports of services to Canada increased by 3.6 percent in 2012, to \$58.1 billion, whereas U.S. imports of services from Canada decreased slightly by 1.5 percent to \$27.6 billion (figure 5.4). As a consequence, the 2012 U.S. services trade surplus with Canada increased 8.7 percent, rising from \$28.0 billion in 2011 to \$30.5 billion in 2012. Canada was the foremost single-country market for U.S. merchandise exports in 2012, which climbed 4.5 percent to \$244.2 billion, or 18.0 percent of total U.S. exports. Major U.S. exports to Canada included passenger and truck motor vehicles and related parts, as well as a number of energy-related products, such as petroleum oils and preparations and

FIGURE 5.3 U.S. merchandise trade with Canada, 2008–12



Source: USDOC.

FIGURE 5.4 U.S. private services trade with Canada, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

²⁵ DHS, CBP, "CBP, EU Sign C-TPAT Mutual Recognition Decision," May 4, 2012.

²⁶ DHS, CBP, "EU, US Fully Implement Mutual Recognition Decision," February 8, 2013. The CBP also has mutual recognition agreements with Canada, Japan, Jordan, Korea, New Zealand, and Taiwan.

²⁷ OECD, *OECD Economic Surveys—Canada*, June 2012, 13.

natural gas. Both of these leading export categories contributed significantly to the increase in the value of U.S. exports to Canada in 2012; U.S. exports of petroleum-related products rose nearly \$6 billion and exports of vehicles and parts increased over \$3 billion.

In 2012, Canada ranked second after China as a single-country source for U.S. imports, supplying 14.4 percent of U.S. imports (China supplied 18.9 percent). U.S. merchandise imports from Canada increased 2.4 percent in 2012, to \$323.9 billion. Leading U.S. imports from Canada included energy products as well as passenger vehicles and related parts. Whereas imports of motor vehicles and related parts increased nearly \$8 billion in 2012, U.S. imports of energy products from Canada were stable. U.S.-Canada merchandise trade data are shown in appendix tables A.28 through A.30.

The United States and Canada share the world's largest and most comprehensive bilateral trading relationship. Since 1994, trade between the countries has operated within the framework of the North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico. NAFTA has reduced trade barriers and liberalized trade rules in a wide variety of areas—agriculture, industrial goods, services, energy, investment, and government procurement—as well as provided an institutional structure through which to settle a variety of disputes between the three partners.

In 2012, trade relations with Canada included actions involving the 2006 U.S.-Canada Softwood Lumber Agreement (SLA) and IPR protection and related Canadian legislation. In June 2012, Canada became a negotiating partner in the Trans-Pacific Partnership talks.

Softwood Lumber

In 1996, the United States and Canada signed the SLA, designed to ensure a stable supply of Canadian lumber exports to the United States market through the establishment of a trigger-price import quota system.²⁸ The 1996 SLA expired in March 2001. In 2006, the United States and Canada signed a second SLA, which entered into force on October 12, 2006. The 2006 SLA was to remain in force for seven years (to 2013), with the possibility of extension for two more years if agreed by the parties.

Following discussions in 2011, the two parties agreed to extend the 2006 SLA well in advance of its scheduled expiration date to maintain predictability and stability in the lumber sector. On January 23, 2012, the United States and Canada signed a two-year extension of the agreement, which continues the SLA with no changes. The 2006 SLA is now set to expire on October 13, 2015.

SLA Arbitration

In January 2011, the United States requested arbitration under the 2006 SLA to examine if sales of lumber from British Columbia were underpriced, thereby providing Canadian softwood lumber producers and exporters with benefits that did not comply with Canada's obligations under the agreement.²⁹ The central allegation brought by the United States contended that British Columbia was underpricing timber harvested from public lands in the interior of British Columbia by misgrading it as salvage rather than lumber-

²⁸ For more information, see Softwood Lumber Agreement between the Government of Canada and the Government of the United States of America, "Article VII—Export charge and export charge plus volume restraint," September 12, 2006, http://www.ustr.gov/webfm_send/3254.

²⁹ For further background, see USITC, *The Year in Trade 2011*, July 2012, 5-6 to 5-7.

quality timber.³⁰ Following the establishment of an arbitration tribunal under the London Court of International Arbitration (LCIA), proceedings were held in 2011 and 2012, and included testimony about extensive infestation by the mountain pine beetle. While the tribunal acknowledged the dramatic increase in the amount of low-priced salvage timber, it was unable to find a conclusive link between the increase and any actions by British Columbia. On July 18, 2012, the tribunal found no Canadian or provincial government action in violation of the agreement and dismissed the claims brought by the United States.³¹

Intellectual Property

In 2012, Canada remained on the USTR Special 301 priority watch list, subject to review of then-pending legislation designed to implement international IPR agreements that Canada signed in 1997 but did not enact into law until 2012.³² On June 29, 2012, Canada passed the Copyright Modernization Act, implementing the World Intellectual Property Organization (WIPO) Copyright Treaty and the Performances and Phonograms Treaty, commonly known as the WIPO Internet Treaties.³³ Most provisions of the act became effective on November 7, 2012.³⁴ The United States welcomed the action, and also urged Canada to strengthen its border enforcement efforts to deter IPR violations. In particular, USTR said that it looks to additional Canadian legislation to give Canada's customs officers ex officio authority to act against the importation, exportation, and transshipment of counterfeit and pirated goods.³⁵ USTR has also expressed concern about the adequacy of patent protection in Canada. Areas of concern include the new patent utility standard adopted by the Canadian courts for pharmaceuticals, Canada's administrative process for review and appeal of regulatory approval for pharmaceutical products, and limitations in Canada's trademark regime.³⁶

China

In 2012, China remained the United States' second-largest single-country trading partner based on two-way trade, accounting for 14.7 percent of U.S. trade with the world. U.S. merchandise trade with China amounted to \$528.4 billion in 2012, an increase of 6.7 percent over 2011. The U.S. merchandise trade deficit with China, which rose by \$19.8 billion to \$321.4 billion in 2012, remained higher than that with any other trading partner. The increase in the trade deficit was mostly attributable to an increase in U.S. merchandise imports from China, which more than offset an accompanying increase in U.S. exports to China (figure 5.5). However, the U.S. trade surplus in services with China increased by 10.2 percent from \$15.4 billion in 2011 to \$16.9 billion in 2012 (figure 5.6).

³⁰ USTR, "Statement by the Office of the U.S. Trade Representative in Response to Decision in Third Softwood Lumber Arbitration," July 18, 2012.

³¹ LCIA, "Final Award—Non-confidential—in the Arbitration The United States of America—Claimant—vs. Canada—Respondent—Arbitral Tribunal," Case No. 111790, July 26, 2012; Government of Canada, Foreign Affairs and International Trade Canada, "Canada Applauds Softwood Lumber Ruling on British Columbia's Timber-Pricing System," July 18, 2012.

³² USTR, *2012 Special 301 Report*, April 2012, 25–26.

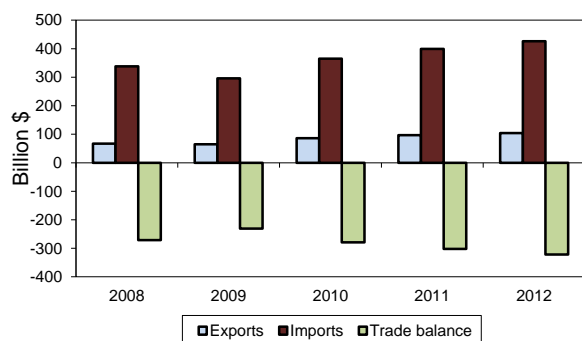
³³ Government of Canada, Canada News Centre, "Harper Government Delivers on Commitment," June 29, 2012; USDOS, Bureau of Western Hemisphere Affairs, "U.S. Relations with Canada," June 29, 2012.

³⁴ Patterson, "Copyright Modernization Act Enters into Force," November 8, 2012; USITC, *The Year in Trade 2011*, July 2012, 5-7 to 5-8.

³⁵ USTR, *2012 Special 301 Report*, April 2012, 25–26.

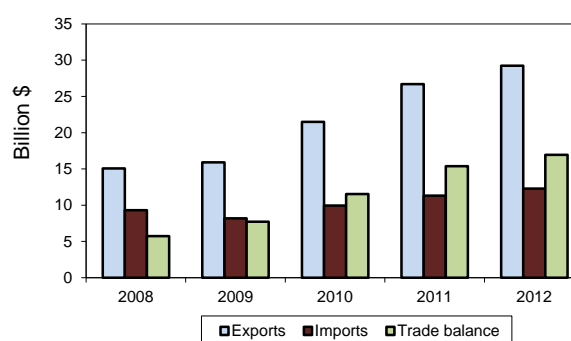
³⁶ USTR, *2012 Special 301 Report*, April 2012, 25–26; USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, III.139–III.140; Inside Washington Publishers, "PhRMA Representative Raises Three Issues With Canadian Patent System," March 1, 2013; Inside Washington Publishers, "U.S. Industry Representatives Blast Canadian Patent, Copyright Regimes," March 1, 2013.

FIGURE 5.5 U.S. merchandise trade with China, 2008–12



Source: USDOC.

FIGURE 5.6 U.S. private services trade with China, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

For trade in services, China was the fifth-largest single-country U.S. trading partner in 2012, following the UK, Canada, Japan, and Mexico.

China overtook Japan to become the third-largest single-country destination for U.S. exports in 2007, and remained in that position, behind Canada and Mexico, through 2012. U.S. merchandise exports to China amounted to \$103.5 billion in 2012, a 6.8 percent increase over 2011. About 14.5 percent of U.S. merchandise exports to China were in soybeans. Other leading U.S. exports to China included aircraft and parts, cotton, metalwaste and scrap, and motor vehicles. The increase in the value of U.S. exports to China was led by a \$4.5 billion increase in exports of soybeans, followed by aircraft and parts, cotton, refined copper cathodes, corn, and telecommunication instruments and apparatus.

In 2012, China remained the largest source of U.S. imports. U.S. merchandise imports from China amounted to \$424.9 billion, an increase of 6.6 percent over 2011. Leading U.S. imports from China in 2012 were computers and computer parts, cellular telephones, telecommunications equipment, toys, video games, and footwear. The increase in the value of U.S. imports was led by increases in imports of cellular telephones, computers and computer parts, telecommunication equipment, and footwear. U.S.-China merchandise trade data are shown in appendix tables A.31 through A.33.

In 2012, U.S.-China trade relations focused on a number of Chinese policies, including IPR protection, industrial policies, export restraints on raw material inputs (such as rare earths), restrictions on imports of U.S. agricultural products, and entry barriers in services sectors. These issues were among the principal themes of the 2012 U.S.-China Strategic and Economic Dialogue (S&ED) and the 2012 Joint Commission on Commerce and Trade (JCCT).³⁷ The S&ED, established in 2009, is a high-level dialogue for the United States and China to discuss a wide range of bilateral, regional, and global political, strategic, security, and economic issues between both countries, while the JCCT, established in 1983, is a forum for high-level dialogue on bilateral trade issues and a vehicle for promoting commercial relations. Both are held annually.

There were also developments in a number of WTO dispute settlement cases between the United States and China in 2012. The United States requested dispute settlement consultations with China regarding (1) measures related to the exportation of rare earths,

³⁷ U.S. Department of Treasury, “The 2012 U.S.-China Strategic and Economic Dialogue,” May 4, 2012; USDOC, “Fact Sheet: 23rd U.S.-China Joint Commission on Commerce and Trade,” December 19, 2012.

tungsten, and molybdenum (DS431),³⁸ (2) China's antidumping and countervailing duties on certain automobiles from the United States (DS440),³⁹ and (3) measures affecting the automobile and automobile-parts industries (DS450).⁴⁰ China requested dispute settlement consultations with the United States regarding (1) countervailing duty measures on certain products from China (DS437),⁴¹ and (2) countervailing and antidumping measures on certain products from China (DS449).⁴² Developments in these and other cases during 2012 are described in chapter 3 and appendix table A.23.

Intellectual Property Rights Enforcement

The United States and China have had lengthy and longstanding consultations on IPR issues, particularly since China's accession to the WTO and acceptance of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. China has undertaken wide-ranging revisions to its laws and conducted numerous special campaigns to improve public awareness of IPR and enforcement on the ground. These efforts reportedly have yielded mixed results.⁴³ According to USTR, the ongoing and sustained involvement of China's governmental leaders will be critical if China is to deliver on its substantial IPR commitments.

USTR's 2012 Special 301 report again placed China on the priority watch list of countries with particular problems with respect to IPR protection, enforcement, or market access. USTR noted substantial concerns with the theft of U.S. firms' trade secrets and the difficulty of obtaining legal redress, as well as problems with non-deterrent IPR enforcement in general. More positively, USTR cited improvements in China's IPR landscape through notable efforts to update major intellectual property laws and through increased judicial resources devoted to IPR cases.⁴⁴

In December 2012, USTR's Out-of-Cycle Review of Notorious Markets, which identifies Internet and physical markets that reportedly engage in substantial copyright and trademark infringement, also highlighted both positive and negative developments in China. On the positive side, two Chinese websites, Taobao and Sogou, were removed from the Notorious Markets list based on notable work with rights holders to remove infringing content from the sites. More negatively, USTR identified a variety of Chinese websites that continue to facilitate the unauthorized downloading and distribution of music, movies, and software, as well as physical markets in China where large quantities of copyright- and trademark-infringing products are being sold.⁴⁵

Industrial Policies

China's continuous pursuit of industrial policies that "seek to limit market access for imported goods, foreign manufacturers and foreign-based service suppliers, while

³⁸ WTO, DSB, *DS431: China—Measures Related to the Exportation of Rare Earths, Tungsten, and Molybdenum*, online summary (accessed January 28, 2013).

³⁹ WTO, DSB, *DS440: China—Anti-dumping and Countervailing Duties on Certain Automobiles from the United States*, online summary (accessed January 28, 2013).

⁴⁰ WTO, DSB, *DS450: China—Certain Measures Affecting the Automobile and Automobile-parts Industries*, online summary (accessed January 28, 2013).

⁴¹ WTO, DSB, *DS437: United States—Countervailing Duty Measures on Certain Products from China*, online summary (accessed January 28, 2013).

⁴² WTO, DSB, *DS449: United States—Countervailing and Anti-Dumping Measures on Certain Products from China*, online summary (accessed January 28, 2013).

⁴³ USTR, *2012 Special 301 Report*, April 2012, 26–28.

⁴⁴ USTR, *2012 Special 301 Report*, April 2012, 27.

⁴⁵ USTR, *Out-of-Cycle Review of Notorious Markets*, December 2012, 2.

offering substantial government guidance, resources and regulatory support to Chinese industries” remained a major U.S. concern in 2012.⁴⁶ Such policies include China’s indigenous innovation policy, export restraints, subsidies to domestic industries, value-added tax rebates, and restrictive investment regime.⁴⁷

According to USTR, some progress was made on these issues in 2012. In February 2012, China made a commitment that the Chinese government would not use technology transfer and technology cooperation as a precondition for market access, but would leave the issue to businesses to decide independently.⁴⁸ At the May 2012 U.S.-China S&ED meeting, China committed to offer the same treatment to foreign-owned or -developed intellectual property as indigenous intellectual property.⁴⁹ However, USTR noted that China has yet to revise or eliminate specific policy measures that appear inconsistent with this commitment.⁵⁰

Export Restraints on Raw Material Inputs

USTR reported that China continued to impose “numerous export restraints” in 2012, including export quotas, export licensing restrictions and bidding requirements, minimum export prices, and export duties, and that such practices distort trade in raw materials as well as intermediate and final products.⁵¹ In 2012, China maintained export restraints on antimony, bauxite, coke, fluorspar, indium, lead, magnesium, magnesium carbonate, manganese, molybdenum, phosphate rock, rare earths, silicon, silicon carbide, talc, tin, tungsten, yellow phosphorus, and zinc.⁵² As China is the world’s leading producer or among the top producers of those raw materials, China’s export restraints artificially increase world prices for these raw material inputs while lowering input prices for Chinese producers, thus creating serious disadvantages for U.S. and other foreign producers using these key goods to produce downstream products.⁵³ The United States filed two WTO dispute settlement complaints in 2009 (DS394) and in 2012 (DS431), respectively, addressing China’s measures related to export restraints on raw materials. Their developments are described in chapter 3.

Agriculture

In FY 2012, about 17.2 percent of U.S. agricultural exports went to China, making it the largest U.S. agricultural export destination.⁵⁴ Although U.S. agricultural exports to China continued to grow strongly, a variety of nontariff barriers impede market access for U.S. agricultural producers exporting to China. According to U.S. officials, particularly notable barriers include SPS measures and inspection-related requirements that are imposed in a nontransparent way and without clear scientific bases.⁵⁵ During the year, China continued to impose a ban on imports of U.S. live cattle, beef, and beef products due to a case of bovine spongiform encephalopathy (BSE, or “mad cow” disease) in the

⁴⁶ USTR, *2012 Report to Congress on China’s WTO Compliance*, December, 2012, 7.

⁴⁷ *Ibid.*, 7–10.

⁴⁸ The U.S. Department of Treasury, “Joint U.S.-China Economic Track Fact Sheet: Fourth Meeting of the U.S. China Strategic and Economic Dialogue,” May 4, 2012.

⁴⁹ USTR, *2012 Report to Congress on China’s WTO Compliance*, December 2012, 7.

⁵⁰ *Ibid.*

⁵¹ *Ibid.*, 43.

⁵² *Ibid.*

⁵³ USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012, 69.

⁵⁴ USDA, ERS, “Top 15 U.S. Agricultural Export Destinations, by fiscal year,” November 19, 2012.

⁵⁵ USTR, *2012 Report to Congress on China’s WTO Compliance*, December, 2012, 85–89. For more information on the conditions of competition in China’s agricultural market and trade, see USITC, *China’s Agricultural Trade: Competitive Conditions and Effects on U.S. Exports*, March 2011.

United States in 2003.⁵⁶ China also continued to maintain an import ban on U.S. pork containing trace amounts of ractopamine, a feed additive, at concentration levels below the U.S. maximum residue level (MRL) and the Codex⁵⁷ MRL, citing concerns over the safety of ractopamine.⁵⁸

In 2007, China placed avian influenza-related import bans on U.S. poultry and poultry products from several U.S. states. In 2010 and 2011, China lifted bans on U.S. poultry products from Kentucky, Idaho, Texas, and Pennsylvania. In December 2012 at the JCCT meeting, China announced it would lift its ban on products from Minnesota, but it continued to ban poultry and poultry products from Arkansas and Virginia.⁵⁹ In addition, China bans imports of poultry from eligible states that are transshipped through the above restricted states, even if the truck, container, or railcar is sealed.⁶⁰

China also does not permit imports of U.S. pears, due to concerns over fire blight, a bacterial disease. Since 2007, the United States and China have had ongoing technical discussions regarding imports of U.S. pears. At the December 2012 JCCT meeting, the United States and China reached an agreement on new access for U.S. pears in the Chinese marketplace through a commitment to allow reciprocal trade between the two countries beginning in 2013.⁶¹

Services

In 2012, about \$29.2 billion, or 2.8 percent of U.S. services exports, went to China, making it the fourth largest single-country market for U.S. services. However, USTR noted that in 2012 China continued to “maintain or erect restrictive or cumbersome terms of entry” in some service sectors (e.g., financial services, legal services, express delivery services, and construction and related engineering services) that prevent or discourage U.S. and other foreign suppliers from gaining or expanding market access.⁶² Such entry barriers include foreign equity limitations, high minimum capital requirements, and restrictions on opening branch offices, as well as an opaque or slow-moving licensing review process.⁶³ For instance, China has the world’s second-largest telecommunications services market.⁶⁴ However, it is dominated by three Chinese state-owned enterprises. The Chinese government imposes restrictions on basic services, such as the requirement that foreign suppliers can only operate by entering into joint ventures with state-owned enterprises, as well as an exceedingly high minimum capital requirement, creating serious barriers for U.S. suppliers entering the Chinese telecommunications market.⁶⁵

In 2012, some progress was made in the audiovisual and financial services sectors. The United States is one of the world’s largest exporters of audiovisual services, including films. However, China has limited the number of foreign movies that can be shown each year in Chinese theaters. The United States filed a WTO dispute settlement complaint against China on the matter in 2007, and the Appellate Body found that a number of

⁵⁶ USTR, *2013 Report on Sanitary and Phytosanitary Measures*, April 2013, 35.

⁵⁷ The Codex Alimentarius Commission, a UN food standards-setting body.

⁵⁸ USTR, *2013 Report on Sanitary and Phytosanitary Measures*, April 2013, 35.

⁵⁹ *Ibid.*, 37.

⁶⁰ USDA, FSIS, “Export Requirements for People’s Republic of China,” March 8, 2013.

⁶¹ USDOC, “Factsheet: 23rd U.S.-China Joint Commission on Commerce and Trade,” December 19, 2012.

⁶² USTR, *2012 Report to Congress on China’s WTO Compliance*, December 2012, 110.

⁶³ USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, 2012, 72; USTR, *2012 Report to Congress on China’s WTO Compliance*, December 2012, 109.

⁶⁴ USITC, *Recent Trends in U.S. Services Trade*, July 2012, 8-2.

⁶⁵ USTR, *2012 Report to Congress on China’s WTO Compliance*, December 2012, 118.

China's measures were inconsistent with China's WTO obligations.⁶⁶ In February 2012, China agreed to significantly increase market access for U.S. movies.⁶⁷

At the May 2012 S&ED meeting, China noted that regulations had been amended to allow U.S. and other foreign insurance companies to sell mandatory auto liability insurance in China. China also made a number of commitments to reduce entry barriers and open China's financial markets to foreign companies. For example, foreign and domestic auto financing companies will be able to issue bonds regularly in China, and foreign investors will be allowed to take up to 49 percent equity stakes in domestic securities joint ventures.⁶⁸

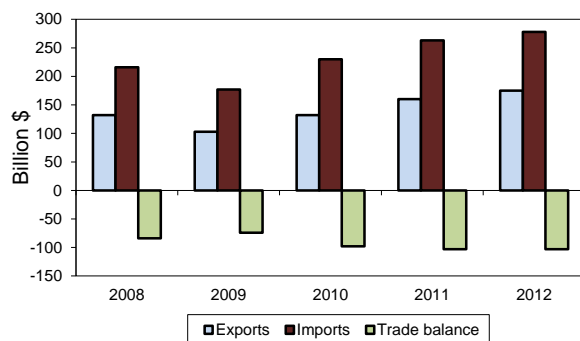
U.S. companies cite China's administrative licensing as a major impediment to doing business in the country, describing the process as unnecessarily lengthy, costly, and often opaque.⁶⁹ With the goal of facilitating commercial activity affected by administrative licensing, in April 2012 the United States and China launched a joint exchange on administrative licensing rules and engaged in a discussion of specific concerns of businesses with administrative licensing in both countries.⁷⁰

Mexico

In 2012, Mexico was the United States' third-largest single-country merchandise trading partner, following Canada and China. Merchandise trade between the two countries increased 6.9 percent to \$451.6 billion in 2012, accounting for 12.5 percent of U.S. trade with the world. While the U.S. merchandise trade deficit with Mexico fell by \$1.5 billion in 2012, at \$101.2 billion it was still the United States' second-largest merchandise trade deficit with any single country (figure 5.7). The deficit was outweighed only by that with China, which was more than three times the U.S. trade deficit with Mexico.

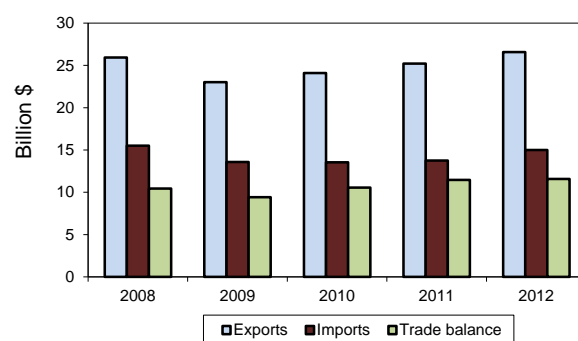
On the other hand, the U.S. trade surplus in services with Mexico increased by 1.0 percent to \$11.6 billion in 2012 (figure 5.8). U.S. services exports to Mexico were valued

FIGURE 5.7 U.S. merchandise trade with Mexico, 2008–12



Source: USDOC.

FIGURE 5.8 U.S. private services trade with Mexico, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

⁶⁶ WTO, DSB, *DS363: China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products*, online summary.

⁶⁷ The White House, "United States Achieves Breakthrough on Movies," February 17, 2012.

⁶⁸ U.S. Department of Treasury, "U.S. Fact Sheet—Economic Track of the Fourth Meeting of the U.S.-China Strategic and Economic Dialogue," May 4, 2012.

⁶⁹ The U.S.-China Business Council, "USCBC 2012 China Business Environment Survey Results," 2012.

⁷⁰ USDOC, "Fact Sheet: 23rd U.S.-China Joint Commission on Commerce and Trade," December 19, 2012.

at \$26.6 billion, while U.S. services imports from Mexico totaled \$15.0 billion. Mexico was the United States' fourth-largest single-country trading partner for services in 2012, after the UK, Canada, and Japan.

U.S. merchandise exports to Mexico totaled \$175.2 billion in 2012, an increase of 9.5 percent from 2011. In 2012, as in the previous year, machinery and transportation equipment, particularly automotive trade, accounted for the largest share of U.S. merchandise exports to Mexico. Other leading exports to Mexico included petroleum products, corn, aircraft and parts, parts and accessories for automatic data processing machines, soybeans, plastic goods, natural gas, parts for electrical apparatus, and paraxylene.

In 2012, U.S. merchandise imports from Mexico increased by 5.2 percent to \$276.4 billion. Leading U.S. imports from Mexico included crude petroleum and petroleum products, motor vehicles and parts, televisions, computers, cell phones, nonmonetary gold, and road tractors. Particularly important in the increase of U.S. imports from Mexico was the rise in the value of imports of vehicles and vehicle parts and accessories. U.S.-Mexico merchandise trade data are shown in appendix tables A.34 through A.36.

U.S.-Mexican trade relations are governed in large part by NAFTA, which provides duty-free treatment to a sizable portion of the goods traded between the two parties.⁷¹ In October 2012, Mexico officially joined the ongoing negotiations under the Trans-Pacific Partnership (TPP), a prospective regional trade agreement between the United States and 10 other countries (counting Mexico). A number of trade disputes between the United States and Mexico were the subject of WTO and NAFTA dispute settlement proceedings in 2012. The procedural developments in each of these cases are listed in appendix tables A.23 and A.24, respectively. Developments of an agreement related to NAFTA's cross-border trucking provisions between Mexico and the United States are summarized below.

Cross-Border Trucking between the United States and Mexico

NAFTA's cross-border trucking provisions permitted Mexican trucks to provide cross-border truck services throughout the United States beginning in 2000. The implementation of these provisions was delayed because of U.S. safety concerns.⁷² In response to these concerns, in 2011 the U.S. Department of Transportation (USDOT) proposed a Pilot Program on the NAFTA Long-Haul Trucking Provisions,⁷³ following the suspension of an earlier program.⁷⁴ The pilot program will not exceed three years.⁷⁵

On July 8, 2011, the Federal Motor Carrier Safety Administration (FMCSA) announced the authorization of Mexico-domiciled motor carriers under the pilot program to transport cargo beyond the commercial zones (which extend up to 25 miles into the United States along the U.S.-Mexico border) and throughout the United States (long-haul operations).⁷⁶ U.S. and Mexican government officials agreed to set up criteria that must be met for

⁷¹ For more information on NAFTA, see chapter 4.

⁷² Developments in cross-border truck services between the United States and Mexico from 1981 to 2011 are reported in USITC, *Year in Trade 2008*, 2009, 5-16; USITC, *Year in Trade 2009*, 2010, 5-16; USITC, *Year in Trade 2010*, 2011, 5-12; USITC, *The Year in Trade 2011*, 2012, 5-14.

⁷³ 76 Fed. Reg. 20807 (April 13, 2011).

⁷⁴ After the earlier program was suspended in 2009, Mexico retaliated by suspending NAFTA preferential tariffs on certain U.S. products. Mexico eliminated the retaliatory duties in 2011 after the first Mexican carrier was authorized to enter the 2011 pilot program. For more details, see USITC, *The Year in Trade 2011*, 2012, 5-14.

⁷⁵ Details of the program are reported in USITC, *The Year in Trade 2011*, 2012, 5-14.

⁷⁶ 76 Fed. Reg. 40420 (July 8, 2011).

Mexican trucks to enter the pilot program.⁷⁷ The agreement also stipulates that Mexico will provide reciprocal access to U.S. carriers. Before carriers have completed 18 months of operation under the pilot program, a final compliance review will be conducted. Carriers that pass the review will be granted a permanent operating authority to operate throughout both countries.⁷⁸

In 2012, FMCSA conducted an audit of the program, which indicated that there may not be enough authorized carriers to statistically assess the safety of the pilot program. Covering the period from October 2011 through May 2012, the audit concluded that “The low participation in the pilot program puts FMCSA at risk of not meeting its goals for providing an adequate and representative sample of Mexico-domiciled carriers and inspections necessary to assess the impact on motor carrier safety.”⁷⁹ FMCSA estimated that at least 46 carriers will be needed to conduct a target of 4,100 inspections over a period of three years. As of July 2012, FMCSA had approved long-haul operating authority for four carriers and conducted 89 inspections, 52 of which extended beyond the commercial zone.⁸⁰ By the end of 2012, there were nine additional Mexican domiciled carriers with long-haul operating authority. These carriers had a total of 13 trucks authorized to operate throughout the United States, and the trucks underwent a total of 426 inspections.⁸¹

Japan

In 2012, Japan was the fourth-largest single-country U.S. trading partner. The country accounted for 5.8 percent of total U.S. merchandise trade, up from 5.4 percent in 2011, a year impacted by the effects of the Great East Japan Earthquake Disaster. U.S. merchandise trade with Japan was \$209.1 billion in 2012, an increase of 10.5 percent over 2011. The United States recorded a merchandise trade deficit with Japan of \$79.9 billion in 2012, up \$13.4 billion from 2011 (figure 5.9). The increase in the bilateral trade deficit was primarily attributable to a \$14.9 billion increase in U.S. imports of machinery and transport equipment (primarily vehicles and parts) and a relatively weak increase in U.S. exports. Japanese exports to the United States in many of the sectors that were most affected by the Great East Japan Earthquake Disaster of 2011 recovered in 2012.

Japan was the United States’ third-largest single-country trading partner in services during 2012, behind the UK and Canada. U.S. services exports to Japan rose 5.1 percent to \$46.6 billion, while imports of services from Japan rose 7.2 percent to \$26.5 billion, resulting in a \$472 million increase in the U.S. services surplus to \$20.1 billion in 2012 (figure 5.10).

Between 2011 and 2012, U.S. merchandise exports to Japan grew 5.2 percent, from \$61.4 billion in 2011 to \$64.6 billion in 2012. Japan remained the fourth-largest destination for U.S. exports, accounting for 4.8 percent of global U.S. exports. Leading U.S. exports to Japan were aircraft and parts, various medical equipment, corn, certain medicaments, soybeans, and wheat. Export growth was led by aircraft and parts, certain medicaments,

⁷⁷ USDOT, FMCSA, “Memorandum of Understanding on International Freight,” July 6, 2011.

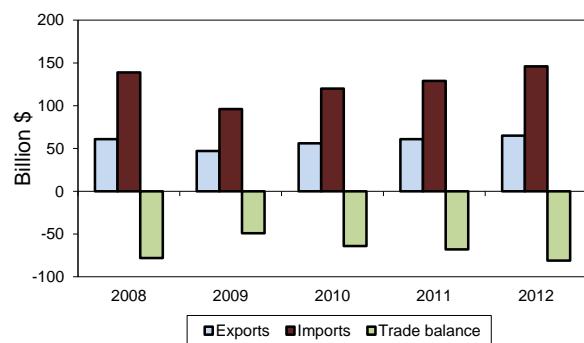
⁷⁸ Ibid.

⁷⁹ USDOT, FMCSA, “Increased Participation and Improved Oversight Mechanisms,” August 16, 2012, 2.

⁸⁰ Ibid.

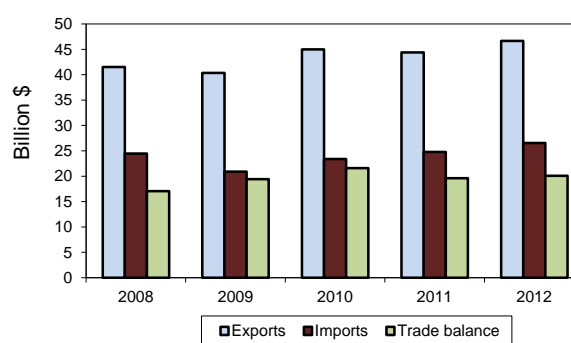
⁸¹ USDOT, FMCSA, “Mexico-Domiciled Motor Carriers with Active Operating Authority: Aggregate Data Charts,” December 30, 2012.

FIGURE 5.9 U.S. merchandise trade with Japan, 2008–12



Source: USDOC.

FIGURE 5.10 U.S. private services trade with Japan, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

and certain medical equipment products, while exports of other leading products, such as corn and wheat, declined.

U.S. merchandise imports from Japan grew 13.0 percent to \$144.5 billion in 2012, up from \$127.9 billion in 2011. Japan remained the fourth-largest source of U.S. imports, accounting for 6.4 percent of global U.S. imports. Leading U.S. imports from Japan were passenger vehicles and parts, aircraft parts, parts for printers and copying machines, and heavy construction equipment. Growth in U.S. imports from Japan was led by transportation equipment and heavy construction equipment, while imports of parts for printers and copying machines and of semiconductor-producing equipment declined. U.S.-Japan merchandise trade data are shown in appendix tables A.37 through A.39.

