



United States
International Trade Commission

The Year in Trade 2017

Operation of the Trade Agreements
Program

69th Report

August 2018
Publication Number: 4817

United States International Trade Commission

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Preface

This report is the 69th 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) 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 2017. 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 by congressional legislation.

Table of Contents

Preface	1
Abbreviations and Acronyms	11
Executive Summary	15
Chapter 1 Introduction and Overview of U.S. Trade	29
Scope and Approach of the Report	29
Organization of the Report	29
Sources.....	30
Overview of the U.S. and Global Economies in 2017	31
U.S. Economic Trends in 2017.....	31
Global Economic Trends in 2017	31
Exchange Rate Trends.....	33
U.S. Trade in Goods in 2017.....	34
U.S. Merchandise Trade by Product Category.....	36
U.S. Merchandise Trade with Leading Partners.....	37
U.S. Trade with Free Trade Agreement Partners.....	40
U.S. Imports under Trade Preference Programs.....	40
U.S. Trade in Services in 2017.....	40
U.S. Services Trade by Product Category.....	41
U.S. Services Trade with Leading Partners.....	43
Timeline of Selected Key Trade Activities in 2017.....	45
Chapter 2 Administration of U.S. Trade Laws and Regulations	53
Import Relief Laws	53
Safeguard Actions	53
Laws against Unfair Trade Practices	54
Section 301.....	54
Antidumping and Countervailing Duty Investigations and Reviews.....	59
Section 337 Investigations	64
National Security Investigations	66
Trade Adjustment Assistance	69
Assistance for Workers	69
Assistance for Firms	72
Tariff Preference Programs.....	73
Generalized System of Preferences	73
African Growth and Opportunity Act.....	77
Caribbean Basin Economic Recovery Act.....	81

Chapter 3 The World Trade Organization	89
WTO	89
Eleventh WTO Ministerial Conference	89
General Council	90
Agreement on Trade Facilitation	93
Plurilateral Agreements Already in Force	94
Selected Plurilateral Agreements under Discussion	96
Dispute Settlement Body	97
New Requests for Consultations.....	100
New Panels Established in 2017 That Involve the United States	102
Panel and Appellate Body Reports Issued and/or Adopted during 2017 That Involve the United States	104
Chapter 4 Selected Regional and Bilateral Trade Activities.....	113
Organisation for Economic Co-operation and Development	113
Ministerial Council Meeting.....	113
Trade Committee	114
Asia-Pacific Economic Cooperation	114
Background	114
2017 APEC Developments.....	115
Negotiations on a Trade in Services Agreement	117
Trade and Investment Framework Agreements.....	118
Developments in TIFA Negotiations during 2017	120
Developments in Existing TIFAs during 2017	121
Chapter 5 U.S. Free Trade Agreements.....	127
U.S. Trade with FTA Partners in 2017	127
U.S. Total Merchandise Trade with FTA Partners.....	127
U.S. Imports Entered under FTAs.....	130
Developments in FTA Negotiations during 2017	132
Trans-Pacific Partnership (TPP).....	132
Transatlantic Trade and Investment Partnership (TTIP) Agreement.....	132
Developments in the North American Free Trade Agreement (NAFTA).....	133
Renegotiation of the NAFTA	133
NAFTA’s Commission for Labor Cooperation	135
NAFTA’s Commission for Environmental Cooperation.....	136
NAFTA Dispute Settlement	137
Developments in Other U.S. FTAs Already in Force during 2017	139
U.S.-Australia FTA.....	140
U.S.-Bahrain FTA	140

CAFTA-DR	141
U.S.-Chile FTA.....	142
U.S.-Colombia TPA	142
U.S.-Israel FTA	143
U.S.-Jordan FTA.....	144
U.S.-Korea FTA (KORUS).....	144
U.S.-Morocco FTA	145
U.S.-Oman FTA	146
U.S.-Panama TPA.....	146
U.S.-Peru TPA	147
U.S.-Singapore FTA.....	147
Chapter 6 U.S. Trade Relations with Major Trading Partners.....	149
European Union	149
U.S.-EU Trade	149
Trade Developments.....	151
China	156
U.S.-China Trade.....	156
Trade Developments.....	159
Canada	162
U.S.-Canada Trade.....	162
Trade Developments.....	164
Mexico.....	167
U.S.-Mexico Trade.....	167
Trade Developments.....	169
Japan	171
U.S.-Japan Trade	171
Trade Developments.....	173
Republic of Korea.....	175
U.S.-South Korea Trade.....	175
Trade Developments.....	178
India	179
U.S.-India Trade.....	179
Trade Developments.....	182
Taiwan.....	183
U.S.-Taiwan Trade	183
Trade Developments.....	185
Bibliography	189
Appendix A Data Tables	221
Appendix B Additional Tables Corresponding to Figures in the Report	303

Boxes

Box 2.1 National security investigations on steel and aluminum, developments January–March 2018.....	68
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Figures

Figure ES.1 U.S. trade balance in goods and services, 2003–17.....	16
Figure ES.2 U.S. goods and services trade with major bilateral trading partners, 2017	23
Figure 1.1 U.S. real gross domestic product, percentage change, 2013–17	31
Figure 1.2 Economic growth trends in the world, the United States, and major trading partners, 2015–17	32
Figure 1.3 Indexes of U.S. dollar exchange rates for selected major foreign currencies, daily, 2017	34
Figure 1.4 U.S. merchandise trade with the world, 2015–17.....	35
Figure 1.5 Leading U.S. export markets, by share, 2017	39
Figure 1.6 Leading U.S. import sources, by share, 2017.....	39
Figure 1.7 U.S. cross-border trade in private services with the world, 2015–17	41
Figure 1.8 Leading U.S. export markets for private services, by share, 2017	44
Figure 1.9 Leading U.S. import sources for private services, by share, 2017.....	44
Figure 2.1 Share of TAA petitions certified by industry sector in FY 2017	72
Figure 3.1 Timeline for the WTO Dispute Settlement Process.....	98
Figure 6.1 U.S. merchandise trade with the EU, 2013–17.....	150
Figure 6.2 U.S. cross-border trade in private services with the EU, 2013–17	150
Figure 6.3 U.S. merchandise trade with China, 2013–17	158
Figure 6.4 U.S. cross-border trade in private services with China, 2013–17.....	158
Figure 6.5 U.S. merchandise trade with Canada, 2013–17	163
Figure 6.6 U.S. cross-border trade in private services with Canada, 2013–17.....	163
Figure 6.7 U.S. merchandise trade with Mexico, 2013–17.....	168
Figure 6.8 U.S. cross-border trade in private services with Mexico, 2013–17	168
Figure 6.9 U.S. merchandise trade with Japan, 2013–17	172
Figure 6.10 U.S. cross-border trade in private services with Japan, 2013–17	172
Figure 6.11 U.S. merchandise trade with South Korea, 2013–17.....	177
Figure 6.12 U.S. cross-border trade in private services with South Korea, 2013–17.....	177
Figure 6.13 U.S. merchandise trade with India, 2013–17	181
Figure 6.14 U.S. cross-border trade in private services with India, 2013–17.....	181
Figure 6.15 U.S. merchandise trade with Taiwan, 2013–17.....	184
Figure 6.16 U.S. cross-border trade in private services with Taiwan, 2013–17	184

Tables

Table 1.1 U.S. merchandise trade with the world, by USITC digest sector, 2016–17 (million dollars)	36
Table 1.2 U.S. merchandise trade with major trading partners and the world, 2017 (million dollars)	38
Table 1.3 U.S. merchandise trade with major trading partners and the world, 2016–17 (million dollars)	38
Table 1.4 U.S. cross-border trade in private services with major trading partners and the world, 2017 (million dollars)	43
Table 2.1 Antidumping duty orders that became effective during 2017	61
Table 2.2 Countervailing duty orders that became effective during 2017.....	63
Table 2.3 TAA certifications, by region, FY 2017	71
Table 2.4 U.S. imports for consumption from Generalized System of Preferences (GSP) beneficiaries, 2015–17	76
Table 2.5 U.S. imports for consumption from Nepal, 2015–17.....	77
Table 2.6 U.S. imports for consumption from AGOA beneficiaries, 2015–17.....	80
Table 2.7 U.S. general imports of apparel under AGOA, by country, 2015–17.....	81
Table 2.8 U.S. imports for consumption from CBERA/CBTPA beneficiaries, 2015–17.....	83
Table 2.9 U.S. imports of apparel from Haiti, 2015–17.....	85
Table 4.1 U.S. trade and investment framework agreements in 2017	119
Table 5.1 Total U.S. exports to FTA partners, by FTA partner, 2015–17	128
Table 5.2 Total U.S. imports from FTA partners, by FTA partner, 2015–17	129
Table 5.3 U.S. merchandise trade balance with FTA partners, by FTA partner, 2015–17.....	130
Table 5.4 U.S. imports for consumption that entered under FTA provisions, by FTA partner, 2015–17	131
Table 5.5 Ratio of U.S. imports for consumption under FTAs to U.S. general imports, by partner, 2015–17.....	132
Table 5.6 Timetable of major NAFTA negotiations, 2017–18.....	134
Table 5.7 Active files as of yearend 2017 under Articles 14 and 15 of the North American Agreement on Environmental Cooperation.....	136
Table 5.8 NAFTA Chapter 19 binational panels, active reviews through 2017	139
Table A.1 U.S. total exports to the world, by USITC digest sector, 2015–17	223
Table A.2 U.S. general imports from the world, by USITC digest sector, 2015–17	223
Table A.3 Leading U.S. total exports to the world, by HTS 6-digit subheading, 2015–17	224
Table A.4 Leading U.S. general imports from the world, by HTS subheading, 2015–17.....	225
Table A.5 U.S. merchandise trade with top 15 single-country trading partners, 2017.....	226
Table A.6 Top 15 U.S. single-country merchandise export markets, 2017	226
Table A.7 Top 15 U.S. single-country merchandise import sources, 2017	227
Table A.8 U.S. private services exports to the world, by category, 2015–17.....	228
Table A.9 U.S. private services imports from the world, by category, 2015–17	228
Table A.10 Antidumping cases active in 2017, by USITC investigation number	229

Table A.11 Antidumping duty orders and suspension agreements in effect as of December 31, 2017	233
Table A.12 Countervailing duty cases active in 2017, by USITC investigation number.....	240
Table A.13 Countervailing duty orders and suspension agreements in effect as of December 31, 2017	242
Table A.14 Reviews of existing antidumping and countervailing duty orders and suspended investigations completed in 2017, by date of completion.	244
Table A.15 Section 337 investigations and related proceedings completed by the Commission during 2017 and those pending on December 31, 2017	246
Table A.16 Outstanding section 337 exclusion orders as of December 31, 2017	254
Table A.17 U.S. imports for consumption under GSP, by source, 2015–17	260
Table A.18 Value of U.S. imports for consumption under GSP, by USITC digest sector, 2015–17.....	261
Table A.19 Share of U.S. imports for consumption under GSP, by USITC digest sector, 2015–17.....	261
Table A.20 Leading U.S. imports for consumption under GSP, by HTS 6-digit subheading, 2015–17.....	262
Table A.21 Leading U.S. imports for consumption under AGOA (excluding GSP), by HTS 6-digit subheading, 2015–17	263
Table A.22 Leading U.S. imports for consumption under AGOA (excluding GSP), by source, 2015–17.....	264
Table A.23 Leading U.S. imports for consumption under CBERA, by HTS 6-digit subheading, 2015–17.....	265
Table A.24 U.S. imports for consumption under CBERA, by source, 2015–17.....	266
Table A.25 WTO dispute settlement cases to which the United States was a party, developments in 2017	267
Table A.26 NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2017.....	278
Table A.27 U.S. total exports to the EU, by USITC digest sector, 2015–17	279
Table A.28 U.S. general imports from the EU, by USITC digest sector, 2015–17	279
Table A.29 Leading U.S. total exports to the EU, by HTS 6-digit subheading, 2015–17.....	280
Table A.30 Leading U.S. total imports from the EU, by HTS 6-digit subheading, 2015–17	281
Table A.31 U.S. total exports to China, by USITC digest sector, 2015–17	282
Table A.32 U.S. general imports from China, by USITC digest sector, 2015–17.....	282
Table A.33 Leading U.S. total exports to China, by HTS 6-digit subheading, 2015–17	283
Table A.34 Leading U.S. general imports from China, by HTS 6-digit subheading, 2015–17	284
Table A.35 U.S. total exports to Canada, by USITC digest sector, 2015–17	285
Table A.36 U.S. general imports from Canada, by USITC digest sector, 2015–17.....	285
Table A.37 Leading U.S. total exports to Canada, by HTS 6-digit subheading, 2015–17	286
Table A.38 Leading U.S. general imports from Canada, by HTS 6-digit subheading, 2015–17	287
Table A.39 U.S. total exports to Mexico, by USITC digest sector, 2015–17	288
Table A.40 U.S. general imports from Mexico, by USITC digest sector, 2015–17	288
Table A.41 Leading U.S. total exports to Mexico, by HTS 6-digit subheading, 2015–17.....	289
Table A.42 Leading U.S. general imports from Mexico, by HTS 6-digit subheading, 2015–17	290

Table A.43 U.S. total exports to Japan, by USITC digest sector, 2015–17	291
Table A.44 U.S. general imports from Japan, by USITC digest sector, 2015–17	291
Table A.45 Leading U.S. total exports to Japan, by HTS 6-digit subheading, 2015–17	292
Table A.46 Leading U.S. total imports from Japan, by HTS 6-digit subheading, 2015–17	293
Table A.47 U.S. total exports to South Korea, by USITC digest sector, 2015–17	294
Table A.48 U.S. general imports from South Korea, by USITC digest sector, 2015–17	294
Table A.49 Leading U.S. total exports to South Korea, by HTS 6-digit subheading, 2015–17	295
Table A.50 Leading U.S. general imports from South Korea, by HTS 6-digit subheading, 2015–17	296
Table A.51 U.S. total exports to India, by USITC digest sector, 2015–17	297
Table A.52 U.S. general imports from India, by USITC digest sector, 2015–17	297
Table A.53 Leading U.S. total exports to India, by HTS 6-digit subheading, 2015–17	298
Table A.54 Leading U.S. general imports from India, by HTS 6-digit subheading, 2015–17	299
Table A.55 U.S. total exports to Taiwan, by USITC digest sector, 2015–17	300
Table A.56 U.S. general imports from Taiwan, by USITC digest sector, 2015–17	300
Table A.57 Leading U.S. total exports to Taiwan, by HTS 6-digit subheading, 2015–17	301
Table A.58 Leading U.S. general imports from Taiwan, by HTS 6-digit subheading, 2015–17	302
Table B.1 U.S. trade balance in goods and services, 2003–17 (million dollars)	305
Table B.2 U.S. goods and services trade with major bilateral trade partners, 2017 (million dollars)	305
Table B.3 U.S. real gross domestic product, percentage change, 2013–17	305
Table B.4 Economic (GDP) growth trends in the world, the United States, and major trading partners 2015–17 (percent)	306
Table B.5 U.S. merchandise trade with major trading partners and the world, 2013–17	307
Table B.6 U.S. merchandise trade with major trading partners and the world, 2017	308
Table B.7 U.S. private cross-border services trade with selected major trading partners and the world	309
Table B.8 U.S. private cross-border services trade with major trading partners and the world, 2017	310
Table B.9 TAA petitions certified, by industry sector, FY 2017	310

Abbreviations and Acronyms

Acronyms	Term
AGOA	African Growth and Opportunity Act
AIT	American Institute in Taiwan
APEC	Asia-Pacific Economic Cooperation forum
ASEAN	Association of Southeast Asian Nations
ATAP	U.S.-Israel Agreement on Trade in Agricultural Products
BDCs	beneficiary developing countries
BEA	Bureau of Economic Analysis (USDOC)
Brexit	Britain's vote to leave the European Union
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CARICOM	Caribbean Community and Common Market
CBERA	Caribbean Basin Economic Recovery Act
CBP	Customs and Border Protection (CBP)
CBTPA	Caribbean Basin Trade Partnership Act
CEC	Commission for Environmental Cooperation (NAFTA)
CED	Comprehensive Economic Dialogue (U.S.-China)
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLC	Commission for Labor Cooperation (NAFTA)
CNL	competitive need limitation
COMESA	Common Market for Eastern and Southern Africa
CRS	Congressional Research Service
CSPV	crystalline silicon photovoltaic (cells)
CTI	Committee on Trade and Investment (APEC)
CTPA	U.S.-Colombia Trade Promotion Agreement
CVD	countervailing duty
DFAT	Department of Foreign Affairs and Trade (Australia)
DSB	Dispute Settlement Body (WTO)
ECOWAS	Economic Community of West African States
EDA	Economic Development Administration (USDOC)
EGA	Environmental Goods Agreement
EIA	U.S. Energy Information Administration
EIAP	Earned Import Allowance Program
EIU	Economist Intelligence Unit
ETA	Employment and Training Administration (USDOL)
EU	European Union
FAS	Foreign Agricultural Service (USDA)
FDA	Food and Drug Administration
FDI	foreign direct investment
Fed. Reg.	<i>Federal Register</i>
FMCSA	Federal Motor Carrier Safety Administration
FTA	free trade agreement
FTAAP	Free Trade Area of the Asia-Pacific
FTC	Free Trade Commission (under U.S. FTAs)
FY	fiscal year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GCC	Cooperation Council for the Arab States of the Gulf (Gulf Cooperation Council)
GDP	gross domestic product
GMP	good manufacturing practice

Acronyms	Term
GPA	Agreement on Government Procurement (WTO)
GSP	Generalized System of Preferences
GVC	global value chain
HELP	Haiti Economic Lift Program
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act
HTS	Harmonized Tariff Schedule of the United States
ICSID	International Centre for Settlement of Investment Disputes
ICT	information and communications technology
ILAB	Bureau of International Labor Affairs (USDOL)
IMF	International Monetary Fund
IP	intellectual property
IPR	intellectual property rights
ITA	Information Technology Agreement (WTO)
JCCT	Joint Commission on Commerce and Trade
KORUS	U.S.-Korea Free Trade Agreement
LDBDC	least-developed beneficiary developing country
LDCs	lesser-developed countries
LTFV	less than fair value
MAFF	Ministry of Agriculture, Forestry, and Fisheries (Japan)
MOU	memorandum of understanding
MSMEs	micro, small, and medium-sized enterprises
MRA	mutual recognition agreement
MRL	maximum residue limit
mt	metric tons
n.d.	not dated
NAALC	North American Agreement on Labor Cooperation (NAFTA)
NAFTA	North American Free Trade Agreement
NAO	National Administrative Office (NAFTA)
n.e.s.o.i.	not elsewhere specified or included
n.i.e.	not included elsewhere
NTPA	Nepal Trade Preference Act
NTPP	Nepal Trade Preference Program
NTR	normal trade relations (U.S. equivalent to most-favored-nation treatment)
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health (Office International des Epizooties)
OPEC	Organization of the Petroleum Exporting Countries
OTEXA	Office of Textiles and Apparel (USDOC)
PSU	Policy Support Unit (APEC)
PTPA	U.S.-Peru Trade Promotion Agreement
Pub. L.	Public Law
RTA	regional trade agreement
S&ED	Strategic and Economic Dialogue (U.S.-China)
SACU	Southern Africa Customs Union
SAT	Tax Administration Service (Mexico)
SMEs	small and medium-sized enterprises
SPS	sanitary and phytosanitary (standards)
SSA	sub-Saharan Africa
TAA	Trade Adjustment Assistance
TAAEA	Trade Adjustment Assistance Extension Act
TAARA	Trade Adjustment Assistance Reauthorization Act of 2015
TEC	Transatlantic Economic Council

Acronyms	Term
TECRO	Taipei Economic and Cultural Representative Office in the United States
TICFA	Trade and Investment Cooperation Forum Agreement
TIFA	Trade and Investment Framework Agreement
TiSA	Trade in Services Agreement
TiVA	Trade in Value Added (OECD–WTO initiative)
TPA	trade promotion agreement
TPEA	Trade Preferences Extension Act
TPF	U.S.-India Trade Policy Forum
TPP	Trans-Pacific Partnership
TPLs	tariff preference levels
TRAs	Trade Readjustment Allowances
TRIPS	Trade-Related Aspects of Intellectual Property Rights agreement (WTO)
TRQ	tariff-rate quota
TTIP	Transatlantic Trade and Investment Partnership (U.S.-EU)
UN	United Nations
U.S.C.	U.S. Code
USCC	U.S.-China Economic and Security Review Commission
USDA	U.S. Department of Agriculture
USDHS	U.S. Department of Homeland Security
USDOC	U.S. Department of Commerce
USDOL	U.S. Department of Labor
USDOS	U.S. Department of State
USDOT	U.S. Department of Transportation
USITC	U.S. International Trade Commission
USTR	U.S. Trade Representative
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization

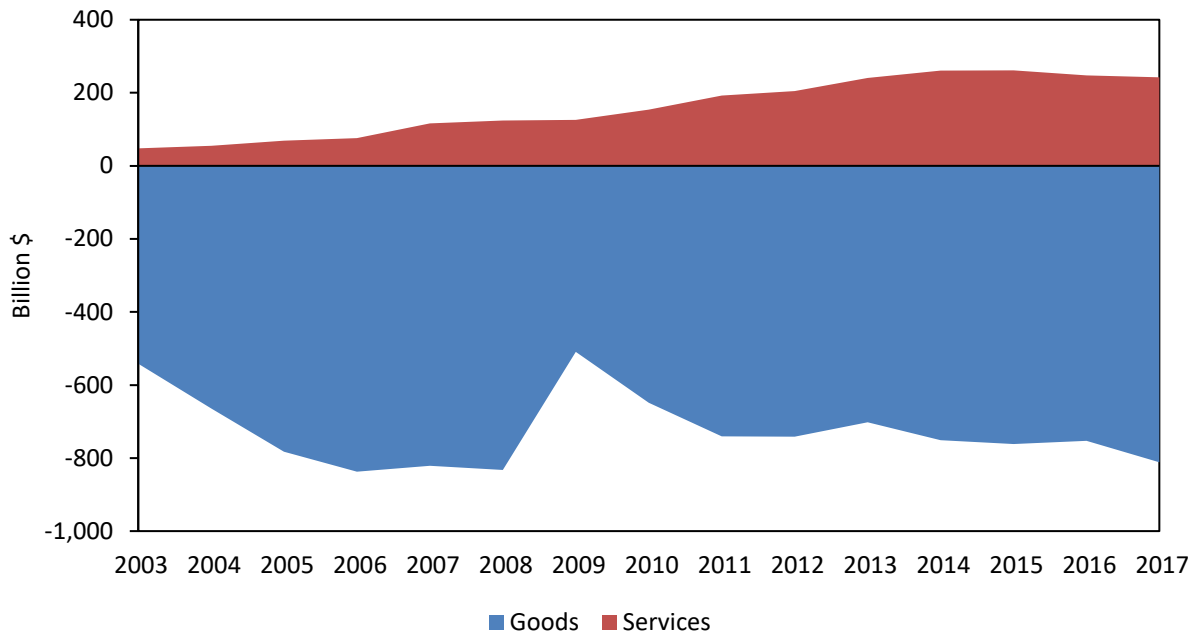
Executive Summary

The level of U.S. imports and U.S. exports of goods and services depends on many factors, including the strength of the U.S. and global economies. Growth in these economies contributes to growth in cross-border trade. The rate of global economic growth increased in 2017, rising from 2.5 percent in 2016 to 3.3 percent in 2017. Economic growth in the United States also increased in 2017: U.S. real gross domestic product (GDP) grew 2.3 percent in 2017, compared to an increase of 1.5 percent in 2016. Overall global economic growth was fueled by growth of advanced economies such as the United States and top trading partners including the European Union (EU), Canada, and Japan. Some emerging and developing economies—e.g., China, South Korea, and Taiwan—also contributed to global economic growth. India and Mexico, however, grew at a slower rate in 2017 than in 2016.

Both U.S. exports and U.S. imports of goods increased in value in 2017. The value of U.S. merchandise exports totaled \$1,546.7 billion in 2017, up 6.6 percent (\$95.7 billion) from \$1,451.0 billion in 2016. The value of U.S. merchandise imports totaled \$2,342.9 billion in 2017, up 7.1 percent (\$155.1 billion) from \$2,187.8 billion in 2016. The largest increase in both U.S. imports and U.S. exports was in energy-related products. In particular, the increase in the value of U.S. imports of crude petroleum was due to the increase in the price of U.S. crude, whereas the increase in the value of U.S. exports of crude was driven by increases in both the price and volume of U.S. crude exports, resulting in a decline in the sector's deficit to \$4.5 billion. The agricultural sector was the only goods sector to experience a trade surplus in 2017, with \$5.7 billion more in exports than imports. The trade deficit in the other sectors of the U.S. economy increased. Overall, U.S. imports increased more than U.S. exports in terms of value, resulting in an increase in the U.S. merchandise trade deficit from \$752.5 billion in 2016 to \$811.2 billion in 2017 (figure ES.1).

U.S. two-way cross-border trade in private services, which excludes exports and imports of government goods and services n.i.e., increased 5.0 percent to \$1,277.7 billion in 2017. U.S. exports of private services grew 3.8 percent to \$761.7 billion in 2017, while U.S. imports of private services grew 6.8 percent to reach \$516.0 billion in 2017. As a result, the U.S. surplus in private services fell from \$250.4 billion in 2016 to \$245.7 billion in 2017.

Figure ES.1 U.S. trade balance in goods and services, 2003–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, “[Table 1.2: U.S. International Transactions, Expanded Detail](#),” March 21, 2018.

Note: Underlying data can be found in appendix table [B.1](#).

In 2017, the U.S. dollar depreciated 6.3 percent against a broad trade-weighted index of major foreign currencies, including against some major emerging-market currencies, such as the Mexican peso and the Chinese yuan. Between January 1 and December 31, 2017, the U.S. dollar depreciated by 12.0 percent against the euro, 9.4 percent against the United Kingdom (UK) pound, 6.5 percent against the Chinese yuan, and 6.1 percent against the Mexican peso.

Key Trade Developments in 2017

Administration of U.S. Trade Laws and Regulations

Safeguard actions: The U.S. International Trade Commission (the Commission) conducted two new safeguard investigations during 2017, both under the global safeguard provisions in sections 201–204 of the Trade Act of 1974. The first investigation concerned imports of crystalline silicon photovoltaic cells (CSPV cells); the second, imports of large residential washers (washers). Both investigations were conducted following receipt of a petition from a domestic producer of each article. The Commission made affirmative injury determinations in each investigation and, to address the serious injury, recommended remedy measures to the President.

Section 301: There were two ongoing investigations in 2017 under section 301 of the Trade Act of 1974. The first investigation was instituted in 1987 and concerned various EU meat hormone directives, which prohibit the use of certain hormones that promote growth in farm animals. Following a successful challenge at the World Trade Organization (WTO), the United States imposed additional duties on

certain imports from the EU in 1999. In 2012, the United States and the EU signed a provisional settlement, and the United States lifted the additional duties. In December 2016, representatives of the U.S. beef industry filed a request with the Office of the U.S. Trade Representative (USTR) asking that the additional duties be reinstated, and USTR initiated a process to consider whether to reinstate the additional duties.

The second investigation was self-initiated by the USTR in August 2017. The investigation is considering whether a wide variety of acts, policies, and practices by the government of China related to technology transfer, intellectual property, and innovation are actionable under section 301 of the 1974 Trade Act. Under the statute, USTR generally has up to 12 months from the date of initiation to determine whether the statutory requirements under section 301 have been met and, if so, what action to take. The China technology transfer 301 investigation was ongoing at the end of 2017.

Special 301: In the *2017 Special 301 Report*, USTR examined the adequacy and effectiveness of intellectual property rights (IPR) protection in more than 100 countries. The *2017 Special 301 Report* listed 11 countries on the priority watch list (Algeria, Argentina, Chile, China, India, Indonesia, Kuwait, Russia, Thailand, Ukraine, and Venezuela) and 23 countries on the watch list. In December 2017, USTR issued the *2016 Out-of-Cycle Review of Notorious Markets* report, which highlighted over 25 internet-based markets and 12 countries with physical marketplaces (e.g., shops) that reportedly engage in or facilitate substantial copyright piracy and trademark counterfeiting.

Antidumping duty investigations: The Commission instituted 58 new antidumping investigations and made 54 preliminary determinations and 36 final determinations during 2017. Antidumping duty orders were issued by the U.S. Department of Commerce (USDOC) in 33 of the final investigations on 15 products from 16 countries.

Countervailing duty investigations: The Commission instituted 26 new countervailing duty investigations, and made 17 preliminary determinations and 16 final determinations during 2017. Countervailing duty orders were issued by the USDOC in 11 of the final investigations on 9 products from 5 countries.

Sunset reviews: During 2017, the Commission instituted 32 sunset reviews of existing antidumping duty and countervailing duty orders and suspension agreements that had been in effect for five years, as required by law. The Commission completed 46 reviews, resulting in the continuation of 45 antidumping duty and countervailing duty orders for up to five additional years.

Section 129 investigations: Section 129 of the U.S. Uruguay Round Agreements Act established a procedure by which the Administration may respond to certain adverse WTO panel or Appellate Body reports. On December 18, 2017, USDOC initiated a section 129 proceeding in connection with the recommendations and rulings of the WTO Dispute Settlement Body (DSB) in *United States—Anti-Dumping and Countervailing Measures on Large Residential Washers from Korea* (DS464). The section 129 proceeding is expected to be completed in 2018.

Section 337 investigations: During calendar year 2017, there were 130 active section 337 investigations and ancillary proceedings alleging unfair import practices, such as patent infringement. Seventy-four of these active investigations were instituted in 2017. Of the 74 new proceedings, 59 were new section 337 investigations and 15 were new ancillary (secondary) proceedings relating to previously concluded

investigations. The Commission completed a total of 64 investigations and ancillary proceedings under section 337 in 2017, and issued 5 general exclusion orders, 12 limited exclusion orders, and 30 cease and desist orders.

Commission proceedings in 2017 involved a wide variety of products. As in prior years, technology products were the single largest category, with about 38 percent of the active proceedings involving computer and telecommunications equipment and another 6 percent involving consumer electronics. In addition, pharmaceuticals and medical devices were at issue in about 13 percent of the active proceedings and automotive, transportation, and manufacturing products were at issue in about 10 percent of the active proceedings.

National Security Investigations: In April 2017, the U.S. Secretary of Commerce initiated two new investigations under the national security provisions of section 232 of the Trade Expansion Act of 1962, the first such investigations since 2001. The first investigation concerned imports of steel and the second concerned imports of aluminum. Both investigations were in progress at the end of 2017.

Trade Adjustment Assistance (TAA): In fiscal year (FY) 2017, the U.S. Department of Labor (USDOL) received 1,037 petitions for TAA, down 30.8 percent from the 1,498 petitions received in FY 2016. The USDOL certified 844 petitions covering 94,017 workers as eligible for TAA, and denied 234 petitions covering 32,038 workers. In FY 2016, the latest data available, USDOL certified 68 petitions as eligible for assistance under the TAA for Firms program, and approved 75 adjustment proposals.

Trade Preference Programs

Generalized System of Preferences (GSP): U.S. imports under GSP increased 11.9 percent, reaching \$21.2 billion in 2017. These imports accounted for 9.9 percent of total U.S. imports from GSP beneficiary countries and 0.9 percent of total U.S. imports. The top five beneficiary countries (India, Thailand, Brazil, Indonesia, and Turkey) accounted for 74.5 percent of GSP imports.

Based on the 2016/2017 GSP Annual Review directed by USTR, new duty-free status under the GSP program was extended to all GSP beneficiaries for 23 categories of travel goods (including luggage, backpacks, handbags, and wallets) that had become eligible for duty-free treatment when exported by least-developed beneficiary developing countries and African Growth and Opportunity Act (AGOA) countries in 2016. On December 22, 2017, Argentina's GSP eligibility was reinstated after a nearly six-year suspension. Ukraine's GSP eligibility was partially removed on December 22, 2017, due to failure to adequately protect IPRs. Also, in June 2017, USTR self-initiated a country practice review of Bolivia's eligibility for GSP benefits because of worker rights issues.

Nepal Trade Preference Act (NTPA): The NTPA was implemented in December 2016 to improve Nepal's export competitiveness and help Nepal's economic recovery following a 2015 earthquake. In 2017, the first full year that the NTPA was in effect, U.S. imports from Nepal under NTPA were \$2.3 million, accounting for 2.5 percent of total U.S. imports from Nepal.

African Growth and Opportunity Act (AGOA): In 2017, 38 sub-Saharan African (SSA) countries were eligible for AGOA benefits. An additional two countries—The Gambia and Swaziland—were re-designated as eligible for AGOA benefits effective December 22, 2017, bringing the total as of yearend 2017 to 40 SSA countries. Of these countries, 27 were also eligible for AGOA textile and apparel benefits

for all or part of 2017. Togo, the host of the 16th annual AGOA Forum held on August 8–10, 2017, became eligible for apparel benefits on August 22, 2017. Also, USTR initiated an out-of-cycle review of AGOA eligibility for Rwanda, Tanzania, and Uganda on June 20, 2017.

In 2017, imports entering the United States exclusively under AGOA (excluding GSP) were valued at \$12.5 billion, a 32.4 percent increase from 2016. The increase in U.S. imports under AGOA in 2017 can be attributed to an increase in the value and quantity of imports of crude petroleum. An additional \$1.3 billion from AGOA beneficiary countries entered the United States duty-free under GSP. In total, AGOA and GSP preference programs accounted for 55.4 percent of total imports from AGOA beneficiary countries in 2017.

Caribbean Basin Economic Recovery Act (CBERA): At yearend 2017, 17 countries and dependent territories were eligible for CBERA preferences, and 8 of those countries were designated eligible for Caribbean Basin Trade Partnership Act (CBTPA) preferences. In 2017, the value of U.S. imports under CBERA (including CBTPA) increased by 10.3 percent to \$961 million, mainly reflecting an increase in U.S. imports of methanol and polystyrene from Trinidad and Tobago and The Bahamas, respectively, which are both major imports under CBERA. U.S. imports under CBERA of crude petroleum continued to decline as U.S. production increased. Trinidad and Tobago was the leading supplier of U.S. imports under CBERA in 2017, followed by Haiti.

Haiti initiatives: While the value of U.S. imports of apparel from Haiti increased 2.1 percent to \$866.7 million in 2017, the value of such imports entering under the Haitian Hemisphere Opportunity through Partnership Encouragement Act of 2006 and 2008 (HOPE Acts) increased 7.9 percent to \$577.0 million. The latter accounted for just over two-thirds of total U.S. apparel imports that entered from Haiti duty-free, with the remainder entering under CBERA. Garments of manmade fibers accounted for a growing share of U.S. apparel imports from Haiti, in contrast to the declining share accounted for by cotton apparel. The main factors in the overall level of U.S. apparel imports from Haiti are trade preferences under the HOPE Acts, proximity to the U.S. market, low labor costs, and a recent infusion of foreign investment in Haiti.

World Trade Organization (WTO)

WTO developments: The 11th Ministerial Conference of the World Trade Organization was held December 10–13, 2017, in Buenos Aires, Argentina. As a result of this conference, the ministers decided to open negotiations on possible disciplines on fisheries subsidies; WTO members agreed to continue their moratorium on collecting customs duties on electronic commerce transactions; and members agreed to continue their moratorium on certain forms of dispute settlement cases—so-called nonviolation and situation complaints—involving IPRs. While members agreed at the Ministerial Conference to consider establishing a formal working group to discuss micro, small, and medium-size enterprises, they were unable to reach agreement on the issue of public stockholding of foodstuffs for food security purposes, as well as a number of issues involving ongoing negotiations in the Doha Development Agenda.

In other WTO developments, WTO membership remained at 164 in 2017, with South Sudan requesting WTO observer status in November 2017. Roberto Azevêdo was reappointed as WTO Director-General for a second term of four years, which began in September 2017. On February 22, 2017, the WTO

Agreement on Trade Facilitation entered into force, after ratification by a two-thirds majority of WTO members. WTO members that participated in the 2012–15 negotiations to expand the so-called WTO Information Technology Agreement implemented their second set of tariff reductions for over 200 information technology products on July 1, 2017. Negotiation for an agreement on trade in environmental goods remained at an impasse in 2017.

WTO dispute settlement: During 2017, WTO members filed 17 requests for WTO dispute settlement consultations in new disputes, which was about the average for the five preceding years. The United States was the complainant in 3 of the 17 requests filed during 2017, and the named respondent in 4. Two of the 3 new requests filed by the United States during 2017 concerned measures maintained by the Canadian province of British Columbia governing the sale of wine in grocery stores. The third request was related to subsidies paid by China to producers of primary aluminum. The United States was the named respondent in 4 new disputes—3 filed by Canada on U.S. countervailing duty and antidumping measures, and 1 filed by Turkey on U.S. countervailing duty measures.

Four new dispute settlement panels were established during 2017 in which the United States was either the complainant or the respondent. The United States was the complaining party in two disputes involving China, and the responding party in two disputes filed by India and Turkey, respectively.

In the President's *2018 Trade Policy Agenda and 2017 Annual Report*, the United States summarized its concerns about the WTO dispute settlement process. In particular, the report described longstanding concerns that WTO dispute settlement panels and the Appellate Body have been adding to or diminishing the rights and obligations of WTO members under the WTO Agreement by not applying the WTO Agreement as written. The report also described a number of other concerns, including concerns raised at 2017 WTO Dispute Settlement Body meetings about service on the Appellate Body by persons who are no longer Appellate Body members. Since the summer of 2017, U.S. officials have had the view that this issue must be resolved before the United States will consider supporting new appointments to the Appellate Body.

OECD, APEC, TiSA, and TIFAs

Organisation for Economic Co-operation and Development (OECD): The OECD ministerial council meeting was held in Paris, France, on June 7–8, 2017. Discussions centered on how to share the gains from globalization more broadly. In 2017, the OECD Trade Committee focused its work on broad areas involving trade and the digital economy, as well as on trade and investment matters. At the September 2016 G20 Summit, the OECD was tasked by G20 ministers with actively facilitating the work of the Global Forum on Steel Excess Capacity. November 2017 marked the Global Forum's first ministerial meeting.

Asia-Pacific Economic Cooperation (APEC): Under Vietnam's leadership in 2017, cooperation among APEC member economies focused on "Creating New Dynamism, Fostering a Shared Future." According to APEC, this cooperation pursued the following four priorities: "promoting sustainable, innovative and inclusive growth; deepening regional economic integration; strengthening micro, small and medium enterprises' (MSMEs) competitiveness and innovation in the digital age; and enhancing food security and sustainable agriculture in response to climate change."

APEC highlights in 2017 included the completion of three major reports: two on digital trade and electronic commerce (e-commerce), and one on the investment climate for global value chains (GVCs). Other important highlights included (1) projects and a workshop on facilitating MSMEs' use of IPRs and promoting MSMEs' participation in the global economy through GVCs and e-commerce; (2) case studies on environmental services; and (3) efforts to advance the realization of the Free Trade Area of the Asia Pacific through capacity building and an information-sharing mechanism.

Trade in Services Agreement (TiSA): In 2017, the 23 participants conducted no new rounds of trade negotiations, and as of the end of 2017, none were scheduled for 2018.

Trade and Investment Framework Agreements (TIFAs): TIFAs provide a framework to expand trade and investment and a forum to resolve trade and investment issues between the United States and various trading partners. By yearend 2017, the United States had entered into 57 TIFAs, including a new TIFA with Paraguay on January 13, 2017. A number of TIFA Council meetings took place in 2017, including those with Central Asia, Afghanistan, Cambodia, Indonesia, Laos, Malaysia, Nepal, the Philippines, Thailand, and Vietnam.

U.S. Free Trade Agreements

U.S. free trade agreements (FTAs) in force in 2017: The United States was party to 14 FTAs involving a total of 20 countries as of December 31, 2017. Starting with the most recent agreement, the FTAs in force during 2017 were Panama (which entered into force in 2012); Colombia (2012); South Korea (2012); Oman (2009); Peru (2009); several countries of Central America and the Dominican Republic (CAFTA-DR), which includes the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006–07) and Costa Rica (2009); Bahrain (2006); Morocco (2006); Australia (2005); Chile (2004); Singapore (2004); Jordan (2001); Canada and Mexico (1994); and Israel (1985).

FTA merchandise trade flows with FTA partners: In 2017, total two-way (exports and imports) merchandise trade between the United States and its 20 FTA partners was \$1.5 trillion, which accounted for 39.0 percent of total U.S. merchandise trade with the world. U.S. trade with the NAFTA countries (Canada and Mexico) continued to contribute the most to all U.S. trade with FTA partners, accounting for \$1.1 trillion, or 75.1 percent. U.S. exports to the NAFTA countries rose 5.8 percent to \$525.4 billion. U.S. imports from the NAFTA countries rose 7.4 percent to \$614.0 billion from 2016 to 2017. As a result, the U.S. merchandise trade deficit with its NAFTA partners increased by 17.6 percent to \$88.6 billion.

U.S. trade with non-NAFTA FTA partners was valued at \$378.0 billion in 2017, which was a 3.7 percent increase from 2016. U.S. exports to these FTA partners increased 8.8 percent to \$195.0 billion, while U.S. imports from these partners increased 3.7 percent to \$183.0 billion from 2016 to 2017. As result, the U.S. merchandise trade surplus with these countries recovered to its 2015 level, rising 333.9 percent to \$12.0 billion in 2017.

The value of imports that entered into the United States under FTAs and subject to FTA duty reductions and eliminations totaled \$385.1 billion in 2017, a rise of 2.8 percent from 2016. Imports subject to FTA duty reductions and eliminations accounted for nearly half (48.3 percent) of total imports from FTA partners in 2017 and 16.5 percent of total U.S. imports from the world. (The majority of U.S. imports from FTA partners that do not enter under an FTA generally enter free of duty under normal trade relations rates, although some also face duties.) Imports under the FTA with Chile, which grew \$1.3

billion (26.6 percent), represented the largest percentage increase, while imports from Mexico accounted for the greatest change in value, rising by \$11.9 billion (7.0 percent). Imports under FTAs with Peru and Bahrain also increased significantly, by 24.5 percent (\$651 million) and 16.5 percent (\$82 million), respectively.

FTA negotiations: In January 2017, the United States formally withdrew from the recently signed Trans-Pacific Partnership agreement with 11 Pacific Rim partners. Also in January 2017, U.S. and EU officials issued a joint report on the status of negotiations towards a Transatlantic Trade and Investment Partnership (TTIP). The report highlighted areas that still needed “significant work.” No TTIP negotiations were held in 2017.

Developments with FTAs already in force: U.S. officials met with a number of partners representing member states of the 14 U.S. FTAs in force during 2017. Discussions with U.S. partners focused largely on the topics of labor issues and environmental provisions included in most of these agreements. Under the U.S.-Korea FTA, two special sessions of the Joint Committee were held in 2017 to discuss possible amendments and modifications to the agreement.

NAFTA developments: On May 18, 2017, USTR notified Congress that the President intended to initiate negotiations with Canada and Mexico to modernize NAFTA. The negotiations began on August 16, 2017, in Washington, DC, with two primary goals: (1) to update NAFTA with modern provisions on digital trade, intellectual property, cybersecurity, good regulatory practices, and treatment of state-owned enterprises; and (2) to rebalance NAFTA and reduce the U.S. trade deficit with Canada and Mexico. By the end of 2017, five negotiating rounds had been completed.

At the end of 2017, two complaint files remained active under Articles 14 and 15 of the North American Agreement on Environmental Cooperation. One, which was submitted in 2016, involved Mexico, and another, submitted in 2017, involved Canada. In 2017, there were three submissions under review at the North American Agreement on Labor Cooperation, two involving Mexico, and one involving the United States.

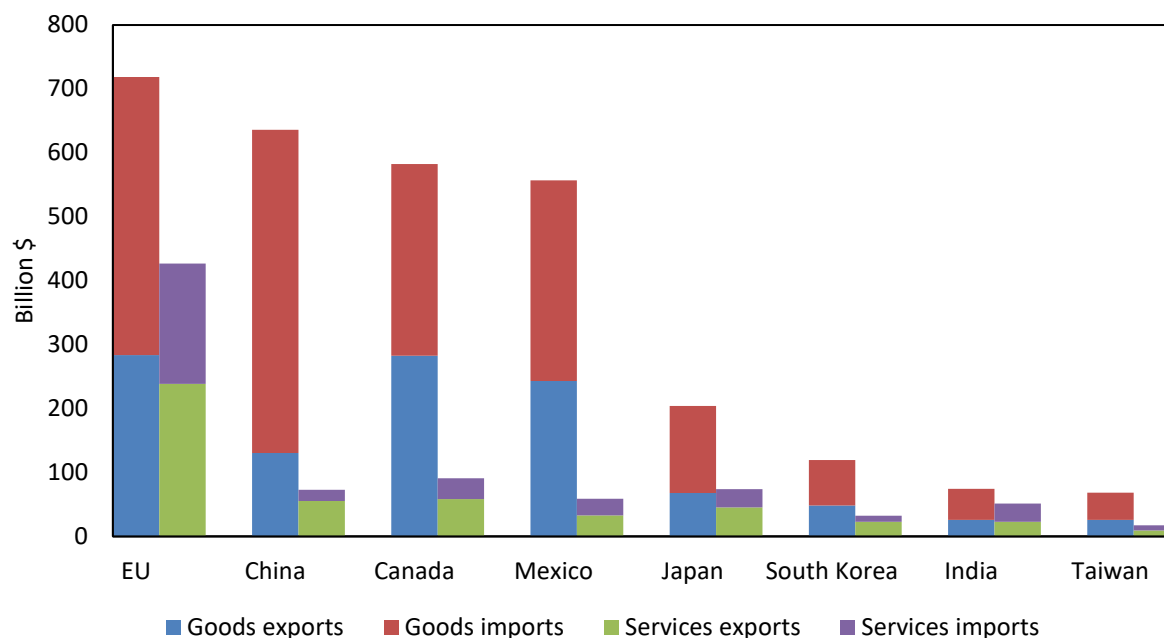
NAFTA dispute settlement: In 2017, there were 5 active Chapter 11 cases (investor-state disputes) filed against the United States, 4 of them filed by Canadian investors and 1 filed by Mexican investors; 11 filed by U.S. investors against Canada; and 4 filed against Mexico—3 by U.S. investors and 1 by Canadian investors. At the end of 2017, the NAFTA Secretariat listed six binational panels active under Chapter 19 (Review and Dispute Settlement in Anti-dumping and Countervailing Duty Matters); these are reviews of final determinations made by national authorities in antidumping and countervailing duty cases. Two of the reviews concern cases filed by the United States contesting Mexico’s determinations; three concern cases filed by Canada contesting U.S. determinations; and the sixth concerns a case filed by Mexico contesting U.S. determinations.

Trade Activities with Major Trading Partners

This report reviews U.S. bilateral trade relations with its largest trading partners each year. This year, the report covers the following eight trading partners: the EU, China, Mexico, Canada, Japan, South Korea, India, and Taiwan (ordered by the value of their two-way merchandise trade). For each trading partner, the chapter summarizes U.S. bilateral trade, including two-way merchandise and private services trade

(figure ES.2). Each partner description is followed by summaries of the major bilateral trade-related developments during 2017.

Figure ES.2 U.S. goods and services trade with major bilateral trading partners, 2017



Source: USITC DataWeb/USDOC (accessed April 26, 2018); USDOC, BEA, Interactive data, International Transactions, Services, & IIP, International Transactions, Tables 1.2 and 1.3, March 21, 2018 (accessed April 26, 2018).

Note: Underlying data can be found in appendix table [B.2](#).

European Union

The EU as a single entity continued to be the United States' largest merchandise trading partner in 2017. U.S. two-way (exports plus imports) merchandise trade with the EU increased 4.7 percent to \$718.5 billion in 2017, accounting for 18.5 percent of total U.S. merchandise trade. U.S. exports to the EU were \$283.5 billion, which ranked the EU as the top U.S. export market for the second year in a row, surpassing Canada. U.S. merchandise imports from the EU were \$434.9 billion, second to those from China. Both U.S. exports and U.S. imports with the EU increased in 2017, but U.S. imports grew more, widening the U.S. merchandise trade deficit with the EU from \$146.8 billion in 2016 to \$151.4 billion in 2017. Leading U.S. exports to the EU included civilian aircraft, engines, and parts; medicaments (medicines); refined petroleum products; crude petroleum; and certain immunological products. Leading U.S. imports were passenger motor vehicles, medicaments, parts of turbojets and turbopropellers, light oils, and airplanes and other aircraft.

The EU was also the United States' largest trading partner in terms of private services in 2017, accounting for 33.4 percent of total U.S. trade in private services. U.S. services imports increased more than U.S. services exports, shrinking the U.S. trade surplus in services with the EU from \$61.7 billion in 2016 to \$49.9 billion in 2017.

Among the important U.S.-EU trade developments in 2017 were a bilateral agreement on insurance and reinsurance measures, the first annual review of the functioning of the U.S.-EU Privacy Shield, and an updated mutual recognition agreement on good manufacturing practices in pharmaceutical products. Under the framework of the Transatlantic Economic Council, the eighth workshop for small- and medium-sized enterprises was held. As noted earlier, TTIP negotiations remained dormant in 2017.

China

In 2017, China remained the United States' largest single-country trading partner based on two-way merchandise trade, accounting for 16.4 percent of total U.S. merchandise trade. U.S. two-way merchandise trade with China amounted to \$635.9 billion in 2017, an increase of 10.0 percent from the \$578.2 billion recorded in 2016. The U.S. merchandise trade deficit with China remained higher than the U.S. trade deficit with any other trading partner in 2017, amounting to \$375.2 billion. Its \$28.2 billion increase (8.1 percent) relative to the year before reflected a \$42.3 billion increase in U.S. merchandise imports from China that outpaced a \$14.8 billion increase in U.S. merchandise exports to China in 2017. Leading U.S. exports to China in 2017 were civilian aircraft, engines, and parts; soybeans; small passenger motor vehicles; petroleum; and semiconductors. Leading U.S. imports from China were cellphones; portable computers and tablets; telecommunications equipment; computer parts and accessories; and tricycles, scooters, and related toys.

In 2017, China continued to be the United States' fourth-largest single-country trading partner based on two-way services trade of \$73.0 billion. U.S. services trade with China amounted to 5.7 percent of total U.S. cross-border services trade in 2017. The U.S. cross-border trade surplus in services with China increased \$600 million in 2016 to \$38.2 billion. However, the rate of growth in the United States' services imports from China outpaced that of the United States' services exports to China. From 2016 to 2017, U.S. services exports to China grew by \$1.9 billion, or 3.6 percent, while U.S. services imports from China grew by \$1.4 billion, or 8.6 percent.

In 2017, the most prominent bilateral trade issues were discussed in the context of a newly formed U.S.-China Comprehensive Economic Dialogue (CED). Major topics addressed by U.S. and Chinese officials in the CED in 2017 included China's protection and enforcement of IPRs; Chinese technology transfer policies and practices; and the implementation of China's new Cybersecurity Law and China's new Standardization Law.

Canada

In 2017, Canada was the United States' second-largest single-country trading partner after China for the third consecutive year. The value of U.S. merchandise trade with Canada rose 7.0 percent to \$582.4 billion in 2017, accounting for 15.0 percent of total U.S. merchandise trade with the world. Both U.S. merchandise exports and imports with Canada increased in 2017 from the previous year, but imports outpaced exports, resulting in a \$6.5 billion increase in the U.S. merchandise trade deficit with Canada to \$17.5 billion. Leading U.S. exports to Canada in 2017 included passenger motor vehicles; motor vehicles for goods transport; civilian aircraft, engines, and parts; crude petroleum; and light petroleum oils. Top U.S. imports from Canada included crude petroleum, passenger motor vehicles, natural gas, and coniferous sawn wood.

Canada remained the second-largest single-country U.S. trading partner for services in 2017, after the United Kingdom. Two-way services trade with Canada grew in 2017 to \$90.8 billion, while the U.S. surplus in services increased to \$25.8 billion, up from \$23.8 billion the year before.

In 2017, a major focus of U.S.-Canada trade relations was the renegotiation of NAFTA, which began on August 16, 2017. In addition, lacking a successor agreement to replace the U.S.-Canada Agreement on Softwood Lumber—which expired in October 2015—the United States initiated antidumping and countervailing duty investigations on certain U.S. imports of softwood lumber from Canada in 2017. In response, Canada initiated dispute settlement proceedings against the United States in the WTO and NAFTA. In other developments, the Canada-United States Regulatory Cooperation Council continued to meet in 2017 to address regulatory issues that hinder cross-border trade and investment.

Mexico

In 2017, Mexico was the United States' third-largest single-country two-way merchandise trading partner. Total two-way merchandise trade increased 6.4 percent to \$557.0 billion in 2017, which accounted for 14.3 percent of U.S. trade with the world. U.S. merchandise exports to Mexico totaled \$243.0 billion in 2017, and U.S. merchandise imports from Mexico totaled \$314.0 billion. The resulting merchandise trade deficit of \$71.0 billion was up \$6.7 billion from 2016. In 2017, leading U.S. exports to Mexico were light oils; computer parts and accessories; refined petroleum products; processors and controllers; and internal combustion diesel engines. Leading U.S. imports from Mexico included passenger motor vehicles; computers; motor vehicles for goods transport; crude petroleum; telecommunications equipment; and color TV reception apparatus.

Mexico was the United States' sixth-largest trading partner in services after Germany. U.S. services exports to Mexico increased 3.9 percent (\$1.2 billion) and imports from Mexico increased 7.0 percent (\$1.7 billion) in 2017, resulting in a narrowing of the U.S. services trade surplus with Mexico to \$6.6 billion in 2017.

A major focus of U.S.-Mexico trade relations in 2017 was the renegotiation of NAFTA. Joint efforts to modernize border procedures and facilities also continued in 2017. After the successful conclusion of a pilot program to address cross-border trucking between the United States and Mexico under NAFTA, the Federal Motor Carrier Safety Administration (FMCSA) started accepting applications from Mexico-domiciled motor carriers interested in conducting long-haul operations beyond the U.S. commercial zones. In 2017, reports from the FMCSA showed that the safety records of Mexican-owned or Mexico-domiciled motor carriers surpassed those of U.S. carriers.

Japan

In 2017, Japan remained the United States' fourth-largest single-country trading partner in terms of two-way trade, accounting for 5.3 percent of total U.S. merchandise trade. The value of U.S. merchandise trade with Japan grew 4.6 percent, from \$195.3 billion in 2016 to \$204.2 billion in 2017. At the same time, the U.S. merchandise trade deficit with Japan was fairly stable, rising by \$38 million in 2017 to \$68.8 billion, as U.S. imports increased more than U.S. exports. Leading U.S. exports to Japan were civilian aircraft, engines, and parts; liquefied propane; corn; semiconductor manufacturing machines; and medicaments. Leading U.S. imports from Japan were passenger motor vehicles, parts for airplanes or helicopters, motor vehicle gearboxes, and parts for printers.

In 2017, Japan was once again the United States' third-largest single-country trading partner based on two-way services trade. U.S. services exports to Japan rose by \$1.9 billion, or 4.2 percent, to \$45.4 billion in 2017, while U.S. services imports from Japan rose by \$1.2 billion, or 3.0 percent, to \$27.5 billion. As a result, the U.S. surplus in services trade with Japan grew to \$17.1 billion from \$16.0 billion the year before.

Economic dialogue between the United States and Japan in 2017 focused on a variety of trade issues, including agricultural trade developments and the efficiency of the Japanese regulatory review process for medical devices and pharmaceuticals. According to USTR, one of the Administration's top trade policy goals was to resolve Japanese import barriers for U.S. lamb, beef, horticultural products, and processed foods.

Republic of Korea

The Republic of Korea (South Korea) continued to be the United States' sixth-largest single-country merchandise trading partner in 2017, accounting for 3.1 percent of U.S. trade with the world. Two-way merchandise trade was valued at \$119.4 billion, up from \$112.2 billion in 2016. U.S. merchandise exports to South Korea were valued at \$48.3 billion in 2017, while U.S. merchandise imports from South Korea totaled \$71.2 billion. This resulted in a trade deficit with South Korea of \$22.9 billion in 2017, down 17.0 percent from 2016. Leading U.S. exports to South Korea included machines for semiconductor or integrated circuit manufacturing; civilian aircraft, engines, and parts; processors or controllers; passenger motor vehicles; and crude petroleum. Leading U.S. imports from South Korea included passenger motor vehicles, cellphones, computer parts and accessories, refined petroleum products, and microchips.

In 2017, South Korea became the United States' 9th-largest single-country services trading partner based on two-way trade, up from 10th-largest in 2016. U.S. services exports to South Korea increased 10.0 percent in 2017 to reach a new high of \$22.8 billion. U.S. services imports from South Korea also increased in 2017, by 7.2 percent, to reach \$9.4 billion. Because U.S. services exports grew more than U.S. services imports, the U.S. services trade surplus with South Korea increased by 12.0 percent, from \$12.0 billion in 2016 to \$13.4 billion in 2017.

In 2017, U.S. trade relations with South Korea occurred within the framework of the U.S.-Korea FTA, which entered into force on March 15, 2012. The United States and South Korea held two special sessions of the Joint Committee in 2017 to discuss possible amendments or modifications to the agreement, and in December 2017, it was announced that negotiations would begin in January 2018.

India

In 2017, India was the United States' ninth-largest single-country trading partner based on two-way merchandise trade, maintaining this position since 2016. U.S. two-way merchandise trade with India increased by 9.8 percent to \$74.3 billion in 2017, accounting for 1.9 percent of U.S. merchandise trade with the world, the same as in 2016. U.S. merchandise exports to India were \$25.7 billion in 2017 and U.S. merchandise imports from India were \$48.6 billion, resulting in a U.S. merchandise trade deficit with India of \$22.9 billion in 2017, down from \$24.3 billion in 2016. Leading U.S. exports to India in 2017 were nonindustrial diamonds; nonmonetary gold; civilian aircraft, engines, and parts; bituminous coal;

and almonds. Leading U.S. imports from India in 2017 were nonindustrial diamonds, certain medicaments, frozen shrimp, light oils, and gold jewelry.

India was the United States' seventh-largest single-country trading partner for services and was the only country among the top ten services trading partners with which the United States had a services trade deficit in 2017. The services trade deficit with India increased 5.3 percent to \$5.8 billion in 2017.

In 2017, the U.S. Trade Representative and the Minister of Commerce and Industry of India met for the 11th meeting of the India and the United States Trade Policy Forum, where a wide variety of topics were addressed. IPR protection remained one of the top bilateral trade issues between the two countries in 2017.

Taiwan

In 2017, Taiwan became the United States' 11th-largest single-country trading partner, dropping from the 10th position in 2016. U.S. two-way merchandise trade with Taiwan increased 4.5 percent to \$68.2 billion from \$65.2 billion in 2016, continuing to account for 1.8 percent of the United States' total merchandise trade with the world. The U.S. merchandise trade deficit with Taiwan in 2017 was \$16.7 billion, a 26.7 percent increase from its 2016 trade deficit of \$13.2 billion. The top U.S. exports to Taiwan in 2017 were civilian aircraft, engines, and parts; machines for semiconductor or integrated circuit manufacturing; processors or controllers; computer memories; and machines for semiconductor boules or wafer manufacturing. The top U.S. imports from Taiwan were microchips; telecommunications equipment; processors or controllers; computer parts and accessories; and portable computers and tablets.

U.S.-Taiwan two-way services trade fell 8.8 percent to \$17.2 billion in 2017, accounting for 1.4 percent of all U.S. services trade. U.S. services exports to Taiwan fell by 18.4 percent to \$9.2 billion, while imports rose 5.5 percent to \$8.1 billion, resulting in a 68.6 percent decline in the U.S. services trade surplus with Taiwan to \$1.1 billion in 2017. The drop in U.S. services exports to Taiwan was due to a reduction in charges for the use of intellectual property and maintenance and repair services.

The primary forum for bilateral discussions on trade and investment issues is the U.S.-Taiwan Trade and Investment Framework Agreement (TIFA). While there was no TIFA Council meeting in 2017, U.S. and Taiwan officials followed up on issues raised in the 2016 TIFA Council meeting. The main issues under discussion remained IPRs, agriculture, medical devices, and pharmaceuticals.

Chapter 1

Introduction and 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 2017. Section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) 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.” Section 1 of Executive Order 11846 defines the trade agreements program to include “all activities consisting of, or related to, the negotiation or administration of international agreements which primarily concern trade,”¹ and section 163(a) of the Trade Act of 1974 sets out the types of information that the President is to include in his annual report to the Congress on the operation of the trade agreements program.² This report seeks to provide information on the activities defined in the Executive Order and, to the extent appropriate and to the extent that there were developments to report and information was publicly available, the elements set out in section 163(a).

Organization of the Report

This first chapter gives an overview of the international economic and trade environment within which U.S. trade policy was conducted in 2017. It also provides a timeline of selected key trade activities. Chapter 2 covers the administration of U.S. trade laws and regulations in 2017, including tariff preference programs such as the Generalized System of Preferences (GSP). Chapter 3 focuses on U.S. participation in the World Trade Organization (WTO), including developments in major WTO dispute settlement cases during 2017. Chapter 4 covers 2017 developments at the Organisation for Economic Co-operation and Development (OECD) and Asian-Pacific Economic Cooperation (APEC), as well as negotiations on an agreement on trade in services and developments with trade and investment

¹ Executive Order 11846 of March 27, 1975, Administration of the Trade Agreements Program, 40 FR 14291, 3 CFR, 1971–1975 Comp., 971.