While the U.S.-Japan Economic Harmonization Initiative served as the primary driver of trade and economic dialogue between the two countries between November 2010 and January 2012, the United States and Japan engaged in a variety of multilateral forums throughout 2012. Japan's announcement in late 2011 that it would engage in consultations with the United States and other TPP members toward joining the TPP negotiations refocused the economic partnership between the two countries into a dialogue between two potential free trade agreement (FTA) partners. Japan took steps to significantly expand market access for U.S. beef exports following years of restrictive practices designed to protect consumers from BSE. In February 2012, the United States and Japan reached an agreement in which the United States agreed to end the use of "zeroing" in its antidumping duty calculations,⁸² and further agreed to recalculate antidumping duty margins in certain cases in which Japan was subject to a duty order.⁸³

Multilateral Negotiations and Cooperation

Prior to the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in Honolulu in November 2011, then-Prime Minister Noda announced that Japan would begin consultations with TPP countries toward joining TPP negotiations.⁸⁴ Consultations continued between officials from the United States, Japan, and other TPP governments throughout 2012 as both the Japanese government and those of TPP partner countries

⁸² For more information on the practice of zeroing, see the section on WTO dispute settlement in chapter 3 of this report.

⁸³ For more information, see appendix table A.23 and WTO, DSB, *DS322: United States—Measures Relating to Zeroing and Sunset Reviews*, online summary.

⁸⁴ Prime Minister of Japan, "Press Conference on the Occasion," November 2011.

gauged support for Japan's entry into the negotiations.⁸⁵ Meetings between the United States and Japan focused on sector-specific issues in the insurance, agriculture, and automotive sectors as well as other cross-sectoral issues.⁸⁶ In March 2013, Prime Minister Abe formally expressed Japan's interest in joining the TPP negotiations.⁸⁷ In addition, Japan was the first signatory country to ratify the Anti-Counterfeiting Trade Agreement in September 2012.⁸⁸

Information and Communication Technology Principles

In January 2012, the United States and Japan released a set of outcomes from the previous year's meetings as part of the Economic Harmonization Initiative.⁸⁹ As part of this release, the United States and Japan published a set of nonbinding trade principles for information and communications technology services, with the aim of promoting these principles with third countries and in multilateral forums.⁹⁰ These services include Internet and other network-based applications critical to e-commerce, Internet search and advertising, cloud computing, and other services, and the principles cover transparency, cross-border information flows, open networks, spectrum assignment, foreign investment, and nondiscriminatory treatment of digital products.⁹¹

Japan Post

The United States continued to press Japan on the competitive position held by Japan Post Holdings Co. (Japan Post) in the banking, insurance, and express delivery sectors of the Japanese economy.⁹² A major concern for U.S. policymakers and business leaders has been that the size and variety of holdings within Japan Post allow it to cross-subsidize and promote its services across sectors in order to dominate markets. In addition, Japan Post is subject to fewer reporting and customs clearance requirements than private companies, which may give the company an anticompetitive advantage over both smaller domestic firms and foreign competitors.⁹³ In 2007, former Prime Minister Koizumi's government introduced reforms designed to privatize and separate these holdings, thereby making them subject to the same regulations as private firms. However, successor governments have moved to reverse or mitigate these reforms before their full implementation, and the Japanese Diet passed legislation in April 2010 to loosen regulatory requirements on Japan Post as part of a compromise among various Japanese political parties.⁹⁴ The legislation extended Japan Post companies' exemptions from the Insurance Business Law and Banking Law, allowed more latitude for companies within

⁸⁵ CRS, *U.S.-Japan Economic Relations: Significance, Prospects, and Policy Options*, February 20, 2013, 12.

⁸⁶ USTR, "U.S., Japan Hold High-level Consultation on the Trans-Pacific Partnership," February 2012; USTR, "United States and Japan Hold Expert-level Trans-Pacific Partnership Consultations," February 2012.

⁸⁷ USTR, "Statement by Acting USTR Demetrios Marantis on Japan's Announcement," March 15, 2013.

⁸⁸ Inside U.S. Trade, "Japan Becomes First ACTA Signatory to Ratify," September 13, 2012. For more information on ACTA, see USITC, *The Year in Trade 2011*, July 2012, 3-35.

⁸⁹ USTR, "USTR Ron Kirk Announces Progress," January 2012. There were no meetings of the Economic Harmonization Initiative in 2012. CRS, *U.S.-Japan Economic Relations: Significance, Prospects, and Policy Options*, February 20, 2013, 14.

⁹⁰ USTR, *U.S.-Japan Trade Principles*, January 27, 2012.

⁹¹ *Ibid.*

⁹² USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 146. Japan Post is a Japanese conglomerate owned by the government of Japan, which supplies integrated postal, banking, and insurance services, among other services. Japan Post Group, *Annual Report 2012*, April 2012.

⁹³ USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012, 211; ACCJ Insurance Committee, "Ensure That the Ongoing Postal Reform Debate," March 2012.

⁹⁴ CRS, *U.S.-Japan Economic Relations: Significance, Prospects, and Policy Options*, February 20, 2013, 9-10.

Japan Post to expand their business scope, and increased interconnectedness between the Japan Post's mail delivery and network operations subsidiaries.⁹⁵

Beef

Japan banned imports of U.S. beef in December 2003 due to concerns about BSE, following years in which Japan was the largest export market for U.S. beef.⁹⁶ The ban was adjusted in July 2006 to restrict only cuts from cattle older than 20 months of age; nevertheless, the restrictions effectively banned most of the high-quality beef that U.S. exporters had traditionally shipped to Japan.⁹⁷ Following a bilateral meeting between President Obama and then-Prime Minister Noda on the sidelines of the 2011 APEC Leaders' Meeting, the Japanese Prime Minister announced that Japan would begin to review current restrictions on U.S. beef imports.⁹⁸ Between December 2011 and October 2012, Japan's independent Food Safety Commission conducted a risk assessment on raising the age limit of cattle that can be used to supply U.S. beef products for export to Japan.⁹⁹ As a result of this study, Japan entered into consultations with the United States in late 2012 to raise the age limit for U.S. cattle and adopt a revised definition of the types of cattle tissues that can carry the BSE agent.¹⁰⁰

Recovery from the Great East Japan Earthquake Disaster

On March 11, 2011, much of northeastern Japan experienced a major humanitarian crisis and commercial disaster caused by an earthquake off the Pacific coast. The earthquake and resulting tsunami and nuclear calamity cost nearly 16,000 people their lives and destroyed industrial property, spread nuclear contamination, and damaged infrastructure.¹⁰¹ The damage caused to the supply chain had a direct impact on U.S.-Japan trade in 2011: for example, U.S. imports of motor vehicles and parts and electrical machinery from Japan, the largest and third-largest import sectors respectively, fell slightly in 2011 due to major declines in the second quarter. However, these imports exhibited major increases in 2012, reflecting a recovery of some of the export sectors most affected by the disaster.

Republic of Korea

The Republic of Korea (Korea) was the United States' seventh-largest single-country trading partner in 2012. Two-way merchandise trade was valued at \$97.9 billion in 2012, accounting for 2.7 percent of U.S. trade with the world. The United States recorded a \$17.9 billion merchandise trade deficit with Korea in 2012—21.6 percent higher than in

⁹⁵ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 180.

⁹⁶ USITC, *Year in Trade 2010*, 2011, 5-16.

⁹⁷ USTR, "U.S. Trade Representative Ron Kirk and Agriculture Secretary Tom Vilsack Announce Agreement," January 2013; USITC, *Year in Trade 2011*, 2012, 5-18 to 5-19.

⁹⁸ White House, "Readout by the Press Secretary," November 12, 2011.

⁹⁹ USTR, "U.S. Trade Representative Ron Kirk and Agriculture Secretary Tom Vilsack Announce Agreement," January 2013.

¹⁰⁰ USTR, "U.S. Trade Representative Ron Kirk and Agriculture Secretary Tom Vilsack Announce Agreement," January 2013. As the USTR article explains, in January 2013 the United States and Japan agreed to expand U.S. beef exports to Japan, with Japan permitting beef from cattle less than 30 months of age and revising other restrictive standards for U.S. beef exports. In addition, the two governments agreed to hold both regular and ad hoc consultations to review progress under the agreement to address any issues that may arise. Japan further confirmed that an ongoing Food Safety Commission risk assessment is considering raising the age limit above 30 months for beef from the United States.

¹⁰¹ National Police Agency of Japan, "Damage Situation and Police Countermeasures," March 11, 2013; Clyde&Co, *The Tohoku Earthquake and Tsunami: Second Report*, August 2011.

2011 (figure 5.11). At the same time, the U.S. trade surplus in services with Korea increased by \$565 million to \$8.8 billion in 2012 (figure 5.12).

U.S. merchandise exports to Korea were valued at \$40.0 billion in 2012, a decrease of 3.2 percent from 2011. Leading U.S. exports to Korea during the year included electronic integrated circuits and microassemblies and parts, aircraft and parts, machinery for producing semiconductors, ferrous waste and scrap, and coal. Most of the 2012 leading exports showed strong growth in value, although the value of several others, such as corn, coal, and ferrous waste and scrap, fell substantially.

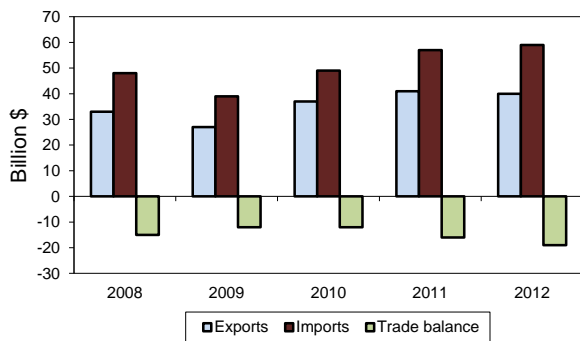
U.S. merchandise imports from Korea totaled \$57.9 billion in 2012, an increase of 3.3 percent from 2011. Leading U.S. imports from Korea included automobiles and parts, cell phones, processed petroleum, and electronic integrated circuits. There were increases in the value of most of the major leading imports, although imports of cell phones fell by over \$3 billion. U.S.-Korea merchandise trade data are shown in appendix tables A.40 through A.42.

The main focus of U.S.-Korea trade relations in 2012 was the entry into force of the United States-Korea FTA (KORUS FTA) on March 15, 2012.¹⁰² The KORUS FTA is the second-largest FTA in terms of the value of U.S. trade affected, after NAFTA. There were also developments regarding trade in beef, cherries, citrus, and blueberries, as discussed below.

U.S.-Korea FTA

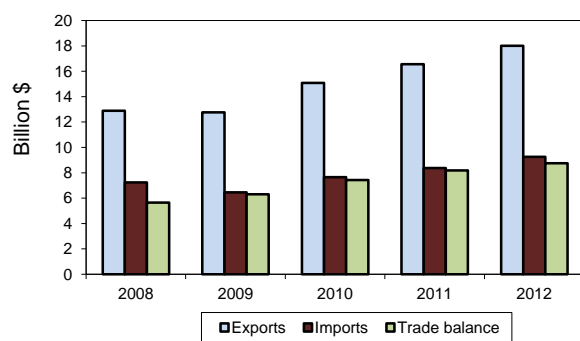
On February 21, 2012, USTR announced that the KORUS FTA would enter into force on March 15, 2012.¹⁰³ The announcement followed the completion by the United States and Korea of a review of each other’s laws and regulations related to the implementation of the agreement. The United States exchanged diplomatic notes with Korea in which each side confirmed that it had satisfied all legal requirements for the agreement’s entry into force.¹⁰⁴

FIGURE 5.11 U.S. merchandise trade with Korea, 2008–12



Source: USDOC.

FIGURE 5.12 U.S. private services trade with Korea, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

¹⁰² Proclamation 8783 of March 6, 2012, to Implement the United States-Korea Free Trade Agreement, 77 Fed. Reg. 14265–14267 (March 9, 2012). For an overview of the KORUS FTA, see chapter 4.

¹⁰³ USTR, “United States, Korea Set Date for Entry into Force,” February 21, 2012.

¹⁰⁴ Ibid. See also USITC, *U.S.-Korea Free Trade Agreement: Effects on U.S. Small and Medium-Sized Enterprises*, May 2013.

The agreement ends tariffs on over 95 percent of U.S. exports of industrial and consumer goods within five years through a combination of tariff elimination and the expansion of tariff-rate quotas affecting such products as aerospace equipment, agricultural equipment, auto parts, building products, chemicals, consumer goods, electrical equipment, environmental goods, all footwear and travel goods, paper products, scientific equipment, and shipping and transportation equipment.¹⁰⁵ Tariffs were immediately eliminated on nearly two-thirds of U.S. agricultural exports, including wheat, corn, soybeans for crushing, whey for feed use, hides and skins, cotton, cherries, pistachios, almonds, orange juice, grape juice, and wine. Upon entry into force, Korea immediately reduced its tariff on passenger vehicles from 8 percent to 4 percent and eliminated the 10 percent tariff on commercial vehicles. The agreement also includes significant commitments related to nontariff measures, including obligations related to motor vehicle safety and environmental standards, enhanced regulatory transparency, standard setting, technology neutrality, and customs administration.¹⁰⁶

In addition, the KORUS FTA provides meaningful market access commitments across virtually all major sectors of Korea's \$580 billion services market, including improved access for telecommunications and express delivery services, and the opening up of the Korean market for foreign legal consulting services.¹⁰⁷ The agreement increases access to the Korean financial services market and ensures greater transparency and fair treatment for U.S. suppliers of insurance and other financial services.¹⁰⁸

On May 16, 2012, USTR hosted the first meeting of the FTA's Joint Committee. This is the premier committee under the FTA, responsible for supervising its implementation, coordinating the work of its other committees, and resolving issues that may arise.¹⁰⁹ Representatives of both governments exchanged updates on recent trade initiatives and consulted on ways to enhance cooperation on trade issues. In addition, they agreed on the scheduling of five committees and working groups under the agreement. In June 2012, the Committee on Services and Investment, the Working Group on Small and Medium-sized Enterprises, the Committee on Trade in Goods, and the Committee on Trade Remedies met in Washington, DC; in July 2012, the Committee on Medical Devices met in Seoul.¹¹⁰

Beef

Like several other countries, Korea closed its markets to imports of U.S. beef for several years because of concerns about BSE. However, in 2008 the United States and Korea concluded an agreement to fully reopen Korea's market to U.S. beef and beef products. Since that time, Korean beef importers and U.S. exporters have operated according to a voluntary commercial understanding that imports of U.S. beef and beef products will be from animals less than 30 months of age, as a transitional measure, until Korean consumer confidence improves.¹¹¹

On April 24, 2012, the U.S. Department of Agriculture (USDA) confirmed that a dairy cow in California tested positive for atypical BSE.¹¹² In response, two of Korea's leading supermarket chains temporarily suspended sales of U.S. beef. In May, a Korean

¹⁰⁵ USTR, "Benefits for the United States from the U.S.-Korea Trade Agreement," March 15, 2012.

¹⁰⁶ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 235.

¹⁰⁷ USTR, "Jobs on the Way: U.S.-Korea Trade Agreement Enters Into Force," March 15, 2012.

¹⁰⁸ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 238.

¹⁰⁹ USTR, "U.S. Trade Representative Kirk Concludes First Meeting," May 16, 2012.

¹¹⁰ *Ibid.*

¹¹¹ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 236.

¹¹² USDA, "FDA Statement on USDA Announcement of Positive BSE Test Results," April 26, 2012.

delegation examined U.S. food-safety procedures by visiting U.S. laboratories, farms, and rendering facilities to determine the effectiveness of U.S. measures against BSE. USDA confirmed that the cow did not enter the animal feed or human food supply.¹¹³ The Korean government elected not to impose a ban on U.S. imports, as it saw no safety problem: the dairy cow was more than 30 months old, and Korea does not import beef and beef products from animals more than 30 months of age.¹¹⁴

Cherries, Citrus, and Blueberries

On April 2, 2012, Korea removed restrictive import measures that had limited the flow of U.S. cherries and citrus exports to Korea.¹¹⁵ The KORUS FTA eliminated a 24 percent Korean import duty on U.S. fresh sweet cherries, an action that helped boost U.S. cherry sales in Korea to record levels in 2012. Large Korean retailers staged successful U.S. cherry sales promotions, funded partially by USDA's Market Access Program and Foreign Market Development program.¹¹⁶ The USDA and the U.S. Environmental Protection Agency also worked with Korean officials to identify acceptable pesticide residue levels that do not pose a health risk. The new pesticide tolerances reduced potential risk of pesticide residue violations for the U.S. cherry and citrus industries; such violations can be costly to suppliers of perishable products.¹¹⁷ However, despite the improvement in regulations affecting residue tolerances, KORUS has not led to the elimination of Korea's requirement to fumigate cherries with methyl bromide, which limits product quality and shelf life.¹¹⁸

Also, in collaboration with USDA, Korea adopted new import measures for fresh U.S. blueberries, authorizing long-awaited access to the Korean market in time for the 2012 U.S. growing season.¹¹⁹ The market access agreement was developed jointly by USDA's Animal and Plant Health Inspection Service (APHIS), the Oregon Department of Agriculture, and Korean plant health officials over a 10-year period.¹²⁰ Under the terms of the agreement, qualified growers and packers may export blueberries to Korea if they meet certain phytosanitary requirements. These include field inspections, an annual on-site survey by Korean agricultural officials, and inspection prior to export. The Korean government identified seven blueberry pests that require either an official survey or the adoption of specific pest management practices, including mummy berry, orange tortrix, the oblique banded leaf roller, the cherry fruit worm moth, sudden oak death, tobacco ring spot virus, and tomato ring spot virus.¹²¹

Brazil

Brazil moved from being the United States' eighth-largest single-country trading partner in 2011 to being its ninth-largest trading partner in 2012 after Saudi Arabia. Brazil remained the United States' second-largest Latin American partner (behind Mexico) and its largest South American partner. Two-way merchandise trade increased 2.0 percent to \$69.0 billion in 2012, accounting for 1.9 percent of U.S. trade with the world in that year.

¹¹³ USDA, "USDA's Chief Veterinary Officer on the Recent BSE Case," April 24, 2012.

¹¹⁴ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 236.

¹¹⁵ USTR, "Fact Sheet: Keeping Markets Open; Successes," April 2, 2012.

¹¹⁶ USDA, FAS, "U.S. Cherries on Top in South Korean Market," July 31, 2012.

¹¹⁷ *Ibid.*

¹¹⁸ Northwest Horticulture Council, written submission to the USITC, March 22, 2013.

¹¹⁹ USDA, APHIS, "First Shipment of Fresh Blueberry Exports Arrive in South Korea," July 17, 2012.

¹²⁰ USDOS, "First Shipment of Fresh Blueberries Arrives in Korea," July 19, 2012.

¹²¹ Oregon Department of Agriculture, "Exporting Blueberries to the Republic of Korea," June 21,

The United States recorded a \$5.5 billion merchandise trade surplus with Brazil in 2012. While this is significantly lower than its \$6.9 billion surplus in 2011 and its \$6.8 billion trade surplus in 2010, the recent U.S. merchandise trade surpluses with Brazil mark a striking change from the deficits recorded in the past (figure 5.13). The U.S. services trade surplus with Brazil increased by \$978 million to \$15.8 billion in 2012 (figure 5.14).

U.S. merchandise exports to Brazil amounted to \$37.3 billion in 2012, a slight decline of 0.1 percent from 2011. Leading U.S. exports to Brazil included aircraft and parts, petroleum-related oils and refined petroleum products, coal, medicaments, and parts for boring and sinking machinery. Among the leading U.S. exports, there was an especially large increase in the value of exports of petroleum-related products, as well as a substantial increase in parts for boring and sinking machinery compared with 2011.

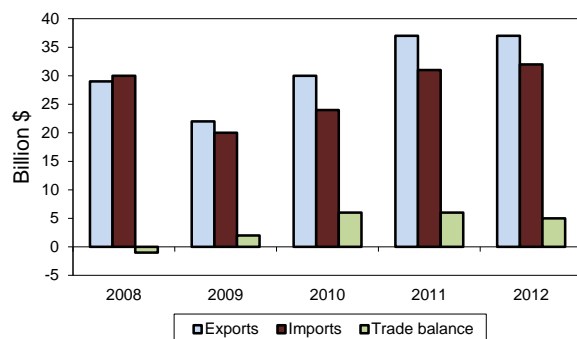
U.S. imports from Brazil totaled \$31.7 billion in 2012, up 4.5 percent from 2011. This increase was led by U.S. imports of petroleum-related products, pig iron and semifinished iron, ethyl alcohol, unroasted coffee, chemical wood pulp, and coal. The rise in U.S. imports from Brazil allowed Brazil to move from the 17th- to the 15th-largest single-country source for U.S. imports in 2012. U.S.-Brazil merchandise trade data are shown in appendix tables A.43 through A.45.

In 2012, there were meetings to implement the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC), and Brazil's government approved significant but temporary tariff increases on goods imported from the United States, as discussed below. Also in 2012, there were minor developments related to the WTO dispute settlement case on upland cotton between the United States and Brazil; both sides continued to meet in 2012 regarding this dispute.¹²²

Agreement on Trade and Economic Cooperation (ATEC)

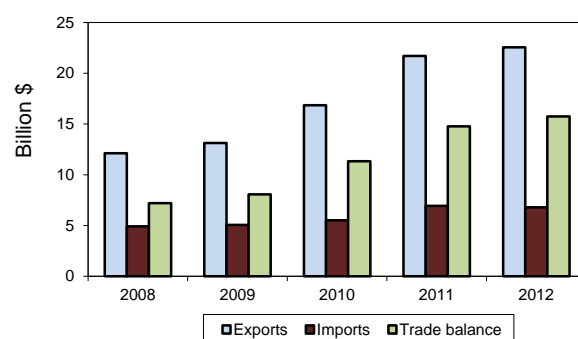
The United States hosted the first meeting of the U.S.-Brazil Commission on Economic and Trade Relations on March 13, 2012.¹²³ This bilateral commission was established under the ATEC, which was signed in March 2011. During the 2012 meeting, the two countries agreed to seek greater cooperation on a broad range of issues including investment, IPR, and cross-border trade in services. The two governments agreed to hold the commission's next meeting in Brazil.

FIGURE 5.13 U.S. merchandise trade with Brazil, 2008–12



Source: USDOC.

FIGURE 5.14 U.S. private services trade with Brazil, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

¹²² USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 39–45. For more information on this ongoing dispute, see USITC, *Year in Trade 2011, 2012*, 5-23.

¹²³ USTR, "USTR Hosts First Meeting of the U.S.-Brazil Commission," March 2012.

In 2012, the two sides made progress on small business cooperation under the ATEC. On September 11, 2012, the U.S. government, represented by the Department of State, USTR, and the Small Business Administration, participated in a signing event for a MOU between Brazil’s Micro and Small Business Support Service, the U.S. Association of Small Business Development Centers, and the University of Texas at San Antonio’s Institute for Economic Development. The MOU links the organizations’ online trade networks for small businesses in order to further expand international partnerships.¹²⁴

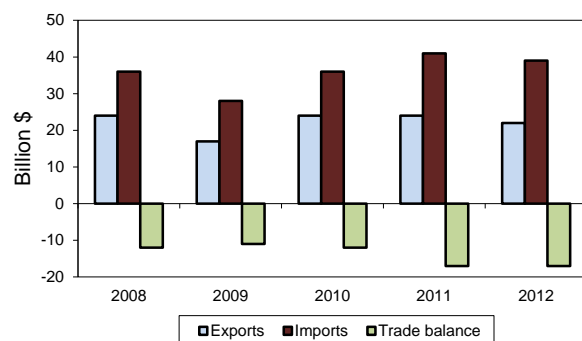
Tariffs

In September 2012, the government of Brazil approved a one-year increase in tariffs that applies to 100 products (including chemicals, metals, and tires) imported from outside of the Common Market of the South (Mercosur). The increased tariff rates amount on average to 25 percent ad valorem. Brazil’s foreign minister cited the currency effects of U.S. monetary stimulus and the resulting loss of Brazil’s competitiveness as part of the rationale for the tariff increases.¹²⁵ Despite strong opposition from the USTR, the tariff increases went into effect on October.¹²⁶

Taiwan

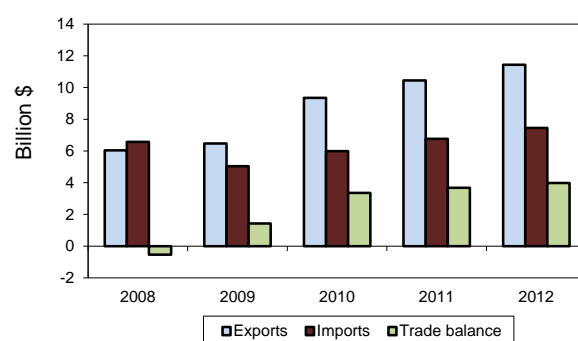
In 2012, the United States reported \$60.6 billion in two-way merchandise trade with Taiwan, a decrease of 6.8 percent over the recorded 2011 trade of \$65.0 billion. Taiwan was the United States’ 11th-largest single-economy trading partner in 2012—a fall from the 9th position in 2011—and accounted for 1.7 percent of U.S. merchandise trade with the world. In 2012, both U.S. merchandise exports to Taiwan and U.S. merchandise imports from Taiwan declined, but U.S. imports fell more by value. As a result, the U.S. merchandise trade deficit with Taiwan shrank by 3.1 percent, from \$17.4 billion in 2011 to \$16.9 billion in 2012 (figure 5.15). On the other hand, the U.S. services trade surplus with Taiwan increased 8.1 percent, from \$3.7 billion in 2011 to \$4.0 billion in 2012 (figure 5.16).

FIGURE 5.15 U.S. merchandise trade with Taiwan, 2008–12



Source: USDOC.

FIGURE 5.16 U.S. private services trade with Taiwan, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

¹²⁴ USDOS, “U.S. Department of State and U.S. Trade Representative Move Forward,” September 15, 2012.

¹²⁵ Inside U.S. Trade, “Letter from Brazilian Minister of Foreign Relations Patriota,” September 21, 2012.

¹²⁶ Inside U.S. Trade, “Letter from U.S. Trade Representative Kirk,” September 19, 2012.

U.S. merchandise exports to Taiwan amounted to \$21.8 billion in 2012, an 8.2 percent decrease from \$23.8 billion in 2011. The decline in U.S. merchandise exports to Taiwan was mostly attributed to U.S. exports of machinery and transport equipment, which decreased by 11.2 percent, or \$1.0 billion, in 2012. Semiconductor manufacturing-related machines and instruments remained the leading U.S. exports to Taiwan, accounting for 11.9 percent of 2012 merchandise exports. Other leading U.S. exports were ferrous waste and scrap, soybeans, computer memory chips, and aircraft.

U.S. merchandise imports from Taiwan amounted to \$38.7 billion in 2012, a 6.0 percent decrease from \$41.2 billion in 2011. The decline in U.S. merchandise imports from Taiwan was mostly attributed to a sharp drop in U.S. imports of cellular telephones, which fell by \$4.2 billion, or 63.5 percent, from 2011. However, cellular telephones remained the leading U.S. merchandise import from Taiwan in 2012. Other leading imports were electronic integrated circuits, computer memory chips, processors, accessories and parts, and digital camera and video recorders. Imports of radio navigational aid apparatus (GPS devices) and photosensitive semiconductor devices rose the most in 2012 in terms of value. U.S.-Taiwan merchandise trade data are shown in appendix tables A.46 through A.48.

One promising development involved the U.S.-Taiwan Trade and Investment Framework Agreement (TIFA), concluded in 1994 in order to promote economic cooperation and discuss bilateral trade issues.¹²⁷ High-level meetings under the TIFA were to take place on an annual basis. However, beginning in 2007, the talks were suspended due to a dispute over Taiwan's restrictions on imports of U.S. beef. In light of positive developments in the U.S.-Taiwan beef issue in 2012, U.S.-Taiwan TIFA talks resumed in March 2013.¹²⁸

Beef and Beef Products

In 2012, the United States continued to be concerned with Taiwan's decision to maintain a zero-tolerance policy for ractopamine residue in imports of U.S. beef and pork due to concerns over its safety. Ractopamine is a beta-agonist drug that is used as a feed additive to boost growth and promote leanness in pigs and cattle.¹²⁹ It was approved for use in cattle by the U.S. Food and Drug Administration (FDA) in 2003.¹³⁰ Although Taiwan has long banned ractopamine, it was not until early 2011 that Taiwan began testing U.S. beef for the drug.¹³¹ However, as a result of Taiwan's failure to implement a maximum residue levels (MRLs) standard for ractopamine, there was uncertainty as to the exact specifications against which U.S. beef was being tested. According to a statement from the American Institute in Taiwan,¹³² Taiwan's own testing of imported meat products confirmed that U.S. beef fell within the MRLs established by the Joint Expert Committee

¹²⁷ Campbell, testimony before the House Committee on Foreign Affairs, October 4, 2011.

¹²⁸ USTR, "Deputy U.S. Trade Representative Demetrios Marantis Welcomes Hard Work," March 10, 2013.

¹²⁹ WTO, "WTO: 2011 News Items; Committee Debates Pros and Cons of Standard," June 30 and July 1, 2011.

¹³⁰ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 24.

¹³¹ USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 146; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 79–80; U.S.-Taiwan Business Council, "Why Taiwan Matters," Hammond-Chambers testimony before the House Committee on Foreign Affairs, June 16, 2011.

¹³² American Institute in Taiwan, "The Facts about U.S. Beef and Ractopamine," February 21, 2012.

on Food Additives (JECFA) of two UN bodies, the Food and Agriculture Organization and the World Health Organization.¹³³

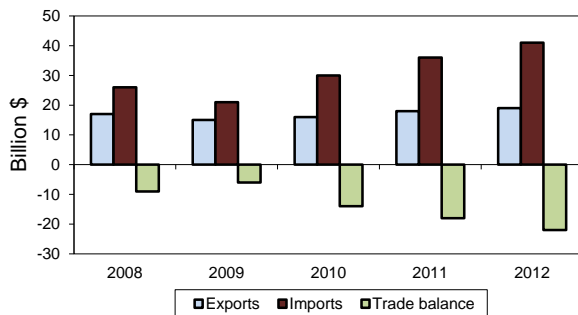
In 2012, USTR and USDA reached an agreement with authorities in Taiwan to adopt and implement a MRL for beef raised with ractopamine. According to USTR, monthly shipments of U.S. beef to the Taiwan market more than doubled, from \$2 million to \$5 million per month, following the implementation of these measures in July 2012.¹³⁴ However, USTR noted that Taiwan still has not established a MRL standard for pork, and the restrictions continue to disrupt U.S. exports of pork to Taiwan.¹³⁵

Taiwan banned imports of U.S. beef and beef products following the detection of BSE in the United States in 2003. This ban was partially lifted in 2006, with imports limited to deboned beef from cattle under 30 months old. In 2009, the United States and Taiwan reached an agreement on a bilateral protocol defining conditions for the export of U.S. beef and beef products to Taiwan that are science-based and consistent with the World Organization for Animal Health (OIE) guidelines. However, in 2012 USTR continued to note that Taiwan has failed to comply completely with the protocol and provide full market access for U.S. beef and beef products.¹³⁶

India

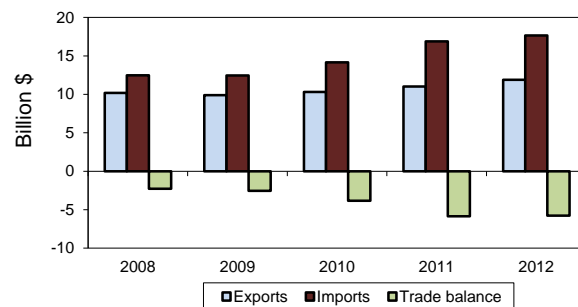
In 2012, India was the 12th-largest single-country U.S. trading partner. U.S.-India two-way merchandise trade was valued at \$59.1 billion that year, accounting for 1.6 percent of U.S. merchandise trade with the world. U.S. imports of goods grew more rapidly than U.S. exports of goods, resulting in an increase in the U.S. merchandise trade deficit with India from \$18.3 billion in 2011 to \$21.1 billion in 2012 (figure 5.17). The United States also registered a services trade deficit with India, its only deficit in services with any major trading partner in 2012; this deficit reflected high levels of U.S. imports of computer and information services from India. Nonetheless, the services deficit, which amounted to \$5.8 billion in 2012, represented a 1.6 percent decrease from the \$5.9 billion services deficit in 2011. U.S. imports of Indian services increased from \$16.9 billion in 2011 to \$17.7 billion in 2012, while U.S. exports of services to India increased from \$11.0 billion in 2011 to \$11.9 billion in 2012 (figure 5.18).

FIGURE 5.17 U.S. merchandise trade with India, 2008–12



Source: USDOC.

FIGURE 5.18 U.S. private services trade with India, 2008–12^a



Source: USDOC.

^aData for 2012 are preliminary.

¹³³ JECFA, an independent scientific committee that performs risk assessments to assist Codex in developing international food standards and guidelines, recommended MRLs for ractopamine use in cattle and swine in 2004, and reconfirmed the MRLs in 2006 and 2010 after further research.

¹³⁴ USTR, “Weekly Trade Spotlight: USTR’s 2012 Year in Review,” 2013.

¹³⁵ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2012, 150.

¹³⁶ *Ibid.*

U.S. merchandise exports to India increased by 7.4 percent, from \$17.7 billion in 2011 to \$19.0 billion in 2012. Leading U.S. exports to India included nonmonetary gold, aircraft and parts, coal, diammonium phosphate, and certain petroleum products used in the manufacture of tires. Overall growth in exports to India was the net effect of widely varying growth trends in underlying products, with some of the largest sectors, including nonmonetary gold and aircraft and parts, experiencing very rapid growth, while other large sectors, such as coal and nonindustrial diamonds, experienced major declines.

U.S. imports from India amounted to \$40.1 billion in 2012, representing an 11.4 percent increase from \$36.0 billion in 2011. Leading U.S. imports from India were nonindustrial diamonds, certain medicaments, mucilages and thickeners, and light oils and preparations. As with exports, the overall growth in imports from India was the net effect of divergent underlying product trends: imports of nonindustrial diamonds, jewelry, and various clothing products decreased, while imports of medicaments, mucilages and thickeners, and various petroleum products increased. U.S.-India merchandise trade data are shown in appendix tables A.49 through A.51.

During 2012, the United States and India continued discussions of diverse bilateral trade and investment issues through a variety of forums, and resumed negotiations toward a Bilateral Investment Treaty (BIT). U.S. policymakers engaged the government of India on several issues that continue to pose challenges in the trade relationship, including localization requirements and issues related to the protection of IPR. India continued to maintain nontariff barriers on U.S. exports of various agricultural products, including poultry meat and chicken eggs, prompting the United States to request WTO dispute settlement proceedings. However, the Indian government also took major steps toward opening several services sectors to increased foreign direct investment, particularly the multibrand retail sector, which includes supermarkets and other large retailers.

Trade and Investment Dialogue

While the U.S.-India Trade Policy Forum (TPF), created in 2005, remains the formal platform for bilateral trade, investment, and economic dialogue between the two countries, the United States and India have not held a meeting of the forum since 2010.¹³⁷ However, the U.S.-India trade and investment relationship progressed through a broad variety of forums in 2012.¹³⁸ For example, in September 2012, representatives of the government of India and the U.S. Department of Energy met as part of the U.S.-India Energy Dialogue, which was first launched in May 2005 to promote increased trade and investment in the energy sector. Four working groups covering oil and gas, coal, power, and energy efficiency met in Washington, DC, to discuss a variety of issues, including cooperation on electrical grids, renewable energy initiatives, exports of liquefied natural gas from the United States to India, and South Asian regional energy integration, among other topics.¹³⁹ The U.S.-India Information and Communications Technology Working Group continued to engage public officials and private-sector groups from both countries through regular meetings covering information technology, telecommunications, and media and broadcasting, with a focus on market access and regulatory issues.¹⁴⁰

¹³⁷ A meeting of U.S. and Indian officials under the TPF was postponed in January 2012. USTR, "Postponement of U.S.-India TPF," January 2012.

¹³⁸ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 157.

¹³⁹ Embassy of India to the United States, "U.S.-India Energy Dialogue," September 28, 2012.

¹⁴⁰ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 157; GOI, Ministry of Communications & Information Technology, "Bilateral Cooperation—USA," December 13, 2012.

In April 2012, the United States released a new Model BIT, which forms the basis for how policymakers negotiate BITs. This version enhances the 2004 Model BIT by promoting transparency, strengthening labor rights and environmental protections, and adding provisions for state-led economies.¹⁴¹ With the release of the U.S. Model BIT, negotiations toward a BIT between India and the United States resumed.¹⁴²

In December 2012, then-Deputy USTR Marantis met with members of the Indian government in New Delhi to discuss India's manufacturing policies. In particular, the United States was concerned about an expansion of India's National Manufacturing Policy. Announced in November 2011, the expanded policy calls for greater local-content requirements in certain key sectors, such as information and communications technology and clean energy.¹⁴³ India pursued these goals through government procurement requirements, implemented under the Preferential Market Access policy in 2012 and focusing on telecommunications and certain computer equipment.¹⁴⁴ Of particular concern to U.S. firms and policymakers was a proposal to enforce local-content requirements among private firms as well as government.¹⁴⁵ Another concern for U.S. policymakers was the expansion of local-content requirements for Indian solar project developers seeking to receive preferential power rates under the Jawaharlal Nehru National Solar Mission (JNNSM). In 2012, India proposed to extend these local-content requirements to add thin film modules to the list of products that must be sourced from Indian manufacturers as part of the JNNSM, largely excluding U.S. imports. (Crystalline silicon modules and cells are already on this list.)¹⁴⁶

Intellectual Property Rights

India has been on USTR's priority watch list of countries with significant IPR problems that warrant close monitoring and bilateral consultation since 1989,¹⁴⁷ and it was still on the priority watch list as of April 2012.¹⁴⁸ In May 2012, India passed the Copyright (Amendment) Act, with the goal of bringing the copyright law into compliance with the World Intellectual Property Organization (WIPO) Internet Treaties, which protect digital works and works distributed over the Internet. USTR identified India's compliance with these treaties as a priority in its Special 301 Report in 2012 and in previous years.¹⁴⁹ According to USTR, however, India's Copyright Act amendments do not effectively protect against the unlawful circumvention of technological protection measures, as required by the Internet Treaties.¹⁵⁰

With regard to patent protection, USTR noted ongoing concerns with a March 2012 decision of the Controller General of Patents, Designs and Trademarks that effectively required the pharmaceutical company Bayer to manufacture in India to avoid a compulsory license.¹⁵¹ USTR highlighted this case in its Special 301 Report, stating that

¹⁴¹ Department of State, "Model BIT Fact Sheet," April 20, 2012.

¹⁴² USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 157.

¹⁴³ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 180.

¹⁴⁴ *Ibid.*, 180–81, 187–88.

¹⁴⁵ USTR, "Remarks by Deputy USTR Marantis to Students in Chennai," December 8, 2012.

¹⁴⁶ USTR, "United States Challenges India's Restrictions on U.S. Solar Exports," February 2013. As noted in the USTR article, in February 2013 the United States requested WTO dispute settlement consultations with India concerning local-content requirements in India's national solar program.

¹⁴⁷ International Intellectual Property Alliance, *2012 Special 301: Historical Summary*, February 10, 2012, 19.

¹⁴⁸ USTR, *2012 Special 301 Report*, April 2012, 35–36.

¹⁴⁹ USTR, *2012 Special 301 Report*, April 2012, 35 and 53; Pandley, "Development in Indian IP Law," January 22, 2013.

¹⁵⁰ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 182.

¹⁵¹ *Ibid.*

it would closely monitor the compulsory licensing of patents in India.¹⁵² USTR further noted that India still does not provide an effective system for the protection of undisclosed test data and other data generated to obtain the Indian government's approval for marketing pharmaceuticals and agricultural chemicals.¹⁵³

Foreign Direct Investment

In September 2012, the Indian government decided to adopt a policy allowing foreign direct investment (FDI) in multibrand retailing with foreign equity caps totaling 51 percent. As noted earlier, multibrand retail establishments include supermarkets and other large retailers, and the government considered this policy as beneficial to logistical efficiency and consumer welfare despite arguments that it would increase competitive pressures on small traditional retailers. FDI in multibrand retail services is still subject to significant restrictions, including state-by-state authorization, investment requirements in "back-end infrastructure" such as processing and warehousing, limitation to certain cities with more than one million people, and local-sourcing requirements.¹⁵⁴

The Indian government also loosened local-sourcing requirements for 100 percent foreign-invested single-brand retail establishments, requiring 30 percent of products to be sourced from any Indian company, not just small and medium-sized enterprises as formerly required.¹⁵⁵ The Indian government also increased FDI equity caps in several other sectors, including insurance, civil aviation services, and telecommunications.¹⁵⁶ Not all developments related to FDI, however, were positive. Following the institution of new government requirements between October 2011 and December 2012, FDI in the pharmaceutical sector became subject to government approval processes that had not previously existed.¹⁵⁷

Russia

In 2012, Russia ranked as the United States' 20th-largest single-country trading partner, accounting for 1.1 percent of total U.S. merchandise trade (exports plus imports). The value of U.S. merchandise trade with Russia declined by 5.4 percent to \$39.0 billion in 2012, in contrast to a sharp 33.7 percent increase the year before. U.S. exports to Russia grew rapidly in 2012, but U.S. imports fell, resulting in a 26.6 percent decline in the U.S. trade deficit with Russia to \$19.1 billion (figure 5.19). Data for U.S. trade in services with Russia are unavailable.

U.S. merchandise exports to Russia increased 30.6 percent, from \$7.6 billion in 2011 to \$10.0 billion in 2012. Nearly all of the 25 leading exports to Russia increased in value in 2012, including aircraft and parts, which is the foremost export category. U.S. exports of these products increased 114.3 percent to over \$1.4 billion in 2012. Other major U.S. exports to Russia included passenger motor vehicles and related parts, and a number of animal products, including chicken, pig, and beef meat, as well as live cattle.

U.S. merchandise imports from Russia fell 13.6 percent in 2012 to \$29.1 billion, reversing the previous year's substantial increase. Leading U.S. merchandise imports

¹⁵² USTR, *2012 Special 301 Report*, April 2012, 35.

¹⁵³ *Ibid.*

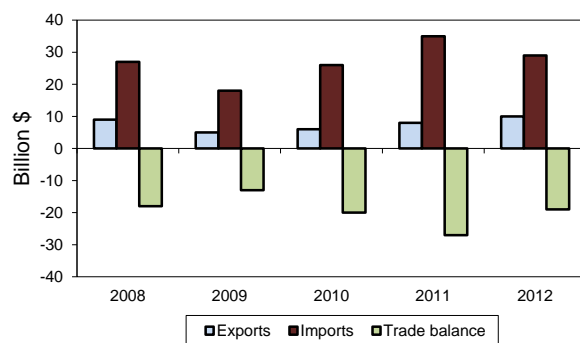
¹⁵⁴ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 2013, 185–86.

¹⁵⁵ *Ibid.*

¹⁵⁶ *Ibid.*, 182, 184–85; USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, 157.

¹⁵⁷ USTR, *2013 National Trade Estimate Report on Foreign Trade Barriers*, April 1, 2013, 186.

FIGURE 5.19 U.S. merchandise trade with Russia, 2008–12



Source: USDOC.

included primarily energy-related products—petroleum oils and gases—which declined by over 13 percent. Increased oil and gas production in the United States, along with somewhat greater Russian domestic demand for oil in 2012 than previously estimated, have been reported as possible factors in the decline in U.S. imports of energy products from Russia.¹⁵⁸ U.S.-Russian merchandise trade data are shown in appendix tables A.52 through A.54.

Following 18 years of negotiations, Russia was invited to join the WTO in December 2011; it acceded to the WTO in August 2012. The United States continued to raise concerns regarding Russia’s agricultural trade restrictions and inadequate protection of IPR, which are summarized below.

WTO Accession

On December 16, 2011, Russia was invited to join the WTO, concluding accession negotiations first requested in June 1993. On August 22, 2012, Russia acceded to the WTO as its 157th member.

Individually, both the United States and Russia notified the WTO on December 15, 2011, of their invocation of WTO Article XIII (Non-Application of Multilateral Trade Agreements between Particular Members). These provisions permit a WTO member and a newly acceding country to withhold granting one another most-favored-nation (MFN) treatment (also known as normal trade relations treatment) if they notify the WTO before it issues the formal accession invitation. A key element in this nonapplication exchange was the continuation of U.S. legislation that denies permanent MFN treatment to certain countries determined by the United States to have particularly restrictive emigration policies, a condition applicable to Russia under U.S. law as a consequence of the policies of the previous Soviet government.

On December 12, following the passage of legislation by the U.S. House of Representatives on November 16, 2012, and by the U.S. Senate on December 5, the U.S. President signed into law the Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law and Accountability Act of 2012, which authorized the establishment of Permanent Normal Trade Relations (PNTR) with Russia and Moldova.¹⁵⁹ On December 20, 2012, the President signed a proclamation extending

¹⁵⁸ IEA, *World Energy Outlook 2012—Executive Summary*, November 12, 2012, 1; IEA, “Oil Market Report,” March 13, 2013, 9; *Johnson’s Russia List Newsletter*, “IEA Report: US to Be World’s Top Oil Producer,” November 15, 2012.

¹⁵⁹ Pub. L. No. 112-208.

PNTR to both Russia and Moldova.¹⁶⁰ The following day the USTR announced that both the United States and Russia had filed letters with the WTO withdrawing their notices of nonapplication so that the WTO Agreement could apply between the two countries.¹⁶¹ (See box 5.1 for highlights of Russia's WTO commitments.)

Agricultural Import Quotas

In late 2011, Russia announced tighter global tariff-rate quotas (TRQs) for beef, pork, and poultry meat for 2012, continuing a trend started in 2008. However, as a result of commitments it negotiated for WTO membership, when Russia acceded to the WTO in August 2012 it expanded its TRQs for beef and poultry meat for the remainder of 2012. The TRQ for pork remained unchanged.

At the start of 2012, before its WTO accession, Russia kept its global TRQs for fresh and frozen beef unchanged from the year before, at 30.0 million metric tons (mmt) and 530.0 mmt, respectively. At the same time, however, it increased the country-specific quota for U.S. frozen beef significantly, from 21.7 mmt in 2011 to 60.0 mmt in 2012, the same as the specific allocation for the EU. Russia's global TRQ for pork (fresh and frozen) contracted 15.3 percent, from 472.1 mmt in 2011 to 400.0 mmt at the start of 2012, although the quota for pork trimmings, established in 2010, increased 7.5 percent, from 27.9 mmt to 30.0 mmt. The global poultry TRQ shrank 5.7 percent overall, from 350.0 mmt in 2011 to 330.0 mmt at the start of 2012 (table 5.1).¹⁶²

Following its accession to the WTO, Russia's WTO commitments concerning agricultural TRQs entered into effect. The global TRQ for fresh beef increased 10.0 mmt, from 30.0 mmt at the start of 2012 to 40.0 mmt by the end of 2012, with the specific allocation for the EU unchanged at 29.0 mmt, while a new TRQ of 11.0 mmt was established for all other WTO member countries. At the end of 2012 Russia's global TRQ commitment for pork meat remained at 400.0 mmt (430.0 mmt including pork trimmings); it was unchanged from the beginning of the year, with no country-specific allocations. The global TRQ for poultry meat rose approximately 10.3 percent as a result of Russia's WTO commitments, expanding from 330.0 mmt at the start of 2012 to 364.0 mmt at yearend. Quotas on boneless poultry meat rose by about 43 percent, from 70.0 mmt to 100.0 mmt; remained constant for bone-in poultry such as chicken quarters and legs, at 250.0 mmt; and increased 40.0 percent for turkey meat, from 10.0 mmt to 14.0 mmt by the end of 2012.¹⁶³ Russia announced in December 2012 that all these TRQ quantities would apply for the year 2013.¹⁶⁴

Despite this progress, U.S. meat exports to Russia were threatened by a regulatory issue. At yearend 2012, Russia's Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhozadzor) announced that it had detected the substance ractopamine in Russian imports of U.S. beef and pork. It notified the USDA that starting on December 7, 2012, under Russian law, shipments to Russia of beef and pork must be tested and certified free

¹⁶⁰ Proclamation 8920—To Extend Nondiscriminatory Treatment (Normal Trade Relations Treatment) to the Products of the Russian Federation and the Republic of Moldova, 77 Fed. Reg. 76795 (December 28, 2012).

¹⁶¹ USTR, "U.S. Trade Representative Ron Kirk Hails Application," December 21, 2012. The United States also withdrew its notice of nonapplication with respect to Moldova, in effect since Moldova acceded to the WTO in July 2001.

¹⁶² USDA, FAS, *GOR Distributes Meat and Poultry TRQs for 2012*, January 11, 2012; USDA, FAS, *Eurasian Economic Commission Announces 2013 Meat and Poultry TRQs*, November 27, 2012.

¹⁶³ USDA, FAS, *Russia Increases Broiler Production and Imports (January–June 2012)*, August 15, 2012.

¹⁶⁴ USDA, FAS, *Eurasian Economic Commission Announces 2013 Meat and Poultry TRQs*, November 27, 2012.

BOX 5.1 Highlights of Russia's WTO accession commitments

As part of its accession, Russia agreed to a series of commitments to further open its trade regime and accelerate its integration into the world economy. From its date of accession (August 22, 2012), Russia committed to fully apply all WTO provisions with recourse to very few transitional periods, according to the WTO website.

Market Access for Goods and Services

As part of its accession, Russia concluded 57 bilateral market-access agreements for goods and 30 bilateral market-access agreements for services.^a

Market access for goods

The overall average tariff rates to which Russia agreed are as follows (pre-accession tariff rate in parentheses):

- The average tariff rate on all products will be 7.8 percent (10.0 percent).
- The average tariff rate on agricultural products will be 10.8 percent (13.2 percent).
- The average tariff rate on manufactured products will be 7.3 percent (9.5 percent).

On particular products, the average applied tariff rates after full implementation will be:

- 14.9 percent for dairy products (19.8 percent).
- 12.0 percent for automobiles (15.5 percent).
- 10.0 percent for cereals (15.1 percent).
- 8.0 percent for wood and paper (13.4 percent).
- 7.1 percent for oilseeds, fats, and oils (9.0 percent).
- 6.2 percent for electrical machinery (8.4 percent).
- 5.2 percent for chemicals (6.5 percent).
- 0.0 percent for cotton and for information technology products (5.4 percent for the latter group).^b

Implementation periods

- One-third of national tariff lines were bound at final rates upon accession.
- A further one-quarter of tariff lines are to be bound at final rates within three years.
- Automobiles, helicopters, and civil aircraft are to be bound within seven years.
- Pork tariffs are to be bound within eight years (the longest implementation period).

Tariff-Rate Quotas (TRQs)

TRQs will be applied to beef, pork, selected poultry products, and some whey products (over-quota tariff rate in parentheses).

- Beef: 15 percent (55 percent).
- Pork: 0 percent (65 percent, to be capped at 25 percent beginning January 1, 2020).
- Poultry: 25 percent (80 percent).
- Whey: 10 percent (15 percent).
- Certain quotas are also subject to country-specific allocations.

Market access for services

Russia made specific commitments in 11 services sectors and 116 subsectors. Highlights include:

- Telecommunications: Foreign equity limits (49 percent) will be eliminated within four years of accession. Russia agreed to apply the WTO Agreement on Basic Telecommunications.
- Banks: Foreign banks may establish subsidiaries, with no limit on foreign equity in individual banking institutions. An overall cap on foreign capital participation in the banking system is set at 50 percent, not including foreign capital invested in banks that may be privatized. Russia agreed to review the establishment of foreign bank and securities firm branches in future WTO multilateral trade negotiations or Russia's negotiations for accession to the Organisation for Economic Co-operation and Development (OECD).
- Insurance: Foreign companies may establish branches within nine years of accession.
- Transport services: Russia made commitments in road and maritime transport services, including transport of passengers and freight.
- Distribution services: Wholly foreign-owned companies (100 percent) are permitted in the wholesale, retail, and franchise sectors upon accession.

BOX 5.1 Highlights of Russia's WTO accession commitments—*Continued*

Commitments related to market-access liberalization

- Agriculture: Russia agreed to limit total trade-distorting agricultural support to \$9.0 billion in 2012 and to \$4.4 billion by 2018. Annual agricultural support for specific products is limited to 30 percent of nonspecific product support from date of accession to 2018. All agricultural export subsidies are bound at zero.
- Goods: Russia agreed to modify or eliminate all industrial subsidy programs not in conformity with WTO provisions regarding trade-related investment measures, proscribing existing export and domestic content requirements. Export duties are fixed for over 700 tariff lines. Quantitative import restrictions—e.g., quotas, bans, permits, prior authorization requirements, and licensing requirements—are to be eliminated, if not in conformity with WTO provisions. National treatment provisions will apply, in particular for railway transport and transit of goods measures.
- Procurement: Russia agreed to become a signatory to the plurilateral WTO Agreement on Government Procurement within four years of accession.
- Energy pricing: Russia agreed that producers and distributors of natural gas are to operate solely on the commercial basis of recovery of costs and profits, although the government may continue to consider domestic social policy concerns in its regulation of supplies of natural gas to households and noncommercial users.

Additional Commitments

- Intellectual property: Russia agreed to apply the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) upon accession, with no transition period, as well as apply all the rules of the Berne Convention for the Protection of Literary and Artistic Works.
- Sanitary and phytosanitary (SPS) measures: Russia agreed to develop and apply all SPS measures according to international standards and active membership in the Codex Alimentarius, the World Organization for Animal Health (OIE), and the International Plant Protection Convention. Russia agreed to negotiate veterinary export certificates with requesting countries if Russian requirements differ from those of the Customs Union between Russia, Belarus, and Kazakhstan (RBK Customs Union). Russia also agreed not to suspend imports from export plants in foreign countries over issues with animal or human health standards following on-site inspection without allowing the exporting country the opportunity to propose corrective measures.
- Technical barriers to trade: Russia agreed to apply international standards regarding technical regulations, unless they are ineffective for achieving their purpose. Technical requirements governing telecommunications equipment used in public networks are to be limited by the end of 2015 to the technical regulations consistently adopted under the Eurasian Economic Community and RBK Customs Union agreements. A single national accreditation body replaced multiple bodies to review required technical regulations and conformity certifications before a June 30, 2012, deadline.
- Trade-related investment measures: Russia agreed that by July 1, 2018, it would eliminate all trade-related investment measures regarding its automobile investment program and related agreements, including preferential tariffs and tariff exemptions.
- Transparency: Russia agreed to publish laws affecting trade in goods, services, and IPR before adopting them, providing for a minimum 30-day comment period and for the establishment of an enquiry point to improve access to official publications. Lists of goods and services subject to state price controls are to be published publicly, including for baby food, medical goods, natural gas, raw diamonds, vodka, gas transportation services, water supply services, public transport services, and railway transport services. Russia is to provide annual reports to WTO members regarding its ongoing privatization program.

Source: Adapted from WTO, "Accessions—Working Party seals the deal on Russia's membership negotiations," November 10, 2011, http://www.wto.org/english/news_e/news11_e/acc_rus_10nov11_e.htm.

^aApplied duties refer to the Common External Tariff of the Customs Union between Russia, Belarus, and Kazakhstan.

^bAs part of its accession protocol, Russia committed to join the plurilateral WTO Information Technology Agreement (ITA) from the date of accession. Although Russia has submitted a draft schedule of tariff commitments under the ITA, it has not yet submitted its final schedule, which is the remaining step needed for Russia to become an ITA member. Inside Washington Publishers, "At WTO, U.S., Others Criticize Trade Policies," March 29, 2013.

TABLE 5.1 Russian tariff-rate quotas (TRQs) for beef, pork, and poultry meat, 2008–12

	2009	2010	2011	2012	2013
	Thousand metric tons				
Total	1,963.4	1,840.0	1,410.0	1,320.0	1364.0
Beef (fresh/chilled/frozen)	479.5	560.0	560.0	560.0	570.0
United States	18.5	21.7	41.7	60.0	60.0
Pork (pork and pork trimmings)	531.9	500.0	500.0	430.0	430.0
United States	100.0	57.5	57.5	(^a)	(^a)
Poultry (fresh/chilled/frozen)	952.0	780.0	350.0	330.0	364.0
United States	750.0	600.0	(^a)	(^a)	(^a)

Source: USDA, FAS, *GOR Distributes Meat and Poultry TRQs for 2012*, January 11, 2012.

Note: The 2012 TRQs listed here only reflect changes for 2012 until Russia's WTO accession on August 22, 2012. The 2013 TRQs listed reflect the rates that went into effect upon WTO accession, and which continued unchanged in 2013. The table does not otherwise reflect a number of other changes, in particular a revised definition of high-quality beef imports that would permit quota-free access for these imports at a fixed tariff rate of 15 percent. USDA, FAS, *Russia Continues to Focus on Improving Domestic Meat Production*, September 5, 2012.

^aThere is no country-specific allocation.

of the growth-enhancing drug used by many U.S. and Canadian processors as a feed additive.¹⁶⁵

Intellectual Property

Russia remained on the USTR special 301 priority watch list in 2012.¹⁶⁶ The United States continued to cite concerns regarding protection and enforcement of IPR in Russia, in particular concerning Internet piracy issues. The United States continued to urge Russia to enact legislation that among other things would require the swift removal of infringing content on websites that host materials and services that infringe on copyrights. The United States also sought stronger and more sustained enforcement efforts overall in Russia against counterfeiting; against piracy, such as unauthorized camcording; and against circumvention of technological protection measures. USTR urged Russia to enforce actions against several markets that continued to operate despite legal rulings and enforcement actions taken against them.¹⁶⁷ In 2012, U.S. companies cited, in particular, challenges to IPR enforcement in book and journal publishing, entertainment software, and the motion picture and movie industries. On a more positive note, the United States welcomed new Russian laws that, among other features, established a specialized IPR court set to begin operating in February 2013.¹⁶⁸

¹⁶⁵ Rosselkhoznadzor, "The Rosselkhoznadzor Is Concerned about Ractopamine," December 5, 2012; USTR, "United States Trade Representative Ron Kirk and United States Agriculture Secretary Tom Vilsack Call on Russia," December 8, 2012; Inside Washington Publishers, "U.S. Blasts New Russia Ban on Meat Products," December 14, 2012. On February 11, 2013, Russia announced a ban on all U.S. beef, pork, turkey, and other meat products, requiring a zero tolerance for the presence of ractopamine. USTR, "Statement by U.S. Trade Representative Ron Kirk and U.S. Agriculture Secretary Tom Vilsack on Russia's Suspension of U.S. Meat Imports," February 11, 2013.

¹⁶⁶ USTR, *2012 Special 301 Report*, April 2012, 37–39.

¹⁶⁷ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, V-185; USTR, *Out-of-Cycle Review of Notorious Markets*, December 2012, 6.

¹⁶⁸ USTR, *2012 Special 301 Report*, April 2012, 37–39. Media reports in early 2013 indicated that the Court for Intellectual Property Rights, while established as a legal entity, was still in the process of opening its offices in mid-February 2013, suggesting opening delays until March–April 2013. Labzin, "Patent Called to Account," February 12, 2013; Kim, "Russia Establishes Specialised Court for Intellectual Property Rights," March 2013.

On December 20, 2012, the United States and Russia agreed on a Bilateral IPR Action Plan under the aegis of the Bilateral Intellectual Property Rights Working Group. The group is to identify specific ways in which the two countries can collaborate on IPR protection and enforcement.¹⁶⁹

¹⁶⁹ USTR, *2013 Trade Policy Agenda and 2012 Annual Report*, March 2013, III-144.

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APPENDIX TABLES

TABLE A.1 U.S. merchandise trade with the world, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$			% change, 2011–12
		2010	2011	2012	
Exports:					
0	Food and live animals	79,626	98,110	96,738	-1.4
1	Beverages and tobacco	5,023	5,604	5,950	6.2
2	Crude materials, inedible, except fuels	79,896	90,948	90,438	-0.6
3	Mineral fuels, lubricants and related materials	79,801	127,919	136,287	6.5
4	Animal and vegetable oils, fats and waxes	4,308	4,527	4,250	-6.1
5	Chemicals and related products, n.e.s.	180,906	197,345	197,972	0.3
6	Manufactured goods classified chiefly by material	99,723	114,052	116,885	2.5
7	Machinery and transport equipment	424,353	470,983	506,480	7.5
8	Miscellaneous manufactured articles	108,960	115,230	119,510	3.7
9	Commodities and transactions not classified elsewhere in the SITC	59,534	74,460	78,702	5.7
	Total	1,122,131	1,299,176	1,353,211	4.2
Imports:					
0	Food and live animals	70,252	82,418	84,379	2.4
1	Beverages and tobacco	16,155	17,664	18,950	7.3
2	Crude materials, inedible, except fuels	30,268	38,062	39,920	4.9
3	Mineral fuels, lubricants and related materials	336,134	429,384	397,400	-7.4
4	Animal and vegetable oils, fats and waxes	4,349	6,634	6,068	-8.5
5	Chemicals and related products, n.e.s.	181,307	208,692	204,811	-1.9
6	Manufactured goods classified chiefly by material	193,941	230,320	234,219	1.7
7	Machinery and transport equipment	710,793	789,721	862,536	9.2
8	Miscellaneous manufactured articles	285,669	306,220	316,969	3.5
9	Commodities and transactions not classified elsewhere in the SITC	69,742	77,838	85,784	10.2
	Total	1,898,610	2,186,951	2,251,035	2.9

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.2 Leading domestic U.S. exports to the world by Schedule B subheading, 2010–12

Schedule B subheading	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8800.00	Aircraft, spacecraft, and parts thereof	66,834	74,961	86,050	14.8	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	39,671	62,984	71,452	13.4	
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	14,698	24,134	33,339	38.1	
2710.12	Light oils and preparations	^(a)	^(a)	30,413	^(b)	
1201.90	Soybeans, whether or not broken, other than seed	^(b)	^(c)	24,695	^(b)	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	17,246	22,318	19,478	-12.7	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	17,780	18,386	19,436	5.7	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	13,579	15,537	18,611	19.8	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	9,373	15,587	14,349	-7.9	
8542.31	Processors or controllers	11,375	10,667	11,325	6.2	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	7,378	10,215	10,970	7.4	
1005.90	Corn (maize), other than seed corn	9,919	13,756	9,419	-31.5	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	7,652	7,622	8,177	7.3	
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	7,523	8,044	8,102	0.7	
1001.99	Wheat & meslin other than durum or seed wheat	^(b)	^(d)	7,953	^(b)	
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	6,204	7,206	7,530	4.5	
7204.49	Ferrous waste and scrap, n.e.s.o.i.	6,162	9,217	7,482	-18.8	
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	7,245	7,122	7,474	4.9	
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	6,637	6,507	6,541	0.5	
3002.10	Antisera and other blood fractions, and modified immunological products	8,316	5,038	6,439	27.8	
5201.00	Cotton, not carded or combed	5,746	8,424	6,246	-25.9	
8704.10	Dumpers (dump trucks) designed for off-highway use	2,953	5,045	5,859	16.1	
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	5,938	4,697	5,851	24.6	
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	2,648	2,568	5,453	112.3	
8542.39	Electronic integrated circuits, n.e.s.o.i.	6,180	5,566	5,312	-4.6	
	Total of items shown	281,057	345,601	437,953	26.7	
	All other	841,074	953,575	915,258	-4.0	
	Total of all commodities	1,122,131	1,299,176	1,353,211	4.2	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

^dTrade in 2010 and 2011 reported under HTS tariff line 1001.90.

TABLE A.3 Leading U.S. imports for consumption from the world by HTS subheading, 2010–12

HTS subheading	Description	Million \$			% change, 2011–12
		2010	2011	2012	
2709.00	Petroleum oils and oils from bituminous minerals, crude	196,862	246,894	228,944	-7.3
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	58,018	64,355	77,086	19.8
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	52,661	74,995	68,113	-9.2
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	54,837	56,502	66,287	17.3
8517.12	Telephones for cellular networks or for other wireless networks	36,922	42,213	43,665	3.4
8471.30	Portable automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	34,374 ^(a)	42,091 ^(a)	43,216	2.7 ^(b)
2710.12	Light oils and preparations			35,606	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	39,382	37,802	34,541	-8.6
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	22,399	23,758	27,254	14.7
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	18,055	21,691	19,638	-9.5
2713.11	Petroleum coke, not calcined	11,231	16,543	18,914	14.3
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	19,204	16,621	16,642	0.1
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	11,647	14,330	15,912	11.0
8471.50	Processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	14,057	15,023	15,125	0.7
8542.31	Processors or controllers	9,189	14,378	14,895	3.6
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	22,210	15,553	14,330	-7.9
8471.70	Automatic data processing storage units, n.e.s.o.i.	10,454	9,969	13,149	31.9
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	9,763	11,460	12,911	12.7
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	8,319	9,707	11,929	22.9
9503.00	Toys, including riding toys other than bicycles, puzzles, reduced scale models	11,216	10,877	10,914	0.3
8443.99	Parts and accessories of printing machinery, n.e.s.o.i.	10,912	11,527	10,842	-5.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	7,226	8,477	10,202	20.3
2711.29	Petroleum gases and other gaseous hydrocarbons in a gaseous state, n.e.s.o.i. (other than natural gas)	7,219	9,530	10,147	6.5
8411.91	Parts of turbojets or turbopropellers	8,089	9,148	10,087	10.3
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	7,401	7,573	9,193	21.4
	Total of items shown	681,646	791,018	839,541	6.1
	All other	1,216,964	1,395,934	1,411,494	1.1
	Total of all commodities	1,898,610	2,186,951	2,251,035	2.9

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

TABLE A.4 U.S. trade with top 15 single-country trading partners, 2012

Rank	Country	Exports	Imports	Total	% of total trade
		Million \$			
1	Canada	244,199	323,925	568,124	15.8
2	China	103,508	424,874	528,382	14.7
3	Mexico	175,159	276,408	451,568	12.5
4	Japan	64,599	144,538	209,137	5.8
5	Germany	43,676	105,084	148,759	4.1
6	United Kingdom	48,293	54,497	102,790	2.9
7	Korea	40,004	57,874	97,878	2.7
8	Saudi Arabia	16,935	52,306	69,241	1.9
9	Brazil	37,252	31,720	68,972	1.9
10	France	27,491	41,099	68,590	1.9
11	Taiwan	21,832	38,722	60,554	1.7
12	India	18,972	40,105	59,078	1.6
13	Netherlands	35,918	22,141	58,059	1.6
14	Italy	14,927	36,144	51,072	1.4
15	Venezuela	16,360	34,327	50,687	1.4
	Top 15	909,125	1,683,766	2,592,891	71.9
	All others	444,086	567,270	1,011,356	28.1
	Total	1,353,211	2,251,035	3,604,247	100.0

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

TABLE A.5 Top 15 U.S. single-country export markets and import sources, 2012

Rank	Country		
		Million \$	% of total exports
	Exports		
1	Canada	244,199	18.0
2	Mexico	175,159	12.9
3	China	103,508	7.6
4	Japan	64,599	4.8
5	United Kingdom	48,293	3.6
6	Germany	43,676	3.2
7	Korea	40,004	3.0
8	Brazil	37,252	2.8
9	Netherlands	35,918	2.7
10	Australia	28,907	2.1
11	Hong Kong	27,962	2.1
12	France	27,491	2.0
13	Singapore	27,013	2.0
14	Belgium	24,838	1.8
15	Switzerland	21,999	1.6
	Top 15 countries	950,818	70.3
	All others	402,393	29.7
	Total	1,353,211	100.0
	Imports		
1	China	424,874	18.9
2	Canada	323,925	14.4
3	Mexico	276,408	12.3
4	Japan	144,538	6.4
5	Germany	105,084	4.7
6	Korea	57,874	2.6
7	United Kingdom	54,497	2.4
8	Saudi Arabia	52,306	2.3
9	France	41,099	1.8
10	India	40,105	1.8
11	Taiwan	38,722	1.7
12	Italy	36,144	1.6
13	Venezuela	34,327	1.5
14	Ireland	33,198	1.5
15	Brazil	31,720	1.4
	Top 15 countries	1,694,823	75.3
	All others	556,212	24.7
	Total	2,251,035	100.0

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

TABLE A.6 U.S. private services exports and imports from the world, by category, 2010–12

Service industry	2010	2011	2012	% change, 2011–12
	Million \$			
Exports				
Business, professional, and technical services	127,834	134,416	140,916	4.8
Travel	103,481	116,115	128,555	10.7
Royalties and license fees	107,165	120,836	121,810	0.8
Financial services	70,346	74,055	71,247	-3.8
Passenger fares	30,983	36,631	39,521	7.9
Education	20,956	22,726	24,096	6.0
Freight	20,601	21,730	21,896	0.8
Port services	20,216	21,334	21,397	0.3
Insurance services	14,530	15,477	17,100	10.5
Telecommunications	11,099	12,650	13,620	7.7
Other	10,529	10,869	10,998	1.2
Total	537,740	586,839	611,156	4.1
Imports				
Business, professional, and technical services	90,526	104,773	106,796	1.9
Travel	75,510	78,651	83,651	6.4
Insurance services	61,013	56,619	53,419	-5.7
Freight	38,001	40,337	41,773	3.6
Royalties and license fees	33,434	36,620	40,037	9.3
Passenger fares	27,256	31,109	34,443	10.7
Financial services	14,763	16,207	16,076	-0.8
Port services	13,257	14,374	13,396	-6.8
Telecommunications	8,040	7,690	7,391	-3.9
Education	4,585	5,888	6,210	5.5
Other	1,659	797	815	2.3
Total	368,044	393,065	404,007	2.8

Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2013, table 3a.