² Section 163(a)(2) of the Trade Act of 1974 states that the President’s report is to cover the following: “(A) new trade negotiations; (B) changes made in duties and nontariff barriers and other distortions of trade of the United States; (C) reciprocal concessions obtained; (D) changes in trade agreements (including the incorporation therein of actions taken for import relief and compensation provided therefor); (E) the extension or withdrawal of nondiscriminatory treatment by the United States with respect to the products of foreign countries; (F) the extension, modification, withdrawal, suspension, or limitation of preferential treatment to exports of developing countries; (G) the results of actions to obtain the removal of foreign trade restrictions (including discriminatory restrictions) against United States exports and the removal of foreign practices which discriminate against United States service industries (including transportation and tourism) and investment; (H) the measures being taken to seek the removal of other significant foreign import restrictions; (I) each of the referrals made under section 2171(d)(1)(B) of this title and any action taken with respect to such referral; and (J) other information relating to the trade agreements program and to the agreements entered into thereunder.”

framework agreements. Chapter 5 describes U.S. negotiation of and participation in free trade agreements (FTAs) in 2017, and chapter 6 covers trade data and trade relations in 2017 with selected U.S. trading partners.

Sources

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, *Federal Register* notices, and news releases, including publications and news releases by the U.S. International Trade Commission (USITC or the Commission) and the Office of the United States Trade Representative (USTR). Other primary sources of information include publications of international institutions, such as the International Monetary Fund, World Bank, OECD, WTO, United Nations, and foreign governments. When primary-source information is unavailable, the report draws on professional journals, trade publications, and news reports for supplemental factual information.

Like past reports, *The Year in Trade 2017* relies on data from the U.S. Census Bureau (U.S. Census) of the U.S. Department of Commerce (USDOC) for the U.S. merchandise trade statistics presented throughout the report. Most tables in the report present U.S. merchandise trade statistics using “total exports” and “general imports” as measures,³ except for data on imports that have entered the United States with a claim of eligibility under trade preference programs and FTAs. Such data require an analysis of U.S. “imports for consumption”—goods that have been cleared by U.S. Customs and Border Protection to enter the customs territory of the United States with required duties paid.⁴ Also, much of the trade data used in the report, including U.S. services and merchandise trade data, are revised over time, so earlier years’ trade statistics in this report may not always match the data presented in previous reports. Most of the merchandise trade data used in this report can be accessed using the USITC’s DataWeb database (<https://dataweb.usitc.gov>).

Chapters 1 and 6 also offer data on services trade. The information on services trade is based on data for cross-border trade in private services, which exclude government sales and purchases of goods and services not included elsewhere. The source of these data is the Bureau of Economic Analysis (BEA) of the USDOC.

³ “Total exports” measures the total physical movement of goods out of the United States to foreign countries, whether such goods are exported from the U.S. customs territory or from a U.S. Customs bonded warehouse or a U.S. Foreign Trade Zone (FTZ). Total exports is the sum of domestic exports and “foreign exports” (also known as re-exports). “General imports” measures the total physical arrivals of merchandise from foreign countries, whether such merchandise enters the U.S. customs territory immediately or is entered into bonded warehouses or FTZs under U.S. Customs custody. These two measures are the broadest measures of U.S. merchandise trade reported by the Census Bureau and they are used by the Bureau of Economic Analysis with adjustments to report on U.S. trade flows in official government balance of payment statistics. These are also the measures most commonly used internationally.

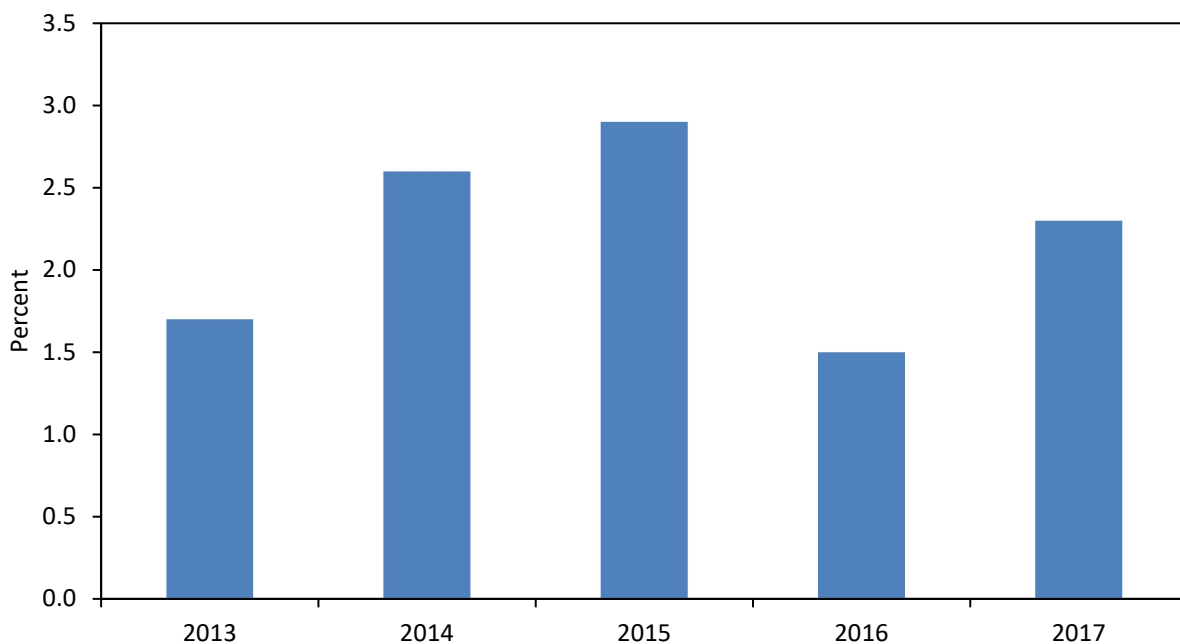
⁴ For more information about measures of U.S. merchandise exports and imports, see the “Trade Measure Definitions” section of USITC, [Shifts in U.S. Merchandise Trade, 2015](#), September 2016.

Overview of the U.S. and Global Economies in 2017

U.S. Economic Trends in 2017

The level of U.S. imports and exports of goods and services depends on many factors, including the strength of the U.S. and global economies. The United States had a \$19.4 trillion economy in 2017.⁵ The U.S. economy grew faster in 2017 than in 2016: U.S. real gross domestic product (GDP) increased 2.3 percent in 2017, compared to the growth rate of 1.5 percent in 2016 (figure 1.1).⁶ The largest factors behind the higher growth rate were the following four industries: professional and business services; finance, insurance, real estate, rental, and leasing; manufacturing; and retail trade.⁷

Figure 1.1 U.S. real gross domestic product, percentage change, 2013–17



Source: USDOC, BEA, "[Real Gross Domestic Product](#)," March 26, 2018.

Note: Underlying data can be found in appendix table [B.3](#).

Global Economic Trends in 2017

The global economic growth rate rose from 2.5 percent in 2016 to 3.3 percent in 2017 (figure 1.2).⁸ The advanced economies grew faster in 2017 than in 2016. The change in the growth rate of emerging and

⁵ USDOC, BEA, "[Gross Domestic Product: Fourth Quarter and Annual 2017 \(Second Estimate\)](#)," February 28, 2018.

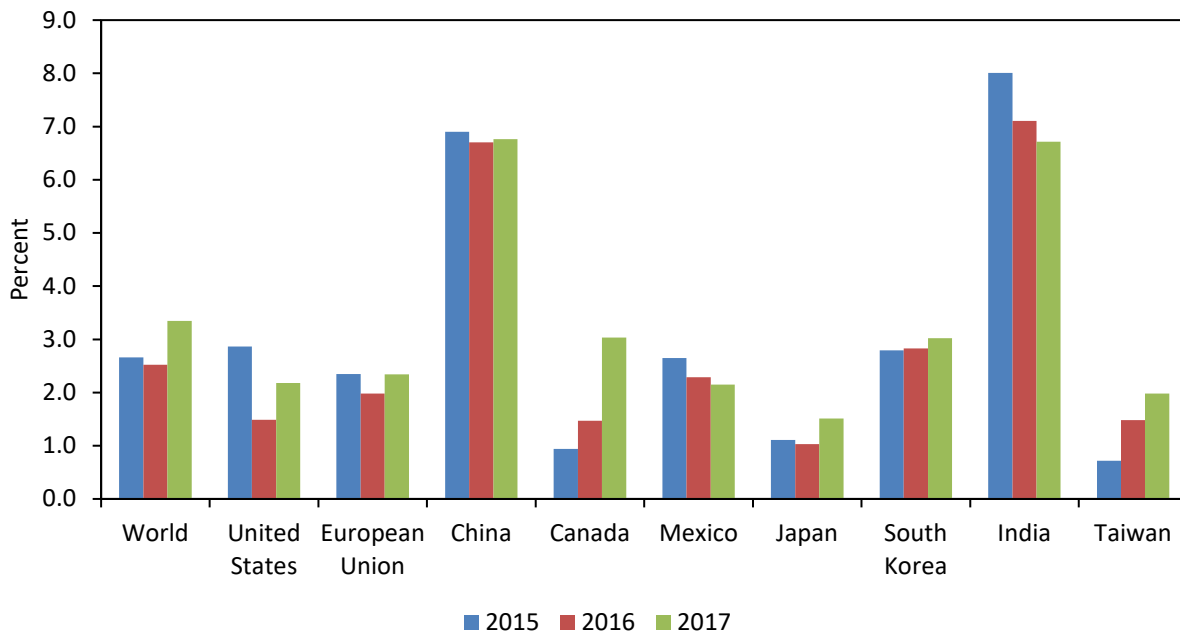
⁶ Real GDP is a measure of the value of the goods and services produced by the nation's economy less the value of the goods and services used up in production, adjusted for price changes.

⁷ USDOC, BEA, "[Contributions to Percent Change in Real Gross Domestic Product by Industry](#)," April 19, 2018.

⁸ IMF, [World Economic Outlook](#), October 2017, 2.

developing economies was small—0.1 percentage point from 2016 to 2017—and was primarily due to the relatively unchanged high rate of growth of the Chinese economy. Among the United States’ top eight trading partners, only India and Mexico showed slower growth rates in 2017 than in 2016 (figure 1.2).⁹

Figure 1.2 Economic growth trends in the world, the United States, and major trading partners, 2015–17



Source: IMF, [World Economic Outlook](#), October 2017 (accessed March 26, 2018).
 Note: Underlying data can be found in appendix table [B.4](#).

Worldwide growth can be attributed to the strengthening of domestic demand in advanced economies and in China. Canada showed one of the larger improvements in terms of growth, doubling its real GDP growth rate from 1.5 percent in 2016 to 3.0 percent in 2017 due to increased domestic demand.¹⁰ On the other hand, India’s growth rate slowed down, decreasing from 7.1 percent in 2016 to 6.7 percent in 2017. This was attributed to changes in government policies, such as the introduction of a goods and services tax, as well as a currency exchange initiative.¹¹ South Korea’s economy continued to grow modestly, increasing its growth rate from 2.8 percent in 2016 to 3.0 percent in 2017. Despite this increase, South Korea’s rate of growth was below the world average in 2017.¹²

⁹ IMF, [World Economic Outlook](#), October 2017, 2.

¹⁰ IMF, [World Economic Outlook](#), October 2017, 14; Hasselback, “[IMF Predicts Canada Will Pass the U.S.](#),” July 24, 2017.

¹¹ IMF, [World Economic Outlook](#), October 2017, 2. The currency exchange initiative—removal of India’s two highest-denomination notes (500 and 1,000 rupee) from circulation—was implemented by India’s government in November 2016 with the aim of fighting “black money”—cash used for illegal activities, e.g., corruption and tax evasion. Rogoff, “[India’s Currency Exchange](#),” November 22, 2016.

¹² IMF, [World Economic Outlook](#), October 2017, 16.

Overall world trade volume for goods and services increased by 4.2 percent in 2017, compared to a 2.4 percent increase in 2016.¹³ Both advanced and emerging economies showed increased growth rates in imports and exports in 2017, but emerging economies' trade flows grew at a higher rate.¹⁴ In 2017, exports from emerging economies grew 4.8 percent, up from 2.5 percent in 2016. This is compared to 3.8 percent for advanced economies, up from 2.2 percent in 2016. Imports grew by 4.4 percent, up from 2.0 percent, in emerging economies, and by 4.0 percent, up from 2.7 percent, in advanced economies over the same period.¹⁵

Exchange Rate Trends

The U.S. dollar depreciated relative to the broad dollar index, falling 6.3 percent between January and December of 2017.¹⁶ This trend was driven by the depreciation of the U.S. dollar against major world currencies (figure 1.3). Between January 1 and December 31, 2017, the U.S. dollar depreciated by 12.0 percent against the euro; 9.4 percent against the United Kingdom (UK) pound; 6.8 percent against the Canadian dollar; 6.6 percent against the Indian rupee; 6.5 percent against the Chinese yuan; 6.1 percent against the Mexican peso; and 4.2 percent against the Japanese yen.¹⁷

¹³ IMF, [World Economic Outlook](#), October 2017, 14.

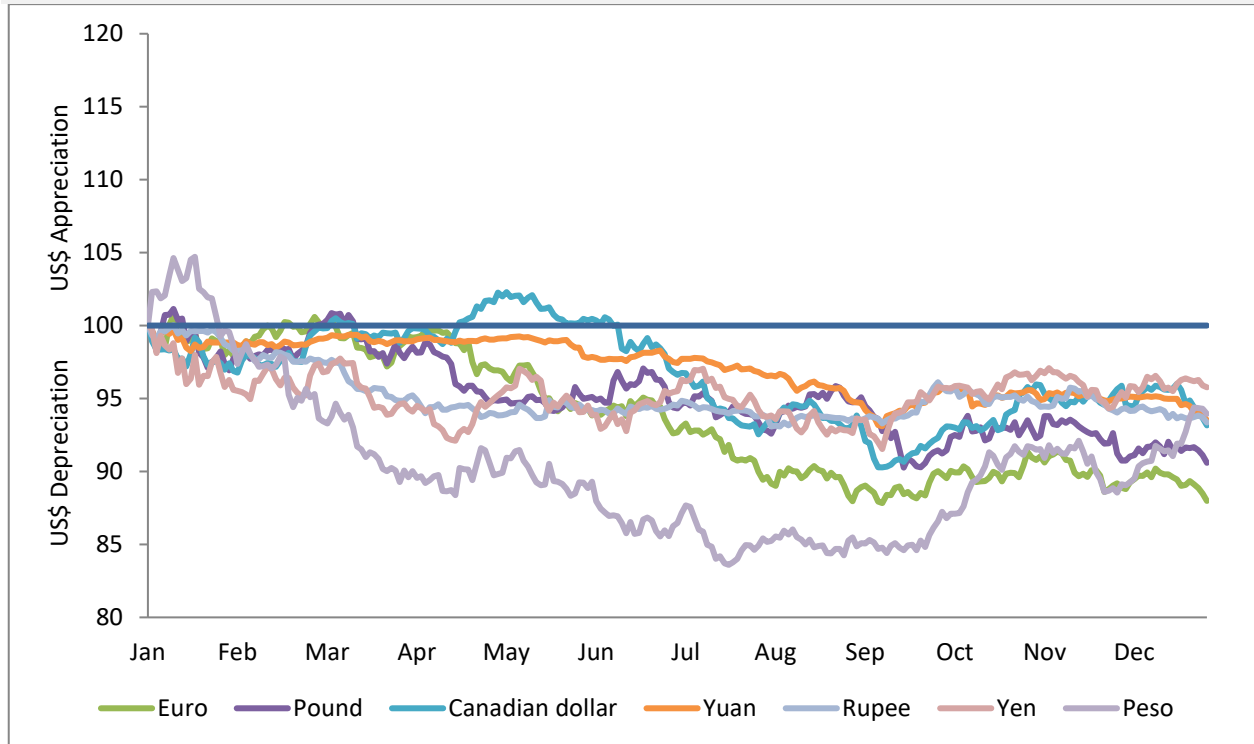
¹⁴ IMF divides the world into two groups: advanced and emerging economies. There are 39 advanced economies and 154 emerging economies. Both groups are listed in IMF, [World Economic Outlook](#), October 2017, 220–25.

¹⁵ IMF, [World Economic Outlook](#), October 2017, 14 (table 1.1).

¹⁶ The broad dollar index is a weighted average of the foreign exchange values of the U.S. dollar against the currencies of a large group of major U.S. trading partners. In this study, dollar appreciation is measured as the increase in the broad dollar index from January 3, 2017, to December 29, 2017. Federal Reserve System, "[Real Trade Weighted U.S. Dollar Index: Broad](#)," n.d. (accessed March 30, 2018).

¹⁷ Federal Reserve System, "[Foreign Exchange Rates](#)" (accessed March 26, 2018).

Figure 1.3 Indexes of U.S. dollar exchange rates for selected major foreign currencies, daily, 2017



Source: Federal Reserve System, “[Foreign Exchange Rates](#)” (accessed March 26, 2018).

Note: This figure shows the units 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.

The depreciation of the dollar was partly driven by changes in the economic performance of major U.S. trading partners. As reported by some major U.S. investment banks, during 2017 the euro and pound were recovering from an earlier drop caused by uncertainty over the Brexit vote. At the same time, the German and French economies were experiencing increased growth. These factors boosted demand for the euro among global investors. On the other hand, 2017 was a year of uncertainty over the current monetary and trade policy of the United States. This uncertainty led to a reduction in demand for the U.S. dollar, causing depreciation of the U.S. dollar relative to other major foreign currencies.¹⁸ The broad fall of the U.S. dollar in 2017 contrasts with its mixed performance against major currencies in 2016.¹⁹

U.S. Trade in Goods in 2017

The value of U.S. merchandise exports was \$1,546.7 billion in 2017, a 6.6 percent increase from the 2016 level (figure 1.4 and appendix table A.1). U.S. merchandise imports totaled \$2,342.9 billion over the same period, a 7.1 percent increase from the 2016 level (figure 1.4 and appendix table A.2).²⁰ U.S. imports increased more than U.S. exports, leading to a \$59.4 billion increase in the U.S. merchandise

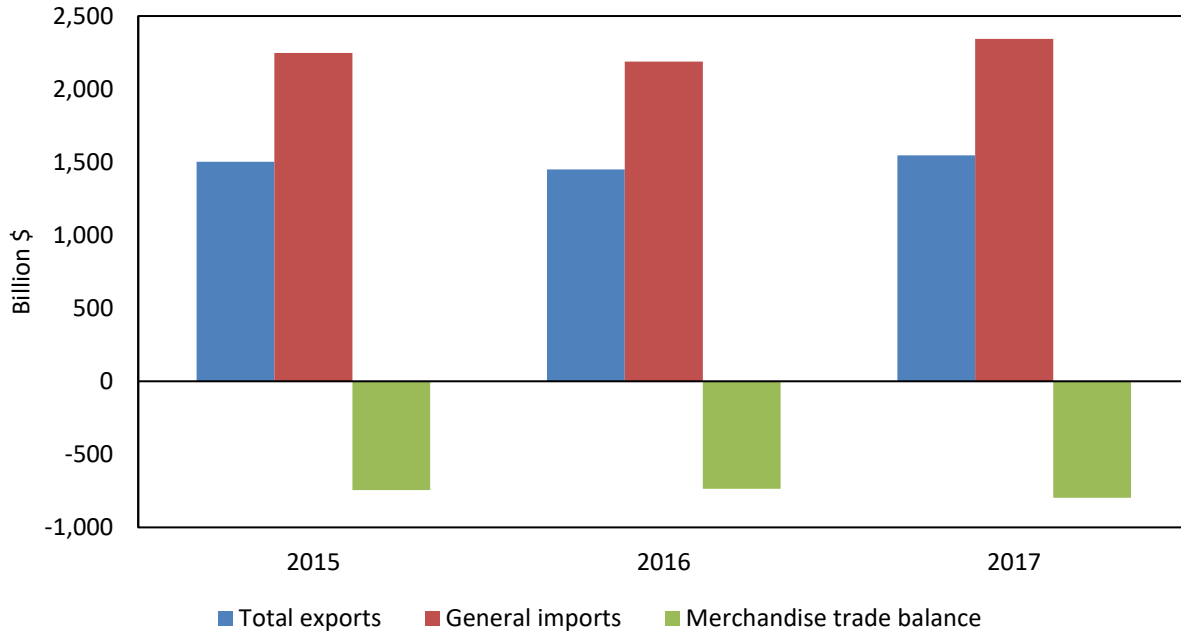
¹⁸ See, e.g., J.P. Morgan, [Dollar Declines as Global Growth Takes Off](#), February 8, 2018 (accessed June 28, 2018); Morgan Stanley, [Gauging the U.S. Dollar Drop](#), n.d. (accessed June 28, 2018).

¹⁹ USITC, [The Year in Trade 2016](#), July 2017, 34.

²⁰ USITC DataWeb/USDOC (accessed March 14, 2018).

trade deficit to \$796.2 million in 2017.²¹ The agricultural sector was the only sector that experienced a trade surplus in 2017, exporting \$5.7 billion in agricultural products in excess of imports.

Figure 1.4 U.S. merchandise trade with the world, 2015–17



Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Underlying data can be found in appendix table [B.5](#).

Energy-related products had the largest absolute and relative (percentage) increase in imports and exports: exports rose 45.5 percent in 2017, and imports increased by 25.5 percent over the same period (table 1.1). A number of factors contributed to the rise in exports and imports. First, both U.S. production of and demand for crude petroleum increased in 2017. However, the increase in production exceeded the increase in demand, lowering demand for U.S. imports and increasing U.S. exports in volume terms. Domestic production of petroleum products increased from 8.7 million barrels per day in 2016 to 9.3 million barrels per day in 2017.²² Over the same period, domestic consumption of petroleum products increased from 19.7 million barrels per day to 19.9 million barrels per day.²³ Second, another factor contributing to the increase in the value of exports of U.S. crude was the removal of the U.S. government ban on most exports of U.S. crude to countries other than Canada in December 2015, which increased the volume of U.S. exports.²⁴

Third, an increase in the price of crude petroleum contributed to the increase in both exports and imports. Indeed, the increase in the value of U.S. imports of crude was primarily driven by the increase in the price of U.S. crude. International price benchmarks for crude petroleum that declined in 2016

²¹ USITC DataWeb/USDOC (accessed March 14, 2018).

²² EIA, "[Short-Term Energy Outlook](#)," March 2018, 2, 5.

²³ EIA, "[Short-Term Energy Outlook](#)," March 2018, 2, 5.

²⁴ U.S. crude oil exports to Canada for consumption in Canada have been authorized since the 1980s.

recovered slightly in 2017.²⁵ While the volume of U.S. imports of crude petroleum increased by 1.0 percent, export volumes increased by 88.6 percent, nearly doubling from 2.16 billion barrels in 2016 to 4.08 billion barrels in 2017.²⁶

U.S. Merchandise Trade by Product Category

Exports

Transportation equipment continued to be the largest U.S. export sector in 2017, accounting for 21.0 percent of all U.S. exports. It was followed by electronic products (17.3 percent of exports) and chemical and related products (14.7 percent of exports) (table 1.1 and appendix table A.1). The top export products were civilian aircraft, engines, and parts; refined petroleum products; light oils; crude petroleum; soybeans; and nonmonetary gold (appendix table A.3).

Table 1.1 U.S. merchandise trade with the world, by USITC digest sector, 2016–17 (million dollars)

Sector	Exports				Imports			
	2016	2017	change 2016–17	% change 2016–17	2016	2017	change 2016–17	% change 2016–17
Agricultural products	148,683	153,116	4,433	3.0	139,153	147,406	8,253	5.9
Forest products	37,707	39,698	1,991	5.3	43,118	44,856	1,738	4.0
Chemicals and related products	218,089	227,270	9,181	4.2	259,846	268,112	8,266	3.2
Energy-related products	98,418	143,236	44,818	45.5	157,826	198,096	40,270	25.5
Textiles and apparel	21,656	22,082	426	2.0	120,265	121,423	1,158	1.0
Footwear	1,368	1,430	62	4.5	25,634	25,654	20	0.1
Minerals and metals	128,684	136,452	7,769	6.0	183,522	200,714	17,192	9.4
Machinery	128,097	135,945	7,848	6.1	179,537	196,414	16,878	9.4
Transportation equipment	320,022	325,434	5,412	1.7	418,286	434,894	16,608	4.0
Electronic products	260,407	268,278	7,870	3.0	449,951	484,271	34,321	7.6
Miscellaneous manufactures	47,754	49,138	1,383	2.9	124,973	130,453	5,481	4.4
Special provisions	40,125	44,655	4,530	11.3	85,695	90,610	4,915	5.7
Total	1,451,011	1,546,733	95,722	6.6	2,187,805	2,342,905	155,100	7.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Exports in all merchandise sectors increased in 2017.²⁷ The largest increase in both value and percentage terms occurred in the energy-related products sector (up \$44.9 billion to \$143.2 billion). It

²⁵ The Brent benchmark increased from an average of \$43 per barrel in 2016 to an average of about \$51 per barrel in 2017. EIA, [Spot Prices database](#) (accessed April 17, 2018).

²⁶ EIA, U.S. Imports by Country of Origin database (accessed April 17, 2018); EIA, U.S. Exports database (accessed April 17, 2018). U.S. crude imports increased from 2.87 billion barrels in 2016 to 2.89 billion barrels in 2017.

²⁷ These merchandise sectors are defined by the Commission. Each USITC digest sector encompasses a number of 8-digit subheadings in the [Harmonized Tariff Schedule of the United States](#) (HTS), which classifies tradable goods. The sectors are listed and defined in USITC, “[Frequently Asked Questions](#),” [Shifts in U.S. Merchandise Trade, 2016](#), September 2017. “Special provisions” is not considered a merchandise sector; it represents trade under HTS chapters 98 and 99. Exports in this category primarily represent low-value goods and articles that have been repaired.

was followed by chemicals and related products (up \$9.2 billion to \$227.3 billion) and electronic products (up \$7.9 billion to \$268.3 billion). At the product level, there were both increases and decreases in top exports. The largest increases at the product level were all in the energy-related products sector,²⁸ including exports of crude petroleum (up \$12.4 billion to \$21.8 billion), refined petroleum products (up \$10.4 billion to \$48.0 billion), light oils (up \$5.5 billion to \$29.8 billion), bituminous coal (up \$5.3 billion to \$9.5 billion), and liquefied propane products (up \$4.7 billion to \$12.2 billion). The largest declines were in passenger motor vehicles, where exports declined by \$4.0 billion to \$59.3 billion.²⁹ It was followed by medicaments in measured doses, exports of which declined by \$2.1 billion to \$17.1 billion (appendix table A.3).

Imports

Electronic products and transportation equipment continued to be the two top import sectors in 2017, accounting for 20.7 percent and 18.6 percent of total 2017 U.S. imports, respectively (table 1.1 and appendix table A.2). Passenger motor vehicles were the largest U.S. import product, valued at \$186.4 billion in 2017.³⁰ They were followed by crude petroleum (\$132.9 billion), cellphones (\$55.9 billion), medicaments (\$50.3 billion), and telecommunications equipment (\$47.4 billion) (appendix table A.4).

The value of U.S. imports in all 11 sectors increased in 2017 (table 1.1 and appendix table A.2).³¹ The largest increase in both value and percent terms occurred in the energy-related products sector. Imports of energy-related products grew by \$40.3 billion (25.5 percent) from \$157.8 billion in 2016 to \$198.1 billion in 2017; U.S. crude petroleum imports alone grew by \$31.1 billion to \$132.9 billion. Growth in these products was followed by a \$34.3 billion increase in imports of electronic products, from \$450.0 billion in 2016 to \$484.3 billion in 2017; a \$17.2 billion (9.4 percent) increase in imports of minerals and metals to \$200.7 billion in 2017; and a \$16.9 billion (9.4 percent) increase in imports of machinery to \$196.4 billion in 2017. The smallest increase in imports between 2016 and 2017, both in value (\$20 million) and percentage terms (0.1 percent), was in the footwear sector (table 1.1 and appendix table A.2).

U.S. Merchandise Trade with Leading Partners

Table 1.2 shows U.S. trade with major trading partners, ranked by total trade (exports plus imports) in 2017. In 2017, the European Union (EU) remained the United States' top trading partner in terms of two-way merchandise trade, followed by China, Canada, and Mexico. Ranked by exports, the EU was the leading market for U.S. exports at \$283.5 billion (18.3 percent of total exports). Canada was the second largest, just shy of the EU value at \$282.5 billion (18.3 percent) (figure 1.5). Ranked by general U.S.

²⁸ USDOC, DataWeb (accessed March 16, 2018). "Energy-related products" includes the following 3 HTS 6-digit lines: 2709.00, 2710.12, and 2710.19.

²⁹ USDOC, DataWeb (accessed March 16, 2018). "Passenger motor vehicles" includes the following 10 HTS 6-digit lines: 8703.21, 8703.22, 8703.23, 8703.24, 8703.31, 8703.32, 8703.33, 8703.90, 8704.21, and 8704.31.

³⁰ USDOC, DataWeb (accessed March 16, 2018). "Passenger motor vehicles" includes the following 10 HTS 6-digit lines: 8703.21, 8703.22, 8703.23, 8703.24, 8703.31, 8703.32, 8703.33, 8703.90, 8704.21, and 8704.31.

³¹ The category "Special Provisions" represents trade under HTS chapters 98 and 99. Imports in this category primarily represent goods that have been returned with no value added abroad, goods that have been repaired, and low-value imports.

imports, China was the leading source of imports into the United States at \$505.6 billion (21.6 percent of imports), followed by the EU at \$434.9 billion (18.6 percent) (figure 1.6).³²

Table 1.2 U.S. merchandise trade with major trading partners and the world, 2017 (million dollars)

Trading partner	U.S. total exports	U.S. general imports	Trade balance	Two-way trade (exports plus imports)
EU	283,517	434,933	-151,416	718,451
China	130,370	505,597	-375,228	635,967
Canada	282,472	299,975	-17,504	582,447
Mexico	242,989	314,045	-71,057	557,034
Japan	67,696	136,544	-68,848	204,239
South Korea	48,277	71,164	-22,887	119,441
India	25,700	48,631	-22,931	74,332
Taiwan	25,754	42,492	-16,737	68,246
All others	418,969	405,632	13,337	824,600
Total	1,546,733	2,342,905	-796,172	3,889,638

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

U.S. merchandise exports to nearly all leading trading partners increased from 2016 to 2017 (table 1.3). Exports declined only to Taiwan (down by \$283 million or 1.1 percent). The largest increase in value was a \$15.7 billion increase in exports to Canada (\$282.5 billion in 2017, up from \$266.8 billion in 2016). It was followed by a \$14.8 billion increase in exports to China (\$130.4 billion in 2017, up from \$115.6 billion in 2016). In percentage terms, the largest increase in exports between 2016 and 2017 was to India (18.7 percent), followed by South Korea (14.1 percent) and China (12.8 percent).

Table 1.3 U.S. merchandise trade with major trading partners and the world, 2016–17 (million dollars)

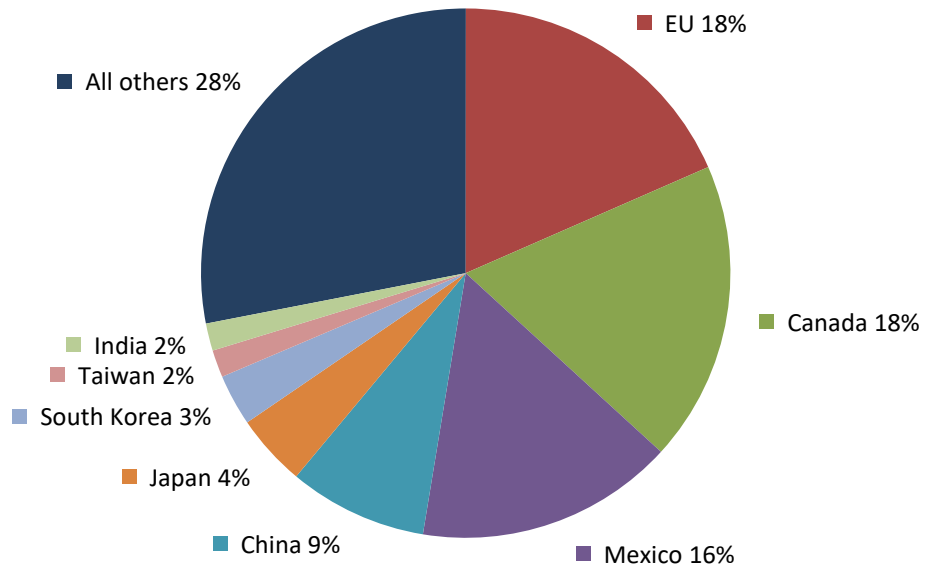
Sector	Exports				Imports			
	2016	2017	change 2016–17	% change 2016–17	2016	2017	change 2016–17	% change 2016–17
EU	269,617	283,517	13,901	5.2	416,377	434,933	18,556	4.5
China	115,602	130,370	14,767	12.8	462,618	505,597	42,979	9.3
Canada	266,797	282,472	15,674	5.9	277,756	299,975	22,220	8.0
Mexico	229,702	242,989	13,287	5.8	294,056	314,045	19,989	6.8
Japan	63,236	67,696	4,460	7.1	132,046	136,544	4,497	3.4
South Korea	42,309	48,277	5,967	14.1	69,881	71,164	1,283	1.8
India	21,652	25,700	4,048	18.7	46,032	48,631	2,599	5.6
Taiwan	26,037	25,754	-283	-1.1	39,248	42,492	3,244	8.3
All others	416,059	439,958	23,899	5.7	449,791	489,524	39,733	8.8
Total	1,451,011	1,546,733	95,722	6.6	2,187,805	2,342,905	155,100	7.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

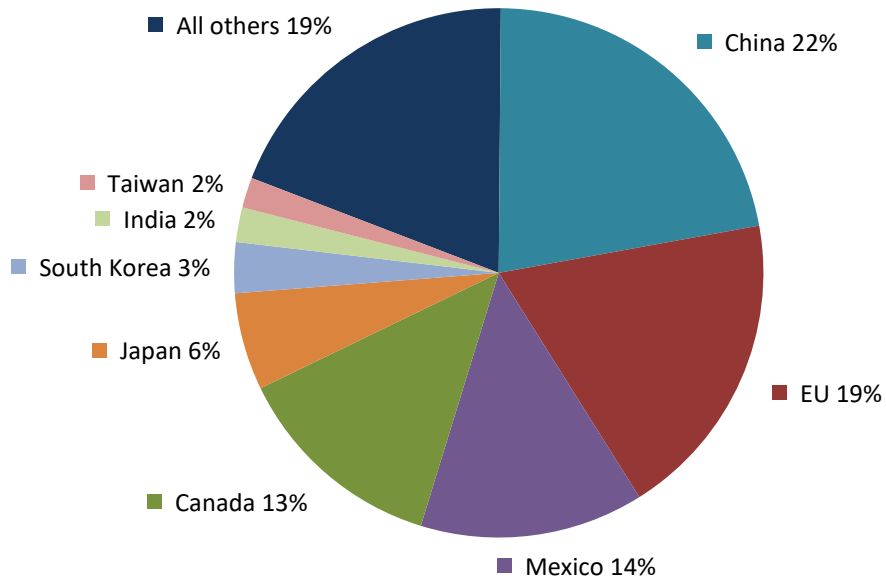
³² For U.S. trade with the top 15 single-country U.S. trading partners, including the EU member states listed separately, see appendix tables A.5–A.7.

Figure 1.5 Leading U.S. export markets, by share, 2017



Source: DataWeb/USDOC (accessed March 14, 2018).
 Note: Underlying data can be found in appendix table [B.6](#).

Figure 1.6 Leading U.S. import sources, by share, 2017



Source: DataWeb/USDOC (accessed March 14, 2018).
 Note: Underlying data can be found in appendix table [B.6](#).

U.S. merchandise imports from all of the major trading partners increased in 2017. The largest rise in value was a \$43.0 billion increase in imports from China (up 9.3 percent), a \$22.2 billion increase in imports from Canada (up 8.0 percent), and a \$20.0 billion increase in imports from Mexico (up 6.8 percent).

U.S. Trade with Free Trade Agreement Partners

In 2017, two-way total merchandise trade (total exports plus general imports) between the United States and its FTA partners amounted to \$1,517.5 billion, accounting for 39.0 percent of total U.S. merchandise trade with the world (\$3,889.6 billion).³³ This was somewhat higher than in 2016, when two-way merchandise trade between the United States and its FTA partners totaled \$1,424.1 billion, or 39.1 percent of total U.S. merchandise trade.

The value of U.S. imports entered under FTAs was \$385.1 billion in 2017, a 2.8 percent increase from the 2016 value of \$374.4 billion. These imports accounted for 48.3 percent of total imports from FTA partners in 2017 and for 16.5 percent of total U.S. imports from the world.

U.S. Imports under Trade Preference Programs

The value of U.S. imports entered under trade preference programs with developing countries was much smaller than that of U.S. imports claiming eligibility under FTAs. U.S. imports under trade preference programs increased from \$29.3 billion in 2016 to \$34.7 billion in 2017; they accounted for 1.4 percent of total U.S. imports during 2017, whereas in 2016 they accounted for 1.3 percent of imports. Imports that claimed eligibility under the U.S. Generalized System of Preferences program totaled \$21.2 billion in 2017; imports under the African Growth and Opportunity Act totaled \$12.5 billion; imports under the Caribbean Basin Economic Recovery Act and the Caribbean Basin Trade Partnership Act totaled \$1.0 billion; imports under the Haiti initiatives totaled \$0.6 billion; and imports under the Nepal Trade Preference Program totaled \$0.002 billion (\$2 million).³⁴

U.S. Trade in Services in 2017

Total U.S. cross-border trade in private services (hereafter “services”) grew by 5.0 percent between 2016 and 2017.³⁵ During that period, U.S. exports of services increased by 3.8 percent from \$733.6 billion to \$761.7 billion, while U.S. services imports grew at a rate of 6.8 percent from \$483.1 billion to

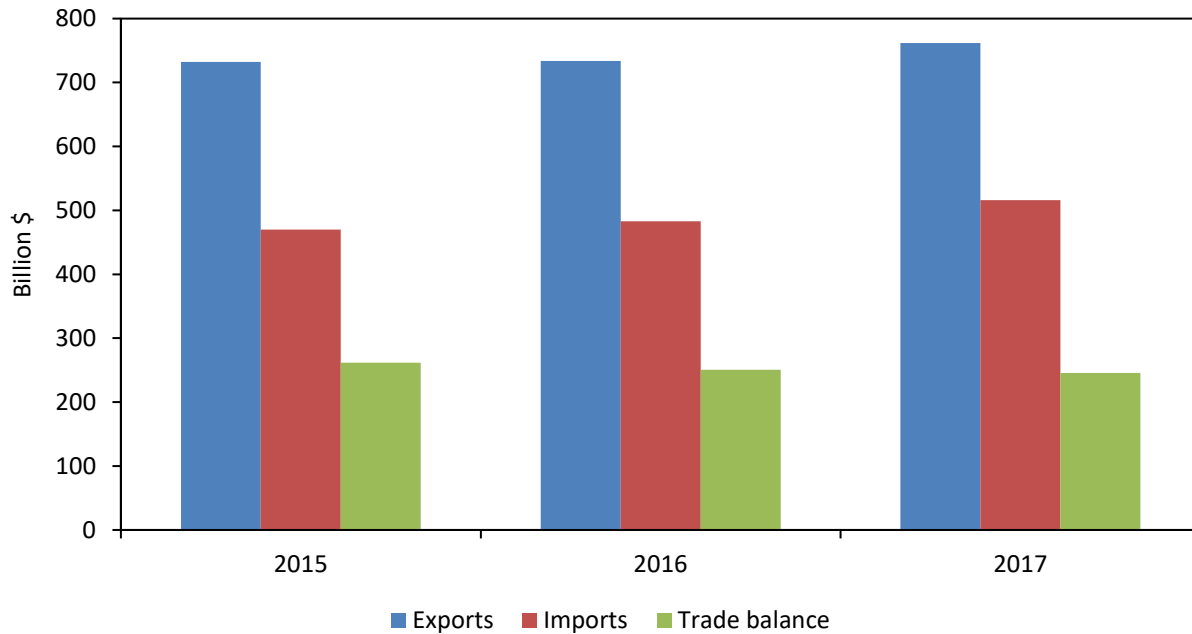
³³ U.S. trade with its FTA partners is discussed in chapter 5.

³⁴ U.S. imports under preferential trade programs are discussed in chapter 2.

³⁵ USDOC, BEA, International Transactions data, “Table 3.1. U.S. International Trade in Services,” March 21, 2018. These data represent U.S. cross-border trade in private services, which exclude data on imports and exports of government goods and services, and roughly correspond to modes 1, 2, and 4 (cross-border trade, consumption abroad, and the presence of natural persons) in the “modes of supply” framework for services trade set out by the General Agreement on Trade in Services (GATS). BEA data on foreign affiliate transactions, which roughly correspond to mode 3 (commercial presence), are not covered in this report. For more information on the four modes of supply under the GATS, see WTO, “[Basic Purpose and Concepts](#)” (accessed May 7, 2018).

\$516.0 billion.³⁶ The U.S. surplus in cross-border services trade decreased 1.9 percent in 2017 to \$245.7 billion (figure 1.7). U.S. exports in 9 of the 10 largest services export categories grew in 2017, while U.S. exports of travel services declined. The services export categories with the highest growth rates in 2017 included research and development services (15.0 percent), insurance services (9.0 percent), and financial services (8.4 percent). U.S. imports of services grew in all of the top 10 services import categories.

Figure 1.7 U.S. cross-border trade in private services with the world, 2015–17



Source: USDOC, BEA, Interactive data, International Transactions, Services, and International Investment Position, International Transactions, Table 1.2, “U.S. International Trade in Services,” March 21, 2018.

Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

U.S. Services Trade by Product Category³⁷

Exports

U.S. travel services exports, valued at \$203.7 billion in 2017, accounted for the largest share (26.7 percent) of total U.S. cross-border services exports in 2017 (appendix table A.8).³⁸ Other large U.S.

³⁶ While the BEA did revise the preliminary 2016 trade in services data reported in [The Year in Trade 2016](#), BEA reported no services-specific methodological adjustments that would have impacted the revision. USITC, [The Year in Trade 2016](#), July 2017; USDOC, BEA, “[Annual Update of the U.S. International Transactions Accounts](#),” July 2017.

³⁷ Appendix tables A.8 and A.9 provide additional data on U.S. cross-border trade in private services, broken down by product category.

³⁸ 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 business or personal travel by a foreign visitor. USDOC, BEA, “[Information on Goods and Services](#),” February 6, 2018.

services export categories included charges for the use of intellectual property not included elsewhere (n.i.e.) (\$127.9 billion or 16.8 percent of total exports), financial services (\$106.4 billion or 14.0 percent), and professional and management consulting services (\$78.7 billion or 10.3 percent).³⁹ After experiencing slow growth of 0.2 percent in 2016, total U.S. services exports grew by 3.8 percent in 2017. The fastest-growing category of services exports was research and development services, which grew 15.0 percent in 2017, compared to 7.6 percent growth in 2016.⁴⁰ In several services categories, exports increased in 2017 following a decrease in 2016. These include financial services (8.4 percent in 2017, compared to -4.3 percent in 2016);⁴¹ air passenger fares (0.9 percent in 2017, compared to -7.6 percent in 2016); technical, trade-related, and other business services (6.2 percent in 2017, compared to -12.1 percent in 2016); and air transport (5.6 percent in 2017, compared to -0.8 percent in 2016). The only category that experienced a decline in export growth in 2017 was travel services (-1.1 percent, compared with 0.3 percent in 2016).⁴²

Imports

Categories that accounted for the largest shares of U.S. cross-border services imports in 2017 included travel services (with \$135.2 billion or 26.2 percent of total U.S. imports), insurance services (\$49.7 billion or 9.6 percent), charges for the use of intellectual property n.i.e. (\$48.4 billion or 9.4 percent), and professional and management consulting services (\$42.9 billion or 8.3 percent) (appendix table A.9). Technical, trade-related, and other business services⁴³ experienced the fastest import growth (9.9 percent) in 2017, followed by travel, computer services, financial services, and charges for use of intellectual property n.i.e. (with growth rates of 9.4 percent, 9.2 percent, 9.2 percent, and 8.9 percent, respectively). All of the top 10 services import segments experienced positive growth in 2017, including those segments which experienced a decline in 2016. These include professional and management consulting services (which increased 6.8 percent in 2017, following a decline of 0.6 percent in 2016); sea transport (up 5.7 percent, following a decline of 5.9 percent in 2016); financial services (up 9.2 percent,

³⁹ U.S. exports of charges for the use of intellectual property “not included elsewhere” (n.i.e.) include “charges for the use of proprietary rights, such as patents, trademarks, and copyrights, and charges for licenses to use, reproduce, distribute, and sell or purchase intellectual property.” USDOC, BEA, [“Information on Goods and Services,”](#) February 6, 2018.

⁴⁰ According to the BEA, research and development is “creative work aimed at discovering new knowledge or developing new or significantly improved goods and services.” This category includes both commercial and non-commercial product development, as well as fees associated with the development of intellectual property protected by patents, trademarks or copyrights and fees for the development of general use software. It also includes fees for testing related to product development. These services are traded by providing research services to foreign clients. USDOC, BEA, [“Quarterly Survey of Transactions,”](#) September 2016, 21.

⁴¹ Four subcategories are reported within financial services: securities brokerage, underwriting, and related services; financial management, financial advisory, and custody services; credit card and other credit-related services; and securities lending, electronic funds transfer, and other services. The first two categories experienced export decreases in 2016, while exports in all categories grew in 2017.

⁴² The two travel services subcategories that experienced declines in 2017 were other business travel, which includes all business travel except expenditures by border, seasonal, and other short-term workers, and other personal travel, which includes all personal travel not related to health or education.

⁴³ Technical, trade-related, and other business services include architectural and engineering, construction, audio-visual, waste treatment, operational leasing, trade-related, and other business services. USDOC, BEA, [“Information on Goods and Services,”](#) February 6, 2018.

following a decline of 0.4 percent in 2016); and technical, trade-related, and other business services (up 9.9 percent, following a decline of 9.4 percent in 2016).

U.S. Services Trade with Leading Partners

The EU was the largest export market for U.S. services in 2017, as well as the largest foreign supplier of U.S. services imports (table 1.4).⁴⁴ In that year, the EU accounted for \$238.4 billion (31.3 percent) of total U.S. services exports and \$188.5 billion (36.5 percent) of total U.S. services imports (figures 1.8 and 1.9).⁴⁵ After the EU, the top markets for U.S. services exports were Canada, China, and Japan, while the top sources of imports were Canada, India, and Japan. The United States maintained a services trade surplus with every major services trading partner except for India, with which it posted a \$5.8 billion deficit in 2017.⁴⁶ The two segments that accounted for the largest shares of U.S. services imports from India in 2016 (latest data available) were computer services (53.2 percent), and research and development services (13.5 percent). The United States posted trade deficits with India in these two services segments.⁴⁷

Table 1.4 U.S. cross-border trade in private services with major trading partners and the world, 2017 (million dollars)

Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU	238,425	^(a) 188,496	49,929	426,921
Canada	58,307	32,515	25,792	90,822
Japan	45,421	28,353	17,068	73,774
China	55,585	17,421	38,164	73,006
Mexico	32,795	26,150	6,645	58,945
India	22,763	28,562	-5,799	51,325
Brazil	25,132	6,469	18,663	31,601
South Korea	22,835	9,424	13,411	32,259
Australia	21,909	7,192	14,717	29,101
Singapore	17,843	7,499	10,344	25,342
Taiwan	9,195	8,053	1,142	17,248
All others	211,519	155,881	55,638	367,400
Total	761,729	516,015	245,714	1,277,744

Source: USDOC, BEA, Interactive data, International Transactions, Services, and International Investment Position, International Transactions, tables 1.2 and 1.3, March 21, 2018.

^a U.S. imports from the EU in 2017 are overstated because the data include government goods and services n.i.e.

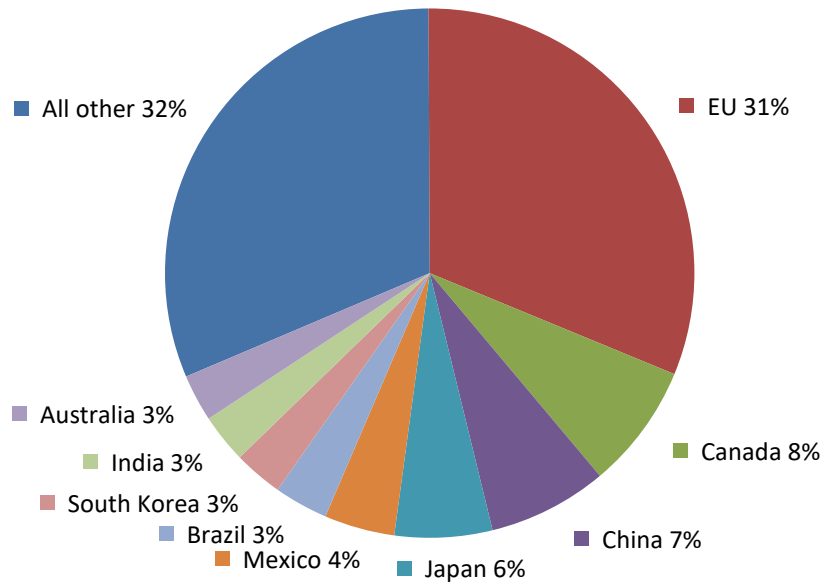
⁴⁴ The UK (an EU member) was the largest single-country market for both exports and imports of U.S. services in 2017. Despite legal proceedings to exit the European Union, the UK is still reported in BEA aggregate EU statistics. USDOC, BEA, "[Information on Goods and Services](#)," February 6, 2018.

⁴⁵ Data on U.S. services imports from the EU include government goods and services n.i.e.

⁴⁶ The United States also registers a services trade deficit with Italy, which is a member state of the EU. Among single-country trading partners, Italy ranked as the United States' 15th-largest services trading partner in 2017.

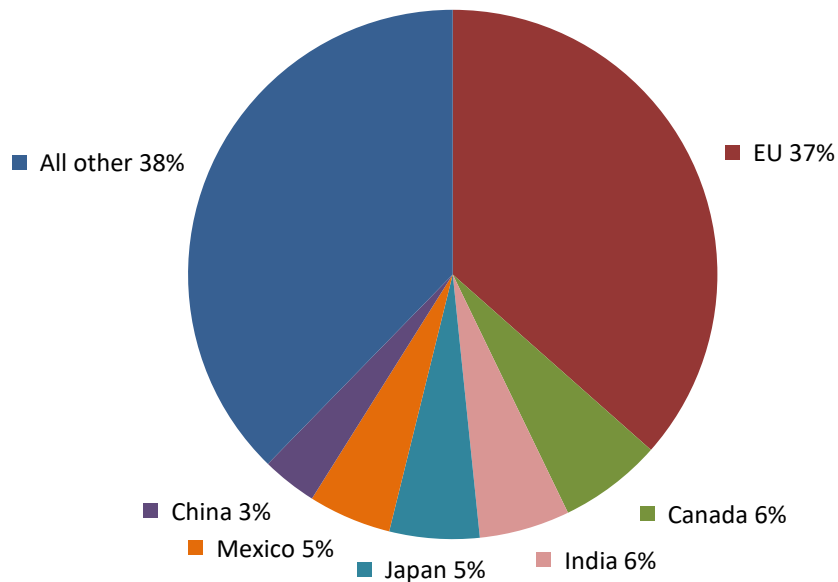
⁴⁷ USDOC, BEA, International Services Data, "Table 2.3, U.S. Trade In Services, by Country or Affiliation and by Type of Service, India," October 24, 2017.

Figure 1.8 Leading U.S. export markets for private services, by share, 2017



Source: USDOC, BEA, Interactive data, International Transactions, Services, and International Investment Position, International Transactions, tables 1.2 and 1.3, U.S. International Trade in Services, March 21, 2018.
 Note: Data are preliminary. Because of rounding, figures may not add to 100 percent. Underlying data can be found in appendix table [B.8](#).

Figure 1.9 Leading U.S. import sources for private services, by share, 2017



Source: USDOC, BEA, Interactive data, International Transactions, Services, and International Investment Position, International Transactions, tables 1.2 and 1.3, U.S. International Trade in Services, March 21, 2018.

Note: Data are preliminary. Because of rounding, figures may not add to 100 percent. Underlying data can be found in appendix table [B.8](#).

Timeline of Selected Key Trade Activities in 2017

The following timeline presents selected key trade events between the United States and its trading partners in 2017. Some of these developments are presented in more detail in chapters 2 through 6.

January

6–11: The Asian-Pacific Economic Cooperation (APEC) leaders' and ministerial meetings convene in Ho Chi Minh City, Vietnam, with discussions focusing on sustainable growth and strengthening regional economic integration.

9: The Office of the U.S. Trade Representative (USTR) releases its *2016 Report to Congress on China's WTO Compliance*.

12: The United States requests World Trade Organization (WTO) consultations with China regarding Chinese subsidies to primary aluminum producers (WT/DS519).

12: The fourth meeting of the Joint Committee under the U.S.-Korea Free Trade Agreement (KORUS) is held in Seoul, South Korea.

13: The United States and Paraguay sign a Trade and Investment Framework Agreement (TIFA).

17–20: The World Economic Forum annual meeting is held in Davos, Switzerland.

18: The United States requests WTO dispute settlement consultations with Canada regarding measures governing the sale of wine in grocery stores (DS520).

19: The U.S.-Mongolia Agreement on Transparency in Matters Related to International Trade and Investment enters into force.

22: The second meeting of the U.S.-Panama Free Trade Commission is convened in Washington, DC.

25: The WTO Dispute Settlement Body (DSB) establishes a panel requested by the United States to examine China's domestic support for agricultural products (DS511).

30: The United States officially withdraws from the Trans-Pacific Partnership.

February

6: The USITC announces three new investigations on digital trade and the impact of barriers to digital trade on the competitiveness of U.S. firms in international markets. These investigations were requested by the USTR in a letter received on January 13, 2017.

10: President Donald Trump and Japan's Prime Minister Abe hold their first official meeting in Washington, DC, to discuss a variety of economic and political issues of mutual interest. Two of the issues were the creation of a reoccurring U.S.-Japan Economic Dialogue to deepen economic ties and the pursuit of a U.S.-Japan bilateral trade agreement in the wake of the U.S. withdrawal from the Trans-Pacific Partnership Agreement.

22: The WTO Agreement on Trade Facilitation enters into force.

March

1: USTR releases its *2017 Trade Policy Agenda* and *2016 Annual Report*.

2: The United States and the European Union (EU) agree to amend the Pharmaceutical Annex to the 1998 U.S.-EU Mutual Recognition Agreement.

8: Turkey requests WTO dispute settlement consultations with the United States regarding countervailing measures on certain pipe and tube products from Turkey (DS523).

21: The WTO DSB establishes a panel to review a complaint by India regarding certain U.S. measures at the state level to promote renewable energy (DS510).

22: The United States and Taiwan sign a memorandum of understanding (MOU) to combat intellectual property rights (IPR) infringement and trade fraud crimes.

23: The United States and Laos hold the inaugural meeting under the U.S.-Laos TIFA.

27–28: The United States and Afghanistan hold an annual meeting under the U.S.-Afghanistan TIFA.

27–28: The United States and Vietnam hold the first annual meeting under the U.S.-Vietnam TIFA since 2011.

30: Senior officials from the United States and the 10 members of the Association of Southeast Asian Nations (ASEAN) meet to discuss their economic agenda, including proposals for advancing work under the U.S.-ASEAN TIFA, such as on digital trade and ways to support small and medium-sized enterprises in global trade.

31: USTR releases its *National Trade Estimate on Foreign Trade Barriers* report for 2017.

31: Executive Order 13786 directs the U.S. Department of Commerce (USDOC) and USTR to submit the “Omnibus Report on Significant Trade Deficits,” which examines the causes of U.S. trade deficits by country.

April

3: The United States and Guatemala reach an agreement to accelerate the elimination of tariffs on U.S. fresh, frozen, and chilled poultry exports and for Guatemala to establish a tariff-rate quota allowing imports of up to 1,000 metric tons of processed chicken leg quarters to enter duty free each year through December 31, 2021.

3: The United States and Thailand hold the first of two TIFA meetings for the year.

13: A WTO arbitrator determines that the “reasonable period of time” for the United States to implement the DSB’s recommendations and rulings related to U.S. antidumping and countervailing duty measures on large residential washers from South Korea is 15 months, expiring on December 26, 2017 (DS464).

17–20: President Trump and Japanese Prime Minister Abe meet in both Palm Beach, Florida, and Washington, DC, to discuss a variety of economic and political issues, including a number of trade issues and coordinated economic pressure on North Korea. The trade discussions centered on tariff rate increases President Trump was considering on some trading partners, potential U.S. airplane sales to Japan, and the launch of the contemporaneous U.S.-Japan Economic Dialogue in Tokyo, led by Vice President Michael Pence and Deputy Prime Minister Aso of Japan.

19: USDOC initiates a section 232 national security investigation on steel.

20: The U.S.-Nepal TIFA Council holds its third meeting to promote expanded bilateral trade and investment in goods and services.

21: The U.S.-Tunisia TIFA Council holds its seventh meeting, discussing market access, growth, and cooperation in organic product

certification, technology transfer, and capacity building.

26: USDOC initiates a section 232 national security investigation on aluminum.

28: USTR releases its *2017 Special 301 Report* on the global state of intellectual property rights protection and enforcement. This year's report places 11 countries on USTR's "Priority Watch List," signifying countries USTR deems most problematic with respect to protection and enforcement of intellectual property rights. These countries are Algeria, Argentina, Chile, China, India, Indonesia, Kuwait, Russia, Thailand, Ukraine, and Venezuela.

May

17: The United States and Bangladesh hold the 3rd Council meeting under the Trade and Investment Cooperation Forum Agreement.

17: USITC institutes a safeguard investigation on crystalline silicon photovoltaic cells.

18: The Trump Administration announces its intent to renegotiate the North American Free Trade Agreement (NAFTA).

20–21: The 23rd meeting of Ministers Responsible for Trade under APEC is convened in Hanoi, Vietnam, with discussions focusing on efforts to facilitate digital trade in the region, expand services markets, strengthen intellectual property rights protections, and eliminate barriers to agriculture and food trade. USTR Robert Lighthizer holds bilateral meetings with the following economies: Canada, Japan, Mexico, Vietnam, China, and Australia.

22: The WTO DSB adopts the Appellate Body report and the panel report in the complaint by China regarding certain U.S. methodologies and their application to antidumping proceedings involving China (DS471).

22: The WTO DSB establishes a compliance panel in response to a request by India in a case concerning prohibitions by India on the importation of various U.S. agricultural products because of concerns related to avian influenza (DS430).

22: The WTO DSB authorizes Mexico to suspend the application of tariff concessions to the United States in the case regarding U.S. measures concerning the importation, marketing, and sale of tuna and tuna products (DS381).

30: The United States and Vietnam hold a second meeting under the U.S.-Vietnam TIFA this year. USTR Lighthizer meets with Vietnamese Prime Minister Nguyen Xuan Phuc to discuss the U.S.-Vietnam trade relationship and outstanding bilateral trade issues.

June

5: USITC institutes a safeguard investigation on large residential washers.

7–8: The Organisation for Economic Co-operation and Development holds its Ministerial Council meeting in Paris, France.

9: The WTO DSB panel circulates its report in the complaint by the EU regarding U.S. measures affecting trade in large civil aircraft (second complaint) (DS353).

12–13: The United States and Indonesia meet under their TIFA.

12–13: The United States and Thailand meet under their TIFA for the second time in 2017.

19: The WTO DSB establishes a dispute settlement panel to review the complaint by Turkey regarding U.S. countervailing duties on imports of Turkish steel pipes and tubes (DS523).

20: USTR announces initiation of an out-of-cycle African Growth and Opportunity Act (AGOA) review for Rwanda, Tanzania, and Uganda.

27–29: Following a 90-day notification to Congress and a public comment period, USTR holds public hearings on NAFTA renegotiations in Washington, DC.

29: USTR's annual review under the Generalized System of Preferences (GSP) results in the USTR self-initiating a country-practice review of Bolivia's compliance with GSP eligibility criteria related to child labor.

29: USTR Lighthizer meets with New Zealand Minister of Trade Todd McClay. Opportunities to deepen the trade partnership and coordinate solutions on global dairy market challenges were discussed.

30: USTR Lighthizer meets with Japan Trade Minister Hiroshige Seko to discuss bilateral trade relations and cooperation against third-party trade-distorting practices.

July

1: The second set of tariff reductions takes place under the expansion of the Information Technology Agreement.

7–8: The G20 Summit takes place in Hamburg, Germany. President Trump and Chinese President Xi Jinping meet to discuss reciprocal trade and market access.

11: The United States and the Philippines meet under their TIFA.

12: USTR Lighthizer formally notifies South Korea that the United States is calling for a special session of the KORUS Joint Committee to discuss possible amendments and modifications to KORUS.

17: The United States and Malaysia meet under the TIFA and agree to work together to address outstanding issues, including by establishing

working groups related to goods, intellectual property, financial services, labor, and the environment.

17: USTR Lighthizer releases objectives for the renegotiation of NAFTA.