Note: Data for 2012 are preliminary.

TABLE A.7 Antidumping cases active in 2012, by USITC investigation number

USITC investigation number	Product	County of origin	Date of institution	USITC		ITA ^a		Date of final action ^b
				prelim	final	prelim	final	
731-TA-1180	Bottom mount combination refrigerators-freezers	Korea	3/30/2011	A	A	A	A	5/9/2012
731-TA-1181	Bottom mount combination refrigerators-freezers	Mexico	3/30/2011	A	A	A	A	5/9/2012
731-TA-1182	Steel wheels	China	3/30/2011	A	A	A	A	5/2/2012
731-TA-1183	Galvanized steel wire	China	3/31/2011	A	A	A	A	5/8/2012
731-TA-1184	Galvanized steel wire	Mexico	3/31/2011	A	A	A	A	5/8/2012
731-TA-1185	Steel nails	UAE	3/31/2011	A	A	A	A	5/2/2012
731-TA-1186	Stilbenic optical brightening agents	China	3/31/2011	A	A	A	A	5/2/2012
731-TA-1187	Stilbenic optical brightening agents	Taiwan	3/31/2011	A	A	A	A	5/2/2012
731-TA-1188	High pressure steel cylinders	China	5/11/2011	A	A	A	A	6/14/2012
731-TA-1189	Large power transformers	Korea	7/14/2011	A	A	A	A	8/24/2012
731-TA-1190	CSPV cells and modules	China	10/19/2011	A	A	A	A	11/30/2012
731-TA-1191	Circular welded carbon-quality steel pipe	India	10/26/2011	A	A	A	A	12/5/2012
731-TA-1192	Circular welded carbon-quality steel pipe	Oman	10/26/2011	A	A	A	A	12/5/2012
731-TA-1193	Circular welded carbon-quality steel pipe	UAE	10/26/2011	A	A	A	A	12/5/2012
731-TA-1194	Circular welded carbon-quality steel pipe	Vietnam	10/26/2011	A	A	A	A	12/5/2012
731-TA-1195	Wind towers	China	12/29/2011	A	A	A	A	(^c)
731-TA-1196	Wind towers	Vietnam	12/29/2011	A	A	A	A	(^c)
731-TA-1197	Steel wire garment hangers	Taiwan	12/29/2011	A	A	A	A	11/29/2012
731-TA-1198	Steel wire garment hangers	Vietnam	12/29/2011	A	A	A	A	(^c)
731-TA-1199	Large residential washers	Korea	12/30/2011	A	A	A	A	(^c)
731-TA-1200	Large residential washers	Mexico	12/30/2011	A	A	A	A	(^c)
731-TA-1201	Drawn stainless steel sinks	China	3/1/2012	A	A	A	(^c)	(^c)
731-TA-1202	Xanthan gum	Austria	6/5/2012	A	A	A	(^c)	(^c)
731-TA-1203	Xanthan gum	China	6/5/2012	A	A	A	(^c)	(^c)
731-TA-1204	Hardwood plywood	China	9/27/2012	A	(^c)	(^c)	(^c)	(^c)
731-TA-1205	Silica bricks	China	11/15/2012	A	(^c)	(^c)	(^c)	(^c)

Source: U.S. International Trade Commission.

^a“ITA” is the International Trade Administration of the USDOC.

^bFor cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of USDOC is shown.

^cPending as of December 31, 2012.

TABLE A.8 Antidumping duty orders and suspension agreements in effect as of December 31, 2012

Country	Commodity	Effective date of original action
Argentina	Lemon juice (suspended)	Sept. 10, 2007
Australia	Electrolytic manganese dioxide	Oct. 7, 2008
Belarus	Steel concrete reinforcing bar	Sept. 7, 2001
Belgium	Stainless steel plate in coils	May 21, 1999
Brazil	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Stainless steel bar	Feb. 21, 1995
	Circular welded nonalloy steel pipe	Nov. 2, 1992
	Carbon steel butt-weld pipe fittings	Dec. 17, 1986
	Iron construction castings	May 9, 1986
Canada	Citric acid and certain citric salts	May 29, 2009
	Iron construction castings	Mar. 5, 1986
Chile	Preserved mushrooms	Dec. 2, 1998
China	Crystalline silicon photovoltaic cells	Dec. 07, 2012
	High pressure steel cylinders	Jun. 21, 2012
	Stilbenic optical brightening agent	May 10, 2012
	Multilayered wood flooring	Dec. 8, 2011
	Aluminum extrusions	May 26, 2011
	Drill pipe and drill collars	Mar. 3, 2011
	Seamless refined copper pipe and tube	Nov. 22, 2010
	Coated paper	Nov. 17, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	Nov. 10, 2010
	Magnesia carbon bricks	Sept. 20, 2010
	Narrow woven ribbons	Sept. 1, 2010
	Woven electric blankets	Aug. 18, 2010
	Steel grating	July 23, 2010
	Prestressed concrete steel wire strand	June 29, 2010
	Oil country tubular goods	May 21, 2010
	Potassium phosphate salts	July 22, 2010
	Kitchen appliance shelving and racks	Sept. 14, 2009
	Tow-behind lawn groomer	Aug. 3, 2009
	Citric acid and certain citric salts	May 29, 2009
	Circular welded carbon-quality steel line pipe	May 13, 2009
	Frontseating service valves	April 28, 2009
	HEDP	April 28, 2009
	Steel threaded rod	April 14, 2009
	Circular welded austenitic stainless pressure pipe	Mar. 17, 2009
	Small-diameter graphite electrodes	Feb. 26, 2009
	Uncovered innerspring units	Feb. 19, 2009
	Lightweight thermal paper	Nov. 24, 2008
	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Electrolytic manganese dioxide	Oct. 7, 2008
	Steel wire garment hangers	Oct. 6, 2008
Raw flexible magnets	Sept. 17, 2008	

TABLE A.8 Antidumping duty orders and suspension agreements in effect as of December 31, 2012—*Continued*

Country	Commodity	Effective date of original action
China— <i>Continued</i>	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
	Laminated woven sacks	Aug. 7, 2008
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Steel nails	Aug. 1, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
	Sodium hexametaphosphate	Mar. 19, 2008
	Certain polyester staple fiber	June 1, 2007
	Certain activated carbon	April 27, 2007
	Certain lined paper school supplies	Sept. 28, 2006
	Artist's canvas	June 1, 2006
	Chlorinated isocyanurates	June 24, 2005
	Magnesium	April 15, 2005
	Tissue paper	Mar. 30, 2005
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Crepe paper	Jan. 25, 2005
	Wooden bedroom furniture	Jan. 4, 2005
	Carbazole violet pigment 23	Dec. 29, 2004
	Hand trucks	Dec. 2, 2004
	Polyethylene retail carrier bags	Aug. 9, 2004
	Ironing tables	Aug. 6, 2004
	Tetrahydrofurfuryl alcohol	Aug. 6, 2004
	Malleable iron pipe fittings	Dec. 12, 2003
	Refined brown aluminum oxide	Nov. 19, 2003
	Barium carbonate	Oct. 1, 2003
	Polyvinyl alcohol	Oct. 1, 2003
	Saccharin	July 9, 2003
	Non-malleable cast iron pipe fittings	Apr. 7, 2003
	Ferrovandium	Jan. 28, 2003
	Folding gift boxes	Jan. 8, 2002
	Honey	Dec. 10, 2001
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Pure magnesium (granular)	Nov. 19, 2001
	Foundry coke	Sept. 17, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Preserved mushrooms	Feb. 19, 1999
	Carbon steel plate	Oct. 24, 1997
	Crawfish tail meat	Sept. 15, 1997
	Persulfates	July 7, 1997
	Furfuryl alcohol	June 21, 1995
	Pure magnesium (ingot)	May 12, 1995
	Glycine	Mar. 29, 1995
	Cased pencils	Dec. 28, 1994
	Silicomanganese	Dec. 22, 1994
	Paper clips	Nov. 25, 1994
	Fresh garlic	Nov. 16, 1994
	Helical spring lock washers	Oct. 19, 1993
Sulfanilic acid	Aug. 19, 1992	
Carbon steel butt-weld pipe fittings	July 6, 1992	
Silicon metal	June 10, 1991	

TABLE A.8 Antidumping duty orders and suspension agreements in effect as of December 31, 2012—*Continued*

Country	Commodity	Effective date of original action
China— <i>Continued</i>	Axes and adzes	Feb. 19, 1991
	Bars and wedges	Feb. 19, 1991
	Hammers and sledges	Feb. 19, 1991
	Picks and mattocks	Feb. 19, 1991
	Tapered roller bearings	June 15, 1987
	Porcelain-on-steel cooking ware	Dec. 2, 1986
	Petroleum wax candles	Aug. 28, 1986
	Iron construction castings	May 9, 1986
	Barium chloride	Oct. 17, 1984
	Chloropicrin	Mar. 22, 1984
	Potassium permanganate	Jan. 31, 1984
Finland	Carboxymethylcellulose	July 11, 2005
France	Low-enriched uranium	Feb. 13, 2002
	Brass sheet and strip	Mar. 6, 1987
Germany	Lightweight thermal paper	Nov. 24, 2008
	Sodium nitrite	Aug. 27, 2008
	Seamless pipe	Aug. 3, 1995
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Brass sheet and strip	Mar. 6, 1987
India	Commodity matchbooks	Dec. 11, 2009
	HEDP	Apr. 28, 2009
	Certain lined paper school supplies	Sept. 28, 2006
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Carbazole violet pigment 23	Dec. 29, 2004
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyethylene terephthalate (PET) film	July 1, 2002
	Silicomanganese	May 23, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
	Preserved mushrooms	Feb. 19, 1999
	Stainless steel bar	Feb. 21, 1995
	Stainless steel wire rod	Dec. 1, 1993
	Sulfanilic acid	Mar. 2, 1993
Welded carbon steel pipe	May 12, 1986	
Indonesia	Coated paper suitable for high-quality print graphics using sheet-fed presses	Nov. 11, 2010
	Polyethylene retail carrier bags	May 4, 2010
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate	Feb. 10, 2000
	Preserved mushrooms	Feb. 19, 1999
Iran	Raw in-shell pistachios	July 17, 1986
Italy	Stainless steel butt-weld pipe fittings	Feb. 23, 2001

TABLE A.8 Antidumping duty orders and suspension agreements in effect as of December 31, 2012—*Continued*

Country	Commodity	Effective date of original action
Italy— <i>Continued</i>	Stainless steel wire rod	Sept. 15, 1998
	Pasta	July 24, 1996
	Granular polytetrafluoroethylene resin	Aug. 30, 1988
	Brass sheet and strip	Mar. 6, 1987
	Pressure-sensitive plastic tape	Oct. 21, 1977
Japan	Polyvinyl alcohol	July 2, 2003
	Welded large-diameter line pipe	Dec. 6, 2001
	Tin- and chromium-coated steel sheet	Aug. 28, 2000
	Large-diameter seamless pipe	June 26, 2000
	Small-diameter seamless pipe	June 26, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Clad steel plate	July 2, 1996
	Stainless steel bar	Feb. 21, 1995
	Gray portland cement and clinker	May 10, 1991
	Brass sheet and strip	Aug. 12, 1988
	Carbon steel butt-weld pipe fittings	Feb. 10, 1987
	Prestressed concrete steel wire strand	Dec. 8, 1978
Kazakhstan	Silicomanganese	May 23, 2002
Korea	Large power transformers	Aug. 31, 2012
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyvinyl alcohol	Oct. 1, 2003
	Polyester staple fiber	May 25, 2000
	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Welded ASTM A-312 stainless steel pipe	Dec. 30, 1992
Circular welded non-alloy steel pipe	Nov. 2, 1992	
Latvia	Steel concrete reinforcing bars	Sept. 7, 2001
Malaysia	Polyethylene retail carrier bags	Aug. 9, 2004
	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
Mexico	Seamless refined copper pipe and tube	Nov. 22, 2010
	Magnesia carbon bricks	Sept. 20, 2010
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Lemon juice (suspended)	Sept. 10, 2007
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Fresh tomatoes (suspended)	Nov. 1, 1996
Circular welded non-alloy steel pipe	Nov. 2, 1992	
Moldova	Carbon and certain alloy steel wire rod	Oct. 29, 2002

TABLE A.8 Antidumping duty orders and suspension agreements in effect as of December 31, 2012—*Continued*

Country	Commodity	Effective date of original action
Moldova— <i>Continued</i>	Steel concrete reinforcing bars	Sept. 7, 2001
Netherlands	Carboxymethylcellulose	July 11, 2005
Philippines	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
Poland	Steel concrete reinforcing bars	Sept. 7, 2001
Romania	Small diameter seamless pipe	Aug. 10, 2000
Russia	Silicon metal	Mar. 26, 2003
	Ammonium nitrate (suspended)	May 19, 2000
	Hot-rolled carbon steel flat products (suspended)	July 12, 1999
	Carbon steel plate (suspended)	Oct. 24, 1997
	Uranium (suspended)	Oct. 16, 1992
	Solid urea	July 14, 1987
South Africa	Uncovered innerspring units	Dec. 11, 2008
	Ferrovandium	Jan. 28, 2003
	Stainless steel plate in coils	May 21, 1999
Spain	Chlorinated isocyanurates	June 24, 2005
	Stainless steel wire rod	Sept. 15, 1998
	Stainless steel bar	Mar. 2, 1995
Taiwan	Steel wire garment hangers	Dec. 10, 2012
	Stilbenic optical brightening agent	May 10, 2012
	Polyvinyl alcohol	Mar. 15, 2011
	Narrow woven ribbons	Sept. 1, 2010
	Polyethylene retail carrier bags	May 4, 2010
	Raw flexible magnets	Sept. 17, 2008
	Polyethylene terephthalate (PET) film	July 1, 2002
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Polyester staple fiber	May 25, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Helical spring lockwashers	June 28, 1993
	Welded ASTM A-312 stainless steel pipe	Dec. 30, 1992
	Circular welded non-alloy steel pipe	Nov. 2, 1992
	Light-walled rectangular pipe	Mar. 27, 1989
	Carbon steel butt-weld pipe fittings	Dec. 17, 1986
	Small-diameter carbon steel pipe	May 7, 1984
Thailand	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Polyethylene retail carrier bags	Aug. 9, 2004
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Carbon steel butt-weld pipe fittings	July 6, 1992
	Welded carbon steel pipe	Mar. 11, 1986
Trinidad and Tobago	Carbon and certain alloy steel wire rod	Oct. 29, 2002
Turkey	Light-walled rectangular pipe and tube	May 30, 2008

TABLE A.8 Antidumping duty orders and suspension agreements in effect as of December 31, 2012—*Continued*

Country	Commodity	Effective date of original action
Turkey— <i>Continued</i>	Pasta	July 24, 1996
	Welded carbon steel pipe	May 15, 1986
Ukraine	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Silicomanganese	Sept. 17, 2001
	Ammonium nitrate	Sept. 12, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate (suspended)	Oct. 24, 1997
	Solid urea	July 14, 1987
United Arab Emirates	Steel nails	May 10, 2012
	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
Venezuela	Silicomanganese	May 23, 2002
Vietnam	Polyethylene retail carrier bags	May 4, 2010
	Uncovered innerspring units	Dec. 11, 2008
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Frozen fish fillets	Aug. 12, 2003

Source: U.S. International Trade Commission.

TABLE A.9 Countervailing duty cases active in 2012, by USITC investigation number

USITC investigation number	Product	County of origin	Date of institution	USITC		ITA ^a		USITC		Date of final action ^b
				prelim	final	prelim	final	prelim	final	
701-TA-477	Bottom mount combination refrigerators-freezers	Korea	3/30/2011	A	N	A	N	A	N	5/9/2012
701-TA-478	Steel wheels	China	3/30/2011	A	A	A	A	A	N	5/2/2012
701-TA-479	Galvanized steel wire	China	3/31/2011	A	A	A	A	A	N	5/8/2012
701-TA-480	High pressure steel cylinders	China	5/11/2011	A	A	A	A	A	A	6/14/2012
701-TA-481	CSPV cells and modules	China	10/19/2011	A	A	A	A	A	A	11/30/2012
701-TA-482	Circular welded carbon-quality steel pipe	India	10/26/2011	A	A	A	A	A	N	12/5/2012
701-TA-483	Circular welded carbon-quality steel pipe	Oman	10/26/2011	A	N	A	A	A	N	12/5/2012
701-TA-484	Circular welded carbon-quality steel pipe	UAE	10/26/2011	A	N	A	A	A	N	12/5/2012
701-TA-485	Circular welded carbon-quality steel pipe	Vietnam	10/26/2011	A	A	A	N	A	N	12/5/2012
701-TA-486	Wind towers	China	12/29/2011	A	A	A	A	A	(^c)	(^c)
701-TA-487	Steel wire garment hangers	Vietnam	12/29/2011	A	A	A	A	A	(^c)	(^c)
701-TA-488	Large residential washers	Korea	12/30/2011	A	A	A	A	A	(^c)	(^c)
701-TA-489	Drawn stainless steel sinks	China	3/1/2012	A	A	A	(^c)	(^c)	(^c)	(^c)
701-TA-490	Hardwood plywood	China	9/27/2012	A	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-491	Frozen warmwater shrimp	China	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-492	Frozen warmwater shrimp	Ecuador	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-493	Frozen warmwater shrimp	India	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-494	Frozen warmwater shrimp	Indonesia	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-495	Frozen warmwater shrimp	Malaysia	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-496	Frozen warmwater shrimp	Thailand	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-497	Frozen warmwater shrimp	Vietnam	12/28/2012	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)	(^c)

Source: U.S. International Trade Commission.

^aInternational Trade Administration, USDOC.

^bFor cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of USDOC is shown.

^cPending as of December 31, 2012.

TABLE A.10 Countervailing duty orders in effect as of December 31, 2012

Country	Commodity	Effective date of original action
Brazil	Carbon and certain alloy steel wire rod	Oct. 22, 2002
	Heavy iron construction castings	May 15, 1986
China	Crystalline silicon photovoltaic cells	Dec. 07, 2012
	High pressure steel cylinders	Jun. 21, 2012
	Multilayered wood flooring	Dec. 8, 2011
	Aluminum extrusions	May 26, 2011
	Drill pipe and drill collars	Mar. 3, 2011
	Seamless refined copper pipe and tube	Nov. 22, 2010
	Coated paper	Nov. 17, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	Nov. 10, 2010
	Magnesia carbon bricks	Sept. 21, 2010
	Narrow woven ribbons	Sept. 1, 2010
	Steel grating	July 23, 2010
	Potassium phosphate salts	July 22, 2010
	Prestressed concrete steel wire strand	July 7, 2010
	Oil country tubular goods	Jan. 20, 2010
	Citric acid and certain citric salts	May 29, 2009
	Kitchen appliance shelving and racks	Sept. 14, 2009
	Tow-behind lawn groomers	Aug. 3, 2009
	Welded stainless steel pressure pipe	Mar. 19, 2009
	Circular welded carbon-quality steel line pipe	Jan. 23, 2009
	Lightweight thermal paper	Nov. 24, 2008
Raw flexible magnets	Sept. 17, 2008	
Off-the-road tires	Sept. 4, 2008	
Sodium nitrite	Aug. 27, 2008	
Laminated woven sacks	Aug. 7, 2008	
Light-walled rectangular pipe and tube	Aug. 5, 2008	
Circular welded carbon-quality steel pipe	July 22, 2008	
India	Commodity matchbooks	Dec. 11, 2009
	Lined paper school supplies	Sept. 28, 2006
	Carbazole violet pigment 23	Dec. 29, 2004
	Prestressed concrete steel wire strand	Feb. 4, 2004
	Polyethylene terephthalate (PET) film	July 1, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
	Sulfanilic acid	Mar. 2, 1993
Indonesia	Coated paper	Nov. 17, 2010
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
Iran	Roasted in-shell pistachios	Oct. 7, 1986
	Raw in-shell pistachios	Mar. 11, 1986
Italy	Pasta	July 24, 1996
Korea	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	Aug. 6, 1999

TABLE A.10 Countervailing duty orders in effect as of December 31, 2012—*Continued*

Country	Commodity	Effective date of original action
Korea— <i>Continued</i>	Corrosion-resistant carbon steel flat products	Aug. 17, 1993
South Africa	Stainless steel plate in coils	May 11, 1999
Thailand	Hot-rolled carbon steel flat products	Dec. 3, 2001
Turkey	Pasta	July 24, 1996
	Welded carbon steel pipe	Mar. 7, 1986
Vietnam	Polyethylene retail carrier bags	May 4, 2010

Source: U.S. International Trade Commission.

TABLE A.11 Reviews of existing antidumping and countervailing duty orders completed in 2012, by date of completion

USITC investigation number	Product	Country of origin	Completion date ^a	Action
731-TA-638	Stainless Steel Wire Rod	India	1/4/2012	Continued
731-TA-410	Light-Walled Rectangular Pipe	Taiwan	1/17/2012	Continued
731-TA-703	Furfuryl Alcohol	China	1/30/2012	Continued
701-TA-302	Fresh and Chilled Atlantic Salmon	Norway	2/8/2012	Revoked
731-TA-454	Fresh and Chilled Atlantic Salmon	Norway	2/8/2012	Revoked
731-TA-539-C	Uranium	Russia	2/27/2012	Continued
731-TA-472	Silicon Metal	China	3/30/2012	Continued
731-TA-1089	Orange Juice	Brazil	4/4/2012	Revoked
731-TA-313	Brass Sheet and Strip	France	4/13/2012	Continued
731-TA-314	Brass Sheet and Strip	Germany	4/13/2012	Continued
731-TA-317	Brass Sheet and Strip	Italy	4/13/2012	Continued
731-TA-379	Brass Sheet and Strip	Japan	4/13/2012	Continued
731-TA-683	Fresh Garlic	China	4/27/2012	Continued
731-TA-860	Tin and Chromium Coated Steel Sheet	Japan	5/25/2012	Continued
731-TA-891	Foundry Coke	China	5/29/2012	Continued
701-TA-253	Circular Welded Pipe and Tube	Turkey	6/28/2012	Continued
731-TA-132	Circular Welded Pipe and Tube	Taiwan	6/28/2012	Continued
731-TA-252	Circular Welded Pipe and Tube	Thailand	6/28/2012	Continued
731-TA-271	Circular Welded Pipe and Tube	India	6/28/2012	Continued
731-TA-273	Circular Welded Pipe and Tube	Turkey	6/28/2012	Continued
731-TA-532	Circular Welded Pipe and Tube	Brazil	6/28/2012	Continued
731-TA-533	Circular Welded Pipe and Tube	Korea	6/28/2012	Continued
731-TA-534	Circular Welded Pipe and Tube	Mexico	6/28/2012	Continued
731-TA-536	Circular Welded Pipe and Tube	Taiwan	6/28/2012	Continued
731-TA-865	Stainless Steel Butt-Weld Pipe Fittings	Italy	6/28/2012	Continued
731-TA-866	Stainless Steel Butt-Weld Pipe Fittings	Malaysia	6/28/2012	Continued
731-TA-867	Stainless Steel Butt-Weld Pipe Fittings	Philippines	6/28/2012	Continued
731-TA-678	Stainless Steel Bar	Brazil	7/26/2012	Continued
731-TA-679	Stainless Steel Bar	India	7/26/2012	Continued
731-TA-681	Stainless Steel Bar	Japan	7/26/2012	Continued
731-TA-682	Stainless Steel Bar	Spain	7/26/2012	Continued
731-TA-344	Tapered Roller Bearings	China	8/16/2012	Continued
701-TA-443	Lined Paper School Supplies	Indonesia	8/17/2012	Revoked
701-TA-442	Lined Paper School Supplies	India	8/17/2012	Continued
731-TA-1097	Lined Paper School Supplies	Indonesia	8/17/2012	Revoked
731-TA-1095	Lined Paper School Supplies	China	8/17/2012	Continued
731-TA-1096	Lined Paper School Supplies	India	8/17/2012	Continued
731-TA-702	Ferrovandium and Nitrited Vanadium	Russia	8/22/2012	Revoked
731-TA-709	Seamless Pipe	Germany	8/30/2012	Continued
731-TA-895	Pure Magnesium	China	9/25/2012	Continued
731-TA-1104	Polyester Staple Fiber	China	9/28/2012	Continued
731-TA-671	Silicomanganese	Brazil	10/24/2012	Revoked
731-TA-672	Silicomanganese	China	10/24/2012	Continued
731-TA-673	Silicomanganese	Ukraine	10/24/2012	Continued
731-TA-893	Honey	China	11/29/2012	Continued
731-TA-921	Folding Gift Boxes	China	12/10/2012	Continued ^b

Source: U.S. International Trade Commission.

^aThe completion date shown is the date of the USITC notification of USDOC.

^bUSDOC's final determination pending.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012

Status of investigation	Article	Country ^a	Commission determination ^b
Completed: 337-TA-487	Certain Agricultural Vehicles and Components Thereof	China, Netherlands, France, Germany, Canada	One related (ancillary) remand proceeding; reissued a general exclusion order and cease and desist orders.
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	One related (ancillary) advisory proceeding and two related (ancillary) modification proceedings; issued a modified general exclusion order and cease and desist order.
337-TA-567	Certain Foam Footwear	Canada	One related (ancillary) bond forfeiture proceeding; terminated based on forfeiture of bond to complainant.
337-TA-605	Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same	Canada, Switzerland	Two related (ancillary) bond forfeiture proceedings; terminated based on a settlement agreement.
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	One related (ancillary) advisory proceeding; terminated based on issuance of advisory opinion.
337-TA-661	Certain Semiconductor Chips Having Synchronous Dynamic Random Access Memory Controllers and Products Containing Same	Taiwan, Hong Kong	One related (ancillary) remand proceeding; terminated based on a settlement agreement.
337-TA-698	Certain DC-DC Controllers and Products Containing the Same	Taiwan, Hong Kong	One related (ancillary) enforcement proceeding; issued modified consent order and imposed civil penalties.
337-TA-703	Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, and Components Thereof	Canada, Mexico, China	Terminated based on a finding of no violation.
337-TA-721	Certain Portable Electronic Devices and Related Software	No foreign respondents	Terminated based on a finding of no violation.
337-TA-739	Certain Ground Fault Circuit Interrupters and Products Containing Same	China	Issued general exclusion order and cease and desist orders.
337-TA-739	Certain Ground Fault Circuit Interrupters and Products Containing Same	China	One related (ancillary) bond forfeiture proceeding; terminated as premature.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Completed—Continued			
337-TA-741 (consolidated with 337-TA-749)	Certain Liquid Crystal Displays Devices, Including Monitors, Televisions, and Modules, and Components Thereof	Taiwan, China	Terminated based on a finding of no violation as to four patents and based on withdrawal of the complaint as to a fifth patent.
337-TA-743	Certain Video Game Systems and Controllers	Japan	Terminated based on a finding of no violation.
337-TA-744	Certain Mobile Devices, Associated Software, and Components Thereof	No foreign respondents	Issued a limited exclusion order.
337-TA-749 (consolidated with 337-TA-741)	Certain Liquid Crystal Displays Devices, Including Monitors, Televisions, and Modules, and Components Thereof	Taiwan, China	Terminated based on a finding of no violation as to four patents and based on withdrawal of the complaint as to a fifth patent.
337-TA-750	Certain Mobile Devices and Related Software	No foreign respondents	Terminated based on a finding of no violation.
337-TA-753	Certain Semiconductor Chips and Products Containing Same	Taiwan, Switzerland, United Kingdom, Hong Kong	Terminated based on a finding of no violation.
337-TA-754	Certain Handbags, Luggage, Accessories and Packaging Thereof	China	Issued a general exclusion order.
337-TA-755	Certain Starter Motors and Alternators	China	Issued a limited exclusion order and cease and desist order.
337-TA-756	Certain Reduced Ignition Proclivity Cigarette Paper Wrappers and Products Containing Same	Austria, Germany	Terminated based on a finding of no violation.
337-TA-761	Certain Set-Top Boxes, and Hardware and Software Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-762	Certain Strollers and Playards	No foreign respondents	Terminated based on a settlement agreement.
337-TA-768	Certain Vaginal Ring Birth Control Devices	Netherlands, Canada	Terminated based on withdrawal of the complaint.
337-TA-769	Certain Handheld Electronic Computing Devices, Related Software, and Components Thereof	Taiwan, China, Hong Kong	Terminated based on a settlement agreement.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Completed—Continued			
337-TA-772	Certain Polyimide Films, Products Containing Same, and Related Methods	Korea	Terminated based on a finding of no violation.
337-TA-773 (consolidated with 337-TA-787)	Certain Motion-Sensitive Sound Effects Devices and Image Display Devices and Components and Products Containing Same	Japan, Denmark, China, Singapore, Sweden, Hong Kong, Taiwan	Terminated based on a settlement agreement.
337-TA-775	Certain Wireless Communication Devices and Systems, Components Thereof, and Products Containing Same	No foreign respondents	Terminated based on withdrawal of the complaint.
337-TA-776	Certain Lighting Control Devices Including Dimmer Switches and Parts Thereof (IV)	China	Issued a general exclusion order and cease and desist orders.
337-TA-777	Certain Muzzle-Loading Firearms and Components Thereof	Spain	Terminated based on a settlement agreement.
337-TA-778	Certain Equipment for Communications Networks, Including Switches, Routers, Gateways, Bridges, Wireless Access Points, Cable Modems, IP Phones, and Products Containing Same	Netherlands	Terminated based on a settlement agreement.
337-TA-780	Certain Protective Cases and Components Thereof	China, Hong Kong	Issued a general exclusion order and cease and desist orders.
337-TA-782	Certain Liquid Crystal Display Devices and Products Containing the Same	Taiwan, Japan	Terminated based on a settlement agreement.
337-TA-783	Certain GPS Navigation Products, Components Thereof, and Related Software	Japan	Terminated based on a settlement agreement.
337-TA-784	Certain Light-Emitting Diodes and Products Containing Same	Korea	Terminated based on a settlement agreement.
337-TA-785	Certain Light-Emitting Diodes and Products Containing Same	Korea	Terminated based on a settlement agreement.
337-TA-786	Certain Integrated Circuits, Chipsets, and Products Containing Same, Including Televisions	Japan, Taiwan	Terminated based on a finding of no violation.
337-TA-787 (consolidated with 337-TA-773)	Certain Motion-Sensitive Sound Effects Devices and Image Display Devices and Components and Products Containing Same	Japan, Denmark, China, Singapore, Sweden, Hong Kong, Taiwan	Terminated based on a settlement agreement.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Completed—Continued			
337-TA-788	Certain Universal Serial Bus "USB" Portable Storage Devices, Including USB Flash Drives and Components Thereof	Taiwan	Terminated based on withdrawal of the complaint.
337-TA-789	Certain Digital Televisions and Components Thereof	Canada, Taiwan, Japan	Terminated based on a settlement agreement.
337-TA-790	Certain Coenzyme Q10 Products and Methods of Making Same	China, Japan	Terminated based on a finding of no violation.
337-TA-793	Certain Flat Panel Display Devices, and Products Containing the Same	Korea	Terminated based on a settlement agreement.
337-TA-795	Certain Video Analytics Software, Systems, Components Thereof, and Products Containing Same	Germany, Korea, Japan	Terminated based on a settlement agreement.
337-TA-798	Certain Light-Emitting Diodes and Products Containing Same	Germany	Terminated based on a settlement agreement.
337-TA-799	Certain Computer Forensic Devices and Products Containing the Same	Japan, Canada	Terminated based on a finding of no violation.
337-TA-801	Certain Products Containing Interactive Program Guide and Parental Controls Technology	Japan	Terminated based on a settlement agreement.
337-TA-802	Certain Light Emitting Diodes and Products Containing Same	Germany	Terminated based on a settlement agreement.
337-TA-803	Certain Dynamic Random Access Memory and NAND Flash Memory Devices and Products Containing Same	Korea, Japan, Taiwan, Switzerland	Terminated based on a settlement agreement.
337-TA-806	Certain Digital Televisions Containing Integrated Circuit Devices and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-809	Certain Devices for Mobile Data Communication	Canada	Terminated based on withdrawal of the complaint.
337-TA-810	Certain Navigation Products, Components Thereof, and Related Software	United Kingdom	Terminated based on a settlement agreement.
337-TA-811	Certain Integrated Solar Power Systems and Components Thereof	Canada	Terminated based on a settlement agreement.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Completed—Continued			
337-TA-814	Certain Automotive GPS Navigation Systems, Components Thereof, and Products Containing Same	Germany, Japan, Korea, Sweden, United Kingdom	Terminated based on withdrawal of the complaint.
337-TA-815	Certain Projectors with Controlled-Angle Optical Retarders, Components Thereof, and Products Containing Same	Japan	Terminated based on withdrawal of the complaint.
337-TA-817	Certain Communication Equipment, Components Thereof, and Products Containing the Same, Including Power Over Ethernet Telephones, Switches, Wireless Access Points, Routers and Other Devices Used in LANS, and Cameras	Netherlands	Terminated based on withdrawal of the complaint.
337-TA-818	Certain Devices with Secure Communication Capabilities, Components Thereof, and Products Containing the Same	No foreign respondents	Terminated for good cause.
337-TA-821	Certain Dynamic Random Access Memory Devices, and Products Containing Same	Japan	Terminated based on withdrawal of the complaint.
337-TA-822	Certain Integrated Circuits, Chipsets, and Products Containing Same Including Televisions	Taiwan, Japan, Hong Kong, China	Terminated for good cause.
337-TA-827	Certain Portable Communication Devices	Canada, Taiwan, Korea, Japan, Sweden, Finland	Terminated based on a settlement agreement.
337-TA-835	Certain Food Containers, Cups, Plates, Cutlery, and Related Items and Packaging Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-840	Certain Semiconductor Integrated Circuit Devices and Products Containing Same	No foreign respondents	Terminated based on a settlement agreement.
337-TA-842	Certain Cameras and Mobile Devices, Related Software and Firmware, and Components Thereof and Products Containing the Same	Japan, United Kingdom	Terminated based on withdrawal of the complaint.
337-TA-843	Certain Electronic Devices Having a Retractable USB Connector	Taiwan, France, China, Japan, Belgium, Korea	Terminated based on withdrawal of the complaint.
337-TA-844	Certain Drill Bits and Products Containing the Same	Peru, Chile, Panama	Terminated based on a finding of no violation.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Completed—Continued			
337-TA-846	Certain CMOS Image Sensors and Products Containing Same	Switzerland, Finland, Canada	Terminated based on a settlement agreement.
337-TA-848	Certain Radio Frequency Integrated Circuits and Devices	Taiwan	Terminated based on withdrawal of the complaint.
337-TA-851	Certain Integrated Circuit Packages Provided with Multiple Heat-Conducting Paths and Products Containing Same	Korea	Terminated based on withdrawal of the complaint.
337-TA-852	Certain Video Analytics Software, Systems, Components Thereof, and Products Containing Same	No foreign respondents	Terminated based on a settlement agreement.
337-TA-856	Certain Wireless Communication Devices Portable Music and Data Processing Devices, Computers, and Components Thereof	No foreign respondents	Terminated based on withdrawal of the complaint.
Pending:			
337-TA-501	Certain Encapsulated Integrated Circuit Devices and Products Containing Same	Malaysia	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-562	Certain Incremental Dental Positioning Adjustment Appliances and Methods of Producing Same	British Virgin Islands, Pakistan	One related (ancillary) enforcement proceeding; pending before the ALJ.
337-TA-641	Certain Variable Speed Wind Turbines and Components Thereof	Japan	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-659	Certain Prepregs, Laminates, and Finished Circuit Boards	Taiwan, Hong Kong, China	One related (ancillary) enforcement proceeding; pending before the ALJ.
337-TA-710	Certain Personal Data and Mobile Communications Devices and Related Software	Taiwan, Finland	One related (ancillary) enforcement proceeding; pending before the Commission.
337-TA-739	Certain Ground Fault Circuit Interrupters and Products Containing Same	China	One related (ancillary) enforcement proceeding; pending before the ALJ.
337-TA-744	Certain Mobile Devices, Associated Software, and Components Thereof	No foreign respondents	Two related (ancillary) bond forfeiture proceedings; pending before the Commission.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Pending—Continued			
337-TA-745	Certain Wireless Communication Devices, Portable Music and Data Processing Devices, Computers and Components Thereof	No foreign respondents	Pending before the Commission.
337-TA-746	Certain Automated Media Library Devices	Germany, China, Mexico	Pending before the ALJ.
337-TA-752	Certain Gaming and Entertainment Consoles, Related Software, and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-770	Certain Video Game Systems and Wireless Controllers and Components Thereof	Japan	Pending before the ALJ.
337-TA-781	Certain Microprocessors, Components Thereof, and Products Containing Same	Costa Rica, Malaysia, Philippines, China	Pending before the Commission.
337-TA-791 (consolidated with 337-TA-826)	Certain Electric Fireplaces, Components Thereof, Manuals for Same, Certain Processes For Manufacturing or Relating to Same and Certain Products Containing Same	China	Pending before the Commission.
337-TA-792	Certain Static Random Access Memories and Products Containing Same	France, Sweden, Netherlands	Pending before the ALJ.
337-TA-794	Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices, and Tablet Computers	No foreign respondents	Pending before the Commission.
337-TA-796	Certain Electronic Digital Media Devices and Components Thereof	Korea	Pending before the Commission.
337-TA-797	Certain Portable Electronic Devices and Related Software	Taiwan	Pending before the Commission.
337-TA-800	Certain Wireless Devices with 3G Capabilities and Components Thereof	China, Finland, Korea	Pending before the ALJ.
337-TA-804	Certain LED Photographic Lighting Devices and Components Thereof	China, Taiwan	Pending before the Commission.
337-TA-805	Certain Devices for Improving Uniformity used in a Backlight Module and Components Thereof and Products Containing the Same	Korea	Pending before the ALJ.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Pending—Continued			
337-TA-807	Certain Digital Photo Frames and Image Display Devices and Components Thereof	Taiwan, Canada, Japan	Pending before the Commission.
337-TA-808	Certain Electronic Devices with Communication Capabilities, Components Thereof, and Related Software	No foreign respondents	Pending before the Commission.
337-TA-812	Certain Computing Devices with Associated Instruction Sets and Software	No foreign respondents	Pending before the Commission.
337-TA-813	Certain Electronic Devices with Graphics Data Processing Systems, Components Thereof, and Associated Software	No foreign respondents	Pending before the Commission.
337-TA-816	Certain Wiper Blades	Korea, Taiwan, China	Pending before the ALJ.
337-TA-819	Certain Semiconductor Chips with DRAM Circuitry, and Modules and Products Containing Same	Taiwan	Pending before the ALJ.
337-TA-820	Certain Products Containing Interactive Program Guide and Parental Controls Technology	China	Pending before the ALJ.
337-TA-823	Certain Kinesiotherapy Devices and Components Thereof	Sweden, China, Netherlands	Pending before the ALJ.
337-TA-824	Certain Blu-Ray Disc Players, Components Thereof and Products Containing Same	Japan, China, Korea	Pending before the Commission.
337-TA-825	Certain Silicon Microphone Packages and Products Containing Same	No foreign respondents	Pending before the ALJ.
337-TA-826 (consolidated with 337-TA-791)	Certain Electric Fireplaces, Components Thereof, Manuals for Same, Certain Processes For Manufacturing or Relating to Same and Certain Products Containing Same	China	Pending before the Commission.
337-TA-828	Certain Video Displays and Products Using and Containing Same	Taiwan	Pending before the Commission.
337-TA-829	Certain Toner Cartridges and Components Thereof	Vietnam, Mexico, China, Hong Kong, Canada	Pending before the ALJ.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Pending—Continued			
337-TA-830	Certain Dimmable Compact Fluorescent Lamps and Products Containing Same	China	Pending before the ALJ.
337-TA-831	Certain Electronic Devices for Capturing and Transmitting Images, and Components Thereof	Taiwan	Pending before the ALJ.
337-TA-832	Certain Ink Application Devices and Components Thereof and Methods of Using the Same	Canada, China	Pending before the ALJ.
337-TA-833	Certain Digital Models, Digital Data, and Treatment Plans for Use in Making Incremental Dental Positioning Adjustment Appliances, the Appliances Made Therefrom, and Methods of Making the Same	Pakistan	Pending before the ALJ.
337-TA-834	Certain Mobile Electronic Devices Incorporating Haptics	Taiwan	Pending before the ALJ.
337-TA-836	Certain Consumer Electronics and Display Devices and Products Containing Same	Canada, Taiwan, Korea, Sweden	Pending before the ALJ.
337-TA-837	Certain Audiovisual Components and Products Containing the Same	Japan, Taiwan	Pending before the ALJ.
337-TA-838	Certain Food Waste Disposers and Components and Packaging Thereof	No foreign respondents	Pending before the Commission.
337-TA-839	Certain Consumer Electronics, Including Mobile Phones and Tablets	Taiwan, Korea, Canada	Pending before the ALJ.
337-TA-841	Certain Computers and Computer Peripheral Devices and Components Thereof and Products Containing the Same	Taiwan, Japan, France, Korea	Pending before the ALJ.
337-TA-845	Certain Products Containing Interactive Program Guide and Parental Control Technology	Korea, Japan	Pending before the ALJ.
337-TA-847	Certain Electronic Devices, Including Mobile Phones and Tablet Computers, and Components Thereof	Taiwan	Pending before the ALJ.
337-TA-849	Certain Rubber Resins and Processes for Manufacturing Same	China, Hong Kong, Canada	Pending before the ALJ.

TABLE A.12 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2012 and those pending on December 31, 2012—*Continued*

Status of investigation	Article	Country ^a	Commission determination ^b
Pending—Continued			
337-TA-850	Electronic Imaging Devices	Taiwan, Korea, China	Pending before the ALJ.
337-TA-853	Certain Wireless Consumer Electronics Devices and Components Thereof	Taiwan, Switzerland, China, Japan, Korea, Canada	Pending before the ALJ.
337-TA-854	Certain Two-Way Global Satellite Communication Devices, System and Components Thereof	United Kingdom	Pending before the ALJ.
337-TA-855	Certain Sintered Rare Earth Magnets, Methods of Making Same and Products Containing Same	China, Hong Kong, Austria, Germany	Pending before the ALJ.
337-TA-857	Certain Reduced Folate Nutraceutical Products and L-Methylfolate Raw Ingredients Used Therein	Italy, Switzerland	Pending before the ALJ.
337-TA-858	Certain Devices with Secure Communication Capabilities, Components Thereof, and Products Containing Same	No foreign respondents	Pending before the ALJ.
337-TA-859	Certain Integrated Circuit Chips and Products Containing the Same	No foreign respondents	Pending before the ALJ.
337-TA-860	Certain Optoelectronic Devices for Fiber Optic Communications, Components Thereof, and Products Containing the Same	Denmark, Germany, France, Israel	Pending before the ALJ.
337-TA-861	Certain Cases for Portable Electronic Devices	China, Hong Kong	Pending before the ALJ.

Source: U.S. International Trade Commission.

^aThe country designation is based on the address of the foreign respondents named in the notice of investigation. "Hong Kong" refers to "Hong Kong, China," "Korea" refers to "Republic of Korea."

^bALJ stands for Administrative Law Judge.

TABLE A.13 Outstanding Section 337 exclusion orders as of December 31, 2012

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-55	Certain Novelty Glasses	Hong Kong	Nonpatent
337-TA-69	Certain Airtight Cast-Iron Stoves	Taiwan, Korea	Nonpatent
337-TA-87	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Nonpatent
337-TA-105	Certain Coin-Operated Audio-Visual Games and Components Thereof (viz. Rally-X and Pac-Man)	Japan, Taiwan	Nonpatent
337-TA-112	Certain Cube Puzzles	Taiwan, Japan, Canada	Nonpatent
337-TA-114	Certain Miniature Plug-In Blade Fuses	Taiwan	Nonpatent
337-TA-118	Certain Sneakers With Fabric Uppers and Rubber Soles	Korea	Nonpatent
337-TA-137	Certain Heavy-Duty Staple Gun Tackers	Taiwan, Hong Kong	Nonpatent
337-TA-152	Certain Plastic Food Storage Containers	Hong Kong, Taiwan	Nonpatent
337-TA-167	Certain Single Handle Faucets	Taiwan	Nonpatent
337-TA-174	Certain Woodworking Machines	Taiwan, South Africa	Nonpatent
337-TA-195	Certain Cloisonne Jewelry	Taiwan	Nonpatent
337-TA-197	Certain Compound Action Metal Cutting Snips and Components Thereof	Taiwan	Nonpatent
337-TA-229	Certain Nut Jewelry and Parts Thereof	Taiwan	Nonpatent
337-TA-231	Certain Soft Sculpture Dolls, Popularly Known as "Cabbage Patch Kids," Related Literature, and Packaging Therefor	No foreign respondents	Nonpatent
337-TA-266	Certain Reclosable Plastic Bags and Tubing	Singapore, Taiwan, Korea, Thailand, Hong Kong	Nonpatent
337-TA-279	Certain Plastic Light Duty Screw Anchors	Taiwan	Nonpatent
337-TA-285	Certain Chemiluminescent Compositions and Components Thereof and Methods of Using, and Products Incorporating, the Same	France	Nonpatent
337-TA-287	Certain Strip Lights	Taiwan	Nonpatent
337-TA-295	Certain Novelty Teleidoscopes	Hong Kong, Taiwan	Nonpatent
337-TA-319	Certain Automotive Fuel Caps and Radiator Caps and Related Packaging and Promotional Materials	Taiwan	Nonpatent
337-TA-321	Certain Soft Drinks and Their Containers	Colombia	Nonpatent
337-TA-378	Certain Asian-Style Kamaboko Fish Cakes	Japan	Nonpatent
337-TA-380	Certain Agricultural Tractors Under 50 Power Take-Off Horsepower	Japan	Nonpatent
337-TA-413	Certain Rare-Earth Magnets and Magnetic Material and Articles Containing Same	China, Taiwan	July 8, 2014
337-TA-424	Certain Cigarettes and Packaging Thereof	No foreign respondents	Nonpatent
337-TA-440	Certain 4-Androstenediol	China	July 13, 2018
337-TA-448	Certain Oscillating Sprinklers, Sprinkler Components, and Nozzles	Taiwan, Israel, Germany	July 8, 2014 July 8, 2014
337-TA-473	Certain Video Game Systems, Accessories, and Components Thereof	No foreign respondents	Dec. 18, 2015 Dec. 25, 2015
337-TA-481/491	Certain Display Controllers with Upscaling Functionality and Products Containing Same; and Certain Display Controllers and Products Containing Same	Taiwan	Feb. 24, 2017

TABLE A.13 Outstanding Section 337 exclusion orders as of December 31, 2012—*Continued*

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-482	Certain Compact Disc and DVD Holders	Denmark, Hong Kong, Taiwan	May 1, 2015
337-TA-486	Certain Agricultural Tractors, Lawn Tractors, Riding Lawnmowers, and Components Thereof	China	Nonpatent
337-TA-487 ^c	Certain Agricultural Vehicles and Components Thereof	China, Netherlands, France, Germany, Canada	Nonpatent
337-TA-494	Certain Automotive Measuring Devices, Products Containing Same, and Bezels for Such Devices	Taiwan	Nonpatent
337-TA-498	Certain Insect Traps	No foreign respondents	Jan. 30, 2018
337-TA-500	Certain Purple Protective Gloves	Malaysia	Nonpatent
337-TA-505	Certain Gun Barrels Used in Firearms Training Systems	Switzerland, Netherlands	Sept. 25, 2015 Aug. 25, 2017
337-TA-512	Certain Light-Emitting Diodes and Products Containing Same	Malaysia	Jan. 18, 2015 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 July 27, 2018 July 27, 2018 July 27, 2018
337-TA-514	Certain Plastic Food Containers	China	Oct. 19, 2013 Dec. 23, 2017 Dec. 23, 2017
337-TA-518	Certain Ear Protection Devices	China, Taiwan	June 2, 2015
337-TA-522	Certain Ink Markers and Packaging Thereof	China, India, Korea, Hong Kong	Nonpatent
337-TA-539	Certain Tadalafil or Any Salt or Solvate Thereof, and Products Containing Same	India, Panama, Haiti, Nicaragua, Mexico, Australia	June 12, 2016
337-TA-541	Certain Power Supply Controllers and Products Containing Same	Taiwan	Sept. 24, 2019 Sept. 24, 2019
337-TA-545	Certain Laminated Floor Panels	Canada, China, Malaysia	June 10, 2017 June 10, 2017 June 10, 2017
337-TA-549	Certain Ink Sticks for Solid Ink Printers	Korea	Apr. 29, 2022 Apr. 29, 2022 Apr. 29, 2022
337-TA-557	Certain Automotive Parts	Taiwan	June 22, 2018 July 27, 2018 Sept. 28, 2018 Oct. 5, 2018 Oct. 26, 2018 Mar. 1, 2019 Mar. 22, 2019
337-TA-563	Certain Portable Power Stations and Packaging Thereof	China	Feb. 4, 2017 Nonpatent Nonpatent
337-TA-564	Certain Voltage Regulators Components Thereof and Products Containing Same	No foreign respondents	Mar. 23, 2013

TABLE A.13 Outstanding Section 337 exclusion orders as of December 31, 2012—*Continued*

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	Jan. 30, 2013 Oct. 1, 2013 Apr. 1, 2014 May 18, 2019 May 18, 2019 Apr. 3, 2022 Aug. 17, 2023 Aug. 26, 2023
337-TA-567	Certain Foam Footwear	Canada	Oct. 3, 2020 Mar. 28, 2020
337-TA-575	Certain Lighters	Hong Kong, China	Nonpatent
337-TA-582	Certain Hydraulic Excavators and Components Thereof	Canada	Nonpatent
337-TA-588	Certain Digital Multimeters, and Products with Multimeter Functionality	Hong Kong, China	Nonpatent
337-TA-590	Certain Coupler Devices for Power Supply Facilities, Components Thereof, and Products Containing Same	Taiwan, Germany, China	Aug. 5, 2024
337-TA-602	Certain GPS Devices and Products Containing Same	Taiwan	July 13, 2020 Nov. 17, 2020 May 18, 2021 July 25, 2021 June 13, 2023 Sept. 29, 2023
337-TA-603	Certain DVD Players and Recorders and Certain Products Containing Same	China, Hong Kong	Dec. 23, 2014 Jan. 18, 2015 Jan. 30, 2016
337-TA-604	Certain Sucralose, Sweeteners Containing Sucralose, and Related Intermediate Compounds Thereof	China, United Kingdom, Hong Kong	Oct. 17, 2017 Apr. 18, 2023
337-TA-611	Certain Magnifying Loupe Products and Components Thereof	China	July 19, 2013 Dec. 3, 2013 May 20, 2022
337-TA-615	Certain Ground Fault Circuit Interrupters and Products Containing the Same	China	Oct. 24, 2014 Nov. 21, 2020 May 3, 2021 Apr. 28, 2025
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong, China	Apr. 9, 2018
337-TA-629	Certain Silicon Microphone Packages and Products Containing the Same	Malaysia	June 21, 2021 Sept. 16, 2022
337-TA-637	Certain Hair Irons and Packaging Thereof	Singapore, China, Hong Kong	Nonpatent
337-TA-638	Certain Intermediate Bulk Containers	China	Mar. 21, 2015
337-TA-643	Certain Cigarettes and Packaging Thereof	Moldova, Belize, Singapore, Ukraine, Kyrgyzstan, Gibraltar, United Kingdom, Switzerland	Nonpatent
337-TA-644	Certain Composite Wear Components and Products Containing the Same	India, Italy	Aug. 27, 2017
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	Aug. 2, 2017 Jan. 24, 2020

TABLE A.13 Outstanding Section 337 exclusion orders as of December 31, 2012—*Continued*

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-655	Certain Cast Steel Railway Wheels, Certain Processes for Manufacturing or Relating to Same and Certain Products Containing Same	China	Nonpatent
337-TA-669	Certain Optoelectronic Devices, Components Thereof, and Products Containing the Same	No foreign respondents	June 25, 2013
337-TA-678	Certain Energy Drink Products	No foreign respondents	Nonpatent
337-TA-679	Certain Products Advertised As Containing Creatine Ethyl Ester	No foreign respondents	Nonpatent
337-TA-691	Certain Inkjet Ink Supplies and Components Thereof	China, Hong Kong	Mar. 9, 2018 May 11, 2018
337-TA-700	Certain MEMS Devices and Products Containing Same	No foreign respondents	Jan. 29, 2021
337-TA-710	Certain Personal Data and Mobile Communication Devices and Related Software	Taiwan	Feb. 1, 2016
337-TA-718	Certain Electronic Paper Towel Dispensing Devices and Components Thereof	Canada, Hong Kong, Taiwan, Turkey	Feb. 9, 2021 Feb. 9, 2021 Mar.15, 2021 May 27, 2021
337-TA-720	Certain Biometric Scanning Devices, Components Thereof, Associated Software, and Products Containing the Same	Korea	May 9, 2017 Jan. 16, 2023
337-TA-722	Certain Automotive Vehicles and Designs Therefore	China	Jan. 3, 2020
337-TA-723	Certain Inkjet Ink Cartridges with Printheads and Components Thereof	Taiwan, Hong Kong, China	Aug. 30, 2019 July 24, 2020 July 24, 2020 Oct. 30, 2020 Oct. 30, 2020
337-TA-725	Certain Caskets	Mexico	May 10, 2015 May 10, 2015 May 10, 2015 July 9, 2016 Sept. 13, 2020
337-TA-730	Certain Inkjet Ink Supplies and Components Thereof	Hong Kong, China	Aug. 20, 2023 Oct. 29, 2023
337-TA-739	Certain Ground Fault Circuit Interrupters and Products Containing Same	China	Oct. 21, 2023

TABLE A.13 Outstanding Section 337 exclusion orders as of December 31, 2012—*Continued*

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-740	Certain Toner Cartridges and Components Thereof	China, Hong Kong, Canada, Korea, Macao	Feb. 26, 2013 Feb. 16, 2016 Feb. 16, 2016 Dec. 20, 2016 Dec. 20, 2016 Dec. 20, 2016 Dec. 20, 2016 Feb. 18, 2018 Sept. 22, 2019 July 18, 2021 July 15, 2022 July 15, 2022 Apr. 29, 2023 May 21, 2023 Dec. 19, 2024
337-TA-744	Certain Mobile Devices, Associated Software, and Components Thereof	No foreign respondents	Apr. 10, 2018
337-TA-754	Certain Handbags, Luggage, Accessories, and Packaging Thereof	China	Nonpatent
337-TA-755	Certain Starter Motors and Alternators	China	Mar. 29, 2013 Apr. 22, 2013 Oct. 14, 2013
337-TA-759	Certain Birthing Simulators and Associated Systems	China	May 8, 2016 May 8, 2016
337-TA-763	Certain Radio Control Hobby Transmitters and Receivers and Products Containing Same	China	Oct. 18, 2025 Nonpatent
337-TA-776	Certain Lighting Control Devices Including Dimmer Switches and Parts Thereof	China	June 10, 2014
337-TA-780	Certain Protective Cases and Components Thereof	China, Hong Kong	Sept. 29, 2023 June 15, 2024 May 11, 2024 June 15, 2024 Mar. 22, 2025 Apr. 19, 2025 Jan. 25, 2029 Nonpatent

Source: U.S. International Trade Commission.

^aThis column lists the countries of the foreign respondents named in the notice of investigation.

^bMultiple dates indicate the expiration dates of separate patents within the investigation.

^cThere are three outstanding exclusion orders in Inv. No. 337-TA-487.

TABLE A.14 U.S. imports for consumption under the GSP, by leading GSP beneficiary, 2010–12

Source	2010	2011	2012	% change, 2011–12
	Thousand \$			
India	3,481,732	3,736,156	4,453,874	19.2
Thailand	3,611,700	3,719,574	3,709,582	-0.3
Brazil	2,123,960	2,059,096	2,317,083	12.5
Indonesia	1,856,496	1,965,418	2,208,075	12.3
South Africa	1,200,196	1,332,575	1,294,108	-2.9
Philippines	912,670	1,133,796	1,239,219	9.3
Turkey	792,938	894,703	1,139,221	27.3
Angola	3,543,798	300,237	631,683	110.4
Russia	578,012	574,780	543,880	-5.4
Argentina	528,607	477,129	222,659	-53.3
Pakistan	164,944	130,686	195,187	49.4
Sri Lanka	146,518	135,237	157,980	16.8
Tunisia	139,135	98,747	149,124	51.0
Bolivia	155,693	81,963	128,193	56.4
Georgia	100,935	117,947	124,058	5.2
Kazakhstan	60,710	93,322	111,379	19.3
Ecuador	54,273	147,406	106,823	-27.5
Venezuela	113,242	115,914	98,573	-15.0
Côte d'Ivoire	79,803	48,579	96,148	97.9
Congo, Democratic Republic of	247,316	691	93,704	13,453.6
Armenia	68,155	79,539	80,600	1.3
Colombia	158,516	383,634	76,518	-80.1
Ukraine	39,133	53,202	72,359	36.0
Paraguay	43,000	77,117	69,685	-9.6
Egypt	51,499	48,655	60,413	24.2
Subtotal, top 25	20,252,981	17,806,104	19,380,127	8.8
All other	2,300,926	732,977	476,575	-35.0
Total	22,553,906	18,539,081	19,856,702	7.1

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

TABLE A.15 U.S. imports for consumption under the GSP, by SITC codes (revision 3), 2010–12

SITC Code no. ^a	Description	2010	2011	2012	% change, 2011–12
		Million \$			
U.S. imports for consumption:					
0	Food and live animals	1,828	2,119	2,310	9.0
1	Beverages and tobacco	175	204	206	0.5
2	Crude materials, inedible, except fuels	133	221	207	-6.7
3	Mineral fuels, lubricants and related materials	5,433	481	724	50.3
4	Animal and vegetable oils, fats and waxes	142	141	153	7.9
5	Chemicals and related products, n.e.s.	2,491	2,568	2,667	3.9
6	Manufactured goods classified chiefly by material	5,555	6,091	6,214	2.0
7	Machinery and transport equipment	3,717	3,836	4,440	15.8
8	Miscellaneous manufactured articles	3,033	2,875	2,910	1.2
9	Commodities and transactions not classified elsewhere in the SITC	46	2	27	1,173.7
	Total	22,554	18,539	19,857	7.1
Share of U.S. GSP imports:					
		Percent of total			
0	Food and live animals	8.1	11.4	11.6	
1	Beverages and tobacco	0.8	1.1	1.0	
2	Crude materials, inedible, except fuels	0.6	1.2	1.0	
3	Mineral fuels, lubricants and related materials	24.1	2.6	3.6	
4	Animal and vegetable oils, fats and waxes	0.6	0.8	0.8	
5	Chemicals and related products, n.e.s.	11.0	13.9	13.4	
6	Manufactured goods classified chiefly by material	24.6	32.9	31.3	
7	Machinery and transport equipment	16.5	20.7	22.4	
8	Miscellaneous manufactured articles	13.4	15.5	14.7	
9	Commodities and transactions not classified elsewhere in the SITC	0.2	0.0	0.1	
	Total	100.0	100.0	100.0	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.16 U.S. imports for consumption under the GSP, by HTS provision, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	4,696	346	661	91.2	
4011.10.10	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	495	409	568	38.7	
7606.12.30	Aluminum alloy, plates/sheets/strip, w/thick. o/0.2mm, rectangular (incl. sq), not clad	398	492	399	-19.0	
7202.41.00	Ferromanganese containing by weight more than 4 percent of carbon	377	386	373	-3.4	
7113.11.50	Silver articles of jewelry and parts thereof, n.e.s.o.i., valued over \$18 per dozen pieces or parts	598	665	365	-45.2	
7202.30.00	Ferrosilicon manganese	247	279	280	0.6	
4015.19.10	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	187	224	250	11.7	
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	217	260	221	-14.9	
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	230	386	218	-43.5	
7202.21.50	Ferrosilicon containing by weight more than 55% but not more than 80% of silicon, n.e.s.o.i.	198	170	200	18.2	
1803.20.00	Cocoa paste, wholly or partly defatted	95	103	195	89.2	
8415.90.80	Parts for air conditioning machines, n.e.s.o.i.	91	126	193	52.6	
8483.10.30	Camshafts and crankshafts n.e.s.o.i.	137	136	184	34.9	
7113.19.29	Gold necklaces and neck chains (o/than of rope or mixed links)	206	138	170	23.2	
8708.99.81	Parts and accessories of the motor vehicles of headings 8701 to 8705, not classified elsewhere	136	123	163	31.9	
8409.99.91	Parts n.e.s.o.i., used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	86	156	161	3.1	
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch.17	(^a)	(^a)	158	(^b)	
2202.90.90	Nonalcoholic beverages, n.e.s.o.i., not including fruit or vegetable juices of heading 2009	65	91	149	64.0	
6802.99.00	Monumental or building stone & arts. thereof, n.e.s.o.i., further worked than simply cut/sawn, n.e.s.o.i.	146	86	145	69.4	
7307.91.50	Iron or steel (o/than stainless), not cast, flanges for tubes/pipes, not forged or forged and machined, tooled & processed after forging	56	102	137	34.2	
4412.31.40	Plywood sheets n/o 6 mm thick, with specified tropical wood outer ply, with face ply n.e.s.o.i., not surface-covered beyond clear/transparent	127	106	133	25.6	
1704.90.35	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	131	137	130	-5.1	
7113.19.50	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, n.e.s.o.i.	160	84	128	52.3	
7413.00.10	Copper, stranded wire, not electrically insulated, not fitted with fittings and not made up into articles	62	100	123	23.8	
2804.69.10	Silicon, containing by weight less than 99.99 percent but not less than 99 percent of silicon	92	134	116	-13.1	
	Total of items shown	9,234	5,238	5,819	11.1	
	All other HTS subheadings	13,320	13,301	14,038	5.5	
	Total of all commodities	22,554	18,539	19,857	7.1	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 0714.20.20.

^bNot applicable.

TABLE A.17 U.S. imports for consumption under AGOA, by source, 2010–12

Source	2010	2011	2012	% change, 2011–12
	Thousand \$			
Nigeria	25,153,807	31,003,705	17,723,567	-42.8
Angola	6,293,944	11,534,112	6,660,738	-42.3
South Africa	1,902,140	2,464,831	2,384,109	-3.3
Chad	1,186,314	2,991,226	2,376,665	-20.5
Gabon	1,124,244	477,521	1,271,621	166.3
Congo, Republic of	1,935,530	1,935,187	1,225,539	-36.7
Lesotho	280,342	314,311	300,609	-4.4
Kenya	220,636	288,273	287,737	-0.2
Mauritius	117,911	155,982	160,030	2.6
Cameroon	113,469	137,372	111,765	-18.6
Swaziland	92,798	77,121	62,373	-19.1
Malawi	47,191	56,146	46,307	-17.5
Togo	0	0	44,448	^(a)
Côte d'Ivoire	0	0	29,901	^(a)
Ethiopia	6,875	10,887	18,294	68.0
Ghana	2,053	414,094	16,988	-95.9
Tanzania	1,850	5,131	10,446	103.6
Botswana	11,559	15,479	10,427	-32.6
Senegal	7	3	5,634	209,266.1
Namibia	5	13	216	1,580.7
Cape Verde	146	154	117	-24.1
Uganda	345	787	64	-91.8
Mozambique	184	689	30	-95.7
Mali	4	2	21	1,192.0
Rwanda	10	17	8	-54.6
Zambia	0	10	7	-34.3
Burkina Faso	2	2	5	186.2
Guinea	0	0	3	^(a)
Niger	0	0	1	^(a)
Gambia	5	1	0	-100.0
Congo, Democratic Republic of	147,042	0	0	^(a)
Mauritania	26,396	0	0	^(a)
Total	38,664,807	51,883,054	32,747,670	-36.9

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

^aNot applicable.

TABLE A.18 U.S. imports for consumption under AGOA, by HTS provision, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	33,842	42,623	24,879	-41.6
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	1,518	4,811	3,234	-32.8
8703.23.00	Mtr cars & o/mtr. vehicles for transport of persons, w/spark-ign. int. combust. recip. piston engine w/cyl. cap. o/1500 cc n/o 3000 cc	1,471	1,995	1,872	-6.2
2710.12.25	Naphthas (exc. motor fuel/mtr fuel blend. stock) fr petroleum oils & bitumin minerals (o/than crude) or preps 70%+ by wt. fr petroleum oils	(^b)	(^b)	555	(^b)
2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees A.P.I.	(^c)	(^c)	453	(^b)
2710.12.45	Light oil mixt. of hydrocarbons fr petro oils & bitum min(o/than crude) or prep 70%+ wt. fr petro oils, n.e.s.o.i., n/o 50% any single hydrocarbon	(^d)	(^d)	252	(^b)
7202.11.50	Ferromanganese containing by weight more than 4 percent of carbon	142	205	197	-3.5
6203.42.40	Men's or boys' trousers and shorts, not bibs, not knitted or crocheted, of cotton, not containing 15% or more by weight of down, etc.	123	141	135	-4.7
6205.20.20	Men's or boys' shirts, not knitted or crocheted, of cotton, n.e.s.o.i.	77	117	129	10.5
6204.62.40	Women's or girls' trousers, breeches and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	116	126	105	-16.4
2710.12.15	Light oil motor fuel from petroleum oils and bituminous minerals (o/than crude) or preps. 70%+ by wt. from petroleum oils	(^e)	(^e)	88	(^b)
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	66	73	68	-6.0
0802.62.00	Macadamia nuts, shelled	(^f)	(^f)	57	(^b)
6104.62.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of cotton	55	49	56	14.7
3823.70.60	Industrial fatty alcohols other than derived from fatty substances of animal or vegetable origin	40	47	54	14.6
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	23	41	47	15.0
8703.24.00	Mtr cars & o/mtr. vehicles for transport of persons, w/spark-ign. int. combust. recip. piston engine w/cyl. cap. o/ 3000 cc	58	35	43	22.8
0805.10.00	Oranges, fresh or dried	39	38	40	4.1
6105.20.20	Men's or boys' shirts, knitted or crocheted, of manmade fibers, n.e.s.o.i.	14	28	35	25.0
2401.20.85	Tobacco, partly or wholly stemmed/stripped, threshed or similarly processed, not from cigar leaf, described in addl US note 5 to chap 24	29	35	34	-2.3
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	84	62	32	-48.7
2204.21.50	Wine other than tokay (not carbonated), not over 14% alcohol, in containers not over 2 liters	27	27	29	7.6
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of man-made fibers	10	18	27	48.8
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	21	26	26	1.0
8111.00.47	Unwrought manganese flake containing at least 99.5 percent by weight manganese	4	8	24	197.5
	Total of items shown	37,761	50,505	32,473	-35.7
	All other HTS provisions	903	1,378	275	-80.1
	Total U.S. imports for consumption under AGOA	38,665	51,883	32,748	-36.9

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.45.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 2710.19.06.