18: U.S. Commerce Department Secretary Wilbur Ross and U.S. Treasury Department Secretary Steven Mnuchin meet with China's Vice Premier Wang Yang for the first session of the U.S.-China Comprehensive Economic Dialogue in Washington, DC.

24–25: The inaugural meeting of the U.S.-UK Trade and Investment Working Group takes place in Washington, DC, to discuss the future trade relationship between the United States and the United Kingdom (UK) after the UK leaves the EU.

31: USTR announces reallocation of the unused in-quota quantity of the WTO tariff-rate quota for raw cane sugar for fiscal year (FY) 2017.

31: USTR announces revised FY 2017 tariff-rate quota allocations for raw cane sugar.

August

7–10: The United States co-hosts the 16th AGOA Forum with Togo in Lomé, Togo, with government officials, civil society leaders, business representatives, and representatives from the U.S.-sponsored African Women's Entrepreneurship Program in attendance.

8: U.S. and Cambodian officials meet under their TIFA.

14: President Trump instructs USTR Lighthizer to determine whether to investigate any of China's laws, policies, practices, or actions that may be considered unreasonable or discriminatory, or may be harming U.S. intellectual property rights, innovation, and technical development.

16–20: The first round of NAFTA renegotiations takes place in Washington, DC.

18: USTR Lighthizer, upon consultation with U.S. governmental and private sector advisory committees, launches an investigation of China regarding intellectual property, innovation, and technology under Section 301 of the Trade Act of 1974.

22: The first Special Session of the U.S.-Korea FTA Joint Committee is held under the KORUS FTA.

September

1–5: The second round of NAFTA renegotiations takes place in Mexico City, Mexico.

9: USTR holds consultations with ASEAN economic ministers in Manila, Philippines.

18–19: U.S. and EU officials meet for the first annual review of the functioning of the Privacy Shield, a mechanism for companies to transfer personal data from the EU to the United States that is consistent with EU law.

21: South Korea’s Minister for Trade Hyun-chong Kim formally requests the second special session of the Joint Committee under KORUS.

21: U.S. President Trump and Japanese Prime Minister Abe meet in New York to discuss a variety of economic and political issues of mutual interest, including coordinated action on North Korea, during the United Nations General Assembly meeting.

22: The WTO DSB adopts the Appellate Body report and the panel report in the complaint by the EU relating to U.S. conditional tax incentives for large civil aircraft (DS487).

22: U.S. and EU officials sign a “covered agreement” on prudential measures affecting insurance and reinsurance. The agreement would help level the regulatory playing field for

U.S.-based insurers and reinsurers doing business in the EU.

22: The WTO DSB establishes a dispute settlement panel requested by the United States to examine China’s administration of its tariff-rate quotas for certain agricultural products (DS517).

23–27: The third round of NAFTA renegotiations takes place in Ottawa, Canada. Progress is made in the areas of telecommunications, competition policy, digital trade, good regulatory practices, and customs and trade facilitation.

28: The United States files a second request for WTO dispute settlement consultations with Canada regarding measures governing the sale of wine in grocery stores. The United States identifies successor laws and regulations that entered into force after the original consultations request (DS531).

October

3: The United States and Ukraine hold the 7th U.S.-Ukraine Trade and Investment Council meeting under their Trade and Investment Cooperation Agreement.

4: A second Special Session of the U.S.-Korea FTA Joint Committee is held under the KORUS FTA.

4: The U.S.-Singapore FTA Environment Chapter meeting takes place in Singapore. Discussions focus primarily on enforcement of environmental laws, particularly to combat wildlife and timber trafficking in the region.

11–17: The fourth round of NAFTA renegotiations takes place in Mexico City, Mexico.

19: In accordance with the U.S.-Peru Trade Promotion Agreement’s Annex on Forest Sector Governance, USTR Lighthizer directs U.S.

Customs and Border Protection (CBP) to block future timber imports from a Peruvian exporter based on illegally harvested timber found in its supply chain.

24: USTR announces new enforcement priorities for the GSP trade preference program. Priorities include heightened focus on concluding outstanding GSP cases and a new interagency process to assess beneficiary country compliance with eligibility criteria.

26: The 11th ministerial-level meeting of the India and United States Trade Policy Forum takes place in Washington, DC.

26: The WTO DSB circulates the compliance panel report in the complaint by Mexico regarding U.S. measures concerning the importation, marketing, and sale of tuna and tuna products (DS381).

November

5–7: President Trump visits Japan to meet with Prime Minister Abe to discuss a variety of economic issues. In his initial speech in Tokyo, President Trump addresses the importance of strengthening bilateral trade and investment, job creation, and balanced trade.

13–14: The second meeting of the U.S.-U.K. Trade and Investment Working Group takes place in London, UK. Topics covered by the working group include industrial and agricultural goods; services, investment, financial services and digital trade; intellectual property rights and enforcement; regulatory issues related to trade; labor and environment/sustainable development; and small and medium-sized enterprises.

14: The WTO DSB circulates the dispute panel report in the complaint by South Korea concerning U.S. antidumping measures relating to certain oil country tubular goods from South Korea (DS488).

17–21: The fifth round of NAFTA renegotiations takes place in Mexico City, Mexico.

17: Secretary of State Rex Tillerson hosts the Ministerial on Trade, Security, and Governance in Africa in Washington, DC. Discussions are based on the themes of trade and investment, security, and good governance.

17: USTR Lighthizer releases an updated summary of the objectives for the renegotiation of NAFTA.

22: The WTO DSB adopts the Appellate Body report and the panel report in the complaint by the United States relating to certain measures Indonesia imposes on its imports of horticultural products, animals, and animal products (DS478).

28: Canada requests WTO dispute settlement consultations with the United States regarding U.S. countervailing measures on softwood lumber from Canada (DS533).

28: Canada requests WTO dispute settlement consultations with the United States regarding U.S. antidumping measures applying differential pricing methodology to softwood lumber from Canada (DS534).

29: The United States and the Philippines meet under their TIFA for the second time this year.

December

5: The United States and Egypt hold a Trade and Investment Council meeting in Cairo under their TIFA.

6: The WTO DSB circulates the dispute panel report in the complaint by Indonesia concerning U.S. antidumping and countervailing measures relating to certain coated paper from Indonesia (DS491).

8: The U.S.-Australia FTA Joint Committee meets to review implementation of the U.S.-Australia FTA, including issues related to trade

in goods and services, intellectual property, and investment. The Committee also received a report from the FTA's Committee on Sanitary and Phyto-Sanitary (SPS) Measures and its efforts to address SPS issues affecting U.S.-Australia agricultural trade.

10–13: The WTO's 11th Ministerial Conference takes place in Buenos Aires, Argentina. Members agree to extend the practice of not imposing customs duties on electronic transmissions for another two years and discuss fisheries subsidies. Representatives from the United States, the EU, and Japan agree to strengthen their commitment to ensure a global level playing field and eliminate severe excess capacity in key sectors.

13: The 11th anniversary council meeting of the U.S.-Central Asia TIFA is held in Almaty,

Kazakhstan, with senior trade officials from the United States, Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan, with representatives from Afghanistan participating as observers.

19: The United States requests authorization to suspend concessions or obligations with respect to India in a WTO case concerning India's purchase power agreements with solar firms and domestic content requirements (DS456).

20: Canada requests WTO dispute settlement consultations with the United States regarding certain measures maintained by the United States with respect to antidumping and countervailing duty proceedings (DS535).

22: The Gambia and Swaziland are redesignated as eligible for AGOA trade preferences.

Source: Compiled from official and private sources, including the U.S. Department of Commerce, U.S. Department of State, U.S. Department of Transportation, U.S. Department of Treasury, U.S. Trade Representative, White House, *Federal Register*, Regulations.gov, Asia-Pacific Economic Cooperation, World Trade Organization, European Commission, Global Affairs Canada, and *Inside U.S. Trade*.

Chapter 2

Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration of U.S. trade laws during 2017, covering import relief laws, laws against unfair trade practices, national security investigations, trade adjustment assistance programs, and tariff preference programs. Tariff preference programs encompass the U.S. Generalized System of Preferences, the Nepal Trade Preference Act, the African Growth and Opportunity Act, and the Caribbean Basin Economic Recovery Act, including initiatives aiding Haiti.⁴⁸

Import Relief Laws

Safeguard Actions

This section covers safeguard actions under provisions administered by the Commission, including the global safeguard provisions in sections 201–204 of the Trade Act of 1974,⁴⁹ and the safeguard provisions in various bilateral free trade agreements (FTAs) involving the United States.

The Commission conducted two new safeguard investigations during 2017, both under the global safeguard provisions in sections 201–204 of the Trade Act of 1974. These were the first investigations conducted by the Commission under the global safeguard provisions since 2001. The first investigation concerned imports of crystalline silicon photovoltaic cells (CSPV cells),⁵⁰ and the second concerned imports of large residential washers (washers).⁵¹ Each investigation was conducted following receipt of a petition from a domestic producer of the article.⁵² The Commission made affirmative injury determinations in each investigation and, to address the serious injury, recommended a remedy measure to the President. The Commission submitted its reports on CSPV cells and washers to the President in November 2017 and December 2017, respectively. As of the end of 2017, the Commission’s

⁴⁸ The President’s authority to provide preferential treatment under the Andean Trade Preference Act, as amended by the Andean Trade Promotion and Drug Eradication Act, expired in 2013 and had not been renewed as of April 2018.

⁴⁹ 19 U.S.C. §§ 2251–2254.

⁵⁰ USITC, [Crystalline Silicon Photovoltaic Cells \(Whether or Not Partially or Fully Assembled into Other Products\)](#), November 2017. For more information, including a detailed description of the imported article, see the Commission’s notice of investigation and hearing published in the *Federal Register* of June 1, 2017 (82 Fed. Reg. 25331), and USITC, [Crystalline Silicon Photovoltaic Cells \(Whether or Not Partially or Fully Assembled into Other Products\)](#), November 2017.

⁵¹ USITC, [Large Residential Washers](#), December 2017. For more information, including a detailed description of the imported article, see the Commission’s notice of investigation and hearing published in the *Federal Register* of June 13, 2017 (82 Fed. Reg. 27075), and USITC, [Large Residential Washers](#), December 2017.

⁵² The petition in *CSPV Cells* was filed by Suniva Inc., and SolarWorld later joined Suniva as co-petitioner. The petition in [Large Residential Washers](#) was filed by Whirlpool Corporation.

reports on both CSPV cells⁵³ and washers⁵⁴ were pending before the President. Under section 203 of the Trade Act of 1974,⁵⁵ the President makes the final decision on remedy, including whether to apply a remedy measure and, if so, the type, amount, and duration of the measure.

Laws against Unfair Trade Practices

Section 301

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.⁵⁶ Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and to respond to unjustifiable, unreasonable, or discriminatory foreign government practices that burden or restrict U.S. commerce. Interested persons may petition the Office of the U.S. Trade Representative (USTR) to investigate foreign government policies or practices, or USTR may initiate an investigation itself.

If the investigation involves a trade agreement and consultations do not lead to a mutually acceptable resolution, section 303 of the Trade Act of 1974 requires USTR to use the dispute settlement procedures available under the agreement in question. If the matter is not resolved by the conclusion of the investigation, section 304 of the Trade Act of 1974 requires USTR to determine whether the practices in question fulfill any of three conditions: (1) they deny U.S. rights under a trade agreement; (2) they are unjustifiable, and burden or restrict U.S. commerce; or (3) they are unreasonable or discriminatory, and burden or restrict U.S. commerce. If the practices fulfill either of the first two conditions, USTR must take action.⁵⁷ If the practices fulfill the third condition—that is, if they are unreasonable or discriminatory, and they burden or restrict U.S. commerce—USTR must determine whether action is appropriate and, if so, what type of action to take.⁵⁸ The time period for making these determinations varies according to the type of practices alleged.

⁵³ On January 23, 2018, the President issued Proclamation 9693 “to facilitate positive adjustment to competition from imports of certain crystalline silicon photovoltaic cells (whether or not partially or fully assembled into other products) and for other purposes.” The proclamation imposed a tariff-rate quota on imports of solar cells not partially or fully assembled into other products and an increase of duties on imports of modules for a period of four years, with annual reductions in the second, third, and fourth years. The measure was made effective as of February 7, 2018, and applied to imports from all countries except certain developing countries. The proclamation was published in the *Federal Register* of January 25, 2018 (83 Fed. Reg. 3541).

⁵⁴ Also on January 23, 2018, the President issued Proclamation 9694 “to facilitate positive adjustment to competition from imports of large residential washers.” The proclamation imposed a tariff-rate quota on imports of washers and a tariff-rate quota on imports of covered washer parts for a period of three years and one day, with annual reductions in the second and third years. The measure was made effective as of February 7, 2018, and applied to imports from all countries except for products of Canada and certain developing countries. The proclamation was published in the *Federal Register* of January 25, 2018 (83 Fed. Reg. 3553).

⁵⁵ 19 U.S.C. § 2253.

⁵⁶ Section 301 refers to sections 301–310 of the Trade Act of 1974, as amended (19 U.S.C. §§ 2411–2420).

⁵⁷ Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. § 2411(a)).

⁵⁸ Section 301(b) of the Trade Act of 1974, as amended (19 U.S.C. § 2411(b)).

Section 301 Investigations

During 2017, USTR self-initiated an investigation under section 301 regarding China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. In addition, in response to a written request from representatives of the U.S. beef industry, USTR initiated a process to consider whether to reinstate additional duties that had been imposed on certain imports from the European Union (EU) under section 301.

China Technology Transfer. On August 14, 2017, the President issued a memorandum to the United States Trade Representative, directing the USTR to determine, pursuant to section 302(b) of the Trade Act of 1974, whether to investigate any of China's laws, policies, practices, or actions that may be unreasonable or discriminatory and that may be harming American intellectual property rights (IPRs), innovation, or technological development.⁵⁹ In accordance with the President's memorandum, USTR initiated an investigation under section 302(b) of the Trade Act of 1974, to determine whether any acts, policies, or practices of the government of China related to technology transfer, intellectual property, or innovation are unreasonable or discriminatory and whether the acts, policies, or practices burden or restrict U.S. commerce.⁶⁰ USTR is investigating a wide variety of acts, policies, and practices by the government of China that allegedly require or pressure the transfer of technology and intellectual property to Chinese companies on nonmarket terms. In addition, USTR is investigating allegations of systematic Chinese government support to Chinese companies that seek to acquire or obtain cutting-edge technologies from U.S. companies in industries deemed important by the Chinese government. USTR is further considering whether the Chinese government is conducting or supporting unauthorized intrusions into U.S. commercial computer networks. As part of the investigation, USTR held a public hearing in October 2017 and solicited written public comments. Under the statute, USTR generally has up to 12 months from the date of initiation to determine whether the statutory requirements have been met and, if so, what action to take. The China technology transfer section 301 investigation was ongoing at the end of 2017.⁶¹

EU Meat Hormones. A second section 301 investigation that was active during 2017 related to a longstanding dispute with respect to EU measures concerning meat and meat products. The investigation concerned various meat hormone directives of the EU, which prohibit the use of certain hormones that promote growth in farm animals. The United States had successfully challenged the EU measures at the World Trade Organization (WTO), and in 1999, imposed additional ad valorem duties⁶² of 100 percent on about \$117 million in imports from the EU in retaliation.⁶³

⁵⁹ 82 Fed. Reg. 39007 (August 17, 2017).

⁶⁰ 82 Fed. Reg. 40213 (August 24, 2017).

⁶¹ On March 22, 2018, USTR released a comprehensive report containing detailed findings about China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. USTR, [Findings of the Investigation into China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovations under Section 301 of the Trade Act of 1974](#), March 22, 2018. On April 1, 2018, USTR released a list of products from China, valued at approximately \$50 billion, on which USTR is considering the imposition of an additional duty of 25 percent *ad valorem*. 83 Fed. Reg. 14906 (April 6, 2018).

⁶² Ad valorem duties or tariffs are taxes that are levied as a percentage of the value of the imported goods.

⁶³ 64 Fed. Reg. 40638 (July 27, 1999); WTO, "[Dispute Settlement: DS26; European Communities—Measures Concerning Meat and Meat Products](#)" (accessed March 6, 2017).

In January 2009, the USTR announced a determination to modify the list of products subject to additional duties, consistent with WTO authorization. In May 2009, the United States and the EU signed a memorandum of understanding (MOU).⁶⁴ Under the MOU, the EU agreed to establish a tariff-rate quota (TRQ)⁶⁵ with an in-quota tariff rate of zero for beef produced without growth-promoting hormones (i.e., “high-quality beef”)⁶⁶ in the amount of 20,000 metric tons (mt),⁶⁷ and the United States agreed to reduce the scope of the retaliation list.⁶⁸ The MOU further provided that the parties could enter a second phase under which the EU would increase the TRQ to 45,000 mt beginning in August 2012, and the United States would lift the remaining additional duties.⁶⁹ The United States and the EU entered into the second phase of the MOU beginning August 1, 2012, and the EU increased the TRQ for high-quality beef to 45,000 mt.⁷⁰ The MOU provided that the second phase would continue for one year. In August 2013, the United States and the EU agreed to extend the second phase of the MOU for two additional years, until August 2, 2015, thereby maintaining the TRQ for high-quality beef at 45,000 mt.⁷¹ Although the second phase of the MOU ended in August 2015, the EU has maintained the 45,000 mt TRQ for high-quality beef.⁷²

In February 2016, Congress amended section 301 to authorize USTR to reinstate any additional duties that had been previously imposed under section 301 and then subsequently terminated.⁷³ The amendment also allows the USTR to suspend concessions and to reinstate a section 301 action following receipt of a written request from a petitioner or any representative of the domestic industry. It requires that USTR, following the receipt of such a request, consult with the petitioner and representatives of the domestic industry and provide an opportunity for public comments. In addition, it requires that USTR review the effectiveness of any reimposed additional duties.

On December 9, 2016, representatives of the U.S. beef industry filed a request with USTR asking that the additional duties be reinstated.⁷⁴ According to the industry, the MOU has not in practice provided benefits sufficient to compensate for the economic harm resulting from the EU ban on all but specially-produced U.S. beef. On December 28, 2016, USTR issued a public notice of the request and announced

⁶⁴ *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.

⁶⁵ A tariff-rate quota (TRQ) is a trade restriction that imposes a relatively low “in-quota” tariff on imports until the quota level (sometimes an annual allocation) is met. Any imports beyond the quota level are subject to a higher over-quota tariff.

⁶⁶ Article VI of the U.S.-EU Beef MOU defines “high-quality beef.”

⁶⁷ U.S.-EU Beef MOU, Art. II(1).

⁶⁸ U.S.-EU Beef MOU, Art. II(3); 74 Fed. Reg. 40864 (August 13, 2009).

⁶⁹ 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.

⁷⁰ Regulation (EU) No. 464/2012 of the European Parliament and of the Council, OJ L 149, June 8, 2012, 1.

⁷¹ USTR, “[U.S. Trade Representative Froman, Secretary of Agriculture Vilsack Announce Continued EU Market Access for American Producers of High-Quality Beef](#),” August 1, 2013.

⁷² 81 Fed. Reg. 95724 (December 28, 2016).

⁷³ Section 602 of the Trade Facilitation and Trade Enforcement Act of 2015 (Pub. L. 114-125) (19 U.S.C. 2416(c), as amended).

⁷⁴ Letter to the Honorable Michael Froman, Ambassador, Office of the U.S. Trade Representative, from Kendal Frazier, CEO, National Cattlemen’s Beef Association; Barry Carpenter, CEO, North American Meat Institute; and Philip M. Seng, President and CEO, U.S. Meat Export Federation, dated Dec. 9, 2016 (accessed at www.regulations.gov, Docket Number USTR-2016-0025, on March 6, 2016).

a public hearing and an opportunity for public comment.⁷⁵ The public hearing was held on February 15–16, 2017, in Washington, DC. During 2017, USTR engaged in discussions with the EU about possible modifications of the TRQ for high-quality beef to address U.S. industry concerns and was considering the possible reinstatement of duties.⁷⁶

Special 301

The Special 301 law⁷⁷ requires that the USTR annually identify and issue a list of foreign countries that deny adequate and effective protection of IPRs, or deny fair and equitable market access to U.S. persons who rely on IPR protection.⁷⁸ 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 relating to patents, process patents, registered trademarks, copyrights, trade secrets and mask works.”⁷⁹

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 using laws and practices that violate international agreements or that constitute discriminatory nontariff trade barriers.⁸⁰ 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).⁸¹

In addition, the Special 301 law directs the USTR to identify so-called “priority foreign countries.”⁸² 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.⁸³ Such countries must be designated as priority foreign countries unless they are entering into good-faith negotiations, or they are making significant progress in bilateral or multilateral negotiations to provide adequate and effective IPR protection.⁸⁴ The identification of a country as a priority foreign country triggers a section 301 investigation,⁸⁵ unless the USTR determines that the investigation would be detrimental to U.S. economic interests.⁸⁶

⁷⁵ 81 Fed. Reg. 95724 (December 28, 2016).

⁷⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 43.

⁷⁷ The Special 301 law is set forth in section 182 of the Trade Act of 1974, as amended (19 U.S.C. § 2242).

⁷⁸ “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)).

⁷⁹ A “mask work” is 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.” 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.”

⁸⁰ Section 182(d)(3) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(d)(3)).

⁸¹ Section 182(d)(4) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(d)(4)).

⁸² Section 182(a)(2) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(a)(2)).

⁸³ Section 182(b)(1) of the Trade Act of 1974, as amended (19 U.S.C. § 2242(b)(1)).

⁸⁴ *Ibid.*

⁸⁵ Section 302(b)(2)(A) of the Trade Act of 1974, as amended (19 U.S.C. § 2412(b)(2)(A)).

⁸⁶ Section 302(b)(2)(B) of the Trade Act of 1974, as amended (19 U.S.C. § 2412(b)(2)(B)).

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 listing the countries as priority foreign countries.⁸⁷ The priority watch list identifies countries with significant IPR concerns 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 any listing. On the other hand, a country that fails to make progress may be raised from the watch list to the priority watch list or from the priority watch list to the list of priority foreign countries.

In February 2016, Congress enacted amendments to the Special 301 statute that provided that USTR should develop an action plan for each country that has been identified as a priority watch list country and that has remained on the priority watch list for at least one year.⁸⁸ The action plan should contain benchmarks designed to assist the country to achieve, or make significant progress toward achieving, adequate and effective protection of IPRs and fair and equitable market access for U.S. persons that rely on IPR protection.

In the 2017 Special 301 review, the USTR examined the adequacy and effectiveness of IPR protection in more than 100 countries.⁸⁹ In conducting the review, the USTR focused on a wide range of issues and policy objectives, including inadequate IPR protection and enforcement worldwide, compulsory technology licensing and transfer, and the unauthorized use of unlicensed software by foreign governments.⁹⁰

Although no country was identified as a priority foreign country in the *2017 Special 301 Report*, the report identified 11 countries on the priority watch list: Algeria, Argentina, Chile, China, India, Indonesia, Kuwait, Russia, Thailand,⁹¹ Ukraine, and Venezuela.⁹² In addition, the report identified 23 countries on the watch list.⁹³

In keeping China on the priority watch list, the report highlighted serious challenges with respect to adequate and effective IPR protection, as well as fair and equitable market access for U.S. persons that rely on IPR protection.⁹⁴ The report cites many longstanding concerns, such as coercive technology transfer requirements, structural impediments to effective IPR enforcement, and widespread infringing activity, including trade secret theft, rampant online piracy and counterfeiting, and high levels of pirated

⁸⁷ USTR, [2017 Special 301 Report](#), April 2017, Annex 1.

⁸⁸ Section 610(b) of the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125) (19 U.S.C. 2242(g)), as amended.

⁸⁹ USTR, [2017 Special 301 Report](#), April 2017, 4; USTR, “[USTR Releases Special 301 Report on Intellectual Property Rights](#),” April 28, 2017.

⁹⁰ USTR, [2017 Special 301 Report](#), April 2017.

⁹¹ The [2017 Special 301 Report](#) noted that Thailand was making substantial progress in addressing the concerns raised in that report. In September 2017, USTR initiated an out-of-cycle review of Thailand’s Special 301 status, and in December, Thailand was moved from the priority watch list to the watch list. 82 Fed. Reg. 44240 (September 21, 2017); USTR, “[USTR Lighthizer Announces Results of Special 301 Out-of-Cycle Review of Thailand](#),” December 15, 2017.

⁹² USTR, [2017 Special 301 Report](#), April 2017, 5.

⁹³ The countries on the 2017 watch list are Barbados, Bolivia, Brazil, Bulgaria, Canada, Colombia, Costa Rica, the Dominican Republic, Ecuador, Egypt, Greece, Guatemala, Jamaica, Lebanon, Mexico, Pakistan, Peru, Romania, Switzerland, Turkey, Turkmenistan, Uzbekistan, and Vietnam. USTR, [2017 Special 301 Report](#), April 2017, 5.

⁹⁴ USTR, [2017 Special 301 Report](#), April 2017, 28–37.

and counterfeit exports. India remained on the priority watch list in 2017 due to a lack of measurable improvement to its IPR regime, particularly with respect to patents, copyrights, trade secrets, and enforcement.⁹⁵

As part of the annual Special 301 process, USTR also issues a separate report on so-called notorious markets. USTR defines notorious markets as online or physical marketplaces that are reported to engage in or facilitate commercial-scale copyright piracy and trademark counterfeiting. The report, *2017 Out-of-Cycle Review of Notorious Markets*, was issued in January 2018.⁹⁶ The report highlights those markets where the scale of this activity is such that it can cause significant harm to U.S. IPR holders. The 2017 report listed 25 online markets and 18 physical markets in 12 countries, including markets in China and India that reportedly engage in or facilitate commercial-scale trademark counterfeiting and copyright piracy.

Antidumping and Countervailing Duty Investigations and Reviews

Antidumping Duty Investigations

The U.S. antidumping law is found in Title VII of the Tariff Act of 1930, as amended.⁹⁷ This law offers relief to U.S. industries that are materially injured by imports that are dumped, or sold at “less than fair value” (LTFV). The U.S. government provides a remedy by imposing an additional duty on LTFV imports.

Antidumping duties are imposed when (1) the U.S. Department of Commerce (USDOC) has determined that imports are being, or are likely to be, sold at 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.”) Investigations are generally initiated on the basis of a petition filed with the USDOC and the Commission by or on behalf of a U.S. industry, but can be self-initiated by the USDOC.⁹⁸ The USDOC and the Commission each make preliminary determinations and, if the Commission’s preliminary determination is affirmative, then each agency will make final determinations during the investigation process.

In general, imports are considered to be sold at LTFV when a foreign firm sells merchandise in the U.S. market at a price that is lower than the “normal value” of the merchandise.⁹⁹ Generally, normal value is the price the foreign firm charges for a comparable product sold in its home market.¹⁰⁰ Under certain circumstances, the foreign firm’s U.S. sales price may also be compared with the price the foreign firm

⁹⁵ USTR, [2017 Special 301 Report](#), April 2017, 42–44. For more information on IPR in China and India, see chapter 6.

⁹⁶ USTR, [2017 Out-of-Cycle Review of Notorious Markets](#), January 2018, 1.

⁹⁷ 19 U.S.C. § 1673 et seq.

⁹⁸ On December 4, 2017, USDOC self initiated antidumping and countervailing duty investigations on common alloy aluminum sheet from China. USDOC, [“U.S. Department of Commerce Self-Initiates Historic Antidumping and Countervailing Duty Investigations,”](#) November 28, 2017; USDOC, [“Fact Sheet: Commerce Preliminarily Finds Dumping,”](#) June 2018.

⁹⁹ 19 U.S.C. § 1677(35)(A); see also 19 U.S.C. § 1677a(a) (defining export price), § 1677a(b) (defining constructed export price).

¹⁰⁰ 19 U.S.C. § 1677b.

charges in other export markets or with the firm's cost of producing the merchandise, taking into account the firm's "selling, general, and administrative expenses" and its profit. Under the law, this latter basis for comparison is known as "constructed value."¹⁰¹ Finally, where the producer is located in a nonmarket economy, a comparison is made between U.S. prices and a "surrogate" normal value (its factors of production, as valued by use of a "surrogate" country).¹⁰² A "nonmarket economy country" is any foreign country that the administering authority determines does not operate on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise.¹⁰³

In all three methods, the amount by which the normal value exceeds the U.S. price is the "dumping margin." The duty specified in an antidumping duty order reflects the weighted average dumping margins found by the USDOC, both for the specific exporters it examined and for all other exporters.¹⁰⁴ This rate of duty (in addition to any ordinary customs duty owed) will be applied to subsequent imports from the specified producers/exporters in the country involved, but it may be adjusted if the USDOC receives a request for an annual review.¹⁰⁵

The Commission instituted 58 new antidumping investigations, and made 54 preliminary determinations and 36 final determinations in 2017.¹⁰⁶ As a result of affirmative final USDOC and Commission determinations, in 2017, the USDOC issued 33 antidumping duty orders on 15 products from 16 countries (table 2.1). The status of all antidumping investigations active at the Commission during 2017—including, if applicable, the date of final action—is presented in appendix table A.10. A list of all antidumping duty orders and suspension agreements (agreements to suspend investigations)¹⁰⁷ in effect as of the end of 2017 appears in appendix table A.11.

¹⁰¹ 19 U.S.C. § 1677b(a)(4), § 1677b(e).

¹⁰² 19 U.S.C. § 1677b(c).

¹⁰³ 19 U.S.C. § 1677(18)(A).

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

¹⁰⁵ 19 U.S.C. § 1675(a).

¹⁰⁶ Data reported here and in the following two chapter 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.

¹⁰⁷ 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 resumed, assuming it was not continued after the suspension agreement was issued, if USDOC determines that the suspension agreement has been violated. See 19 U.S.C. § 1673c.