^dTrade in 2010 and 2011 reported under HTS tariff line 2710.11.45.

^eTrade in 2010 and 2011 reported under HTS tariff line 2710.11.15.

^fTrade in 2010 and 2011 reported under HTS tariff line 0802.60.80.

TABLE A.19 U.S. imports for consumption under ATPA, by source, 2010–12

Source	2010	2011	2012	% change, 2011–12
	Million \$			
Colombia ^a	9,473	2,675	5,314	98.7
Ecuador	4,179	1,706	5,870	244.2
Peru ^b	759	0	0	(^c)
Total	14,411	4,380	11,183	155.3

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

^aColombia's status as an ATPA beneficiary country ended effective May 15, 2012. Imports from Colombia are included only through the end of May. Imports from Colombia under ATPA after it was no longer a designated ATPA beneficiary were reported as \$222 million in 2012.

^bPeru's status as an ATPA beneficiary country ended effective January 1, 2011. Imports from Peru are included only through the end of 2010. Imports from Peru under ATPA after it was no longer a designated ATPA beneficiary were reported as \$4.8 million in 2011 and \$113,000 in 2012.

^cNot applicable.

TABLE A.20 U.S. imports for consumption under ATPA, by HTS provision, 2010–12

HTS	Description	Million \$			% change, 2011–12
		2010	2011	2012	
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	8,772	2,772	8,289	199.0
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	3,172	857	1,518	77.1
2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees A.P.I.	(^e)	(^e)	316	(^b)
0603.11.00	Sweetheart, Spray and other Roses, fresh cut	314	140	245	75.0
0603.19.01	fresh cut, Anthuriums, Alstroemeria, Gypsophila, Lilies, Snapdragons and flowers, n.e.s.o.i.	(^c)	(^c)	125	(^b)
2710.12.45	Light oil mixt. of hydrocarbons fr petro oils & bitum min(o/than crude) or prep 70%+ wt. fr petro oils, n.e.s.o.i./o 50% any single hydrocarbon	(^d)	(^d)	68	(^b)
0603.14.00	Chrysanthemums, fresh cut	97	34	53	55.6
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, n/o 7 kg, not of U.S. possessions, over quota	44	10	53	428.1
2710.12.25	Naphthas (exc. motor fuel/mtr fuel blend. stock) fr petroleum oils & bitumin minerals (o/than crude) or preps 70%+ by wt. fr petroleum oils	(^e)	(^e)	42	(^b)
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	23	6	29	382.7
0603.12.70	Other Carnations, fresh cut	40	19	27	42.8
0710.80.97	Vegetables n.e.s.o.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	24	6	23	309.6
2008.99.15	Bananas, other than pulp, otherwise prepared or preserved, n.e.s.o.i.	14	4	23	419.3
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	12	15	21	42.3
6203.42.40	Men's or boys' trousers and shorts, not bibs, not knitted or crocheted, of cotton, not containing 15% or more by weight of down, etc.	66	10	15	53.1
0603.12.30	Miniature (spray) carnations, fresh cut	22	9	14	58.7
3904.10.00	Polyvinyl chloride, not mixed with any other substances, in primary forms	23	8	14	73.3
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	12	2	12	462.9
7610.10.00	Aluminum, doors, windows and their frames and thresholds for doors	17	5	12	123.6
0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	12	3	11	234.1
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch.17	(^e)	(^e)	11	(^b)
0603.15.00	Fresh cut Lilies (Lilium spp.)	(^f)	(^f)	9	(^b)
1704.90.35	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	21	5	7	39.1
9602.00.50	Vegetable, mineral or gum materials, worked and articles of these materials	11	4	7	67.2
3921.12.11	Nonadhesive plates, sheets, film, foil, strip, cellular, of polymers of vinyl chloride, with man-made textile fibers, over 70% plastics	14	5	7	38.6
	Total of items shown	12,711	3,914	10,948	179.7
	All other HTS provisions	1,700	466	235	-49.6
	Total U.S. imports for consumption under ATPA	14,411	4,380	11,183	155.3

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included." Colombia's status as an ATPA beneficiary country ended effective May 15, 2012. Imports from Colombia are included only through the end of May. Imports from Colombia under ATPA after it was no longer a designated ATPA beneficiary were reported as \$222 million in 2012. Peru's status as an ATPA beneficiary country ended effective January 1, 2011. Imports from Peru are included only through the end of 2010. Imports from Peru under ATPA after it was no longer a designated ATPA beneficiary were reported as \$4.8 million in 2011.

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.19.05.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 0603.19.00.

^dTrade in 2010 and 2011 reported under HTS tariff line 2710.11.45.

^eTrade in 2010 and 2011 reported under HTS tariff line 1701.11.

^fTrade in 2010 and 2011 reported under HTS tariff line 0603.19.0030.

TABLE A.21 U.S. imports for consumption under CBERA/CBTPA, by source, 2010–12

Source	2010	2011	2012	% change, 2011–12
	Thousand \$			
Trinidad and Tobago	2,205,811	2,594,465	2,171,207	-16.3
Haiti	364,114	474,602	436,783	-8.0
Jamaica	83,910	179,045	206,046	15.1
Belize	61,744	146,045	131,898	-9.7
Bahamas	98,989	123,854	130,309	5.2
Panama ^a	28,435	55,184	26,319	-52.3
St. Kitts-Nevis	20,466	27,273	22,350	-18.1
Guyana	10,632	11,129	5,300	-52.4
Barbados	7,233	4,493	3,812	-15.2
St. Lucia	9,199	1,889	1,836	-2.8
British Virgin Islands	86	136	451	231.8
Grenada	150	257	341	32.8
St. Vincent and the Grenadines	124	88	138	56.5
Dominica	53	149	117	-21.5
Antigua Barbuda	21	23	30	28.5
Aruba	566	249	27	-89.3
Montserrat Island	0	0	24	^(b)
Netherlands Antilles ^c	988	0	0	-100.0
Total	2,892,521	3,618,883	3,136,986	-13.3

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

^aU.S. imports from Panama are included only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama Trade Promotion Agreement entered into effect on October 31, 2013.

^bNot applicable.

^cThe Netherlands Antilles was dissolved on October 10, 2010. Imports from the Netherlands Antilles are included only through October 2010. After its dissolution, imports from the Netherlands Antilles under CBERA were reported as \$206,000 in 2010 and \$344,000 in 2011.

TABLE A.22 U.S. imports for consumption under CBERA/CBTPA, by HTS provision, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	1,249	1,274	1,164	-8.7	
2905.11.20	Methanol (Methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	890	1,097	1,022	-6.8	
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	204	213	225	5.4	
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	125	221	176	-20.2	
2207.10.60	Undenatured ethyl alcohol of 80 percent vol. alcohol or higher, for nonbeverage purposes	10	239	150	-37.5	
3903.11.00	Polystyrene, expandable, in primary forms	95	122	129	5.9	
2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees A.P.I.	(^a)	(^a)	35	(^b)	
2933.61.00	Melamine	6	24	22	-9.0	
0714.30.10	Fresh or chilled yams (<i>Dioscorea</i> spp.), whether or not sliced or in the form of pellets	(^c)	(^c)	16	(^b)	
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of man-made fibers	20	18	16	-13.3	
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch. 17	(^d)	(^d)	13	(^b)	
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	11	16	12	-22.5	
0807.20.00	Papayas (papaws), fresh	12	13	11	-12.8	
2009.19.00	Orange juice, not frozen, of a Brix value exceeding 20, unfermented	6	5	8	75.2	
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	7	6	8	22.5	
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	8	7	6	-13.4	
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	1	7	6	-14.6	
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	6	4	6	59.0	
2103.90.80	Mixed condiments and mixed seasonings, not described in add US note 3 to Ch. 21	5	6	6	3.0	
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	6	7	5	-18.1	
2008.99.90	Fruit n.e.s.o.i., and other edible parts of plants n.e.s.o.i., other than pulp and excluding mixtures, otherwise prepared or preserved, n.e.s.o.i.	4	5	5	-0.2	
2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	4	5	5	2.6	
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bituminous minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	(^e)	(^e)	5	(^b)	
2202.90.90	Nonalcoholic beverages, n.e.s.o.i., not including fruit or vegetable juices of heading 2009	5	5	5	6.4	
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	2	4	5	12.9	
	Total of items shown	2,676	3,296	3,059	-7.2	
	All other HTS provisions	217	323	78	-75.8	
	Total U.S. imports for consumption under CBERA/CBTPA	2,893	3,619	3,137	-13.3	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included." Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama Trade Promotion Agreement entered into effect on October 31, 2012.

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.19.05.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 0714.20.20.

^dTrade in 2010 and 2011 reported under HTS tariff line 1701.11.

^eTrade in 2010 and 2011 reported under HTS tariff line 2710.19.15.

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012

Case no.	Title	Complainant	Action (month/day/year)
DS217	United States—Continued Dumping and Subsidy Offset Act of 2000 (Byrd Amendment)	Australia, Brazil, Chile, European Communities (EC), India, Indonesia, Japan, Korea, Thailand	<p>Complaining parties request consultations (12/21/00). Panel established (08/23/01) and composed (10/25/01). Panel report circulated to members (09/16/02). U.S. notifies Dispute Settlement Body (DSB) it will appeal panel decision (10/18/02). Appellate Body circulates its report (06/16/03). Arbitrator finds that U.S. has failed to implement the DSB recommendations and rulings (01/15/04). Arbitrator circulates decisions relating to level of suspension of concessions to offset U.S. Byrd Amendment distributions (08/31/04). Authority to retaliate granted (11/26/04, 12/17/04). DSB authorizes or takes note of various requests or agreements to suspend concessions (2004–05). U.S. states at DSB meeting that recent changes bring U.S. law into conformity with its WTO obligations (02/17/06). Japan and EC notify DSB annually of the new list of products on which the additional import duty would apply, prior to the entry into force of a level of suspension of concessions (2006–12).</p>
DS294	United States—Laws, Regulations and Methodology for Calculating Dumping Margins (Zeroing)	European Communities	<p>EC requests consultations (06/12/03). Panel established (03/19/04) and composed (10/27/04). Panel report circulated (10/31/05). Appellate Body report circulated (04/18/06). DSB adopts Appellate Body report and panel report as modified (05/09/06). U.S. announces that it intends to implement the DSB recommendations and rulings (05/30/06). U.S. and EC agree, pursuant to Dispute Settlement Understanding (DSU) Article 21.3(b), to the reasonable period of time for implementation (07/28/06). U.S. and EC reach an understanding on Article 21 and 22 procedures (05/04/07). EC requests Article 21.5 consultations (07/09/07). Brazil and Korea request to join the consultations (07/20/07). EC requests establishment of Article 21.5 panel (09/13/07). Article 21.5 Appellate Body report adopted (06/11/09). EC requests authorization to suspend concessions or other obligations per Article 22.2 of DSU (01/29/10). U.S. informs DSB it objects to suspension level proposed by the EU (02/12/10). DSB refers the matter to arbitration (02/18/10). European Union and United States at various times during 2010–early 2012 jointly requested that the arbitrator suspend work; work suspended through June 28, 2012. EU and U.S. inform the DSB of a memorandum between the U.S. and the EC which envisages a roadmap addressing the dispute (02/06/12). EU withdraws its request for authorization to suspend concessions or other obligations under Article 22.2 of the DSU following completion by the U.S. of the steps undertaken pursuant to the roadmap notified in February 2012 (06/22/12). Arbitrator informs the DSB of receipt of joint communication of June 22, 2012, from the EU and U.S. and that the U.S. and EU request that the arbitrator notify the DSB that it is not necessary for it to issue a report/ an award in this dispute; the arbitrator therefore considers that it has completed its work (07/02/12).</p>

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS316	European Communities—Measures Affecting Trade in Large Civil Aircraft	United States	<p>U.S. requests consultations with EC (10/06/04). Panel established (07/20/05) and composed (10/17/05). Panel circulates its report (06/30/10). EU appeals decision to Appellate Body (07/21/10); U.S. does the same (08/19/10). Appellate Body report circulated (05/18/11). DSB adopts Appellate Body report and panel report (as modified) (06/01/11). EU informs DSB it intends to implement DSB recommendation (06/17/11). EU informs DSB it has taken steps to bring its measures into conformity with obligations (12/01/11). U.S. requests consultations with EU under Article 21.5 and requests authority to take countermeasures (12/09/11). EU objects to requested level of U.S. measures and requests matter be referred to arbitration under Article 22.6; DSB refers to arbitration (12/22/11). U.S. and EU request arbitrator to suspend work (01/19/12). Arbitrator suspends work until either party requests resumption (01/20/12).</p>
DS322	United States—Measures Relating to Zeroing and Sunset Reviews	Japan	<p>Japan requests consultations (11/24/04). Panel established (02/28/05) and composed (04/15/05). Panel report circulated (09/20/06). Appellate Body report circulated (01/9/07). DSB adopts Appellate Body report and panel report (as modified) (01/23/07). Agreement reached on the reasonable period of time for implementation (05/04/07). Article 21.3(c) arbitration report circulated (05/11/07). Japan seeks authorization to suspend concessions (01/10/08). Japan asks for establishment of Article 21.5 panel (04/07/08). United States and Japan request arbitrator to suspend work (06/06/08). Article 21.5 panel report circulated (04/24/09). U.S. notifies DSB of intent to appeal (05/20/09). Article 21.5 Appellate Body report adopted (08/31/09). Japan requests arbitrator to resume arbitration proceedings (04/23/10). U.S. and Japan request arbitrator to suspend work (12/15/10). Subsequent requests continue suspension through August 21, 2012 (02/01/12). U.S. and Japan inform DSB of memorandum of understanding regarding the dispute (02/06/12). Japan withdraws request for authorization to suspend concessions/obligations under Article 22.6 after U.S. completes steps notified to the DSB in Feb. 2012 (08/03/12). Arbitrator informs DSB, following receipt of request from Japan and U.S., that no award is necessary, that it is not necessary to issue a decision, and that work is considered completed (08/14/12).</p>

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS344	United States—Final Antidumping Measures on Stainless Steel from Mexico	Mexico	<p>Mexico requests consultations (05/26/06). Panel established (10/26/06) and composed (12/20/06). Panel report circulated (12/20/07). Mexico notifies DSB of decision to appeal (01/31/08). DSB adopts Appellate Body report and panel report (as modified) (05/20/08). Mexico requests that the reasonable period of time for U.S. implementation be determined through binding arbitration pursuant to Article 21.3(c) (08/11/08). Article 21.3 arbitration report circulated (10/31/08), setting April 30, 2009, as a reasonable time for the U.S. to implement. U.S. informs DSB that U.S. and Mexico concluded a sequencing agreement (05/20/09). Mexico requests establishment of a compliance panel (09/07/10). DSB agrees to refer the matter to the original panel if possible (09/21/10). Compliance panel composed (05/13/11). Panel chairman informs DSB that he expects to circulate a final report in March 2012 (11/09/11). Mexico asks compliance panel to suspend work until May 14, 2012 (04/27/12). Mexico asks compliance panel to suspend work until May 31, 2012 (05/14/12). Mexico asks compliance panel to suspend work until further notice (05/31/12), and panel agrees.</p>
DS350	United States—Continued Existence and Application of Zeroing Methodology	European Communities	<p>EC requests consultations (10/02/06). Panel established (06/04/07) and composed (07/06/07). Panel report circulated (10/01/08). EC (11/06/08) and U.S. (11/18/08) notify DSB of decision to appeal. Appellate Body and modified panel reports adopted (02/19/09). U.S. and EC agree that a reasonable time for the U.S. to implement is Dec. 19, 2009 (06/02/09). EU and U.S. notify the DSB of agreed procedures under Articles 21 and 22 (01/04/10). EU and U.S. inform the DSB of a memorandum between the U.S. and European Commission which envisages a roadmap addressing the dispute (02/06/12).</p>

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS353	United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint	European Communities	<p>EC requests consultations (06/27/05). Panel established (02/17/06) and composed (11/22/06). Panel chairman informs DSB multiple times that panel needs additional time to complete work in light of complexities of the dispute (05/18/07, 07/11/08, 12/16/09, 07/07/10). Panel report circulated to members (03/31/11). EU notifies DSB of its decision to appeal to Appellate Body (04/01/11), and U.S. also notifies decision to appeal (04/28/11). Appellate Body report circulated to members (03/12/12) and adopted (03/23/12). U.S. informs DSB it intends to implement DSB recommendations and rulings (04/13/12). EU and U.S. inform DSB of agreed procedures under Articles 21 and 22 of DSU and Article 7 of SCM Agreement (04/24/12). U.S. notifies DSB of withdrawal of subsidies and adverse effects of dispute, and that it fully complies with DSB recommendations and rulings (09/23/12). EU requests consultations under Article 21.5 (09/25/12). EU requests authority to take countermeasures under Article 22 of DSU and Agreement on Subsidies and Countervailing Measures (SCM Agreement) (09/27/12). EU requests establishment of compliance panel (10/11/12). Compliance panel composed (10/30/12). Compliance panel chairman informs DSB that panel will circulate report during first half of 2014 (01/15/13). U.S. objects to level of suspension of concessions/obligations sought; U.S. seeks arbitration under Article 22.6 of the DSU (10/22/12). At request of U.S. and EU, arbitrator to suspend arbitration proceedings (11/28/12).</p>

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS363	China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products	United States	<p>U.S. requests consultations with China (04/10/07). Panel established (11/27/07) and composed (03/27/08). Panel report circulated (08/12/09). China (09/22/09) and U.S. (10/05/09) notify the DSB of their respective decisions to appeal.</p> <p>Appellate Body report circulated to members (12/21/09). DSB adopts Appellate Body report and panel report (as modified) (01/19/10).</p> <p>China and U.S. inform DSB that they have agreed that a reasonable period for China to implement the DSB recommendations is by March 14, 2011 (07/12/10). China reports to DSB that it has made efforts to implement DSB recommendations; U.S. expresses concern about lack of progress by China (03/25/11).</p> <p>U.S. and China inform DSB of agreed procedures under Articles 21 and 22 of the DSU (04/13/11).</p> <p>China reports to the DSB it has completed amendments to most measures and has signed a memorandum of understanding with the U.S. (02/22/12).</p> <p>China tells DSB that it has ensured full implementation of DSB recommendations and rulings except for measures concerning films for theatrical release. U.S. states that it is not in a position to agree that China has fully implemented DSB recommendations and rulings in all areas except films for theatrical release (03/23/12).</p> <p>China and the U.S. inform the DSB of key elements relating to theatrical release as set forth in the MOU noted at the Feb. 22, 2012, DSB meeting (05/09/12).</p> <p>China tells DSB it has taken all necessary steps and has complied with DSB recommendations. U.S. says that MOU represented significant progress but not a final resolution (05/24/12).</p>
DS379	United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China	China	<p>China requests consultations with U.S. (09/19/08). Panel established (01/20/09) and composed (03/04/09). Panel report circulated (10/22/10).</p> <p>China notifies DSB it will appeal the panel's decision to the Appellate Body (12/01/10).</p> <p>Appellate Body report circulated (03/11/11).</p> <p>DSB adopts Appellate Body report and panel report (as modified) (03/25/11).</p> <p>China and the U.S. inform DSB that they have agreed that a reasonable time for the U.S. to implement the DSB's recommendations is Feb. 25, 2012 (07/5/11).</p> <p>China and the U.S. inform the DSB that they have modified the reasonable time period, with the period to expire April 25, 2012 (01/17/12).</p> <p>China and U.S. notify the DSB of agreed procedures under Articles 21 and 22 of the DSU (05/11/12).</p> <p>U.S. tells DSB it has brought the measures at issue into full compliance with DSB recommendations and rulings (08/31/12), but China says that it does not agree with the U.S. claim to such effect (09/28/12).</p>

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS381	United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Mexico	Mexico requests consultations with the U.S. (10/24/08). Panel established (04/20/09) and composed (12/14/09). Panel chairman informs DSB panel expects to issue report in February 2011 (06/15/10). Parties agree on new panel member following death of one member (08/12/10). Panel report circulated to members (09/15/11). U.S. notifies DSB of its decision to appeal the panel's decision (01/20/12); Mexico does the same (01/25/12). Appellate Body report is circulated to members (05/16/12) and adopted by DSB (06/13/12). U.S. states that it intends to implement the DSB recommendations and rulings (06/25/12), and the U.S. and Mexico inform the DSB that they have agreed that a reasonable time to do so is by July 13, 2013 (09/17/12).
DS382	United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil	Brazil	Brazil requests consultations with the U.S. (11/27/08). Panel established (09/25/09) and composed (05/10/10). Panel report circulated (03/25/11). DSB adopts the panel report, and Brazil and U.S. notify the DSB that they have agreed that a reasonable time for the U.S. to implement the DSB recommendations expires on March 17, 2012 (06/17/11). U.S. informs the DSB that following a 5-year sunset review the USITC has recently determined to revoke the existing antidumping order on orange juice as of March 9, 2011 (03/23/12). Brazil tells DSB it is still assessing whether the U.S. implementation measure would resolve the dispute. Brazil and the U.S. inform the DSB of agreed procedures regarding Articles 21 and 22 of the DSU (04/03/12). Brazil and the U.S. inform the DSB of a mutually satisfactory solution to the dispute, and had reached a mutually satisfactory solution (02/14/13).
DS384	United States—Certain Country of Origin Labelling (COOL) Requirements	Canada	Canada requests consultations with the U.S. (12/01/08). Single panel established to examine this dispute and DS386 (11/19/09); panel composed (05/10/10). Panel report circulated to members (11/18/11). U.S. notifies the DSB of its decision to appeal certain issues of law and legal interpretations (03/23/12), and Canada notifies the DSB it will do the same (03/28/12). Appellate Body report is circulated to members (06/29/12) and adopted (07/23/12). U.S. informs DSB it intends to implement DSB recommendations and rulings (08/21/12). Canada requests that reasonable time to implement be determined through binding arbitration (09/13/12), and requests that the Director-General appoint an arbitrator (09/26/12); arbitrator appointed (10/04/12). Arbitrator determines that the reasonable time is by May 23, 2013 (12/04/12).

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS386	United States—Certain Country of Origin Labelling Requirements	Mexico	Mexico requests consultations with the U.S. (12/17/08). Single panel established to examine this dispute and DS384 (11/19/09); panel composed (05/10/10). Panel report circulated to members (11/18/11). U.S. notifies the DSB of its decision to appeal certain issues of law and legal interpretations (03/23/12), and Mexico notifies the DSB it will do the same (03/28/12). Appellate Body report is circulated to members (06/29/12) and adopted (07/23/12). U.S. informs DSB it intends to implement DSB recommendations and rulings (08/21/12). Mexico requests that reasonable time to implement be determined through binding arbitration (09/13/12), and requests that the Director-General appoint an arbitrator (09/26/12); arbitrator appointed (10/04/12). Arbitrator determines that the reasonable time is by May 23, 2013 (12/04/12).
DS387	China—Grants, Loans and other Incentives	United States	U.S. requests consultations (12/19/08).
DS389	European Communities—Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States	United States	U.S. requests consultations (01/16/09). Panel established (11/19/09).
DS394	China—Measures Related to the Exportation of Various Raw Materials	United States	U.S. requests consultations (06/23/09). U.S. requests establishment of a panel (12/21/09). Single panel established to examine this dispute and disputes DS395 and DS398 (12/21/09); panel composed (03/29/10). Panel circulated to members (07/05/11). China notifies the DSB of its decision to appeal (08/31/11). U.S. notifies the DSB of its decision to appeal (09/06/11). Appellate Body report is circulated to members (01/30/12). DSB adopts Appellate Body report and panel report as modified by Appellate Body (02/22/12). China informs DSB of its intention to implement DSB recommendations and of its need for a reasonable time to do so (03/23/12). China and the U.S. notify the DSB that they have agreed that the reasonable time is by Dec. 31, 2012 (05/24/12). China and the U.S. inform the DSB of agreed procedures under Articles 21 and 22 of the DSU (01/17/13).

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS403	Philippines—Taxes on Distilled Spirits	United States	<p>U.S. requests consultations (01/14/10). Single panel established to consider DS403 and DS396 (complaint by the EU) (04/20/10); panel composed (07/05/10). Panel report circulated to members (08/15/11). Philippines notifies the DSB of its decision to appeal to the Appellate Body (09/23/11), as does EU (09/28/11). Appellate Body report is circulated to members (12/21/11). DSB adopts Appellate Body report and panel report as modified by Appellate Body (01/20/12). Philippines states that it intends to implement DSB's recommendations and ruling and would require a reasonable time to do so (02/22/12). Philippines and U.S. inform DSB that they have agreed that the reasonable time is by March 8, 2013 (04/20/12). Philippines reports enactment of legislation that completes implementation of the DSB's recommendations and rulings (01/28/13).</p>
DS404	United States—Anti-dumping Measures on Certain Shrimp from Viet Nam	Vietnam	<p>Vietnam requests consultations (02/01/10). Panel established (05/18/10) and composed (07/26/10). Panel report circulated to members (07/11/11). DSB adopts panel report (09/02/11). Vietnam and U.S. inform DSB they have agreed that a reasonable time for the U.S. to implement the DSB recommendations expires on July 2, 2012 (10/31/11).</p>
DS406	United States—Measures Affecting the Production and Sale of Clove Cigarettes	Indonesia	<p>Indonesia requests consultations (04/07/10). Panel established (07/20/10) and composed (09/09/10). Panel report circulated to members (09/02/11). U.S. notifies DSB of its decision to appeal to the Appellate Body (01/05/12). Appellate Body report is circulated to members (04/04/12) and adopted (04/24/12). U.S. informs DSB of its intent to implement DSB recommendations and rulings and of need for a reasonable period of time to do so (05/24/12). Indonesia and the U.S. inform the DSB that the reasonable period of time is by July 24, 2013 (06/14/12).</p>
DS413	China—Certain Measures Affecting Electronic Payment Services	United States	<p>U.S. requests consultations (09/15/10). Panel established (03/25/11) and composed (07/04/11). Panel report circulated to members (07/16/12) and adopted by DSB (08/31/12). China states that it intends to implement the DSB's recommendations and rulings and will need a reasonable amount of time to do so (09/28/12). China and U.S. inform DSB that the reasonable period of time for China to implement is by July 31, 2013 (11/22/12).</p>

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS414	China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States	United States	U.S. requests consultations (09/15/10). Panel established (03/25/11) and composed (05/10/11). Panel report circulated to members (06/15/12). China notifies DSB of its decision to appeal to the Appellate Body (07/20/12). Appellate Body report is circulated to members (10/18/12) and adopted by DSB (11/16/12). China states that it intends to implement the DSB's recommendations and rulings and will need a reasonable amount of time to do so (11/30/12). U.S. requests that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) of the DSU (02/08/13). Director-General appoints arbitrator (02/28/13).
DS419	China—Measures Concerning Wind Power Equipment	United States	U.S. requests consultations (12/22/10). EU and Japan request to join consultations (01/12/11 and 01/17/11, respectively).
DS420	United States—Anti-dumping Measures on Corrosion-Resistant Carbon Steel Flat Products from Korea	Korea	Korea requests consultations (01/31/11). Korea requests establishment of a panel (09/15/11). Korea withdraws request for panel (09/27/11). Korea requests establishment of a panel (02/09/12). Korea informs DSB of agreement on procedures between U.S. and Korea (02/14/12). Panel established (02/22/12). Prior to composition of the panel, Korea requests that panel proceedings be suspended in accordance with Article 12.12 of the DSU until further notification (06/12/12).
DS422	United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China	China	China requests consultations (02/28/11). Panel established (10/25/11) and composed (12/21/11). Panel report circulated to members (06/08/12) and adopted by DSB (07/23/12). China and U.S. inform DSB that they have agreed that the reasonable period of time for the U.S. to implement is by March 23, 2013 (07/27/12).
DS424	United States—Anti-Dumping Measures on Imports of Stainless Steel Sheet and Strip in Coils from Italy	European Union	EU requests consultations (04/01/11). Japan requests to join the consultations (04/18/11).
DS427	China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States	United States	U.S. requests consultations (09/20/11). Panel established (01/20/12) and composed (05/24/12). Chairman of panel notifies DSB that panel expects to conclude work by the end of June 2013 (11/23/12).
DS429	United States—Anti-Dumping Measures on Certain Frozen Warmwater Shrimp from Viet Nam	Vietnam	Vietnam requests consultations (02/20/12). Panel established (02/27/13).
DS430	India—Measures Concerning the Importation of Certain Agricultural Products from the United States	United States	U.S. requests consultations (03/06/12). Panel established (06/25/12) and composed (02/18/13).

TABLE A.23 WTO dispute settlement cases to which the United States was a party, developments in 2012—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS431	China—Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum	United States	U.S. requests consultations (03/13/12). Single panel to examine DS431, DS432, and DS433 is established (07/23/12) and composed (09/24/12).
DS436	United States—Counter-vailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India	India	India requests consultations (04/24/12). Panel established (08/31/12) and composed (02/18/13).
DS437	United States—Counter-vailing Duty Measures on Certain Products from China	China	China requests consultations (05/25/12). Panel established (09/28/12) and composed (11/26/12).
DS440	China—Anti-Dumping and Countervailing Duties on Certain Automobiles from the United States	United States	U.S. requests consultations (07/05/12). Panel established (10/23/12) and composed (02/11/13).
DS444	Argentina—Measures Affecting the Importation of Goods	United States	U.S. requests consultations (08/21/12). Single panel established to examine DS438, DS444, and DS445 (01/28/13).
DS447	United States—Measures Affecting the Importation of Animals, Meat and Other Animal Products from Argentina	Argentina	Argentina requests consultations (08/30/12). Panel established (01/28/13).
DS448	United States—Measures Affecting the Importation of Fresh Lemons	Argentina	Argentina requests consultations (09/03/12). Argentina requests establishment of a panel (12/06/12); establishment deferred (12/17/12).
DS449	United States—Counter-vailing and Anti-dumping Measures on Certain Products from China	China	China requests consultations (09/17/12). Panel established (12/17/12) and composed (03/04/13).
DS450	China—Certain Measures Affecting the Automobile and Automobile-Parts Industries	United States	U.S. requests consultations (09/17/12).

Source: WTO, "Chronological List of Disputes Cases,"
http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

Note: This list focuses on formal actions in disputes during 2012; some intermediate procedural actions are omitted. Selected pre-2012 and post-2012 actions are noted to place the 2012 actions in context.

TABLE A.24 NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2012

File no.	Dispute ^a	Action (month/day/year)
USA-CDA-2008-1904-02	Steel Wire Rod (AD) (Investigating authority: International Trade Administration)	Request for panel review (06/06/08). Decision Date 1: 05/11/12. Decision Date 2: 10/25/12.
USA-CDA-2009-1904-01	Steel Wire Rod (AD) (Investigating authority: International Trade Administration)	Request for panel review (01/16/09). Oral argument (12/18/12).
USA-MEX-2007-1904-01	Stainless Steel Sheet and Strip in Coils (AD) (Investigating authority: International Trade Administration)	Request for panel review (01/22/07). Oral argument (09/10/09). Decision Date 1: 04/14/10. Decision Date 2: 08/17/11.
USA-MEX-2008-1904-01	Stainless Steel Sheet and Strip in Coils (AD) (Investigating authority: International Trade Administration)	Request for panel review (03/12/08).
USA-MEX-2009-1904-02	Stainless Steel Sheet and Strip in Coils (AD) (Investigating authority: International Trade Administration)	Request for panel review (03/11/09). Oral argument (06/07/12).
USA-MEX-2010-1904-01	Stainless Steel Sheet and Strip in Coils (AD) (Investigating authority: International Trade Administration)	Request for panel review (03/11/10).
USA-MEX-2011-1904-01	Stainless Steel Sheet and Strip in Coils (AD) (Investigating authority: International Trade Administration)	Request for panel review (02/11/11).
USA-MEX-2011-1904-02	Light-Walled Rectangular Pipe and Tube (AD) (Investigating authority: International Trade Administration)	Request for panel review (03/18/11). Oral argument (09/06/12).
USA-MEX-2012-1904-01	Light-Walled Rectangular Pipe and Tube (AD) (Investigating authority: International Trade Administration)	Request for panel review (02/10/12).
USA-MEX-2012-1904-02	Bottom Mount Combination Refrigerator-Freezers (AD) (Investigating authority: International Trade Administration)	Request for panel review (04/24/12).
USA-MEX-2012-1904-03	Seamless Refined Copper Pipe and Tube (AD) (Investigating authority: International Trade Administration)	Request for panel review (10/24/12).