Table 2.1 Antidumping duty orders that became effective during 2017

Trade partner	Product	Range of dumping margins (percent)
Austria	Carbon and alloy steel cut-to-length plate	53.72
Belgium	Carbon and alloy steel cut-to-length plate	5.40–51.78
Brazil	Carbon and alloy steel cut-to-length plate	74.52
Brazil	Emulsion styrene-butadiene rubber	19.61
China	1,1,1,2 Tetrafluoroethane (R-134a)	148.79–167.02
China	1-Hydroxyethylidene-1, 1-diphosphonic acid (HEDP)	167.58–184.01
China	Ammonium sulfate	493.46
China	Amorphous silica fabric	162.47
China	Biaxial integral geogrid products	372.81
China	Carbon and alloy steel cut-to-length plate	68.27
China	Large residential washers	32.12–52.51
China	Stainless steel sheet and strip	63.86–76.64
France	Carbon and alloy steel cut-to-length plate	6.15–148.02
Germany	Carbon and alloy steel cut-to-length plate	5.38–21.03
India	Finished carbon steel flanges	11.32–12.58
India	New pneumatic off-the-road tires	4.90–5.36
Italy	Carbon and alloy steel cut-to-length plate	6.08–22.19
Italy	Finished carbon steel flanges	79.17–204.53
Japan	Carbon and alloy steel cut-to-length plate	14.79–48.67
Japan	Steel concrete reinforcing bar	206.43–209.46
Mexico	Emulsion styrene-butadiene rubber	19.52
Poland	Emulsion styrene-butadiene rubber	25.43
South Africa	Carbon and alloy steel cut-to-length plate	87.72–94.14
South Korea	Carbon and alloy steel cut-to-length plate	7.39
South Korea	Diocetyl terephthalate (DOTP)	2.71–4.08
South Korea	Emulsion styrene-butadiene rubber	9.66–44.30
South Korea	Ferrovandium	3.22–54.69
South Korea	Phosphor copper	8.43
Spain	Finished carbon steel flanges	18.81–24.43
Taiwan	Carbon and alloy steel cut-to-length plate	2.80–8.01
Taiwan	Steel concrete reinforcing bar	3.62–6.95
Turkey	Carbon and alloy steel cut-to-length plate	3.62–6.95
Turkey	Steel concrete reinforcing bar	5.39–8.17

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

Note: Antidumping duty orders become effective following final affirmative determinations by USDOC and the Commission. The rates in the table apply in addition to any ordinary customs duty owed.

Countervailing Duty Investigations

The U.S. countervailing duty law is also set forth in Title VII of the Tariff Act of 1930, as amended.¹⁰⁸ It provides for the imposition of additional duties to offset (“countervail”) foreign subsidies on products imported into the United States.¹⁰⁹ 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. In addition, 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 26 new countervailing duty investigations, and made 17 preliminary determinations and 16 final determinations during 2017. USDOC issued 11 countervailing duty orders on 9 products from 5 countries in 2017 as a result of affirmative USDOC and Commission determinations (table 2.2). The status of all countervailing duty investigations active at the Commission during 2017, and, if applicable, the date of final action, is presented in appendix table A.12. A list of all countervailing duty orders and suspension agreements¹¹⁰ in effect at the end of 2017 appears in appendix table A.13.

¹⁰⁸ 19 U.S.C. § 1671.

¹⁰⁹ A subsidy is defined as a financial benefit given by an authority (a government of a country or any public entity within the territory of the country) to a person, in which the authority either (1) provides a financial contribution, (2) provides any form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade 1994, or (3) makes a payment to a funding mechanism to provide a financial contribution, or entrusts or directs a private entity to make a financial contribution, if providing the contribution would normally be vested in the government and the practice does not differ in substance from practices normally followed by governments. See 19 U.S.C. § 1677(5)(B).

¹¹⁰ 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 resumed, assuming it had not previously been continued after issuance of the suspension agreement, if USDOC determines that the suspension agreement has been violated. See 19 U.S.C. § 1671c.

Table 2.2 Countervailing duty orders that became effective during 2017

Trade partner	Product	Range of countervailable subsidy rates (percent)
China	Biaxial integral geogrid products	15.61–152.50
China	Ammonium sulfate	206.72
China	Amorphous silica fabric	48.94–135.39
China	Carbon and alloy steel cut-to-length plate	251.00
China	Stainless steel sheet and strip	75.60–190.71
China	1-Hydroxyethylidene-1, 1-diphosphonic acid (HEDP)	0.75–54.11
India	New pneumatic off-the-road tires	4.72–5.36
India	Finished carbon steel flanges	5.66–9.11
South Korea	Carbon and alloy steel cut-to-length plate	3.62–148.02
Sri Lanka	New pneumatic off-the-road tires	2.18
Turkey	Steel concrete reinforcing bar	16.21

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

Note: Countervailing duty orders become effective following final affirmative determinations by USDOC and the Commission. The rates in the table apply in addition to any ordinary customs duty owed.

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 compliance with suspension agreements. 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.¹¹¹ Where a changed-circumstances review is directed to the Commission, the party that is asking to have an antidumping duty order or countervailing duty order revoked or a suspended investigation terminated has the burden of persuading the Commission that circumstances have changed enough to warrant revocation.¹¹² On the basis of either the USDOC's or the 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.

Section 751(c) of the Tariff Act of 1930 requires both the USDOC and the Commission to conduct “sunset” reviews of existing antidumping duty and countervailing duty orders and suspension agreements five years after their publication. These reviews are intended to determine whether revoking an order or terminating a suspension agreement would be likely to lead to the continuation or recurrence of dumping or a countervailable subsidy and of material injury.¹¹³ If either the USDOC or the Commission reaches a negative determination, the order will be revoked or the suspension agreement terminated. During 2017, the USDOC and the Commission instituted 32 sunset reviews of existing antidumping and countervailing duty orders or suspended investigations,¹¹⁴ and the Commission completed 46 reviews. As a result of affirmative determinations by the USDOC and the Commission, 45

¹¹¹ 19 U.S.C. § 1675(b).

¹¹² 19 U.S.C. § 1675(b)(3).

¹¹³ 19 U.S.C. § 1675(c).

¹¹⁴ One of these instituted reviews (frozen warmwater shrimp from Brazil) was subsequently terminated and the outstanding antidumping duty order revoked because no domestic industry requested that it be continued.

antidumping duty and countervailing duty orders were continued. Appendix table A.14 lists, by date and action, the reviews of antidumping duty and countervailing duty orders and suspended investigations completed in 2017.¹¹⁵

Section 129 Investigations

Section 129 of the U.S. Uruguay Round Agreements Act sets out a procedure by which the Administration may respond to an adverse WTO panel or Appellate Body report concerning U.S. obligations under the WTO agreements on safeguards, antidumping, or subsidies and countervailing measures. Specifically, section 129 establishes a mechanism permitting the USTR to request that the agencies concerned—the USDOC and the Commission—issue a consistency or compliance determination, where such action is appropriate, to respond to the recommendations in a WTO panel or Appellate Body report.¹¹⁶

Large Residential Washers from South Korea. On September 26, 2016, the WTO Dispute Settlement Body (DSB) adopted the panel and Appellate Body reports in United States—Anti-Dumping and Countervailing Measures on Large Residential Washers from Korea (DS464). On September 26, 2016, the United States stated that it intends to implement the recommendations of the DSB in this dispute in a manner that respects U.S. WTO obligations, and that it will need a reasonable period of time in which to do so. On April 13, 2017, an Article 21.3(c) arbitrator determined that the requested time period for implementation would expire on December 26, 2017.¹¹⁷

On December 15, 2017, USTR requested that USDOC make a determination under section 129 of the Uruguay Round Agreements Act to address the DSB’s recommendations relating to USDOC’s CVD investigation of washers from South Korea. On December 18, 2017, USDOC initiated a section 129 proceeding.¹¹⁸ The section 129 proceeding is expected to be completed in 2018.¹¹⁹

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended,¹²⁰ prohibits certain unfair practices in the import trade. The unfair practice most frequently investigated by the Commission is patent infringement. In this context, section 337 prohibits the importation into the United States, the sale for importation, and the sale within the United States after importation of articles that infringe a valid and enforceable United States patent, provided that an industry in the United States, relating to articles protected by the patent concerned, exists or is in the process of being established.¹²¹ Similar requirements govern investigations involving infringement of other federally registered IPRs, including registered trademarks, registered

¹¹⁵ For detailed information on reviews instituted, as well as Commission action in all reviews, see the Commission’s website section “Sunset Review Database” at <https://pubapps2.usitc.gov/sunset/>.

¹¹⁶ 19 U.S.C. § 3538; see also Statement of Administrative Action submitted to the Congress in connection with the Uruguay Round Agreements Act, 353.

¹¹⁷ USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, 175.

¹¹⁸ U.S. Mission to the WTO, “[Statement by the United States at the Meeting of the WTO Dispute Settlement Body](#),” Geneva, January 22, 2018, 4.

¹¹⁹ USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 175.

¹²⁰ 19 U.S.C. § 1337.

¹²¹ Section 337 also covers articles that are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent. 19 U.S.C. § 1337(a)(1)(B)(ii).

copyrights, registered mask works, and registered vessel hull designs. In addition, the Commission has general 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 using stolen U.S. trade secrets), the threat or effect of which is to destroy or injure a U.S. industry, to prevent the establishment of a U.S. industry, or to restrain or monopolize trade and commerce in the United States.¹²² The Commission may institute an investigation on the basis of a complaint or on its own initiative.¹²³

If the Commission determines that a violation exists, it can issue an exclusion order directing U.S. Customs and Border Protection to block the imports in question (“subject imports”) from entry into the United States. The Commission can also issue cease and desist orders that direct the violating parties to stop engaging in the unlawful practices. The orders enter into force unless disapproved for policy reasons by the USTR¹²⁴ within 60 days of issuance.¹²⁵

During calendar year 2017, there were 130 active section 337 investigations and ancillary (secondary) proceedings, 74 of which were instituted that year. Of these 74 new proceedings, 59 were new section 337 investigations and 15 were new ancillary proceedings relating to previously concluded investigations. In 54 of the new section 337 investigations instituted in 2017, patent infringement was the only type of unfair act alleged. Of the remaining 5 investigations, 1 involved allegations of patent infringement and trademark infringement; 1 involved allegations of patent infringement, trademark infringement, copyright infringement, false advertising, and passing off; 1 involved allegations of trademark infringement, copyright infringement, and unfair competition; 1 involved allegations of false advertising; and 1 involved allegations of trade secret misappropriation.

The Commission completed a total of 64 investigations and ancillary proceedings under section 337 in 2017, including 1 remand proceeding, 1 modification proceeding, 2 advisory opinion proceedings, 1 enforcement proceeding, 2 declassification proceedings, and 8 rescission proceedings. In addition, the Commission issued 5 general exclusion orders, 12 limited exclusion orders, and 30 cease and desist orders during 2017. The Commission terminated 30 investigations without determining whether there had been a violation. Of these investigations, 19 were terminated on the basis of settlement agreements and/or consent orders, 10 were terminated based on withdrawal of the complaint, and 1 was terminated for other good cause shown. Commission activities involving section 337 proceedings in 2017 are presented in appendix table A.15.

¹²² Other unfair methods of competition and unfair acts have included common-law trademark infringement, trademark dilution, false advertising, false designation of origin, passing off, and antitrust violations. (In general terms, passing off consists of falsely representing one’s own product as that of another in order to deceive potential buyers.) Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

¹²³ 19 U.S.C. § 1337(b)(1).

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

¹²⁵ 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 for review. 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 the USTR, and whether public-interest considerations preclude issuing a remedy.

The section 337 investigations active in 2017 continued to involve a broad spectrum of products. As in prior years, technology products were the single largest category, with approximately 38 percent of the active proceedings involving computer and telecommunications equipment and another 6 percent involving consumer electronics. Pharmaceuticals and medical devices became the second-largest category and were at issue in about 13 percent of the active proceedings. Automotive, transportation, and manufacturing products were at issue in about 10 percent of the active proceedings. The remaining 33 percent of active proceedings involved a wide variety of other types of articles, including arrowheads for recreational hunting, robotic vacuum cleaners, lighted mirrors, pool and spa enclosures, reusable diapers, shaving cartridges, LED lighting devices, gas spring nailers, insulated beverage containers, cases and mounts for smartphones, and food flavorings.

At the close of 2017, 65 section 337 investigations and related proceedings were pending at the Commission. As of December 31, 2017, there were 109 exclusion orders based on violations of section 337 in effect. Appendix table A.16 lists the investigations in which these exclusion orders were issued. Copies of the exclusion orders are available on the Commission's website at https://www.usitc.gov/intellectual_property/exclusion_orders.htm. For additional detailed information about 337 investigations instituted since October 1, 2008, see the Commission's 337Info database, found at <https://pubapps2.usitc.gov/337external>.

National Security Investigations

In April 2017, the U.S. Secretary of Commerce ("Secretary") initiated investigations on imports of steel and aluminum, respectively, under the national security provisions of section 232 of the Trade Expansion Act of 1962.¹²⁶ Section 232 requires the Secretary to submit a report to the President within 270 days of institution of an investigation. The report must include the Secretary's findings "with respect to the effect of the importation of such article in such quantities or under such circumstances upon the national security" and his recommendations for action or inaction. The statute also provides that if the Secretary finds that the imported article "is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security," he is to so advise the President in his report.¹²⁷

The Secretary initiated the steel investigation on April 19, 2017. On April 20, 2017, the President signed a memorandum directing the Secretary to proceed expeditiously in conducting the investigation. The President further directed that if the Secretary finds that steel is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, the Secretary is to recommend the actions and steps that should be taken to adjust steel imports so that they will not threaten to impair the national security.¹²⁸ In a press release the USDOC stated that the Secretary had initiated the steel investigation for the purpose of considering overcapacity, dumping, illegal subsidies, and other factors to determine whether steel imports threaten U.S. economic security and military preparedness. The press release noted that the United States currently imposed no tariffs on imports of steel, but that it had to impose antidumping and countervailing duties in over 150 cases,

¹²⁶ 19 U.S.C. § 1862.

¹²⁷ 19 U.S.C. § 1862(b)(3)(A).

¹²⁸ 82 Fed. Reg. 19205 (April 26, 2017)

with another 13 currently pending.¹²⁹ The press release also cited, among other things, military needs for specialty steel alloys that are used for armor, vehicles, ships, aircraft, and infrastructure, and the need for a healthy domestic steel industry that could guarantee military supply chains in the event of a conflict.¹³⁰ USDOC invited the public to submit comments relating to the investigation and held a public hearing on May 24, 2017. The investigation was in progress at the end of 2017 (box 2.1).¹³¹

The Secretary initiated the investigation on aluminum imports on April 26, 2017. On April 27, 2017, the President signed a memorandum directing the Secretary to proceed expeditiously in conducting his investigation. The President further directed that the Secretary, if he finds that aluminum is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, recommend actions and steps that should be taken to adjust aluminum imports so that they will not threaten to impair the national security.¹³² In a press release published on its website, USDOC indicated that the Secretary initiated the investigation on aluminum imports “in light of the large volumes of excess global aluminum production and capacity—much of which results from foreign government subsidies and other unfair practices—which distort the U.S. and global aluminum markets.” In the release, USDOC also noted that aluminum is used in a variety of commercial, infrastructure, and defense applications.¹³³ USDOC invited the public to submit comments relating to the investigation and held a public hearing on June 22, 2017. The investigation was in progress at the end of 2017 (box 2.1).¹³⁴

¹²⁹ USDOC, Office of Public Affairs, “[Presidential Memorandum Prioritizes Commerce Steel Investigation](#),” April 20, 2017.

¹³⁰ *Ibid.*

¹³¹ USDOC, “[The Effect of Imports of Steel on the National Security: An Investigation Conducted under Section 232 of the Trade Expansion Act of 1962, As Amended](#),” January 11, 2018, 5, 7

¹³² 82 Fed. Reg. 21509 (May 9, 2017).

¹³³ USDOC, “[Section 232 Investigation on the Effect of Imports of Aluminum](#)” (accessed April 17, 2018).

¹³⁴ USDOC, “[The Effect of Imports of Aluminum on the National Security: An Investigation Conducted under Section 232 of the Trade Expansion Act of 1962, as Amended](#),” January 17, 2018.

Box 2.1 National security investigations on steel and aluminum, developments January–March 2018

Steel investigation. U.S. Secretary of Commerce Wilbur L. Ross transmitted to the President a report on his department’s national security investigation of U.S. steel imports on January 11, 2018. Based on findings in the report, the Secretary concluded that “the present quantities and circumstance of steel imports are ‘weakening our internal economy’ and threaten to impair the national security as defined in Section 232.” He found that several important factors—including the level of global excess capacity, the level of U.S. imports, the reduction in basic U.S. oxygen furnace facilities since 2001, and the potential impact of further U.S. plant closures on capacity needed in a national emergency—supported recommending action under Section 232. To address the threat and to enable U.S. steel producers to operate at about an 80 percent or better capacity utilization rate based on available capacity in 2017, the Secretary recommended two alternative courses of action: (1) apply a quota to imports of flat, long, semi-finished, pipe and tube, and stainless steel (“subject steel”) at a level of 63 percent of each country’s 2017 import levels, or (2) apply a tariff to imports of subject steel at a rate of 24 percent ad valorem.^a On March 8, 2018, the President issued Proclamation 9705, which imposed a tariff at a rate of 25 percent ad valorem on imports of subject steel, but exempted imports of subject steel from Canada and Mexico pending ongoing discussions.^b The President subsequently issued Proclamation 9711 of March 22, 2018, temporarily exempting Australia, Argentina, South Korea, Brazil, and the European Union (EU) from the tariff after having found satisfactory alternative means to address the national security concern.^c

Aluminum investigation. Secretary Ross transmitted to the President a report on his department’s national security investigation of U.S. aluminum imports on January 19, 2018. In the report, the Secretary concluded that “the present quantities and circumstances of aluminum imports are ‘weakening our internal economy’ and threaten to impair the national security as defined in Section 232.” He further concluded, among other things, that “the U.S. Department of Defense and critical domestic industries depend on large quantities of aluminum,” that “import trends have left the United States almost totally reliant on foreign producers of primary aluminum” (i.e., unwrought aluminum that is not from recycled sources), that “the United States is at risk of becoming completely reliant on foreign producers of high-purity aluminum essential for key military and commercial systems,” and that “the domestic aluminum industry is at risk of becoming unable to satisfy existing national security needs or respond to a national security emergency that requires a large increase in domestic production.” In response, the Secretary sought to raise domestic production of primary aluminum to about 1.45 million metric tons, or about 80 percent of existing U.S. primary aluminum production capacity. To accomplish this, he recommended two alternative courses of action, one involving a global quota or tariff, the other involving a tariff on imports from certain economies. Specifically, the President: (1) would either impose a worldwide quota on imports of primary aluminum and five types of wrought aluminum (“subject aluminum”) at a level of 86.7 percent of 2017 import levels, or apply a tariff on all imports of subject aluminum at a rate of 7.7 percent ad valorem, or (2) would impose a tariff on imports of subject aluminum from a subset of economies (China, Hong Kong, Russia, Venezuela, and Vietnam) at a rate of 23.6 percent ad valorem. The Secretary stated that these five economies “are the source of substantial imports due to significant overcapacity and potential unreliable suppliers or likely sources of transshipped aluminum from China.”^d On March 8, 2018, the President issued Proclamation 9704, which imposed a tariff at a rate of 10 percent ad valorem, in addition to the current rate of duty, on imports of subject aluminum, but exempted imports of subject aluminum from Canada and Mexico pending ongoing discussions.^e The President subsequently issued Proclamation 9710, temporarily exempting Australia, Argentina, South Korea, Brazil, and the EU from the tariff after having found satisfactory alternative means to address the national security concern.^f

^a USDOC, “[The Effect of Imports of Steel on the National Security: An Investigation Conducted under Section 232 of the Trade Expansion Act of 1962, As Amended](#),” January 11, 2018, 5, 7.

^b Proclamation No. 9705, 83 Fed. Reg. 11625 (March 15, 2018).

^c Proclamation No. 9711, 83 Fed. Reg. 13361 (March 28, 2018).

^d USDOC, “[The Effect of Imports of Aluminum on the National Security: An Investigation Conducted under Section 232 of the Trade Expansion Act of 1962, as Amended](#),” January 17, 2018, 5–6, 108.

^e Proclamation No. 9704, 83 Fed. Reg. 11619 (March 15, 2018).

^f Proclamation No. 9710, 83 Fed. Reg. 13355 (March 28, 2018).

Trade Adjustment Assistance

The United States provides trade adjustment assistance (TAA) to aid U.S. workers and firms adversely affected by import competition.¹³⁵ On June 29, 2015, President Barack Obama signed into law the Trade Preferences Extension Act (TPEA). Title IV of the TPEA—the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015)—amended and reauthorized TAA for six years, until June 30, 2021.¹³⁶ The main TAA programs in effect in fiscal year (FY) 2017 were TAA for Workers, administered by the U.S. Department of Labor (USDOL), and TAA for Firms, administered by the U.S. Department of Commerce (USDOC). A third program, TAA for Farmers, administered by the U.S. Department of Agriculture (USDA), was reauthorized by Congress through the TPEA of 2015.¹³⁷ However, the U.S. Congress did not appropriate funding for new participants in this program for FY 2017. As a result, USDA did not accept any new petitions or applications for benefits in FY 2017.¹³⁸

Selected developments in the TAA programs for workers and firms during FY 2017 are summarized below.¹³⁹

Assistance for Workers

The provisions relating to TAA for Workers are set out in chapter 2 of title II of the Trade Act of 1974.¹⁴⁰ The program provides federal assistance to eligible workers who have been adversely affected by import competition. The TAA program offers a variety of benefits and services to eligible workers, including training, help with healthcare premium costs, trade readjustment allowances, reemployment assistance, and employment and case management services.¹⁴¹ 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, <https://www.doleta.gov/tradeact/>.

¹³⁵ Trade adjustment assistance (TAA) was first established by the Trade Expansion Act of 1962 (Pub. L. 87-793) and subsequently expanded and reauthorized numerous times. For more background on its history, see USITC, “[A Brief History of the U.S. Trade Adjustment Assistance Program for Workers](#),” January 2017. For recent history, see previous annual *Year in Trade* reports, found at https://www.usitc.gov/research_and_analysis/year_in_trade.htm.

¹³⁶ Pub. L. 114-27, sect. 403. TAARA of 2015 contains sunset provisions similar to those in the Trade Adjustment Assistance Extension Act (TAAEA) of 2011, which took effect in 2014. Beginning July 1, 2021, the TAA program is scheduled to revert to a more limited set of eligibility and benefit provisions that are similar to the Reversion 2014 provisions (e.g., services firms will no longer be eligible for the program). These provisions are scheduled to remain in place for one year; the authorization is set to expire after June 30, 2022, on which date the program is scheduled to begin to be phased out. CRS, [Trade Adjustment Assistance for Workers and the TAA Reauthorization Act of 2015](#), September 14, 2016, 12.

¹³⁷ The Trade Preferences Extension Act (TPEA) of 2015 reauthorized the TAA for Farmers Program for FY 2015 through FY 2021.

¹³⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 54.

¹³⁹ FY 2017 ran from October 1, 2016, to September 30, 2017.

¹⁴⁰ 19 U.S.C. § 2271 et seq.

¹⁴¹ Trade Readjustment Allowances (TRAs) provide income support to eligible workers who participate in training. Reemployment TAA provides a wage supplement to eligible workers age 50 or older when they accept new employment at a lower wage. USDOL, [“TAA Program Benefits and Services under the 2015 Amendments,”](#) n.d. (accessed March 30, 2018).

For petitioning workers to be eligible to apply for TAA, the Secretary of Labor must determine that they meet certain criteria relating to the reasons they were separated from their firm, including declining sales or production at their firm and increased imports of like or directly competitive articles.¹⁴² (Workers often apply in groups based on their former firms.) Workers at firms that are or were suppliers to or downstream users of the output of TAA-certified firms may also be eligible for TAA benefits.¹⁴³

When the Commission makes an affirmative determination in a global safeguard investigation under section 202 of the Trade Act of 1974, USDOL is required to submit a report to the President under section 224(a) of the Trade Act of 1974 on the number of workers in the relevant industry and the extent to which adjustment of workers might be facilitated through existing programs.¹⁴⁴ More specifically, USDOL's report is required to address (1) the number of workers in the domestic industry producing the like or directly competitive article(s) who have been or are likely to be certified as eligible for TAA; and (2) the extent to which the adjustment of such workers to the import competition may be facilitated through the use of existing programs.¹⁴⁵ In 2017, USDOL submitted two such reports to the President following Commission affirmative determinative determinations in safeguard investigations on (1) imports of crystalline silicon photovoltaic cells (CSPV cells), and (2) imports of large residential washers (washers).¹⁴⁶ In its reports, USDOL estimated the number of workers involved in the production of either CSPV cells or washers who have been certified eligible to apply for TAA since 2012, as well as the number of additional workers likely to be covered by certified TAA petitions before the end of 2019. USDOL also found that enough funding is available to provide TAA benefits and services to these workers, and that training and benefits under various federal programs are sufficient to assist workers to adjust to the trade impact. USDOL submitted its reports on CSPV cells and washers to the President in November 2017 and December 2017, respectively.¹⁴⁷

In FY 2017, \$716.4 million was allocated to state governments to fund the TAA for Workers program. This funding included \$391.4 million for "training and other activities," which includes funds for training, job search allowances, relocation allowances, employment and case management services, and related state administration; \$293.7 million for trade readjustment allowance benefits; and \$31.2 million for reemployment trade adjustment assistance benefits.¹⁴⁸

¹⁴² See 19 U.S.C. § 2272.

¹⁴³ 19 U.S.C. § 2272.

¹⁴⁴ 19 U.S.C. § 2274(a).

¹⁴⁵ 19 U.S.C. § 2274(a).

¹⁴⁶ For more information about these Commission investigations, see the section on Safeguard actions earlier in this chapter.

¹⁴⁷ USDOL, ETA, [Silicon Photovoltaic Cells](#), November 2017; USDOL, ETA, [Large Residential Washers](#), December 2017. For more information, see 82 Fed. Reg. 57617 (December 6, 2017) and 82 Fed. Reg. 61329 (December 27, 2017).

¹⁴⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 53.

Groups of workers submitted 1,037 petitions for TAA in FY 2017, down 30.8 percent from the 1,498 petitions filed in FY 2016.¹⁴⁹ The USDOL certified 844 petitions covering 94,017 workers as eligible for TAA, and denied 234 petitions covering 32,038 workers.¹⁵⁰ The largest number of petitions certified in FY 2017 was in the West census region, followed by the Northeast, South, and the Midwest (table 2.3).¹⁵¹ By state, California had the most workers certified (12,338 workers), followed by Washington (7,416 workers), Michigan (7,135 workers), Texas (5,501 workers), and Pennsylvania (4,219 workers).¹⁵²

Table 2.3 TAA certifications, by region, FY 2017

U.S. Census region	No. of petitions certified	No. of workers covered
West	223	31,786
Northeast	222	13,414
South	212	26,126
Midwest	184	22,392
Puerto Rico	3	299
Total	844	94,017

Source: USDOL, ETA, email message to USITC staff, March 16, 2018.

The majority (57.7 percent, 487 petitions) of the TAA petitions certified during FY 2017 were in the manufacturing sector, covering 60,346 workers, followed by the professional, scientific, and technical services sector (11.6 percent, 98 petitions) and the finance and insurance sector (7.9 percent, 67 petitions) (figure 2.1).¹⁵³

¹⁴⁹ In the Employment and Training Administration's TAA for Workers Program FY 2016 report, the number of petitions submitted in FY 2016 was 1,453. USDOL, ETA, [Trade Adjustment Assistance for Workers Program, Fiscal Year 2016](#), 2017, 10. The reason for the discrepancy here is that the number of petitions filed is calculated based on the number of worker groups covered, which changes during the investigation. After FY 2016 numbers were generated, some petitions were deemed to cover more than one worker group either at the time of determination or through a subsequent amendment. As a result, the number of petitions for FY 2016 increased to 1,498 petitions overall, which is the adjusted number.

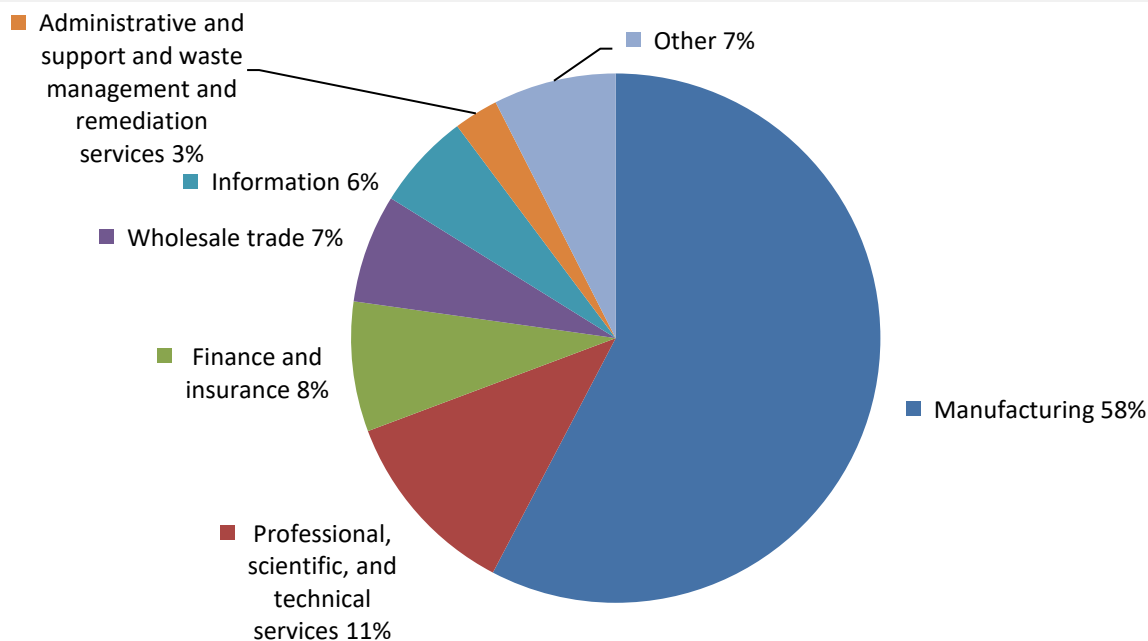
¹⁵⁰ Petitions are accepted and investigated on a rolling basis throughout the year, and petitions may be withdrawn and investigations terminated at any point. For these reasons, the number of petitions certified and denied for TAA in any fiscal year may not equal the total number of petitions filed in that year. USDOL, ETA, [Trade Adjustment Assistance for Workers Program, Fiscal Year 2016](#), 2017, 11.

¹⁵¹ The regional classification is based on definitions from the U.S. Census Bureau. See U.S. Census website, https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf (accessed March 28, 2018).

¹⁵² USDOL, ETA, email message to USITC staff, March 16, 2018.

¹⁵³ Ibid.

Figure 2.1 Share of TAA petitions certified by industry sector in FY 2017



Source: USDOL, ETA, email message to USITC staff, March 16, 2018.

Note: “Other” includes all industry sectors where less than 20 petitions were certified in FY 2017. Underlying data can be found in appendix table [B.9](#).

Assistance for Firms

The TAA for Firms program¹⁵⁴ provides technical assistance to help U.S. firms experiencing a decline in sales and employment to become more competitive in the global marketplace.¹⁵⁵ The program provides cost-sharing technical assistance to help eligible businesses create and implement targeted business recovery plans. The program pays up to 75 percent of the costs of developing the recovery plans, but firms also contribute a share of the cost of creating and implementing their recovery plans.¹⁵⁶ 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 the program, a firm must show that an increase in imports of like or directly competitive articles “contributed importantly” to the decline in sales or production and to the separation or threat of separation of a significant portion of the firm’s workers.¹⁵⁷ The program supports a nationwide network of 11 nonprofit or university-affiliated Trade Adjustment Assistance Centers to help firms apply for certification of eligibility and prepare and implement a business recovery plan or

¹⁵⁴ Trade Act of 1974, 19 U.S.C. § 2341 et seq.