TABLE A.24 NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2012—*Continued*

File no.	Dispute ^a	Action (month/day/year)
MEX-USA-2011-1904-01	Stearic Acid (CVD) (Investigating authority: Secretaría de Economía)	Request for panel review (11/04/11).
MEX-USA-2012-1904-01	Chicken Thighs and Legs (AD) (Investigating authority: Secretaría de Economía)	Request for panel review (09/03/12).
MEX-USA-2012-1904-02	Ethylene glycol Monobutyl Ether (AD) (Investigating authority: Secretaría de Economía)	Request for panel review (10/09/12).

Source: NAFTA Secretariat, "Status Report: NAFTA and FTA Dispute Settlement Proceedings," <http://www.nafta-sec-alena.org/en/StatusReport.aspx>.

Note: This list includes active cases during 2012, including those in which little if any formal action occurred during 2012.

^aAD stands for antidumping duty and CVD stands for countervailing duty.

TABLE A.25 U.S. merchandise trade with the European Union, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$			% change, 2011–12
		2010	2011	2012	
Domestic U.S. exports:					
0	Food and live animals	6,054	7,018	6,658	-5.1
1	Beverages and tobacco	1,477	1,494	1,563	4.7
2	Crude materials, inedible, except fuels	9,630	11,129	10,300	-7.4
3	Mineral fuels, lubricants and related materials	13,235	25,069	24,674	-1.6
4	Animal and vegetable oils, fats and waxes	265	430	463	7.5
5	Chemicals and related products, n.e.s.	53,368	51,923	52,269	0.7
6	Manufactured goods classified chiefly by material	13,687	15,764	14,991	-4.9
7	Machinery and transport equipment	75,260	82,786	81,252	-1.9
8	Miscellaneous manufactured articles	27,421	27,996	27,865	-0.5
9	Commodities and transactions not classified elsewhere in the SITC	16,932	17,480	15,585	-10.8
	Total	217,329	241,089	235,620	-2.3
U.S. imports for consumption:					
0	Food and live animals	5,365	6,260	6,640	6.1
1	Beverages and tobacco	9,149	10,212	10,691	4.7
2	Crude materials, inedible, except fuels	2,645	3,057	3,310	8.3
3	Mineral fuels, lubricants and related materials	18,991	24,250	24,170	-0.3
4	Animal and vegetable oils, fats and waxes	842	885	976	10.3
5	Chemicals and related products, n.e.s.	83,334	89,702	84,452	-5.9
6	Manufactured goods classified chiefly by material	29,948	36,268	37,537	3.5
7	Machinery and transport equipment	109,070	130,374	142,556	9.3
8	Miscellaneous manufactured articles	37,472	42,018	44,344	5.5
9	Commodities and transactions not classified elsewhere in the SITC	18,064	19,392	19,459	0.3
	Total	314,880	362,419	374,134	3.2

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.26 Leading domestic U.S. exports to the European Union, by Schedule B subheading, 2010–12

provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8800.00	Aircraft, spacecraft, and parts thereof	22,447	24,700	23,974	-2.9	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	7,462	15,017	16,016	6.7	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	9,767	9,470	10,496	10.8	
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	6,620	8,892	7,363	-17.2	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	3,894	6,304	6,107	-3.1	
3002.10	Antisera and other blood fractions, and modified immunological products	6,483	3,229	3,725	15.3	
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	1,591	1,535	3,669	139.1	
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	3,003	3,021	2,923	-3.2	
3822.00	Composite diagnostic or laboratory reagents, other than those pharmaceuticals in heading 3002 or 3006; certified reference materials	2,296	2,368	2,326	-1.8	
8703.32	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 1,500 cc but not over 2,500 cc	33	344	2,267	558.7	
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	1,951	2,113	2,096	-0.8	
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	1,854	1,989	1,955	-1.7	
8411.99	Parts of gas turbines, n.e.s.o.i. (other than parts for turbojets or turbopropellers)	1,412	1,656	1,810	9.3	
1201.90	Soybeans, whether or not broken, other than seed	(^a)	(^a)	1,481	(^b)	
7112.99	Precious metal (other than of gold or platinum) waste and scrap, including metal clad with precious metals, n.e.s.o.i.	1,049	1,724	1,453	-15.7	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	3,610	5,615	1,380	-75.4	
3002.20	Vaccines for human medicine	1,481	2,212	1,373	-37.9	
8471.50	Processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	1,019	1,080	1,243	15.1	
9018.19	Electro-diagnostic apparatus (and apparatus for functional exploratory examination or for checking physiological parameters) n.e.s.o.i., and parts, etc.	1,425	1,374	1,212	-11.8	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,049	1,179	1,175	-0.4	
2933.39	Heterocyclic compounds containing an unfused pyridine ring (whether or not hydrogenated) in the structure, n.e.s.o.i.	1,257	1,024	1,142	11.5	
9701.10	Paintings, drawings and pastels, hand executed works of art, framed or not framed	1,211	1,080	1,126	4.3	
2933.59	Heterocyclic compounds containing a pyrimidine ring (hydrogenated or not) or a piperazine ring in the structure, n.e.s.o.i.	318	574	1,124	95.9	
9021.39	Artificial parts of the body (other than artificial joints) and parts and accessories thereof, n.e.s.o.i.	823	754	1,049	39.1	
9021.90	Appliances n.e.s.o.i. which are worn or carried, or implanted in the body, to compensate for a defect or disability; parts and accessories thereof	1,104	1,054	1,012	-4.0	
	Total of items shown	83,159	98,309	99,496	1.2	
	All other HTS subheadings	134,170	142,780	136,124	-4.7	
	Total domestic U.S. exports to the EU-27	217,329	241,089	235,620	-2.3	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

^bNot applicable.

TABLE A.27 Leading U.S. imports for consumption from the European Union, by HTS subheading, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	13,986 ^(a)	15,399 ^(a)	18,571	20.6 ^(b)
2710.12	Light oils and preparations			17,778	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	22,004	20,374	16,815	-17.5
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	10,382	12,634	14,839	17.5
8411.91	Parts of turbojets or turbopropellers	5,399	5,909	6,510	10.2
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	4,673	6,027	5,087	-15.6
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	5,228	6,043	4,785	-20.8
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds; n.e.s.o.i.	7,339	6,770	4,694	-30.7
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	3,563	3,791	4,490	18.5
9701.10	Paintings, drawings and pastels, hand executed works of art, framed or not framed	3,546	3,744	4,475	19.5
3004.39	Medicaments, in measured doses, etc., containing hormones or other steroids used primarily as hormones, but not containing antibiotics, n.e.s.o.i.	2,938	3,414	4,027	18.0
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	3,830	4,018	3,750	-6.7
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	3,111	3,792	3,647	-3.8
3002.10	Antisera and other blood fractions, and modified immunological products	2,274	2,576	3,501	35.9
8411.12	Turbojets of a thrust exceeding 25 kn	2,350	2,602	3,477	33.6
3002.90	Human blood; animal blood prepared for therapeutic, etc. uses; toxins, cultures of micro-organisms (excluding yeasts) and similar products n.e.s.o.i.	2,436	4,864	3,276	-32.6
2933.59	Heterocyclic compounds containing a pyrimidine ring (hydrogenated or not) or a piperazine ring in the structure, n.e.s.o.i.	2,536	2,920	3,258	11.6
3004.31	Medicaments, in measured doses, etc., containing insulin but not containing antibiotics	1,726	2,105	2,885	37.0
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds; alloys and other products containing enriched uranium or plutonium	3,042	2,285	2,628	15.0
2204.21	Wine of fresh grapes (other than sparkling wine) and grape must with fermentation prevented, etc. by adding alcohol, containers of not over 2 liters	2,146	2,493	2,572	3.2
9021.39	Artificial parts of the body (other than artificial joints) and parts and accessories thereof, n.e.s.o.i.	2,349	2,263	2,519	11.3
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	1,916	2,222	2,193	-1.3
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	1,611	1,444	2,153	49.1
2208.60	Vodka	1,467	1,666	1,705	2.3
8481.80	Taps, cocks, valves and similar appliances for pipes, vats or the like, including thermostatically controlled valves, n.e.s.o.i.	1,281	1,605	1,701	6.0
	Total of items shown	111,131	120,959	141,336	16.8
	All other HTS subheadings	203,749	241,460	232,799	-3.6
	Total U.S. imports for consumption from the EU-27	314,880	362,419	374,134	3.2

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

TABLE A.28 U.S. merchandise trade with the Canada, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$			% change, 2011–12
		2010	2011	2012	
Exports:					
0	Food and live animals	15,077	17,021	18,331	7.7
1	Beverages and tobacco	1,161	1,312	1,418	8.1
2	Crude materials, inedible, except fuels	6,418	7,637	7,102	-7.0
3	Mineral fuels, lubricants and related materials	11,542	16,630	17,333	4.2
4	Animal and vegetable oils, fats and waxes	569	511	566	10.7
5	Chemicals and related products, n.e.s.	25,401	28,901	29,441	1.9
6	Manufactured goods classified chiefly by material	30,866	34,420	35,555	3.3
7	Machinery and transport equipment	86,730	96,568	102,524	6.2
8	Miscellaneous manufactured articles	20,026	21,431	22,606	5.5
9	Commodities and transactions not classified elsewhere in the SITC	8,165	9,344	9,321	-0.2
	Total	205,956	233,774	244,199	4.5
Imports:					
0	Food and live animals	15,794	17,424	18,821	8.0
1	Beverages and tobacco	780	845	889	5.2
2	Crude materials, inedible, except fuels	10,474	11,732	11,688	-0.4
3	Mineral fuels, lubricants and related materials	82,107	102,892	102,913	0.0
4	Animal and vegetable oils, fats and waxes	1,191	2,188	2,070	-5.4
5	Chemicals and related products, n.e.s.	24,305	28,447	27,287	-4.1
6	Manufactured goods classified chiefly by material	36,987	40,506	39,314	-2.9
7	Machinery and transport equipment	75,800	82,899	92,276	11.3
8	Miscellaneous manufactured articles	12,664	13,200	13,035	-1.2
9	Commodities and transactions not classified elsewhere in the SITC	15,435	16,263	15,633	-3.9
	Total	275,536	316,397	323,925	2.4

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.29 Leading domestic U.S. exports to Canada, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	6,513	6,359	6,581	3.5	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	5,217	5,622	5,942	5.7	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	4,963	5,076	5,304	4.5	
2710.12	Light oils and preparations	(^a)	(^a)	5,170	(^b)	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	4,237	4,640	5,060	9.1	
8800.00	Aircraft, spacecraft, and parts thereof	4,266	4,544	4,320	-4.9	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	2,649	4,951	4,281	-13.5	
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	3,257	3,029	3,723	22.9	
2711.21	Natural gas, gaseous	2,810	3,685	2,761	-25.1	
8708.40	Gear boxes and parts thereof, for motor vehicles	2,349	2,468	2,381	-3.5	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,750	2,060	2,190	6.3	
2709.00	Petroleum oils and oils from bituminous minerals, crude	1,374	1,459	2,183	49.6	
8701.20	Road tractors for semi-trailers	965	1,709	2,032	18.9	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	1,975	2,330	1,939	-16.8	
8481.80	Taps, cocks, valves and similar appliances for pipes, vats or the like, including thermostatically controlled valves, n.e.s.o.i.	1,052	1,197	1,357	13.3	
8708.80	Suspension systems and parts thereof, for motor vehicles	1,003	1,151	1,272	10.5	
7112.91	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals	1,529	1,743	1,260	-27.7	
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines), n.e.s.o.i.	1,310	1,120	1,227	9.6	
7606.12	Aluminum alloy rectangular (including square) plates, sheets and strip, over 0.2 mm thick	1,032	1,174	1,162	-1.0	
8716.10	Trailers and semi-trailers for housing or camping	1,060	1,056	1,123	6.3	
8716.39	Trailers and semi-trailers for the transport of goods, n.e.s.o.i.	649	928	1,101	18.6	
2106.90	Food preparations n.e.s.o.i.	913	941	1,098	16.7	
8708.30	Brakes and servo-brakes and parts thereof n.e.s.o.i., for motor vehicles	985	973	1,092	12.2	
8704.23	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine (diesel), gvw over 20 metric tons	610	807	1,047	29.7	
8523.49	Recorded optical media	(^c)	(^c)	1,037	(^b)	
	Total of items shown	52,469	59,021	66,640	12.9	
	All other HTS subheadings	153,487	174,753	177,559	1.6	
	Total domestic U.S. exports to Canada	205,956	233,774	244,199	4.5	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 8523.40.10.

TABLE A.30 Leading U.S. imports for consumption from Canada, by HTS subheading, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
2709.00	Petroleum oils and oils from bituminous minerals, crude	48,236	65,436	69,468	6.2
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	24,822	25,474	28,787	13.0
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	10,919	12,609	16,257	28.9
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	7,824	8,645	9,431	9.1
2711.21	Natural gas, gaseous	13,646	12,825	7,927	-38.2
2710.12	Light oils and preparations	^(a)	^(a)	7,122	^(b)
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, etc., over 6 mm (0.236 in.) thick	2,685	2,658	3,246	22.1
3104.20	Potassium chloride	2,929	3,560	3,225	-9.4
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,345	2,615	2,972	13.6
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	2,800	2,503	2,758	10.2
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	2,568	2,486	2,612	5.1
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	4,238	3,646	2,553	-30.0
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,862	2,195	2,294	4.5
7601.10	Aluminum, not alloyed, unwrought	2,489	2,627	2,242	-14.7
7601.20	Aluminum alloys, unwrought	2,044	2,346	2,157	-8.0
2716.00	Electrical energy	2,071	2,096	1,914	-8.7
2711.12	Propane, liquefied	1,704	2,156	1,878	-12.9
3901.90	Polymers of ethylene n.e.s.o.i., in primary forms	1,450	1,832	1,629	-11.1
2713.20	Petroleum bitumen	1,056	1,732	1,546	-10.8
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	1,258	1,299	1,467	12.9
7106.91	Silver, unwrought n.e.s.o.i. (other than powder)	1,008	1,382	1,453	5.2
4802.61	Uncoated paper/paperboard for writing/printing/other graphic purposes n.e.s.o.i., ov 10% total fiber by mechanical/chemical process, in rolls	1,713	1,639	1,401	-14.5
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous	1,793	1,836	1,398	-23.9
4801.00	Newsprint, in rolls or sheets	1,348	1,450	1,335	-8.0
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	1,085	1,425	1,312	-7.9
	Total of items shown	143,890	166,475	178,384	7.2
	All other HTS subheadings	131,646	149,922	145,541	-2.9
	Total U.S. imports for consumption from Canada	275,536	316,397	323,925	2.4

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

TABLE A.31 U.S. merchandise trade with China, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
Exports:						
0	Food and live animals	3,184	4,895	6,351		29.7
1	Beverages and tobacco	196	191	213		11.3
2	Crude materials, inedible, except fuels	27,282	31,921	35,389		10.9
3	Mineral fuels, lubricants and related materials	1,333	2,008	2,519		25.4
4	Animal and vegetable oils, fats and waxes	430	188	349		85.7
5	Chemicals and related products, n.e.s.	12,416	14,030	13,065		-6.9
6	Manufactured goods classified chiefly by material	4,790	4,953	5,367		8.4
7	Machinery and transport equipment	29,292	31,702	32,209		1.6
8	Miscellaneous manufactured articles	5,516	5,961	7,205		20.9
9	Commodities and transactions not classified elsewhere in the SITC	1,306	1,048	840		-19.9
	Total	85,746	96,898	103,508		6.8
Imports:						
0	Food and live animals	4,868	5,594	5,890		5.3
1	Beverages and tobacco	31	34	56		63.7
2	Crude materials, inedible, except fuels	1,584	1,979	2,254		13.9
3	Mineral fuels, lubricants and related materials	490	348	299		-14.1
4	Animal and vegetable oils, fats and waxes	48	50	56		12.8
5	Chemicals and related products, n.e.s.	10,713	13,858	14,146		2.1
6	Manufactured goods classified chiefly by material	37,561	42,202	45,569		8.0
7	Machinery and transport equipment	180,191	201,734	218,917		8.5
8	Miscellaneous manufactured articles	124,625	128,491	133,193		3.7
9	Commodities and transactions not classified elsewhere in the SITC	3,936	4,177	4,494		7.6
	Total	364,047	398,467	424,874		6.6

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.32 Leading domestic U.S. exports to China, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
1201.90	Soybeans, whether or not broken, other than seed	(^a)	(^a)	14,973	(^b)
8800.00	Aircraft, spacecraft, and parts thereof	5,705	6,322	7,874	24.6
5201.00	Cotton, not carded or combed	2,064	2,562	3,422	33.6
7404.00	Copper waste and scrap	2,359	3,454	2,944	-14.8
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	1,657	2,912	2,881	-1.1
7602.00	Aluminum waste and scrap	2,025	2,731	2,370	-13.2
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,076	1,562	1,955	25.2
8542.31	Processors or controllers	3,662	2,188	1,339	-38.8
1005.90	Corn (maize), other than seed corn	288	850	1,319	55.2
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	572	828	1,222	47.6
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	735	1,086	1,210	11.4
4101.50	Whole raw bovine or equine hides and skins, of weight exceed 16 kg, fresh, pickled or otherwise preserved but not tanned or further prepared	471	618	827	33.8
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous	545	782	702	-10.3
7204.49	Ferrous waste and scrap, n.e.s.o.i.	960	1,588	678	-57.3
2603.00	Copper ores and concentrates	593	687	664	-3.3
2804.61	Silicon, containing by weight not less than 99.99% of silicon	910	707	653	-7.7
7403.11	Refined copper cathodes and sections of cathodes	196	5	628	12,850.4
2303.30	Brewing or distilling dregs and waste, whether or not in the form of pellets	504	340	618	82.0
9030.40	Instruments and apparatus n.e.s.o.i., specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments etc.)	117	149	571	283.7
4403.20	Coniferous wood in the rough, whether or not stripped of bark or sapwood or roughly squared, not treated	411	825	570	-31.0
8408.90	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines), n.e.s.o.i.	375	678	569	-16.1
4707.30	Recovered (waste and scrap) paper or paperboard, made mainly of mechanical pulp (for example, newspapers, journals and similar printed matter)	447	561	487	-13.1
3824.90	Chemical products and preparations of the chemical or allied industries, n.e.s.o.i.; residual products of the chemical or allied industries, n.e.s.o.i.	303	310	473	52.3
5502.00	Artificial filament tow	367	460	461	0.2
4702.00	Chemical woodpulp, dissolving grades	197	387	444	14.5
	Total of items shown	26,541	32,593	49,854	53.0
	All other HTS subheadings	59,205	64,305	53,654	-16.6
	Total domestic U.S. exports to China	85,746	96,898	103,508	6.8

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

^bNot applicable.

TABLE A.33 Leading U.S. imports for consumption from China, by HTS subheading, 2010–12

provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
8471.30	Portable automatic data processing (ADP) machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	32,043	39,336	40,896	4.0
8517.12	Telephones for cellular networks or for other wireless networks	16,865	22,916	33,351	45.5
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	8,421	9,319	10,871	16.7
9503.00	Toys, including riding toys other than bicycles, puzzles, reduced scale models	9,775	9,401	9,307	-1.0
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	9,937	8,780	8,582	-2.2
9504.50	Video game consoles and machines, other than of 9504.30; parts and acc.	(^a)	(^a)	4,733	(^b)
8471.70	Automatic data processing storage units, n.e.s.o.i.	3,104	3,614	4,225	16.9
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	5,132	4,012	4,224	5.3
6403.99	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather n.e.s.o.i., not covering the ankle	4,721	4,399	4,148	-5.7
6402.99	Footwear, with outer soles and uppers of rubber or plastics n.e.s.o.i., not covering the ankle	3,626	3,697	3,977	7.6
8443.31	Machines which perform two or more of the functions of printing, copying or facsimile transmission, capable of connecting to an ADP machine or to a network	3,774	4,018	3,827	-4.8
8504.40	Electrical static converters; power supplies for ADP machines or units of 8471	3,334	3,475	3,619	4.2
8443.99	Parts and accessories of printing machinery, n.e.s.o.i.	3,345	3,519	3,344	-5.0
8528.51	Monitors, other than crt, designed for use with ADP machines	3,975	3,452	3,138	-9.1
4202.92	Container bags, boxes, cases and satchels n.e.s.o.i., with outer surface of sheeting of plastics or of textile materials	2,690	2,893	3,071	6.1
6110.20	Sweaters, pullovers, sweatshirts, vests and similar articles of cotton, knitted or crocheted	3,363	3,408	3,066	-10.0
8471.50	Processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	3,744	3,373	2,838	-15.9
8525.80	Television cameras; digital cameras and video camera recorders	3,827	3,069	2,809	-8.5
6403.91	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather n.e.s.o.i., covering the ankle	2,264	2,486	2,537	2.1
9403.20	Metal furniture, n.e.s.o.i.	2,094	2,299	2,528	10.0
9401.61	Seats with wooden frames, upholstered, n.e.s.o.i.	2,173	2,085	2,464	18.2
9403.60	Wooden furniture, n.e.s.o.i.	2,409	2,311	2,390	3.4
6204.62	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	2,259	2,092	2,335	11.6
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	1,570	3,365	2,255	-33.0
6404.19	Footwear, with outer soles of rubber or plastics and uppers of textile materials, n.e.s.o.i.	431	623	2,242	260.1
	Total of items shown	134,877	147,941	166,780	12.7
	All other HTS subheadings	229,170	250,526	258,094	3.0
	Total U.S. imports for consumption from China	364,047	398,467	424,874	6.6

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 9504.10.

^bNot applicable.

TABLE A.34 U.S. merchandise trade with Mexico, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$			% change, 2011–12
		2010	2011	2012	
Exports:					
0	Food and live animals	10,357	13,566	14,099	3.9
1	Beverages and tobacco	314	350	375	7.1
2	Crude materials, inedible, except fuels	5,489	6,987	7,092	1.5
3	Mineral fuels, lubricants and related materials	14,149	23,286	23,660	1.6
4	Animal and vegetable oils, fats and waxes	819	972	935	-3.7
5	Chemicals and related products, n.e.s.	19,260	22,576	24,908	10.3
6	Manufactured goods classified chiefly by material	19,386	22,657	25,303	11.7
7	Machinery and transport equipment	46,292	52,691	60,691	15.2
8	Miscellaneous manufactured articles	10,230	10,614	11,425	7.6
9	Commodities and transactions not classified elsewhere in the SITC	5,306	6,210	6,671	7.4
	Total	131,602	159,910	175,159	9.5
Imports:					
0	Food and live animals	11,786	14,017	14,382	2.6
1	Beverages and tobacco	2,566	2,730	2,908	6.5
2	Crude materials, inedible, except fuels	1,447	1,870	1,629	-12.9
3	Mineral fuels, lubricants and related materials	33,086	44,484	39,383	-11.5
4	Animal and vegetable oils, fats and waxes	51	71	88	23.6
5	Chemicals and related products, n.e.s.	4,031	4,836	5,121	5.9
6	Manufactured goods classified chiefly by material	14,785	18,994	19,768	4.1
7	Machinery and transport equipment	127,754	138,733	153,184	10.4
8	Miscellaneous manufactured articles	22,308	24,460	27,171	11.1
9	Commodities and transactions not classified elsewhere in the SITC	11,009	12,476	12,774	2.4
	Total	228,824	262,671	276,408	5.2

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.35 Leading domestic U.S. exports to Mexico, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
2710.12	Light oils and preparations	(^a)	(^a)	11,648	(^b)
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	4,071	5,826	8,269	41.9
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,792	4,751	4,971	4.6
1005.90	Corn (maize), other than seed corn	1,568	2,658	2,560	-3.7
8800.00	Aircraft, spacecraft, and parts thereof	1,243	1,408	2,219	57.7
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	1,514	1,841	2,178	18.3
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	1,068	858	2,165	152.5
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,322	1,940	2,009	3.5
8408.20	Compression-ignition internal combustion piston engines (diesel or semi-diesel), for the propulsion of vehicles except railway or tramway stock	1,214	1,682	1,865	10.9
1201.90	Soybeans, whether or not broken, other than seed	(^c)	(^c)	1,860	(^b)
3926.90	Articles of plastics, n.e.s.o.i.	1,402	1,458	1,684	15.5
8708.40	Gear boxes and parts thereof, for motor vehicles	1,253	1,421	1,645	15.7
2711.21	Natural gas, gaseous	1,039	1,748	1,584	-9.4
8538.90	Parts for electrical apparatus for electrical circuits, boards, panels etc. for electric control or distribution of electricity, n.e.s.o.i.	1,198	1,264	1,456	15.2
2902.43	Para-xylene (1,4-dimethylbenzene)	1,019	1,516	1,423	-6.2
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,090	1,183	1,309	10.7
7326.90	Articles of iron or steel, n.e.s.o.i.	984	1,077	1,268	17.7
8544.49	Insulated electric conductors, for a voltage not exceeding 1000 v, not fitted with connectors	808	883	1,236	39.9
2909.19	Acyclic ethers (excluding diethyl ether) and their halogenated, sulfonated, nitrated or nitrosated derivatives	577	792	1,219	54.0
8536.90	Electrical apparatus for switching, protecting or making connections to or in electrical circuits, for a voltage not exceeding 1,000 v, n.e.s.o.i.	814	887	1,134	27.8
1001.99	Wheat & meslin other than durum or seed wheat	(^c)	(^c)	1,116	(^b)
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines), n.e.s.o.i.	733	798	976	22.4
2603.00	Copper ores and concentrates	141	813	922	13.4
8708.50	Drive axles with differential and non-drive axles and parts thereof, for motor vehicles	592	778	917	17.9
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	659	641	880	37.3
	Total of items shown	28,100	36,223	58,514	61.5
	All other HTS subheadings	103,502	123,687	116,646	-5.7
	Total domestic U.S. exports to Mexico	131,602	159,910	175,159	9.5

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

^dTrade in 2010 and 2011 reported under HTS tariff line 1001.90.

TABLE A.36 Leading U.S. imports for consumption from Mexico, by HTS subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
2709.00	Petroleum oils and oils from bituminous minerals, crude	29,152	40,165	36,776	-8.4	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	12,115	11,415	12,208	6.9	
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	13,397	11,973	11,477	-4.1	
8471.50	Processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	9,252	10,503	11,055	5.3	
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	7,307	7,494	9,016	20.3	
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	4,691	5,234	5,958	13.8	
8544.30	Insulated ignition wiring sets and other wiring sets for vehicles, aircraft and ships	3,768	4,735	5,499	16.1	
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	3,984	5,543	5,427	-2.1	
9401.90	Parts of seats (except parts of medical, dentist, barber and similar seats), n.e.s.o.i.	3,480	3,917	4,850	23.8	
8701.20	Road tractors for semi-trailers	2,867	4,074	4,477	9.9	
7106.91	Silver, unwrought n.e.s.o.i. (other than powder)	1,973	3,433	3,469	1.1	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,296	2,680	3,391	26.5	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,365	2,488	3,347	34.5	
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	1,563	2,211	3,238	46.4	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,017	2,531	3,185	25.8	
8537.10	Boards, panels, consoles, etc. with electrical apparatus, for electric control or distribution of electricity, for a voltage not exceeding 1,000 v	2,102	2,328	2,846	22.2	
8704.22	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine (diesel), gvw over 5 but not over 20 metric tons	1,861	2,568	2,842	10.6	
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	2,512	2,680	2,682	0.0	
8418.10	Combined refrigerator-freezers fitted with separate external doors	1,894	2,168	2,241	3.3	
8708.40	Gear boxes and parts thereof, for motor vehicles	1,669	1,907	2,089	9.5	
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines), n.e.s.o.i.	1,687	1,906	2,069	8.5	
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	926	1,775	2,051	15.5	
8517.12	Telephones for cellular networks or for other wireless networks	6,491	3,734	1,924	-48.5	
2203.00	Beer made from malt	1,591	1,677	1,819	8.5	
8708.95	Safety airbag with inflator system and parts thereof, for motor vehicles	1,293	1,396	1,646	18.0	
	Total of items shown	121,252	140,538	145,579	3.6	
	All other HTS subheadings	107,572	122,133	130,829	7.1	
	Total U.S. imports for consumption from Mexico	228,824	262,671	276,408	5.2	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.37 U.S. merchandise trade with Japan, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
Exports:						
0	Food and live animals	10,792	13,106	12,413	-5.3	
1	Beverages and tobacco	576	690	644	-6.7	
2	Crude materials, inedible, except fuels	3,859	4,160	3,681	-11.5	
3	Mineral fuels, lubricants and related materials	1,806	2,517	2,627	4.4	
4	Animal and vegetable oils, fats and waxes	62	54	60	12.2	
5	Chemicals and related products, n.e.s.	11,082	11,967	12,474	4.2	
6	Manufactured goods classified chiefly by material	2,906	3,349	3,311	-1.1	
7	Machinery and transport equipment	14,640	15,612	19,597	25.5	
8	Miscellaneous manufactured articles	8,138	8,767	8,755	-0.1	
9	Commodities and transactions not classified elsewhere in the SITC	1,865	1,188	1,035	-12.9	
	Total	55,727	61,409	64,599	5.2	
Imports:						
0	Food and live animals	569	604	611	1.3	
1	Beverages and tobacco	76	80	87	8.9	
2	Crude materials, inedible, except fuels	509	575	610	6.2	
3	Mineral fuels, lubricants and related materials	480	484	536	10.6	
4	Animal and vegetable oils, fats and waxes	35	38	42	10.8	
5	Chemicals and related products, n.e.s.	8,983	9,050	9,088	0.4	
6	Manufactured goods classified chiefly by material	8,626	10,018	11,123	11.0	
7	Machinery and transport equipment	87,683	93,552	108,403	15.9	
8	Miscellaneous manufactured articles	9,612	10,427	10,180	-2.4	
9	Commodities and transactions not classified elsewhere in the SITC	3,364	3,076	3,858	25.4	
	Total	119,938	127,901	144,538	13.0	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.38 Leading domestic U.S. exports to Japan, by Schedule B subheading, 2010–12

provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8800.00	Aircraft, spacecraft, and parts thereof	4,214	4,024	7,017	74.4	
1005.90	Corn (maize), other than seed corn	3,024	3,830	2,979	-22.2	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	1,582	2,079	2,161	4.0	
1201.90	Soybeans, whether or not broken, other than seed	^(a)	^(a)	1,126	^(b)	
1001.99	Wheat & meslin other than durum or seed wheat	^(c)	^(c)	1,073	^(b)	
0203.19	Meat of swine, n.e.s.o.i., fresh or chilled	776	976	1,008	3.2	
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	719	794	935	17.7	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	456	1,199	897	-25.2	
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	741	785	762	-2.9	
0203.29	Meat of swine, n.e.s.o.i., frozen	678	791	759	-4.1	
2909.19	Acyclic ethers (excluding diethyl ether) and their halogenated, sulfonated, nitrated or nitrosated derivatives	641	634	685	8.1	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	637	594	627	5.5	
2804.61	Silicon, containing by weight not less than 99.99% of silicon	635	690	625	-9.4	
1214.90	Forage products, n.e.s.o.i., including rutabagas (swedes), mangolds, fodder roots, hay, clover, forage kale, vetches etc., whether or not in pellet form	446	503	593	18.0	
0201.30	Meat of bovine animals, boneless, fresh or chilled	335	461	570	23.6	
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	299	467	570	22.0	
2710.12	Light oils and preparations	^(d)	^(d)	536	^(b)	
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus, n.e.s.o.i.	147	294	526	79.1	
2713.11	Petroleum coke, not calcined	497	628	484	-23.0	
3822.00	Composite diagnostic or laboratory reagents, other than those pharmaceuticals in heading 3002 or 3006; certified reference materials	515	504	476	-5.5	
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds; alloys and other products containing enriched uranium or plutonium	716	615	476	-22.7	
3002.10	Antisera and other blood fractions, and modified immunological products	183	137	448	227.3	
7113.19	Jewelry and parts thereof, of precious metal other than silver	272	429	425	-1.0	
9021.39	Artificial parts of the body (other than artificial joints) and parts and accessories thereof, n.e.s.o.i.	480	492	412	-16.2	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	146	263	365	38.9	
	Total of items shown	18,139	21,190	26,533	25.2	
	All other HTS subheadings	37,588	40,218	38,066	-5.4	
	Total domestic U.S. exports to Japan	55,727	61,409	64,599	5.2	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 1001.90.

^dTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

TABLE A.39 Leading U.S. imports for consumption from Japan, by HTS subheading, 2010–12

provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	17,196	17,343	22,252	28.3
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	13,283	11,655	13,834	18.7
8443.99	Parts and accessories of printing machinery, n.e.s.o.i.	3,969	4,108	3,708	-9.7
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	2,068	2,553	3,226	26.4
8708.40	Gear boxes and parts thereof, for motor vehicles	1,625	2,013	2,941	46.1
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,382	2,493	2,927	17.4
8703.22	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,000 cc but not over 1,500 cc	2,182	1,941	2,715	39.8
8429.52	Mechanical shovels, excavators and shovel loaders with 360 degree revolving superstructure, self-propelled	634	1,571	2,697	71.7
8525.80	Television cameras; digital cameras and video camera recorders	2,363	2,110	2,277	7.9
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	1,766	2,618	2,121	-19.0
8411.91	Parts of turbojets or turbopropellers	874	1,149	1,372	19.5
2933.79	Lactams (excluding 6-hexanelactam), n.e.s.o.i.	880	1,102	1,112	0.8
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines), n.e.s.o.i.	879	881	1,099	24.7
8408.90	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines), n.e.s.o.i.	655	937	1,078	15.1
8486.90	Parts and accessories	867	1,000	968	-3.2
8457.10	Machining centers for working metal	383	679	941	38.6
8701.90	Tractors, n.e.s.o.i.	829	822	915	11.3
9102.11	Wrist watches, battery powered, with cases of materials (except of or clad with precious metal) n.e.s.o.i., with mechanical display only	671	842	863	2.4
8481.80	Taps, cocks, valves and similar appliances for pipes, vats or the like, including thermostatically controlled valves, n.e.s.o.i.	619	678	798	17.6
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	922	917	752	-18.0
3818.00	Chemical elements doped for use in electronics, in the form of discs, wafers or similar forms; chemical compounds doped for use in electronics	786	843	738	-12.5
9018.19	Electro-diagnostic apparatus (and apparatus for functional exploratory examination or for checking physiological parameters) n.e.s.o.i., and parts, etc.	690	660	726	9.9
8542.31	Processors or controllers	860	690	723	4.7
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	550	596	719	20.8
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	753	891	673	-24.5
	Total of items shown	58,687	61,094	72,174	18.1
	All other HTS subheadings	61,251	66,807	72,364	8.3
	Total U.S. imports for consumption from Japan	119,938	127,901	144,538	13.0

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.40 U.S. merchandise trade with Korea, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$			% change, 2011–12
		2010	2011	2012	
Exports:					
0	Food and live animals	4,461	5,973	5,078	-15.0
1	Beverages and tobacco	53	57	81	41.2
2	Crude materials, inedible, except fuels	3,553	4,473	4,048	-9.5
3	Mineral fuels, lubricants and related materials	1,517	2,575	1,608	-37.5
4	Animal and vegetable oils, fats and waxes	89	74	43	-41.3
5	Chemicals and related products, n.e.s.	5,982	6,418	6,715	4.6
6	Manufactured goods classified chiefly by material	1,906	2,303	2,258	-1.9
7	Machinery and transport equipment	14,390	14,936	15,760	5.5
8	Miscellaneous manufactured articles	3,857	3,773	3,807	0.9
9	Commodities and transactions not classified elsewhere in the SITC	1,028	729	606	-16.9
	Total	36,836	41,311	40,004	-3.2
Imports:					
0	Food and live animals	334	381	393	3.2
1	Beverages and tobacco	81	84	114	35.3
2	Crude materials, inedible, except fuels	376	509	530	4.2
3	Mineral fuels, lubricants and related materials	1,659	2,198	2,267	3.2
4	Animal and vegetable oils, fats and waxes	3	2	2	42.4
5	Chemicals and related products, n.e.s.	2,172	2,734	2,840	3.9
6	Manufactured goods classified chiefly by material	5,909	7,887	8,977	13.8
7	Machinery and transport equipment	34,078	38,605	39,054	1.2
8	Miscellaneous manufactured articles	2,299	2,710	2,756	1.7
9	Commodities and transactions not classified elsewhere in the SITC	1,003	897	941	4.9
	Total	47,914	56,006	57,874	3.3

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.41 Leading domestic U.S. exports to Korea, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8800.00	Aircraft, spacecraft, and parts thereof	1,579	1,855	2,585	39.4	
8542.31	Processors or controllers	235	964	1,976	105.0	
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	1,986	1,487	1,803	21.3	
8542.32	Memories	645	1,289	1,018	-21.0	
7204.49	Ferrous waste and scrap, n.e.s.o.i.	882	1,131	951	-15.9	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	424	1,020	683	-33.1	
1001.99	Wheat & meslin other than durum or seed wheat	(^a)	(^a)	645	(^b)	
1005.90	Corn (maize), other than seed corn	1,422	1,845	618	-66.5	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	246	344	541	57.2	
2926.10	Acrylonitrile	484	424	521	23.0	
8486.90	Parts and accessories	350	477	454	-4.9	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	449	338	409	20.9	
2707.30	Xylenes	379	511	397	-22.3	
1201.90	Soybeans, whether or not broken, other than seed	(^c)	(^c)	395	(^b)	
9031.41	Optical instruments for inspecting semiconductor wafers or devices or for inspecting photomasks or reticles used in manufg semiconductor devices	172	262	388	47.9	
8542.39	Electronic integrated circuits, n.e.s.o.i.	377	314	317	1.0	
0203.29	Meat of swine, n.e.s.o.i., frozen	121	346	307	-11.3	
7602.00	Aluminum waste and scrap	215	294	287	-2.5	
0202.30	Meat of bovine animals, boneless, frozen	212	368	268	-27.3	
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	238	189	252	33.2	
4101.50	Whole raw bovine or equine hides and skins, of weight exceed 16 kg, fresh, pickled or otherwise preserved but not tanned or further prepared	133	180	250	38.3	
1214.90	Forage products, n.e.s.o.i., including rutabagas (swedes), mangolds, fodder roots, hay, clover, forage kale, vetches etc., whether or not in pellet form	179	201	234	16.6	
0805.10	Oranges, fresh	114	152	216	42.0	
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	720	368	215	-41.6	
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products which have a predominate (wt.) aromatic constituent, n.e.s.o.i.	305	340	214	-37.1	
	Total of items shown	11,867	14,699	15,943	8.5	
	All other HTS subheadings	24,969	26,612	24,061	-9.6	
	Total domestic U.S. exports to Korea	36,836	41,311	40,004	-3.2	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 1001.90.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

TABLE A.42 Leading U.S. imports for consumption from Korea, by HTS subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	5,625	7,617	9,079	19.2	
8517.12	Telephones for cellular networks or for other wireless networks	7,490	7,617	4,501	-40.9	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	1,185	1,584	1,953	23.3	
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,535	1,990	1,817	-8.7	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,308	1,375	1,621	17.8	
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	949	1,180	1,299	10.0	
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	2,629	1,522	1,136	-25.4	
8418.10	Combined refrigerator-freezers fitted with separate external doors	863	948	979	3.3	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	731	915	968	5.8	
7306.29	Seamed steel casing or tubing of kind used in drill. oil/gas, w/ext. diam. 406.4 mm or less or o/than circ. x-sect	485	676	831	22.9	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	353	544	782	43.7	
8429.52	Mechanical shovels, excavators and shovel loaders with 360 degree revolving superstructure, self-propelled	97	282	652	131.4	
2902.20	Benzene	424	540	593	9.6	
8471.30	Portable automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	164	543	566	4.3	
8542.32	Memories	838	538	542	0.8	
8471.41	ADP machines comprising in same housing at least a central processing unit and an input and output unit, whether or not combined, n.e.s.o.i.	70	182	517	183.9	
7306.19	Seamed (o/than welded stainless steel) pipe, w/ext. diam 406.4 mm or less or o/than circ. x-sect, line pipe of a kind used for oil and gas pipelines	190	417	514	23.3	
8450.20	Household- or laundry-type washing machines, with a dry linen capacity exceeding 10 kg	644	537	492	-8.4	
8451.29	Drying machines (except centrifugal type) for textile yarns, fabrics or made up textile articles, with a dry linen capacity exceeding 10 kg	525	540	477	-11.6	
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	334	283	460	62.4	
8708.40	Gear boxes and parts thereof, for motor vehicles	131	148	442	199.3	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	336	360	409	13.6	
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	116	434	402	-7.3	
8708.94	Steering wheels, steering columns and steering boxes and parts thereof, for motor vehicles	225	288	378	31.0	
8517.70	Parts of telecommunications apparatus	401	384	359	-6.5	
	Total of items shown	27,648	31,445	31,767	1.0	
	All other HTS subheadings	20,266	24,561	26,107	6.3	
	Total U.S. imports for consumption from Korea	47,914	56,006	57,874	3.3	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.43 U.S. merchandise trade with Brazil, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
Exports:						
0	Food and live animals	374	304	323	6.2	
1	Beverages and tobacco	8	13	11	-11.8	
2	Crude materials, inedible, except fuels	697	1,185	826	-30.3	
3	Mineral fuels, lubricants and related materials	4,188	6,325	7,176	13.5	
4	Animal and vegetable oils, fats and waxes	15	11	12	14.4	
5	Chemicals and related products, n.e.s.	7,342	9,274	8,506	-8.3	
6	Manufactured goods classified chiefly by material	1,704	1,766	1,904	7.8	
7	Machinery and transport equipment	13,045	15,347	15,398	0.3	
8	Miscellaneous manufactured articles	2,012	2,203	2,303	4.5	
9	Commodities and transactions not classified elsewhere in the SITC	773	847	793	-6.4	
	Total	30,157	37,275	37,252	-0.1	
Imports:						
0	Food and live animals	2,432	3,563	2,875	-19.3	
1	Beverages and tobacco	324	295	339	14.9	
2	Crude materials, inedible, except fuels	1,942	2,045	2,045	0.0	
3	Mineral fuels, lubricants and related materials	7,171	9,156	8,852	-3.3	
4	Animal and vegetable oils, fats and waxes	40	53	56	5.4	
5	Chemicals and related products, n.e.s.	2,092	2,676	3,634	35.8	
6	Manufactured goods classified chiefly by material	4,080	6,191	6,295	1.7	
7	Machinery and transport equipment	3,462	4,342	4,798	10.5	
8	Miscellaneous manufactured articles	907	812	809	-0.4	
9	Commodities and transactions not classified elsewhere in the SITC	953	1,235	2,018	63.3	
	Total	23,402	30,368	31,720	4.5	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.44 Leading domestic U.S. exports to Brazil, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8800.00	Aircraft, spacecraft, and parts thereof					
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	3,978	4,822	4,742		-1.7
2710.12	Light oils and preparations	1,892	2,440	3,876		58.8
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	(^a)	(^a)	1,284		(^b)
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	1,228	1,713	1,237		-27.8
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	509	615	707		15.1
2815.12	Sodium hydroxide (caustic soda), in aqueous solution (soda lye or liquid soda)	475	624	403		-35.4
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	199	342	379		10.9
3105.40	Ammonium dihydrogenorthophosphate (monoammonium phosphate) and mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	272	300	314		4.9
3808.91	Insecticides	255	491	306		-37.7
8411.99	Parts of gas turbines, n.e.s.o.i. (other than parts for turbojets or turbopropellers)	152	187	267		43.0
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	25	116	260		125.2
2902.50	Styrene (vinylbenzene; phenylethylene)	60	181	242		34.0
2711.12	Propane, liquefied	196	222	242		9.2
8431.49	Parts and attachments, n.e.s.o.i., for derricks, cranes, self-propelled bulldozers, graders etc. and other grading, scraping, etc. machinery	225	269	239		-11.2
3907.20	Polyethers n.e.s.o.i., in primary forms	239	274	226		-17.6
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	140	192	221		15.3
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	52	56	218		285.3
2930.90	Organo-sulfur compounds, n.e.s.o.i.	202	199	204		2.5
8704.10	Dumpers (dump trucks) designed for off-highway use	198	206	197		-4.7
3822.00	Composite diagnostic or laboratory reagents, other than those pharmaceuticals in heading 3002 or 3006; certified reference materials	148	134	191		42.5
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	128	171	190		11.3
8411.82	Gas turbines, except turbojets and turbopropellers, of a power exceeding 5,000 kw	164	211	188		-10.9
3906.90	Acrylic polymers n.e.s.o.i., in primary forms	34	55	184		234.2
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	142	189	182		-3.7
	Total of items shown	184	209	173		-17.1
	All other HTS subheadings	11,098	14,217	16,673		17.3
	Total domestic U.S. exports to Brazil	19,059	23,057	20,579		-10.7
		30,157	37,275	37,252		-0.1

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

TABLE A.45 Leading U.S. imports for consumption from Brazil, by HTS subheading, 2010–12

provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
2709.00	Petroleum oils and oils from bituminous minerals, crude	5,188	6,498	5,374	-17.3	
7207.12	Semifinished products of iron or nonalloy steel, under 0.25% (wt.) carbon, rectangular cross section, width not less than twice the thickness	312	1,702	1,890	11.0	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	952	1,319	1,816	37.8	
2207.10	Ethyl alcohol, undenatured, of an alcoholic strength by volume of 80% vol. or higher	248	568	1,463	157.5	
0901.11	Coffee, not roasted, not decaffeinated	1,064	1,865	1,242	-33.4	
7201.10	Nonalloy pig iron containing 0.5% (wt.) or less phosphorus, in primary forms	650	1,130	882	-21.9	
4703.29	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, nonconiferous	912	911	820	-9.9	
2713.11	Petroleum coke, not calcined	371	395	694	75.6	
6802.93	Worked monumental or building stone n.e.s.o.i., of granite	412	447	477	6.6	
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	438	429	458	6.9	
8412.90	Parts for engines and motors, n.e.s.o.i.	88	175	438	150.9	
8409.99	Parts for use with compression-ignition internal combustion piston engines, n.e.s.o.i.	331	472	416	-11.8	
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	206	365	395	8.5	
8429.20	Graders and levelers, self-propelled	141	249	338	35.9	
2401.20	Tobacco, partly or wholly stemmed/stripped	295	271	299	10.1	
2902.43	Para-xylene (1,4-dimethylbenzene)	176	231	280	21.2	
2902.20	Benzene	261	192	271	41.2	
7202.93	Ferrous waste or scrap of iron or steel	201	244	269	10.2	
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	278	278	256	-8.1	
2711.29	Petroleum gases and other gaseous hydrocarbons in a gaseous state, n.e.s.o.i. (other than natural gas)	222	282	251	-10.7	
2711.14	Ethylene, propylene, butylene and butadiene, liquefied	188	255	244	-4.3	
4409.10	Wood continuously shaped (tongued, grooved, rebated, v-jointed, beaded, molded, etc.) along any of its edges or faces, planed, etc. or not, coniferous	171	162	217	34.0	
1005.90	Corn (maize), other than seed corn	0	3	215	7,006.3	
1602.50	Meat or meat offal of bovine animals, prepared or preserved, n.e.s.o.i.	85	146	193	32.4	
8414.30	Compressors used in refrigerating equipment (including air conditioning)	182	176	166	-6.0	
	Total of items shown	13,373	18,765	19,366	3.2	
	All other HTS subheadings	10,029	11,603	12,354	6.5	
	Total U.S. imports for consumption from Brazil	23,402	30,368	31,720	4.5	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.46 U.S. merchandise trade with Taiwan, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
Exports:						
0	Food and live animals	2,115	2,530	2,103		-16.9
1	Beverages and tobacco	51	46	56		22.7
2	Crude materials, inedible, except fuels	2,707	3,284	3,109		-5.3
3	Mineral fuels, lubricants and related materials	138	117	459		292.5
4	Animal and vegetable oils, fats and waxes	17	10	9		-10.4
5	Chemicals and related products, n.e.s.	4,091	4,648	4,340		-6.6
6	Manufactured goods classified chiefly by material	1,122	1,334	1,159		-13.2
7	Machinery and transport equipment	10,402	9,067	8,052		-11.2
8	Miscellaneous manufactured articles	2,501	2,235	2,104		-5.9
9	Commodities and transactions not classified elsewhere in the SITC	759	503	441		-12.4
	Total	23,904	23,775	21,832		-8.2
Imports:						
0	Food and live animals	279	331	346		4.5
1	Beverages and tobacco	15	18	21		16.8
2	Crude materials, inedible, except fuels	256	284	231		-18.6
3	Mineral fuels, lubricants and related materials	150	158	305		93.2
4	Animal and vegetable oils, fats and waxes	13	14	16		12.2
5	Chemicals and related products, n.e.s.	1,308	1,497	1,623		8.4
6	Manufactured goods classified chiefly by material	5,155	6,079	6,530		7.4
7	Machinery and transport equipment	21,997	25,989	22,926		-11.8
8	Miscellaneous manufactured articles	4,955	5,268	5,539		5.1
9	Commodities and transactions not classified elsewhere in the SITC	1,441	1,574	1,184		-24.8
	Total	35,568	41,213	38,722		-6.0

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.47 Leading domestic U.S. exports to Taiwan, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	2,492	1,371	1,935	41.1	
7204.49	Ferrous waste and scrap, n.e.s.o.i.	715	1,339	1,235	-7.7	
1201.90	Soybeans, whether or not broken, other than seed	(^a)	(^a)	763	(^b)	
8542.32	Memories	892	1,344	678	-49.6	
8800.00	Aircraft, spacecraft, and parts thereof	1,056	600	641	6.9	
9031.41	Optical instruments for inspecting semiconductor wafers or devices or for inspecting photomasks or reticles used in manufacturing semiconductor devices	526	443	466	5.3	
8486.90	Parts and accessories	578	422	406	-3.7	
8542.39	Electronic integrated circuits, n.e.s.o.i.	572	569	406	-28.7	
1001.99	Wheat & meslin other than durum or seed wheat	(^c)	(^c)	357	(^b)	
2710.12	Light oils and preparations	(^d)	(^d)	352	(^b)	
8542.31	Processors or controllers	592	412	347	-15.8	
1005.90	Corn (maize), other than seed corn	613	807	310	-61.5	
8475.90	Parts of machines for assembling electric or electronic lamps, tubes etc. in glass envelopes and for manufacturing or hot working glass or glassware	223	393	293	-25.4	
2902.44	Mixed xylene isomers	186	253	254	0.5	
7204.21	Stainless steel waste and scrap	349	268	227	-15.0	
3824.90	Chemical products and preparations of the chemical or allied industries, n.e.s.o.i.; residual products of the chemical or allied industries, n.e.s.o.i.	182	203	202	-0.4	
7106.10	Silver powder	180	264	181	-31.4	
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds; alloys and other products containing enriched uranium or plutonium	164	163	171	4.4	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	203	142	168	18.4	
0207.14	Chicken cuts and edible offal (including livers) frozen	104	109	160	47.3	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	194	161	159	-1.0	
2804.61	Silicon, containing by weight not less than 99.99% of silicon	181	197	159	-19.5	
5201.00	Cotton, not carded or combed	190	175	156	-10.9	
2933.71	6-hexanelactam (epsilon-caprolactam)	133	231	153	-34.0	
3908.10	Polyamide-6, -11, -12, -6,6, -6,9, -6,10, or -6,12 (nylon type), in primary forms	148	223	145	-34.8	
	Total of items shown	10,473	10,088	10,325	2.4	
	All other HTS subheadings	13,430	13,687	11,507	-15.9	
	Total domestic U.S. exports to Taiwan	23,904	23,775	21,832	-8.2	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 1201.00.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 1001.90.

^dTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

TABLE A.48 Leading U.S. imports for consumption from Taiwan, by HTS subheading, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
8517.12	Telephones for cellular networks or for other wireless networks	4,246	6,609	2,410	-63.5
8526.91	Radio navigational aid apparatus	1,294	978	1,377	40.7
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., n.e.s.o.i.	1,541	1,426	1,301	-8.8
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,248	1,139	1,134	-0.4
8542.32	Memories	895	1,072	1,060	-1.1
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	882	874	950	8.8
8542.31	Processors or controllers	994	956	889	-7.0
8525.80	Television cameras; digital cameras and video camera recorders	300	401	546	36.1
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	414	391	544	39.2
8523.51	Solid state non volatile storage devices	480	579	514	-11.2
7318.15	Threaded screws and bolts n.e.s.o.i., with or without their nuts or washers, of iron or steel	417	513	510	-0.6
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	373	256	478	87.0
8512.20	Electrical lighting or visual signaling equipment, for use on cycles or motor vehicles, except for use on bicycles	374	426	446	4.8
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	351	399	437	9.5
8471.30	Portable automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	131	773	436	-43.6
7318.14	Self-tapping screws, threaded, of iron or steel	362	388	427	10.0
8712.00	Bicycles and other cycles (including delivery tricycles), not motorized	346	411	427	3.9
8534.00	Printed circuits	329	353	351	-0.7
8471.70	Automatic data processing storage units, n.e.s.o.i.	168	269	324	20.2
8481.80	Taps, cocks, valves and similar appliances for pipes, vats or the like, including thermostatically controlled valves, n.e.s.o.i.	270	302	321	6.1
7318.16	Nuts, threaded, of iron or steel	240	311	310	-0.4
8504.40	Electrical static converters; power supplies for ADP machines or units of 8471	301	355	308	-13.3
9506.91	Articles and equipment for general physical exercise, gymnastics or athletics; n.e.s.o.i.; parts and accessories thereof	318	312	288	-7.5
8523.41	Unrecorded optical media	^(b)	^(b)	269	^(b)
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	227	247	268	8.5
	Total of items shown	16,503	19,742	16,325	-17.3
	All other HTS subheadings	19,066	21,471	22,397	4.3
	Total U.S. imports for consumption from Taiwan	35,568	41,213	38,722	-6.0

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 8523.40.10.

^bNot applicable.

TABLE A.49 U.S. merchandise trade with India, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
Exports:						
0	Food and live animals	475	554	636		14.8
1	Beverages and tobacco	5	5	5		2.7
2	Crude materials, inedible, except fuels	1,136	1,550	1,536		-0.8
3	Mineral fuels, lubricants and related materials	1,093	1,848	1,717		-7.1
4	Animal and vegetable oils, fats and waxes	154	10	102		880.8
5	Chemicals and related products, n.e.s.	3,737	4,357	3,450		-20.8
6	Manufactured goods classified chiefly by material	1,829	1,785	1,351		-24.3
7	Machinery and transport equipment	5,125	5,074	5,367		5.8
8	Miscellaneous manufactured articles	1,296	1,344	1,511		12.4
9	Commodities and transactions not classified elsewhere in the SITC	1,544	1,141	3,297		188.8
	Total	16,394	17,670	18,972		7.4
Imports:						
0	Food and live animals	1,186	1,720	1,905		10.7
1	Beverages and tobacco	31	33	49		46.4
2	Crude materials, inedible, except fuels	562	1,363	3,904		186.5
3	Mineral fuels, lubricants and related materials	2,324	3,130	2,968		-5.2
4	Animal and vegetable oils, fats and waxes	97	133	106		-20.4
5	Chemicals and related products, n.e.s.	4,954	6,215	7,479		20.4
6	Manufactured goods classified chiefly by material	10,465	12,342	12,132		-1.7
7	Machinery and transport equipment	3,738	4,224	4,753		12.5
8	Miscellaneous manufactured articles	5,938	6,425	6,269		-2.4
9	Commodities and transactions not classified elsewhere in the SITC	320	418	542		29.7
	Total	29,614	36,003	40,105		11.4

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

TABLE A.50 Leading domestic U.S. exports to India by Schedule B subheading, 2010–12

HTS provision	Description	Million \$			% change, 2011–12
		2010	2011	2012	
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	1,179	769	2,903	277.5
8800.00	Aircraft, spacecraft, and parts thereof	1,156	620	1,215	95.9
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	462	917	856	-6.7
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	1,079	1,237	557	-55.0
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products which have a predominate (wt.) aromatic constituent, n.e.s.o.i.	407	537	485	-9.6
7204.49	Ferrous waste and scrap, n.e.s.o.i.	254	416	379	-8.8
0802.11	Almonds, fresh or dried, in shell	196	256	279	8.8
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	825	577	262	-54.6
2809.20	Phosphoric acid and polyphosphoric acids	153	272	221	-18.7
8431.49	Parts and attachments, n.e.s.o.i., for derricks, cranes, self-propelled bulldozers, graders etc. and other grading, scraping, etc. machinery	31	103	214	107.4
2713.11	Petroleum coke, not calcined	38	107	196	83.8
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	188	178	171	-4.0
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	126	150	145	-3.3
4801.00	Newsprint, in rolls or sheets	135	186	128	-31.1
9027.10	Gas or smoke analysis apparatus	10	14	125	766.4
8409.99	Parts for use with compression-ignition internal combustion piston engines, n.e.s.o.i.	99	112	118	5.5
2907.11	Phenol (hydroxybenzene) and its salts	54	56	115	104.1
3824.90	Chemical products and preparations of the chemical or allied industries, n.e.s.o.i.; residual products of the chemical or allied industries, n.e.s.o.i.	77	85	109	27.6
2926.10	Acrylonitrile	84	89	101	12.6
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	106	109	100	-8.4
0808.10	Apples, fresh	38	81	97	19.5
1507.10	Soybean oil and its fractions, crude, whether or not degummed	133	(^a)	96	384,492.9
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	94	94	90	-3.9
7602.00	Aluminum waste and scrap	48	82	90	9.5
3822.00	Composite diagnostic or laboratory reagents, other than those pharmaceuticals in heading 3002 or 3006; certified reference materials	56	91	88	-3.5
	Total of items shown	7,027	7,141	9,141	28.0
	All other HTS subheadings	9,367	10,529	9,832	-6.6
	Total domestic U.S. exports to India	16,394	17,670	18,972	7.4

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aLess than \$1 million.

TABLE A.51 Leading U.S. imports for consumption from India, by HTS subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	5,166	6,263	5,398	-13.8	
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods), n.e.s.o.i.	1,840	2,465	3,500	42.0	
1302.32	Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	221	914	3,373	269.2	
2710.12	Light oils and preparations	(^b)	(^b)	2,405	(^b)	
7113.19	Jewelry and parts thereof, of precious metal other than silver	1,138	1,127	1,103	-2.1	
6302.31	Bed linen (other than printed) of cotton, not knitted or crocheted	584	635	764	20.4	
6302.60	Toilet and kitchen linen of cotton terry toweling or similar cotton terry fabrics	465	532	575	8.3	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	202	425	552	30.0	
0306.17	Other shrimps and prawns, cooked in shell or uncooked, dried, salted or in brine, frozen	(^c)	(^c)	531	(^c)	
3004.20	Medicaments, in measured doses, etc., containing antibiotics, n.e.s.o.i.	256	361	378	4.5	
6110.20	Sweaters, pullovers, sweatshirts, vests and similar articles of cotton, knitted or crocheted	395	399	341	-14.5	
7113.11	Jewelry and parts thereof, of silver	291	343	335	-2.2	
0801.32	Cashew nuts, fresh or dried, shelled	184	307	264	-13.9	
8701.90	Tractors, n.e.s.o.i.	180	199	221	11.1	
2902.20	Benzene	69	163	210	29.0	
6206.30	Women's or girls' blouses, shirts and shirt-blouses of cotton, not knitted or crocheted	313	241	208	-13.8	
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	207	250	207	-17.3	
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	67	213	205	-3.7	
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	327	282	200	-29.2	
7304.29	Casing and tubing of a kind used in drilling for oil or gas, of iron (except cast iron) or steel	130	192	200	4.0	
7210.49	Flat-rolled iron or nonalloy steel products, not corrugated, 600 mm or more wide, plated or coated with zinc other than electrolytically	100	151	197	30.0	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	203	237	192	-18.8	
6109.10	T-shirts, singlets, tank tops and similar garments of cotton, knitted or crocheted	202	233	191	-18.2	
8409.99	Parts for use with compression-ignition internal combustion piston engines, n.e.s.o.i.	114	173	188	8.3	
8481.90	Parts for taps, cocks, valves and similar appliances for pipes, vats or the like, including pressure reducing and thermostatically controlled valves	115	170	188	10.2	
	Total of items shown	12,769	16,276	21,927	34.7	
	All other HTS subheadings	16,845	19,728	18,179	-7.9	
	Total U.S. imports for consumption from India	29,614	36,003	40,105	11.4	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.

^cTrade in 2010 and 2011 reported under HTS tariff line 0306.13.

TABLE A.52 U.S. merchandise trade with Russia, by SITC codes (revision 3), 2010–12

SITC Code ^a	Description	Million \$				% change, 2011–12 2010–12
		2010	2011	2012	2011–12	
Exports:						
0	Food and live animals	1,067	1,164	1,525	31.0	
1	Beverages and tobacco	52	53	68	29.3	
2	Crude materials, inedible, except fuels	186	176	238	34.7	
3	Mineral fuels, lubricants and related materials	47	45	47	4.4	
4	Animal and vegetable oils, fats and waxes	1	1	1	-0.7	
5	Chemicals and related products, n.e.s.	911	951	1,013	6.6	
6	Manufactured goods classified chiefly by material	302	383	347	-9.5	
7	Machinery and transport equipment	2,647	4,276	6,083	42.3	
8	Miscellaneous manufactured articles	414	560	620	10.6	
9	Commodities and transactions not classified elsewhere in the SITC	29	27	34	23.6	
	Total	5,657	7,637	9,976	30.6	
Imports:						
0	Food and live animals	285	282	244	-13.5	
1	Beverages and tobacco	142	90	63	-30.3	
2	Crude materials, inedible, except fuels	270	244	212	-13.2	
3	Mineral fuels, lubricants and related materials	17,319	23,869	20,740	-13.1	
4	Animal and vegetable oils, fats and waxes	^(b)	^(b)	^(b)	54.6	
5	Chemicals and related products, n.e.s.	2,563	3,139	2,321	-26.1	
6	Manufactured goods classified chiefly by material	3,945	5,098	4,605	-9.7	
7	Machinery and transport equipment	282	350	379	8.3	
8	Miscellaneous manufactured articles	353	503	431	-14.3	
9	Commodities and transactions not classified elsewhere in the SITC	39	34	54	56.7	
	Total	25,199	33,610	29,049	-13.6	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aSITC stands for Standard International Trade Classification.

^bLess than \$1 million.

TABLE A.53 Leading domestic U.S. exports to Russia, by Schedule B subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
8800.00	Aircraft, spacecraft, and parts thereof	243	674	1,445	114.3	
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	78	231	410	77.1	
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	206	316	336	6.2	
0207.14	Chicken cuts and edible offal (including livers) frozen	315	243	296	22.0	
0102.21	Live purebred breeding cattle	(^a)	(^a)	235	(^b)	
8502.39	Generating sets, electric, n.e.s.o.i.	23	49	225	355.0	
0203.29	Meat of swine, n.e.s.o.i., frozen	95	130	221	69.9	
0202.30	Meat of bovine animals, boneless, frozen	92	183	213	16.4	
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	39	81	197	145.1	
3904.10	Polyvinyl chloride, not mixed with any other substances, in primary forms	154	215	193	-10.2	
8802.60	Spacecraft (including satellites) and suborbital and spacecraft launch vehicles	(^c)	(^c)	178	(^b)	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	12	72	152	112.3	
8701.30	Track-laying tractors	56	113	138	21.5	
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	3	18	117	544.3	
8430.41	Boring or sinking machinery, n.e.s.o.i., self-propelled	49	113	110	-2.3	
8414.80	Air pumps and air or other gas compressors, n.e.s.o.i.; ventilating or recycling hoods incorporating a fan, n.e.s.o.i.	104	44	101	128.6	
0802.12	Almonds, fresh or dried, shelled	55	74	96	29.0	
8704.10	Dumpers (dump trucks) designed for off-highway use	83	100	79	-20.5	
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	58	70	79	12.8	
8431.49	Parts and attachments, n.e.s.o.i., for derricks, cranes, self-propelled bulldozers, graders etc. and other grading, scraping, etc. machinery	49	66	78	17.6	
3002.10	Antisera and other blood fractions, and modified immunological products	52	52	74	41.6	
2106.90	Food preparations n.e.s.o.i.	34	41	68	66.0	
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	38	54	62	14.0	
8429.51	Mechanical front-end shovel loaders, self-propelled	17	38	58	50.2	
3912.11	Cellulose acetates, non-plasticized, in primary forms	54	52	53	3.1	
	Total of items shown	1,908	3,031	5,213	72.0	
	All other HTS subheadings	3,749	4,606	4,763	3.4	
	Total domestic U.S. exports to Russia	5,657	7,637	9,976	30.6	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 0102 and 0102.10.00.

^bNot applicable.

^cLess than \$1 million.

TABLE A.54 Leading U.S. imports for consumption from Russia, by HTS subheading, 2010–12

HTS provision	Description	Million \$				% change, 2011–12
		2010	2011	2012	2011–12	
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps n.e.s.o.i. 70%+ by wt. from petroleum oils or bitum. min.	10,376	16,880	16,618	-1.6	
2709.00	Petroleum oils and oils from bituminous minerals, crude	4,062	3,514	2,093	-40.4	
2710.12	Light oils and preparations	(^a)	(^a)	1,291	(^b)	
7207.12	Semifinished products of iron or nonalloy steel, under 0.25% (wt.) carbon, rectangular cross section, width not less than twice the thickness	480	525	890	69.6	
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds; alloys and other products containing enriched uranium or plutonium	1,049	950	854	-10.1	
7201.10	Nonalloy pig iron containing 0.5% (wt.) or less phosphorus, in primary forms	447	596	637	6.9	
7601.20	Aluminum alloys, unwrought	199	292	381	30.2	
7110.21	Palladium, unwrought or in powder form	241	765	355	-53.6	
2814.10	Anhydrous ammonia	99	296	316	7.0	
7502.10	Nickel, not alloyed, unwrought	685	510	289	-43.3	
7601.10	Aluminum, not alloyed, unwrought	250	279	272	-2.4	
2713.11	Petroleum coke, not calcined	405	560	244	-56.4	
2711.29	Petroleum gases and other gaseous hydrocarbons in a gaseous state, n.e.s.o.i. (other than natural gas)	383	518	229	-55.9	
3102.10	Urea, whether or not in aqueous solution	20	17	223	1,232.4	
3102.80	Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	140	180	193	7.5	
0306.14	Crabs, including in shell, cooked by steaming or by boiling in water, frozen	216	207	175	-15.8	
3104.20	Potassium chloride	358	555	168	-69.7	
7115.90	Articles n.e.s.o.i., of precious metal or of metal clad with precious metal	147	180	158	-12.1	
7202.21	Ferrosilicon, containing more than 55% (wt.) silicon	159	134	153	14.2	
8108.90	Titanium and articles thereof, n.e.s.o.i.	211	146	153	5.0	
2901.21	Ethylene (ethene)	237	215	128	-40.2	
4412.32	Plywood n.e.s.o.i., not of bamboo, not over 6 mm thickness with at least one outer ply of non-coniferous wood	90	91	106	16.4	
7208.37	Flat-rolled products of iron or nonalloy steel, width of 600 mm or more, in coils, hot-rolled worked only, of a thickness 4.75 mm but not over 10 mm n.e.s.o.i.	28	64	103	61.6	
9306.30	Cartridges and parts thereof, n.e.s.o.i.	88	72	102	41.9	
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	99	101	93	-7.7	
	Total of items shown	20,469	27,646	26,226	-5.1	
	All other HTS subheadings	4,731	5,963	2,823	-52.7	
	Total U.S. imports for consumption from Russia	25,199	33,610	29,049	-13.6	

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^aTrade in 2010 and 2011 reported under HTS tariff line 2710.11.

^bNot applicable.