¹⁵⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 54.

¹⁵⁶ USDOC, EDA, “[Trade Adjustment Assistance for Firms](#),” n.d. (accessed March 29, 2018).

¹⁵⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 54.

adjustment proposal.¹⁵⁸ Firms generally have up to five years to implement an approved adjustment proposal.¹⁵⁹

In FY 2017, the TAA for Firms program budget authorization from Congress was \$16 million, while FY 2017 actual funding appropriated for the program was \$13 million.¹⁶⁰ During FY 2016 (latest data available), EDA certified 68 petitions for eligibility and approved 75 adjustment proposals.¹⁶¹

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 about 3,500 products that are imported from designated developing countries and territories.¹⁶² Certain additional products (about 1,500 products) are allowed duty-free treatment only when imported from countries designated as least-developed beneficiary developing countries (LDBDCs).¹⁶³ The President’s authority to provide duty-free treatment under the GSP program expired on December 31, 2017.¹⁶⁴

The goal of the GSP program is to accelerate economic growth in developing countries by offering unilateral tariff preferences for imports into the U.S. market.¹⁶⁵ An underlying principle of the GSP program is that the creation of trade opportunities for developing countries encourages broader-based economic development and creates momentum for economic reform and liberalization.¹⁶⁶

Countries are designated as “beneficiary developing countries” under the GSP program by the President, although they can lose this designation based on findings of country practices that violate the provisions of the GSP statute, including inadequate protection of IPRs or of internationally recognized worker rights.¹⁶⁷ Complaints about such violations (country practice allegations) are usually brought to the attention of the interagency GSP subcommittee by a petition process. Some beneficiary developing

¹⁵⁸ USDOC, EDA, [Fiscal Year 2016 Annual Report to Congress: Trade Adjustment Assistance for Firms Program](#), n.d. (accessed March 29, 2018), 6–7.

¹⁵⁹ *Ibid.*, 9.

¹⁶⁰ CRS, [Trade Adjustment Assistance for Firms](#), August 30, 2017, 4.

¹⁶¹ USDOC, EDA, [Fiscal Year 2016 Annual Report to Congress: Trade Adjustment Assistance for Firms Program](#), n.d. (accessed March 29, 2018) 4.

¹⁶² The program is authorized by Title V of the Trade Act of 1974, as amended, 19 U.S.C. § 2461 et seq. The list of current GSP beneficiaries can be found on the USTR’s website at <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp/gsp-program-inf>.

¹⁶³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 56.

¹⁶⁴ GSP was reauthorized on March 23, 2018, with retroactive coverage from January 1, 2018, through December 31, 2020. The renewal also made technical modifications to procedures for CNLs and waivers. See H.R. 1625 (Consolidated Appropriations Act of 2018) at <https://www.congress.gov/bill/115th-congress/house-bill/1625/text>.

¹⁶⁵ USTR, [U.S. Generalized System of Preferences \(GSP\) Guidebook](#), August 2017, 3.

¹⁶⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 55.

¹⁶⁷ There are currently 8 ongoing country practice petitions under review by the GSP subcommittee. See USTR, [“Annual Reviews,”](#) (accessed March 30, 2018). On April 12, 2018, USTR announced new GSP eligibility reviews of India, Indonesia, and Kazakhstan. USTR, [“USTR Announces New GSP Eligibility Reviews of India, Indonesia, and Kazakhstan,”](#) April 2018.

countries are also designated as LDBDCs, and, as such, are eligible for GSP benefits for an additional list of about 1,500 products.

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 goods (e.g., most 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 further provides that countries “graduate” from the program when they become “high income,” as defined by the World Bank’s per capita income tables.¹⁶⁸ In addition, the statute allows for ending the eligibility of certain imports, or imports from specific countries, under certain conditions.

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.¹⁶⁹ 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. Two different measures for CNLs may apply to U.S. imports of a particular product from a beneficiary developing country during any calendar year. One CNL measure applies to imports from a beneficiary developing country that account for 50 percent or more of the value of total U.S. imports of that product. The other applies to imports that exceed a certain dollar value (\$180 million in 2017).¹⁷⁰ The legislation to reauthorize the GSP program in 2006 provided that a CNL waiver in effect on a product for five or more years should be revoked if total U.S. imports from a beneficiary developing country exceed certain “super-competitive” value thresholds—that is, 75 percent of all U.S imports or 150 percent of the current year’s CNL dollar limit.¹⁷¹

The following developments with respect to the U.S. GSP program occurred in 2017:¹⁷²

- Presidential Proclamation 9687 of December 22, 2017, ended the suspension of Argentina’s GSP benefits, effective January 1, 2018.¹⁷³ Argentina’s GSP benefits had been suspended in March 2012, based on Argentina’s failure to enforce arbitral awards in good faith. Argentina’s GSP benefits had previously been partially removed as the result of a country practice review of Argentina’s protection of IPRs. That earlier partial suspension was not ended by Proclamation 9687, in light of ongoing concerns with Argentina’s protection of IPR.
- Presidential Proclamation 9687 of December 22, 2017, also partially removed GSP eligibility from Ukraine, effective April 26, 2018, as the result of a country practice review of Ukraine’s protection of IPRs. This partial removal covered 147 HTS subheadings. Ukraine had previously lost its GSP eligibility in 2001, also because of its failure to adequately protect IPRs, but was

¹⁶⁸ World Bank, “[GDP Per Capita \(Current US\\$\)](#),” (accessed April 9, 2018).

¹⁶⁹ CNLs do not apply to least-developed beneficiary developing countries (LDBDCs) or to developing countries that are beneficiaries of the African Growth and Opportunity Act.

¹⁷⁰ USTR, [U.S. Generalized System of Preferences \(GSP\) Guidebook](#), August 2017, 11.

¹⁷¹ 19 U.S.C. § 2463(d)(4)(B)(ii).

¹⁷² A complete list of actions taken in the 2016/2017 annual review may be found at <https://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/gsp-20162017>.

¹⁷³ 82 Fed. Reg. 61413 (December 27, 2017).

reinstated in 2006.

- GSP eligibility was extended to all GSP beneficiaries for 23 HTS numbers for travel goods (including luggage, backpacks, handbags, and wallets) that had become eligible for LDBDCs and AGOA countries on June 30, 2016, as a result of the 2015/2016 GSP Annual Review.
- Additional results of the 2016/2017 GSP Annual Review included denial of two petitions to add a product (preserved or prepared pineapple and high-carbon ferromanganese) to GSP eligibility for all countries; removal of one product (glycine) from GSP eligibility for all beneficiary developing countries; granting five petitions to add products as eligible for all beneficiary developing countries (rolled or flaked cereals other than oats or barley, saturated acyclic monocarboxylic acids, certain finishing agents, cellulose nitrates in primary forms, and essential oils of lemon); and granting one CNL waiver for a coniferous wood product from Brazil. Two products were newly excluded for exceeding CNL thresholds (heterocyclic aromatic pesticides from India, and setts (small paving block), curbstones, and flagstones from Turkey). De minimis CNL waivers were granted for 100 eligible products.¹⁷⁴ No products that had been excluded during prior GSP reviews, but for which import levels had dropped below the threshold amounts set for the current review, were redesignated as GSP eligible.
- In an action separate from the GSP annual review, in June 2017, USTR self-initiated a country practice review of Bolivia's eligibility for GSP benefits because of concerns about Bolivia's implementation of its commitments to eliminate the worst forms of child labor and to afford internationally recognized worker rights, including a minimum age for the employment of children.¹⁷⁵ This was the first self-initiated GSP review in over 20 years.¹⁷⁶

U.S. imports under GSP preferences rose 11.9 percent from \$19.0 billion in 2016 to \$21.2 billion in 2017. This increase accounted for 9.9 percent of total U.S. imports from GSP beneficiary countries and 0.9 percent of U.S. imports from all countries (tables 2.4 and A.2). The GSP utilization rate for 2017 (total imports claimed under GSP as a share of eligible imports from GSP countries) was 49.6 percent, a slight increase (1.3 percentage points) over 2016.

India was the leading source of imports entered under the GSP program in 2017, followed by Thailand and Brazil, continuing a pattern established in 2011 (appendix table A.17). These three countries together accounted for 57.8 percent of all U.S. imports under GSP in 2017, while the top five countries (including Indonesia and Turkey) accounted for 74.7 percent of GSP imports. U.S. imports from all five countries increased in 2017 over the previous year.

¹⁷⁴ As defined by the GSP statute, a waiver may be given when total U.S. imports from all countries of a product are "de minimis" (a threshold value beneath which an import is entered with no duty). Like the dollar-value CNLs, the de minimis level is adjusted each year, in increments of \$500,000. The de minimis level in 2017 was \$23.5 million.

¹⁷⁵ 82 Fed. Reg. 31794 (July 10, 2017). This country practice review was undertaken on the recommendation of the Trade Policy Staff Committee under 15 CFR 2007.0(f).

¹⁷⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 56.

Table 2.4 U.S. imports for consumption from GSP beneficiaries, 2015–17

Item	2015	2016	2017
Total imports from GSP beneficiaries (million \$)	206,534	201,586	215,201
Total imports under GSP (million \$)	17,759	18,953	21,215
Imports under LDBDC provisions (million \$) ^a	25	58	115
Imports under non-LDBDC provisions (million \$) ^b	17,734	18,895	21,100
Imports under GSP (as a share of all imports from GSP countries)	8.6	9.4	9.9
Imports under GSP (as a share of all imports eligible for GSP) ^c	45.4	48.3	49.6

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Because of rounding, figures may not add to totals shown. LDBDC = least-developed beneficiary developing country. The President's authority to provide duty-free treatment under the GSP program expired on December 31, 2017.

^a LDBDC-eligible products are those for which the rate of duty of "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.

^b Non-LDBDC-eligible products are those for which a rate of duty of "free" appears in the special rate column of the 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. 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 listed in the designated provision.

^c Not all products are eligible for GSP.

In 2017, the chemicals sector was again the top sector for imports claiming eligibility under GSP (up \$720 million, an increase of 18.8 percent) (appendix tables A.18 and A.19). The minerals and metals sector ranked second in 2017, as it did in 2016 (up \$795 million, an increase of 23.6 percent). Agricultural products made up the third-largest sector and also saw imports claiming GSP eligibility increase \$105 million (3.3 percent) over 2016. Among the top 15 U.S. imports under GSP, all imports except one increased in 2017 (appendix table A. 20). Gold jewelry imports were the leading GSP import product by value. Those imports increased 18.9 percent from 2016, with Turkey, Indonesia, and South Africa accounting for 68.3 percent of the GSP trade. Ferrochromium was the second GSP import by value, sourced primarily from South Africa and Turkey. GSP imports of ferrochromium increased 82.4 percent over the 2016 amount. Nonalcoholic beverages (including milk-based drinks) sourced primarily from Thailand, were the third-highest GSP import in 2017 by value at \$347 million.¹⁷⁷

Nepal Trade Preference Program

The Nepal Trade Preference Act (NTPA) was established under Section 915 of the Trade Facilitation and Trade Enforcement Act of 2015, which was signed into law on February 24, 2016.¹⁷⁸ The NTPA entered into effect on December 30, 2016.¹⁷⁹ This program was designed to improve Nepal's export competitiveness and help Nepal's economic recovery following a 2015 earthquake.¹⁸⁰ The NTPA is scheduled to expire on December 31, 2025.¹⁸¹

The NTPA authorizes the President to provide preferential treatment to articles imported directly from Nepal into the United States if the President determines that Nepal meets certain requirements set

¹⁷⁷ Thailand received a CNL waiver for this product during the 2015/2016 GSP annual review. See USTR, "[Results of the 2015/2016 Generalized System of Preferences \(GSP\) Annual Review](#)," 2016.

¹⁷⁸ Pub. Law 114-125; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 60.

¹⁷⁹ Proclamation No. 9555, 81 Fed. Reg. 92499 (December 20, 2016).

¹⁸⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 35.

¹⁸¹ Proclamation No. 9555, 81 Fed. Reg. 92499 (December 20, 2016).

forth in the NTPA, AGOA, and GSP statutes.¹⁸² The NTPA originally gave Nepal duty-free access to the U.S. market for goods in 66 HTS 8-digit tariff lines, including certain luggage and flat goods in chapter 42 of the HTS, certain carpets and floor coverings in chapter 57, some apparel in chapters 61 and 62, two non-apparel made-up textile articles in chapter 63, and various headwear items in chapter 65.¹⁸³ Because of changes made to the HTS in July 2016, Nepal was eligible for duty-free treatment on 77 tariff lines, 31 of which are also duty free under GSP, when the program entered into effect in December.¹⁸⁴ However, the NTPA's rules of origin differ from the GSP's; i.e., under the NTPA, U.S. content may be counted towards part of the 35 percent value added requirement.¹⁸⁵

In 2017, the first full year that the NTPA was in effect, total U.S. imports from Nepal were \$91.7 million; imports from Nepal under GSP were \$8.5 million (9.3 percent of total imports from Nepal); and imports under the NTPA were \$2.3 million (2.5 percent of total imports from Nepal) (table 2.5). U.S. imports under NTPA and GSP as a share of all imports from Nepal that were eligible for NTPA and GSP preferences was 57.8 percent in 2017.

Table 2.5 U.S. imports for consumption from Nepal, 2015–17

Item	2015	2016	2017
Total imports from Nepal (thousand \$)	86,854	88,294	91,695
Imports under GSP (thousand \$)	5,469	9,426	8,498
Imports under NTPA (thousand \$)	0	0	2,256
Share of total imports from Nepal			
Imports under GSP (percent)	6.3	10.7	9.3
Imports under NTPA (percent)	0.0	0.0	2.5
Imports under NTPA and GSP as a share of all imports eligible for NTPA and GSP (percent)	(a)	(a)	57.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

^a U.S. imports under NTPA were first recorded in 2017.

African Growth and Opportunity Act

Enacted in 2000, the African Growth and Opportunity Act (AGOA) gives tariff preferences to eligible sub-Saharan African (SSA) countries pursuing political and economic reform.¹⁸⁶ In particular, AGOA provides duty-free access to the U.S. market for all GSP-eligible products, and for more than 1,800 additional (AGOA-only) qualifying HTS 8-digit tariff-line items. While AGOA's eligibility criteria¹⁸⁷ and rules of

¹⁸² In 2016, the USITC conducted an investigation on whether certain textile and apparel articles from Nepal are import sensitive. USITC, [Nepal: Advice Concerning Whether Certain Textile and Apparel Articles Are Import Sensitive](#), October 2016.

¹⁸³ 19 U.S.C. § 4454 (c)(2)(A)(iii).

¹⁸⁴ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 60; 81 Fed. Reg. 92499 (December 20, 2016).

¹⁸⁵ The cost or value of the materials produced in, plus the direct cost of processing performed in, Nepal or the United States, must total at least 35 percent of the appraised customs value of the product at the time of entry.

¹⁸⁶ 19 U.S.C. § 2463 and 19 U.S.C. § 3722.

¹⁸⁷ AGOA eligibility criteria are set forth in Section 104 of AGOA (19 U.S.C. § 3703) and section 502 of the Trade Act of 1974 (19 U.S.C. § 2463). Countries must be GSP eligible as well as AGOA eligible in order to receive AGOA's trade benefits.

origin¹⁸⁸ are similar to those of the GSP program, AGOA beneficiary countries are exempt from the GSP CNLs.¹⁸⁹ AGOA also provides duty-free treatment for certain apparel articles cut and sewn in designated beneficiary countries on the condition that additional eligibility criteria are satisfied.¹⁹⁰ The current AGOA expiration date is September 30, 2025.¹⁹¹

Each year, the President must consider whether individual SSA countries are, or remain, eligible for AGOA benefits based on the eligibility criteria. The Office of the U.S. Trade Representative (USTR) initiates this annual eligibility review with the publication of a notice in the *Federal Register* requesting comments and announcing a public hearing. As a result of the annual review covering calendar year 2017, during the year a total of 38 SSA countries¹⁹² were designated as eligible for AGOA benefits, 8 countries¹⁹³ were not designated as eligible because they did not meet the eligibility criteria, and 2 countries (Equatorial Guinea and Seychelles) were not designated as eligible because they had graduated from GSP.¹⁹⁴ No AGOA countries lost benefits in 2017, and The Gambia and Swaziland were re-designated as eligible for benefits, effective December 22, 2017.¹⁹⁵

In addition to the annual review process, any interested party may submit a petition to USTR, at any time, with respect to whether a beneficiary SSA country is meeting the AGOA eligibility requirements for an out-of-cycle review.¹⁹⁶ On March 21, 2017, the Secondary Materials and Recycled Textiles Association filed a petition requesting an out-of-cycle review of AGOA eligibility for Kenya, Rwanda, Tanzania, and Uganda. The petition asserted that a March 2016 decision by the four countries to raise tariffs and phase in a ban on imports of used clothing and footwear imposed a significant economic hardship on the U.S. used clothing industry, and was a violation of the AGOA eligibility criteria to eliminate barriers

¹⁸⁸ The (non-apparel) rules of origin under GSP (and AGOA) are set forth in section 503 of the Trade Act of 1974 (19 U.S.C. § 2463 (a)(2)) and are reflected in HTS general notes 4 and 16.

¹⁸⁹ Section 111 (b) of AGOA (19 U.S.C. § 2463 (c)(2)(D)).

¹⁹⁰ Section 113 of AGOA (19 U.S.C. § 3722). See HTS chapter 98, subchapter XIX for applicable provisions.

¹⁹¹ The Trade Preferences Extension Act of 2015 extended the expiration date of AGOA from September 30, 2015, to September 30, 2025.

¹⁹² In 2017, the following 38 sub-Saharan African (SSA) countries were designated as beneficiary AGOA countries: Angola, Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Côte d'Ivoire, Djibouti, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Republic of the Congo, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Uganda, and Zambia. 82 Fed. Reg. 32042 (July 11, 2017). Additionally, effective December 22, 2017, the President determined The Gambia and Swaziland once again meet the eligibility requirements and re-designated both countries as AGOA beneficiary countries. Proclamation No. 9687, 82 Fed. Reg. 61413 (December 22, 2017).

¹⁹³ In 2017, the following SSA countries were not designated as eligible for AGOA benefits: Democratic Republic of the Congo, Eritrea, The Gambia, Somalia, South Sudan, Sudan, Swaziland, and Zimbabwe. 82 Fed. Reg. 32042 (July 11, 2017). However, as noted above, The Gambia and Swaziland were re-designated as AGOA beneficiary countries, effective December 22, 2017. Proclamation No. 9687, 82 Fed. Reg. 61413 (December 22, 2017). Burundi's AGOA benefits were terminated effective January 1, 2016. Proclamation No. 9383, 80 Fed. Reg. 80617 (December 24, 2015).

¹⁹⁴ GSP (and AGOA) contain a mandatory graduation clause for any country that becomes a "high income" country, as defined by the official statistics of the World Bank. 19 U.S.C. § 2462 (e).

¹⁹⁵ The Gambia had previously lost its eligibility for AGOA benefits on December 23, 2014; Swaziland had previously lost its eligibility for AGOA benefits on June 26, 2014. Proclamation No. 9687, 82 Fed. Reg. 61413 (December 22, 2017).

¹⁹⁶ Trade Preferences Extension Act of 2015 Section 105 (c) added the out-of-cycle procedures to the eligibility review process.

to U.S. trade and investment. USTR proceeded with an out-of-cycle review of AGOA eligibility for Rwanda, Tanzania, and Uganda, but not Kenya, stating that Kenya took steps to reverse the tariff increases, effective July 1, 2017, and pledged not to ban imports of used clothing.¹⁹⁷ A public hearing was held on July 13, 2017.¹⁹⁸

Those SSA countries that are designated as AGOA beneficiaries may also be eligible for duty-free treatment for certain textile and apparel articles if USTR determines the country has adopted an effective visa system and all related procedures required to protect against illegal transshipment of such articles. On August 22, 2017, USTR announced that Togo became eligible to use AGOA's apparel provisions.¹⁹⁹ Including Togo, a total of 27 AGOA countries were eligible to use AGOA's apparel benefits in 2017.²⁰⁰ If an AGOA country loses its beneficiary status, but is later reinstated, then the AGOA country must update its visa system and related measures in order to, again, make use of the AGOA apparel benefits.²⁰¹

Preferential treatment for apparel under AGOA requires apparel to be made from U.S. or SSA regional yarns and fabrics, cut and assembled in one or more AGOA countries that are eligible for the program's apparel benefits. In addition, AGOA lesser-developed countries (LDCs) may use fabric of any origin and still qualify for duty-free treatment up to a specified annual quantitative limit, the so-called "third-country fabric cap."²⁰² Of the SSA countries eligible for textile and apparel benefits, only South Africa is not considered an LDC for the purposes of this third-country fabric provision.²⁰³ There are additional

¹⁹⁷ 82 Fed. Reg. 28217 (June 20, 2017).

¹⁹⁸ On March 29, 2018, the President notified Congress of his intention to suspend (but not terminate) AGOA benefits for Rwanda because of a lack of progress toward the elimination of barriers to U.S. trade and investment. According to USTR, AGOA benefits will not be suspended for Tanzania or Uganda, because each has taken steps to eliminate the increased tariff rates and committed not to phase in a ban on used clothing and footwear. USTR, "[President Trump Determines Trade Preference Eligibility for Rwanda, Tanzania, and Uganda](#)," March 29, 2018.

¹⁹⁹ 82 Fed. Reg. 39940 (August 22, 2017) and 82 Fed. Reg. 42875 (September 12, 2017).

²⁰⁰ In 2017, the following 27 AGOA countries were eligible for textile and apparel benefits: Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Ethiopia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Uganda, and Zambia. U.S. Department of Commerce, Office of Textiles and Apparel (OTEXA), https://otexa.trade.gov/AGOA_Trade_Preference.htm, "Preferences: Country Eligibility, Apparel Eligibility, and Textile Eligibility (Category 0 and Category 9)" (accessed April 11, 2018).

²⁰¹ According to OTEXA, The Gambia, Mali, Niger, and Swaziland, which lost their beneficiary status but were subsequently reinstated, have not yet reapplied for their visa arrangements and are, therefore, not currently eligible to use the AGOA apparel provisions.

²⁰² In prior provisions authorizing AGOA, the expiration date of the "third-country fabric cap" was earlier than the expiration date of AGOA. However, the most recent extension contained in the Trade Preferences Extension Act of 2015 aligned the two expiration dates to September 30, 2025. Therefore, this preference category is currently available to AGOA LDCs for the length of the AGOA program.

²⁰³ AGOA defines "lesser developed countries" as a beneficiary SSA country that had a per capita gross national product of less than \$1,500 in 1998, as measured by the World Bank. Although Botswana, Namibia, and Mauritius did not meet this criterion, they are accorded AGOA LDC status by statute. South Africa is the only country that is eligible for trade benefits under the textile and apparel provisions, but not for AGOA LDC trade benefits (19 U.S.C. § 3721 (c)(3)).

apparel provisions for the use of designated “short-supply” fabrics (fabrics not commercially available in the United States) and for folklore or handmade articles.²⁰⁴

In 2017, the value of U.S. imports that entered duty-free from beneficiary countries under AGOA was \$12.5 billion, an increase of 32.4 percent from the \$9.5 billion imported in 2016 (table 2.6). An additional \$1.3 billion from AGOA beneficiary countries entered duty-free under GSP. In total, U.S. imports under AGOA, including GSP, were \$13.8 billion in 2017, accounting for 55.4 percent of total U.S. imports from AGOA beneficiary countries and 90.0 percent of all U.S. imports from AGOA beneficiary countries that were eligible for AGOA and GSP trade preferences in 2017.

Table 2.6 U.S. imports for consumption from AGOA beneficiaries, 2015–17

Item	2015	2016	2017
Total imports from AGOA countries (million \$)	19,139	20,062	24,947
Imports under AGOA (million \$) ^a	9,268	10,626	13,811
Imports under AGOA, excluding GSP (million \$)	7,984	9,451	12,512
Imports under AGOA (as a share of all imports from AGOA countries) ^b	48.4	53.0	55.4
Imports under AGOA (as a share of all imports eligible for AGOA) ^c	84.2	88.7	90.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

^a AGOA-eligible products are those for which a rate of duty of “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. Includes imports for which preferential tariff treatment was claimed for AGOA-eligible goods by U.S. importers under GSP, for HTS rate lines with special duty symbols “A,” “A*” (unless the AGOA beneficiary country is excluded), or “A+.”

^b Imports under AGOA includes AGOA-eligible products that may be imported under both AGOA and GSP. It is up to the exporting country or importer to choose under which program it will claim preferential treatment.

^c Not all products are eligible for AGOA.

Crude petroleum continued to be the leading import under AGOA, accounting for 73.2 percent of U.S. imports under AGOA in 2017. The increase in U.S. imports under AGOA in 2017 compared to 2016 can be attributed to an increase in the value and quantity of imports of crude petroleum (appendix table A.21).²⁰⁵ The value of U.S. crude petroleum imports under AGOA increased 47.5 percent (\$3.0 billion) from 2016 to 2017, and the quantity increased 18.2 percent (26.2 million barrels) over the same period.²⁰⁶ In 2017, 87.7 percent (\$8.0 billion) of imports of crude petroleum from AGOA beneficiaries came from the top two suppliers, Nigeria (\$5.8 billion) and Angola (\$2.2 billion).²⁰⁷ Each of the top two suppliers is heavily reliant on exports of crude petroleum. Crude petroleum accounted for 95.0 percent of U.S. imports under AGOA from Nigeria in 2017 and for 99.1 percent of U.S. imports under AGOA from Angola.

Following Nigeria and Angola, South Africa was the third-largest supplier of goods under AGOA in 2017 (appendix table A.22). The most important U.S. import under AGOA from South Africa was passenger motor vehicles,²⁰⁸ which accounted for 65.0 percent of U.S. imports under AGOA from South Africa (\$1.2

²⁰⁴ The full range of preference rules for apparel under AGOA are set forth in section 112 of AGOA (19 U.S.C. § 3721).

²⁰⁵ Crude petroleum refers to products classified in HTS 2709.00.

²⁰⁶ USITC DataWeb/USDOC (accessed April 12, 2018).

²⁰⁷ Ibid.

²⁰⁸ Passenger motor vehicles refers to products classified in HTS 8703.23 and 8703.90.

billion) and 9.4 percent of all U.S. imports under AGOA in 2017, ranking it second among top imports under AGOA. South Africa was the only AGOA country to provide this product to the United States in 2017 (appendix table A.21).

Apparel²⁰⁹ was the third-largest import under AGOA in 2017, valued at \$1.0 billion, or just 8.2 percent of total U.S. imports under AGOA. Unlike crude petroleum or passenger motor vehicles, which are exported by one or two beneficiary countries, U.S. apparel imports under AGOA are exported by over a dozen beneficiary countries (table 2.7). The leading suppliers of apparel under AGOA are Kenya, Lesotho, Madagascar, and Mauritius. For a majority of the AGOA countries exporting apparel, AGOA's textile and apparel provisions account for all or nearly all of their AGOA usage.

Table 2.7 U.S. general imports of apparel under AGOA, by country, 2015–17

FTA partner	2015	2016	2017	2016–17
	Thousand \$			% change
Kenya	367,035	338,370	339,375	0.3
Lesotho	299,314	294,309	288,958	-1.8
Madagascar	39,630	93,245	147,945	58.7
Mauritius	206,746	187,416	139,633	-25.5
Ethiopia	17,445	32,798	52,445	59.9
Tanzania	27,261	36,915	40,610	10.0
Ghana	9,101	6,093	8,210	34.7
South Africa	6,584	6,422	5,285	-17.7
Rwanda	174	452	1,494	230.5
Botswana	8,251	4,766	991	-79.2
Uganda	0	30	360	1,100.0
Malawi	6,268	1,556	321	-79.4
Other AGOA	9	4	14	250.0
AGOA total	987,818	1,002,376	1,025,641	2.3

Source: U.S. Department of Commerce, Office of Textiles and Apparel (OTEXA) <https://otexa.trade.gov/agoa-cbtpa/catv0.htm> (accessed April 12, 2018).

Section 105 of AGOA required the President to establish the U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum (also known as the AGOA Forum) to discuss trade, investment, and development at an annual ministerial-level meeting with AGOA-eligible countries.²¹⁰ The 16th annual AGOA Forum was held in Lomé, Togo, on August 8–10, 2017. The theme of the forum was “The United States and Africa: Partnering for Prosperity through Trade.”²¹¹

Caribbean Basin Economic Recovery Act

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 as part of the Caribbean Basin Initiative. Its goal was to encourage economic growth and development in the Caribbean Basin countries by using duty preferences to promote increased production and exports of nontraditional products.²¹²

²⁰⁹ Apparel refers to all products classified in HTS chapters 61 and 62 that were imported under AGOA.

²¹⁰ 19 U.S.C. § 3704.

²¹¹ USDOS, “[African Growth and Opportunity Act \(AGOA\)](#),” (accessed April 12, 2018); USDOS, U.S. Embassy in Togo, “[Ambassador Gilmour’s Remarks on Closing Ceremony: AGOA Forum 2017](#),” (accessed April 12, 2018).

²¹² For a more detailed description of CBERA, including country and product eligibility, see USITC, [Caribbean Basin Economic Recovery Act, 23d Report](#), September 2017.

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.²¹³ The CBTPA also extended “NAFTA-equivalent treatment”—that is, rates of duty equivalent to those accorded to goods complying with the rules of origin applicable under the North American Free Trade Agreement (NAFTA)—to a number of other products previously excluded from CBERA. These products included certain tuna; crude petroleum and petroleum products; certain footwear; watches and watch parts assembled from parts originating in countries not eligible for normal trade relations (NTR) rates of duty; and certain handbags, luggage, flat goods, work gloves, and leather wearing apparel.²¹⁴ Products that are still 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, while the original CBERA has no expiration date.²¹⁵ In the section that follows, the term CBERA refers to CBERA as amended by the CBTPA.

At the end of 2017, 17 countries and dependent territories were designated eligible for CBERA preferences²¹⁶ and 8 of those countries were designated eligible for CBTPA preferences.²¹⁷ Several countries have asked to be designated as eligible for benefits under CBERA, CBTPA, or both, including Turks and Caicos Islands, which requested eligibility under CBERA; Aruba, The Bahamas, Dominica, Grenada, Montserrat, St. Kitts and Nevis, and St. Vincent and the Grenadines, under CBTPA;²¹⁸ and Sint Maarten and Suriname, under both CBERA and CBTPA.²¹⁹

In 2017, the value of U.S. imports under CBERA increased by 10.3 percent to \$961 million from \$871 million in 2016 (table 2.8). The top five imports under CBERA in 2017—methanol, T-shirts, polystyrene, sweaters, and crude petroleum—comprised 80.7 percent of imports under the program (appendix table A.23). The largest increase in the value of U.S. imports under CBERA was in methanol, which rose by 49.4 percent to \$378.3 million due primarily to a 51.9 percent increase in the price. Despite this increase, imports of methanol under CBERA still were \$272.5 million less in 2017 than in 2015. U.S. imports of crude petroleum declined in 2017 mostly because of a decline in volume. U.S. imports of

²¹³ Textiles and apparel that were not subject to textile agreements in 1983 are eligible for duty-free entry under the original CBERA provisions, which do not have an expiration date. This category includes only textiles and apparel of silk or non-cotton vegetable fibers, mainly linen and ramie. Textile and apparel goods of cotton, wool, or manmade fibers (“original MFA goods”) are not eligible under the original CBERA. “MFA” stands for the now-expired Multifibre Arrangement.

²¹⁴ Normal trade relations (NTR) rates of duty, also known as most-favored-nation rates, are accorded to countries having NTR status in the United States and do not allow discrimination between trading partners.

²¹⁵ Certain preferential treatment provisions have been extended to September 30, 2020. These provisions relate to import-sensitive textile and apparel articles from CBERA countries and to textile and apparel articles imported under special rules for Haiti (see section on Haiti below). The extension occurred on May 24, 2010, when the President signed the Haiti Economic Lift Program Act of 2010, Pub. L. 111-171, § 3.

²¹⁶ Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Curaçao, 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.

²¹⁷ Barbados, Belize, Curaçao, Guyana, Haiti, Jamaica, St. Lucia, and Trinidad and Tobago.

²¹⁸ 77 Fed. Reg. 61816 (October 11, 2012).

²¹⁹ *Ibid.*; 75 Fed. Reg. 17198 (April 5, 2010). Until 2010, Curaçao and Sint Maarten were members of the now-dissolved Netherlands Antilles.

apparel products under CBERA, entirely from Haiti in 2017, also decreased, which can be attributed to a shift from such imports entering under CBTPA provisions to entering under the HOPE Acts (discussed in the next section), as provided in certain tariff provisions of subchapter XX of HTS chapter 98.²²⁰

Table 2.8 U.S. imports for consumption from CBERA/CBTPA beneficiaries, 2015–17

Item	2015	2016	2017
Total imports from CBERA/CBTPA countries (million \$)	7,061	5,342	5,872
Total imports under CBERA (million \$)	1,542	871	961
Imports under CBTPA (million \$) ^a	564	392	344
Imports under CBERA, excluding CBTPA (million \$) ^b	978	479	617
Imports under CBERA (as a share of all imports from CBERA countries)	21.8	16.3	16.4
Imports under CBERA (as a share of all imports eligible for CBERA) ^c	58.6	44.7	41.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

^a CBTPA-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 former CBTPA beneficiaries—El Salvador, Guatemala, Honduras, Nicaragua, the Dominican Republic, Costa Rica, and Panama).

^b CBERA (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. The symbol “E*” indicates that certain articles, under general note 7(d) of the HTS, are not eligible for special duty treatment with respect to any article listed in the designated provision.

^c Not all imports are eligible for CBERA; a particular tariff category may not be designated as such or a particular shipment may not meet program rules.

The top five products accounted for most CBERA imports in 2017. However, a large number of other products—particularly agricultural products—were also imported under CBERA, including yams, melamine, spices, guavas, orange juice, papayas, and various vegetable and fruit preparations, although these imports were small.

U.S. imports under CBERA accounted for 16.4 percent of all U.S. imports from CBERA countries in 2017 and 41.8 percent of U.S. imports from CBERA countries that were eligible for CBERA trade preferences. Trinidad and Tobago continued to be the leading supplier of U.S. imports under CBERA in 2017, accounting for 50.8 percent of the total value. Trinidad and Tobago was the sole supplier of top U.S. imports under CBERA, including methanol, petroleum products, and melamine. Haiti and The Bahamas were the second and third leading suppliers, accounting for 30.7 and 8.3 percent of the total, respectively (appendix table A.24).

Haiti Initiatives

Since 2006, CBERA has been amended several times to expand and enhance trade benefits for Haiti and to give Haitian apparel producers more flexibility in sourcing yarns and fabrics.²²¹ The Haitian

²²⁰ For more information, see the section on Haiti initiatives later in this chapter.

²²¹ Apparel manufacturing remains a leading source of exports and employment for Haiti’s economy, accounting for 90 percent of Haiti’s total exports and reaching a total of 47,356 jobs in Haiti by the end of 2017. Sonapi Parc Industriel de Caracol, *2017 Q4, Year End Report* (accessed March 24, 2018); Haiti apparel industry representative, email message to USITC staff, March 24, 2018.

Hemisphere Opportunity through Partnership Encouragement Act of 2006 (HOPE Act)²²² and of 2008 (HOPE II Act)²²³ (collectively referred to as HOPE or the HOPE Acts) 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.²²⁴ They also provided additional trade preferences to attract new jobs to Haiti while offering incentives to encourage the use of U.S. inputs.²²⁵ The Haitian Economic Lift Program of 2010 (HELP Act) expanded existing U.S. trade preferences (especially duty-free treatment for certain qualifying apparel, regardless of the origin of inputs²²⁶) for Haiti that were established under the CBTPA and HOPE Acts and extended them through September 30, 2020.²²⁷ On June 29, 2015, President Barack Obama signed the Trade Preferences Extension Act of 2015 into law, extending the HOPE Acts trade preferences through September 30, 2025.²²⁸ To date, there have been no other changes to the HOPE Acts, and duty-free access to the U.S. market remains a major incentive for U.S. firms to import apparel from Haiti.²²⁹

The extension of trade preferences under the HOPE Acts has contributed to the overall growth in U.S. apparel imports from Haiti in recent years, together with Haiti's low labor costs (\$4.50–\$6.00 per day),²³⁰ proximity to the United States (resulting in a closer supply chain and shorter lead times),²³¹ and an open economy.²³² However, in 2016 U.S. imports of apparel from Haiti dipped because of an unstable retail climate in the United States that reduced U.S. demand for apparel imports²³³ and the bankruptcy of a South Korean suit and overcoat manufacturer that had been producing apparel in Haiti.²³⁴ In 2017, U.S. imports of apparel from Haiti resumed their overall growth of recent years, rising by 2.1 percent to \$866.0 million (table 2.9).

²²² Pub. L. 109-432, § 5001 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006, 19 U.S.C. sec. 2703a.

²²³ Pub. L. 110-234, § 15401 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008.

²²⁴ There were no U.S. imports of wiring harness automotive components (HTS 8544.30 and 9820.85.44) from Haiti during 2007–17.

²²⁵ GAO, "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](#), June 2008, i. ES-1, 1-3 to 1-5.

²²⁶ The ability to use third-country fabrics (especially fabric made from specialty yarn of manmade fibers available from Asia) has prompted more U.S. companies to source apparel from Haiti. U.S. apparel industry representative, telephone interview by USITC staff, February 28, 2018.

²²⁷ Pub. L. 111-171, § 2, Haiti Economic Lift Program Act of 2010. For more information on this program, see USITC, [The Year in Trade 2011](#), July 2012, 2-22 to 2-23 and [The Year in Trade 2010](#), July 2011, 2-21 to 2-22.

²²⁸ Pub. L. 114-27, § 301, Extension of Preferential Duty Treatment Program for Haiti.

²²⁹ U.S. apparel industry representatives, email message to USITC staff, February 19, 2018, and telephone interviews by USITC staff, February 27 and 28, 2018.

²³⁰ The government of Haiti approved a 16 percent minimum wage increase to about \$4.80 per day in July 2017. Castano Freeman, "[Haiti Garment Industry Says Union Wage Claims Unrealistic](#)," August 3, 2017; U.S. and Haitian apparel industry representatives, telephone interviews by USITC staff, February 27 and March 20, 2018.

²³¹ U.S. apparel industry representatives, telephone interview by USITC staff, February 28, 2018, and email message to USITC staff, February 19, 2018; U.S. apparel industry representative, USITC Global Value Chain Working Group/U.S. Global Value Chain Coalition (USGVC) discussion, April 10, 2018, Washington, DC.

²³² USDOC, "[Haiti Country Commercial Guide-Haiti Market Overview](#)," June 26, 2017.

²³³ USITC, [The Year in Trade 2016](#), July 2017, 80.

²³⁴ Sonapi Parc Industriel de Caracol, 2017 Q4, *Year End Report*, 8 (accessed March 24, 2018).

Table 2.9 U.S. imports of apparel from Haiti, 2015–17

Item	2015	2016	2017
Total apparel imports from Haiti (million \$)	895.5	848.5	866.0
Apparel imports under a trade preference program (million \$)	892.5	842.9	854.1
CBERA/CBTPA (million \$)	394.9	307.9	277.2
HOPE and HELP Acts (million \$)	497.6	535.0	577.0
Share of total apparel imports from Haiti:	(Percent)		
Apparel imports under a trade preference program	99.7	99.3	98.6
CBERA/CBTPA (percent)	44.1	36.3	32.0
HOPE and HELP Acts (percent)	55.6	63.1	66.6

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: These data reflect detailed U.S. general import data under trade preference programs sorted by category and published by the Office of Textiles and Apparel at the U.S. Department of Commerce (accessed June 1, 2018).

For years, Haitian apparel production has been concentrated in high-volume, commodity cotton garments that have relatively predictable consumer demand and few styling changes. Major apparel firms such as Hanes, Fruit of the Loom, and Gildan have been leading importers of cotton T-shirts and cotton undergarments into the U.S. market from Haiti.²³⁵ As in prior years, cotton knit shirts and blouses, cotton trousers and pants, and cotton underwear dominated U.S. imports of apparel from Haiti, accounting for 35.4 percent (\$305.6 million), 12.4 percent (\$106.8 million), and 7.6 percent (\$65.7 million), respectively, of the total value of U.S. apparel imports from Haiti in 2017.²³⁶ However, these shares were lower than in 2016 and prior years.

In contrast, the share of total U.S. apparel imports from Haiti accounted for by manmade-fiber garments (largely knit shirts and blouses and trousers and slacks) continued to grow—rising from 34.4 percent (\$292.4 million) in 2016 to 42.9 percent (\$370 million) in 2017. Industry sources attribute the steady shift in U.S. imports from Haiti from cotton apparel to manmade-fiber garments to several factors: (1) greater duty savings under the HOPE/Haiti Acts for apparel of manmade fibers because of their higher tariffs (up to 32 percent ad valorem) compared to cotton apparel (for which tariffs average around 16 percent);²³⁷ (2) the ability provided under the HOPE Acts to use specialty, manmade-fiber yarns from Asia to make apparel in Haiti;²³⁸ (3) growing consumer demand for apparel made of synthetic blends;²³⁹ (4) firms' interest in diversifying their product offerings to maintain viable business operations;²⁴⁰ and (5) Haiti's recently developed capacity to produce manmade-fiber apparel—an ability that it lacked in the past.²⁴¹

²³⁵ Before the Haiti HOPE/HELP Acts, trade preferences under the CBTPA prompted U.S. and Canadian firms to import apparel from Haiti into the U.S. market. Canadian, Haitian, and U.S. apparel industry representatives. In-person and telephone interviews with USITC staff, February 27, 2018, March 20, 2018, and March 22, 2018; Haitian apparel industry representative, email message to USITC staff, March 24, 2018.

²³⁶ Calculations were made from import data published by USDOC, OTEXA, "U.S. General Imports by Country: Major Shippers Report," [Major Shippers Country: HAITI](#) (accessed February 12, 2018).

²³⁷ Sonapi Parc Industriel de Caracol, *2017 Q4, Year End Report*, 7 (accessed March 24, 2018); Haitian and U.S. apparel industry representatives, email message to USITC staff, February 26, 2018; telephone interview by USITC staff, February 28, 2018.

²³⁸ U.S. apparel industry representative, telephone interview by USITC staff, February 28, 2018.

²³⁹ *Ibid.*, February 27, 2018.

²⁴⁰ *Ibid.*

²⁴¹ *Ibid.*

A recent infusion of foreign investment has also been a significant factor in the expansion of Haiti's apparel production and exports. Two of five foreign investors that had developed plans in 2016 to manufacture apparel in Haiti's Caracol Industrial Park—MAS Holdings (Sri Lanka) and Hansae (South Korea)—began producing apparel by yearend 2017.²⁴² Other foreign investors—Yak-jin (South Korea), Everest Textiles (Taiwan), and RSI (Taiwan)—are expected to start producing apparel (especially athleisure wear) for U.S. clients soon.²⁴³ In addition to the Caracol Industrial Park, the development of the privately owned Lafito Industrial Free Zone (located 25 miles north of Haiti's capital of Port-au-Prince) is underway and expected to generate thousands of new apparel jobs in the near future.²⁴⁴ Moreover, Haiti has recently attracted the interest of Chinese and Vietnamese investors who are exploring opportunities to produce apparel in Haiti, suggesting the potential for continued apparel production growth.²⁴⁵

Virtually all (98.6 percent) of U.S. imports of apparel from Haiti entered free of duty under trade preference programs in 2017. These programs offer unlimited duty-free treatment for certain apparel products and limited duty-free treatment for other apparel products made from non-originating fabrics up to certain quotas, known as tariff preference levels (TPLs). These programs have helped to revitalize and expand Haiti's apparel industry, as evidenced by continued job growth in the sector: Haiti's apparel industry employed 47,356 people by yearend 2017 compared with 40,000 in 2016.²⁴⁶

In 2017, Haiti accounted for all (100 percent) of U.S. imports of apparel entering under the CBTPA. Just under one-third (32.0 percent) of total U.S. imports of apparel from Haiti (\$277.2 million) entered under CBTPA provisions in 2017.²⁴⁷ This share fell for the second year in a row, reflecting a continued shift of U.S. apparel imports from Haiti from entering under CBTPA provisions to entering under the HOPE Acts because of the additional trade preferences that the HOPE Acts offer. The value of U.S. imports of apparel entering under the HOPE Acts rose 7.9 percent, from \$535.0 million in 2016 to \$577.0 million in 2017, and represented two-thirds (66.6 percent) of total U.S. apparel imports that entered free of duty from Haiti, up from 63.1 percent in 2016. Of the apparel imported from Haiti under the HOPE Acts in 2017, \$537.5 million or 93.2 percent entered under TPLs.²⁴⁸ Almost 26.6 percent (\$142.8 million) of

²⁴² Haitian apparel industry representative, telephone interview by USITC staff, March 20, 2018.

²⁴³ As additional apparel production by foreign investors comes online, Haiti's apparel exports are expected to continue to grow in 2018 and to add an estimated 15,000 new jobs by the end of 2018. Sonapi Parc Industriel de Caracol, *2017 Q4, Year End Report*, 7 (accessed March 24, 2018); Haitian apparel industry representative, telephone interview by USITC staff, March 20, 2018.

²⁴⁴ Haitian apparel industry representative, interview by USITC staff, Washington, DC, April 11, 2018.

²⁴⁵ Haitian apparel industry representative, telephone interview by USITC staff, March 20, 2018.

²⁴⁶ Sonapi Parc Industriel de Caracol, *2017 Q4, Year End Report*, 7 (accessed March 24, 2018); USDOS, WHA, "[U.S. Relations with Haiti](#)," March 23, 2017.

²⁴⁷ Data reflect U.S. imports entering under HTS 9820.11.03; 9820.00.80.44; 9820.11.06, 9820.11.09, 9820.11.12, 9820.11.18, and 9820.11.33.

²⁴⁸ The TPLs allow set quantities of certain knit and woven apparel (both of which must be wholly assembled in Haiti) as well as certain apparel for which at least 50–60 percent of the export value added must consist of inputs from Haiti, the United States, or a country with which the United States has an FTA, to enter the United States free of duty, regardless of the source of the fabric.

these U.S. imports of apparel from Haiti entered under the woven apparel TPL in 2017, and 73.4 percent (\$394.6 million) entered under the knit apparel and value-added TPLs the same year.²⁴⁹

Most of the remaining U.S. imports (\$36.3 million) under the HOPE Acts in 2017 entered under the Earned Import Allowance Program (EIAP), a special trade program created under HOPE II in 2008 that allowed the duty-free entry into the United States of certain apparel manufactured in Haiti.²⁵⁰ In contrast to a steady increase in U.S. imports entering under the EIAP in prior years, U.S. imports of apparel from Haiti under the EIAP fell 39 percent, from \$59.1 million in 2016 to \$36.3 million in 2017. Because the EIAP is based on using fabrics of U.S. origin and has been used predominantly by woven bottom producers in Haiti, the sharp drop in U.S. imports from Haiti under the EIAP may be attributed to several factors. Declining denim production in the United States has likely reduced the amount of U.S. fabric being sourced from Haiti, with a resulting drop in EIAP eligibility.²⁵¹ In addition, the growing shift in U.S. imports of apparel under the CBTPA to importing apparel under the tariff preference levels of the Haiti HOPE/HELP Acts, which permit the use of third-country fabrics (sourced from Sri Lanka and other countries, for example), also may have contributed to the decline in U.S. imports under the EIAP.²⁵²

As in previous years, no U.S. imports of apparel entered under HTS 9820.61.45 in 2017. HTS 9820.61.45 is one of the HELP provisions added in 2010 that allows for unlimited duty-free imports of certain knitted or crocheted apparel. However, U.S. imports entering under HTS 9820.63.05, a provision for home goods that was also added under HELP in 2010, rose to \$2.7 million in 2017, up from \$5,000 in 2016. This increase may be attributed to the new production of certain home goods in Haiti for the U.S. market, which began in 2017.²⁵³

²⁴⁹ The fill rates for the TPLs for woven apparel (HTS subheading 9820.62.05), knit apparel (HTS subheading 9820.61.35), and value-added apparel (HTS subheadings 9820.61.25 and 9820.61.30) were 52.6 percent, 43.0 percent, and 14.5 percent, respectively, for two preferential periods: October 1, 2016, to September 30, 2017 (for woven and knit apparel) and December 20, 2016, to December 19, 2017 (for value-added apparel). USDOC, OTEXA, Haitian Hemispheric Opportunity through Partnership for Encouragement Act (HAITI HOPE), Preferential Period October 1, 2016–September 30, 2017; U.S. government officials, email messages to USITC staff, April 10, April 16, and May 15, 2018.

²⁵⁰ The EIAP seeks to encourage the purchase of qualifying fabric (defined as fabric formed in the United States from U.S.-formed yarns) for use in Haitian apparel manufacturing. The EIAP originally provided that for every 3 square meters equivalent of qualifying fabric bought or manufactured by a producer for apparel production in Haiti, a 1-unit credit would be received. The credit could be used toward the duty-free importation of Haitian apparel into the United States that was produced using non-qualifying fabric. However, no apparel from Haiti was exported to the United States under the original 3-for-1 program. In 2010, 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.

²⁵¹ Haitian apparel industry representative, email message to USITC staff, April 5, 2018.

²⁵² *Ibid.*; U.S. government representative, email message to and telephone interview by USITC staff, April 5 and April 9, 2018, respectively.

²⁵³ Haitian apparel industry representative, email message to USITC staff, April 5, 2018; U.S. government representative, email message to USITC staff, April 5, 2018; Haitian and U.S. apparel industry representatives, interviews by USITC staff, Washington, DC, April 10, 2018.

Chapter 3

The World Trade Organization

This chapter covers developments in 2017 in the World Trade Organization (WTO). These include programs and related items under the WTO General Council, as well as plurilateral agreements hosted under WTO auspices.²⁵⁴ The chapter also summarizes developments in major WTO dispute settlement cases during the year.

WTO

Eleventh WTO Ministerial Conference

The WTO held its 11th Ministerial Conference (MC11) from December 10 to 13, 2017, in Buenos Aires, Argentina. The conference concluded with a number of outcomes, including a ministerial decision on fisheries subsidies and a continuation of the customs duty moratorium on electronic commerce, as well as additional commitments to continue negotiations in all areas.²⁵⁵

The Ministerial Decision on Fisheries Subsidies²⁵⁶ will help fulfill commitments made under United Nations (UN) Sustainable Development Goal 14.6²⁵⁷ by opening negotiations on fisheries subsidies with the objective of reaching agreement by the next WTO Ministerial Conference, to be held in 2019.²⁵⁸ These negotiations aim at developing comprehensive and effective disciplines to prohibit certain forms of fishery subsidies that have contributed to the current overcapacity and overfishing, as well as to illegal, unreported, and unregulated fishing.²⁵⁹

WTO members also agreed to several work programs—one on electronic commerce,²⁶⁰ and another on small economies.²⁶¹ With respect to the former, members agreed to continue to refrain from levying customs duties on so-called e-commerce transactions. For the latter, members agreed to develop a

²⁵⁴ The WTO is based on a “multilateral” agreement whose rules and commitments apply to all its members. WTO members may also negotiate smaller “plurilateral” agreements whose rules and commitments apply only to the members that have signed it.

²⁵⁵ WTO, “[Ministerial Ends with Decisions](#),” December 13, 2017; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 85.

²⁵⁶ WTO, Ministerial Conference, Eleventh Session, “[Fisheries Subsidies—Ministerial Decision of 13 December 2017](#),” December 18, 2017.

²⁵⁷ The United Nations (UN) Sustainable Development Goals (SDGs) were adopted by UN members in September 2015. SDG 14.6 set 2020 as the goal for ending illegal, unreported, and unregulated subsidies and prohibiting certain forms of subsidies to fisheries that contribute to overcapacity and overfishing, with special and differential treatment provided to the developing and least-developed countries. WTO, “[Ministerial Ends with Decisions](#),” December 13, 2017. See discussion later in this chapter.

²⁵⁸ WTO, “[Ministerial Ends with Decisions](#),” December 13, 2017.

²⁵⁹ Ibid.

²⁶⁰ WTO, Ministerial Conference, Eleventh Session, “[Work Programme on Electronic Commerce—Ministerial Decision of 13 December 2017](#),” December 18, 2017.

²⁶¹ WTO, Ministerial Conference, Eleventh Session, “[Work Programme on Small Economies—Ministerial Decision of 13 December 2017](#),” December 18, 2017.

proposal for a formal working group on micro, small, and medium-sized enterprises (MSMEs), to be presented at the 2019 WTO ministerial conference.²⁶²

In addition, members agreed to continue their moratorium on so-called non-violation and situation disputes in the area of intellectual property²⁶³ under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).²⁶⁴ Such cases can arise when a member brings a WTO dispute settlement challenge over an intellectual property action taken by another member, even where no agreement or market commitment has been broken, because the complainant considers the resulting situation to infringe on its own intellectual property rights.²⁶⁵

No agreement was reached at the Ministerial Conference on a number of issues under negotiation in the Doha Round, including on the public stockholding of foodstuffs for food security purposes. According to the WTO Director-General Roberto Azevêdo in his closing remarks at the Ministerial Conference, “There are some remaining topics, which our representatives should continue negotiating....Members agreed to advance negotiations on all remaining issues, including on the three pillars of agriculture, namely domestic support, market access and export competition, as well as non-agriculture market access, services, development, TRIPS, rules, and trade and environment.”²⁶⁶ Furthermore, despite the lack of progress on issues considered essential by developing country members in achieving sustainable and inclusive growth, the Director-General noted the commitment of WTO members to advance negotiations on remaining issues in Geneva, Switzerland, in 2018.²⁶⁷

General Council

At the yearend meeting of the WTO General Council on November 11, 2017, the WTO Director-General reported to members on informal consultations held during the year among both large and small groupings of delegates in efforts to resolve outstanding issues concerning the General Council’s agenda.²⁶⁸ In the WTO Council on Trade in Goods, three major issues were addressed in 2017: General Council waivers of obligations, enlargement of the European Union (EU), and enlargement of the Eurasian Economic Union.²⁶⁹ In the Council on Trade in Services, discussions remained unsuccessful in finding ways to move forward with services negotiations.²⁷⁰ In the TRIPS Council, member discussions revolved around whether negotiations on a geographical-indications register for wines and spirits (under TRIPS Article 23.4) should remain narrowly focused on wines and spirits, or whether it should extend to additional products. The TRIPS Council also considered the relationship between the TRIPS Agreement

²⁶² *Washington Trade Daily*, “Buenos Aires a Bust,” December 14, 2017, 1–3.

²⁶³ WTO, Ministerial Conference, Eleventh Session, “[TRIPS Non-Violation and Situation Complaints—Ministerial Decision of 13 December 2017](#),” December 18, 2017.

²⁶⁴ *Washington Trade Daily*, “Buenos Aires a Bust,” December 14, 2017, 1–3.

²⁶⁵ WTO, “[Draft Decision Agreed on “Non-violation” Cases](#),” November 23, 2015.

²⁶⁶ WTO, “[Eleventh Ministerial Conference—Closing Statement by the Chairperson](#),” December 20, 2017, 2.

²⁶⁷ WTO, “[Eleventh Ministerial Conference—Closing Statement by the Chairperson](#),” December 20, 2017, 3; WTO, “[Message from Director-General Roberto Azevêdo](#),” *Annual Report—2018*, May 31, 2018, 9; WTO, “[Ministerial Ends with Decisions](#),” December 13, 2017.

²⁶⁸ WTO, GC, “[General Council—Draft Annual Report \(2017\)—30 November–1 December 2017](#),” November 16, 2017.

²⁶⁹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 96. The Eurasian Economic Union is a political and economic grouping of Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia.

²⁷⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 87.

and the United Nations Convention on Biological Diversity and the protection of traditional knowledge and folklore. In particular, the council talked about proposals on disclosing sources of biological material and associated traditional knowledge.²⁷¹

Work Programs, Decisions, Waivers, and Reviews

In addition to reviewing past decisions related to ongoing WTO work programs—in particular, those from the WTO ministerial conferences held in Indonesia in December 2013 and in Kenya in December 2015—delegates at the November 2017 General Council meeting focused on the upcoming ministerial conference to be held in Buenos Aires, Argentina, in December 2017. They also reviewed work programs undertaken as part of the Doha Development Agenda, including work programs on electronic commerce, small economies, and aid-for-trade measures. They also reviewed work directed at benefiting the least-developed country members, including the Director-General’s report on the developmental aspects of cotton.²⁷²

Work Program on Electronic Commerce

The Declaration on Global Electronic Commerce²⁷³ was adopted at the May 1998 WTO ministerial conference in Geneva, Switzerland.²⁷⁴ It called on the WTO General Council to establish a work program to examine trade-related issues arising from global electronic commerce (e-commerce). Discussions on e-commerce currently take place in four major WTO bodies.²⁷⁵

In July 2017, members began to develop and submit papers on various aspects of e-commerce, taking into consideration the upcoming December 2017 ministerial conference.²⁷⁶ Bilateral discussions started in September 2017 between the chair of the General Council and individual WTO members in four main areas: (1) the future Work Program on Electronic Commerce; (2) the moratorium on imposing customs duties on electronic transmissions that started under the 1998 Declaration; (3) the possibility of future negotiations on e-commerce; and (4) the possible establishment of an institutional structure—such as a working group—to provide a single WTO body to help focus discussions on e-commerce.²⁷⁷

At the ministerial conference in December 2017, members agreed to extend the practice of not imposing customs duties on electronic transmissions for another two years. They also committed to begin work toward future WTO negotiations on the trade-related aspects of e-commerce.²⁷⁸

²⁷¹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 91; World Trade Organization, [“TRIPS: Reviews, Article 27.3\(b\) and Related Issues—Background and the Current Situation,”](#) (accessed June 19, 2018).

²⁷² USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 96.

²⁷³ WTO, [“Work Programme on Electronic Commerce—Adopted by the General Council on 25 September 1998,”](#) September 30, 1998.

²⁷⁴ WTO, [“Ministerial Conferences,”](#) n.d. (accessed February 28, 2018).

²⁷⁵ The four WTO bodies are the Council on Trade in Goods, the Council on Trade in Services, the TRIPS Council, and the Committee on Trade and Development.

²⁷⁶ Submissions have ranged from issues such as a proposal for a single WTO body for discussions on all e-commerce matters to specific rules covering topics like copyright, e-signatures, and consumer protection.

²⁷⁷ WTO, [“MC11 In Brief—Electronic Commerce,”](#) Briefing note, n.d. (accessed February 28, 2018).

²⁷⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 85; WTO, Ministerial Conference, Eleventh Session, [“Work Programme on Electronic Commerce—Ministerial Decision of 13 December 2017,”](#) December 18, 2017; WTO, [“Ministerial Ends with Decisions,”](#) December 13, 2017.

Work Program on Small Economies

Members heard the report on the standing Work Program on Small Economies during 2017, which focused on how work on global value chains can be marshalled to benefit small, vulnerable economies. The WTO Committee on Trade and Development, which chairs the work program, reported that members agreed to continue discussions on how to reduce trade costs for small economies, particularly in the area of trade facilitation.²⁷⁹

Sixth Global Review on Aid for Trade

The WTO Director-General reported on the Sixth Global Review on Aid for Trade, held in 2017.²⁸⁰ He reported that issues covered included trade facilitation; connectivity infrastructure; e-commerce; gender issues; investment; the least-developed countries; MSMEs; trade and finance; and the UN Sustainable Development Goals, which affect capacity-building for countries benefiting from aid-for-trade measures.²⁸¹

Review of the Exemption under Paragraph 3(c) of the GATT 1994 (“Jones Act” Exemption)

The General Council held the 2017 biennial review of the exemption under Paragraph 3(c) of GATT 1994 concerning maritime cabotage²⁸² in U.S. waters (commonly known as the “Jones Act” exemption) on the same basis as the 2015 review, where statistical information was provided by the United States.²⁸³ The General Council noted remarks by interested delegations, and indicated that under the two-year review cycle set out in paragraph 3(b)²⁸⁴ of GATT 1994 the next review would take place in 2019.²⁸⁵

Review of Waivers of Obligations under Article IX:4 of the WTO Agreement

In 2017, the General Council held reviews of several multiyear waivers regarding adoption of nomenclature changes made to the Harmonized System in 2002, 2007, and 2017, into WTO members’ tariff schedules.²⁸⁶ The General Council also reviewed other previously agreed waivers, including U.S.

²⁷⁹ WTO, GC, “[Draft Annual Report \(2017\)](#),” November 16, 2017, par. 6.1–6.5.

²⁸⁰ WTO, GC, “[Minutes of the Meeting—Held in the Centre William Rappard on 26 July 2017](#),” September 22, 2017.

²⁸¹ WTO, GC, “[Draft Annual Report \(2017\)](#),” November 16, 2017, par. 7.1.

²⁸² Cabotage is a term used in the transport industry to indicate the carriage of products or people between two points within a country.

²⁸³ WTO, GC, “[Notification Pursuant to Paragraph 3\(c\) of the General Agreement on Tariffs and Trade 1994—Communication from the United States](#),” January 5, 2017.

²⁸⁴ Under Article IX—Decision-Making, of the Marrakesh Agreement Establishing the World Trade Organization.

²⁸⁵ WTO, GC, “[Draft Annual Report \(2017\)](#),” WT/GC/W/736, November 16, 2017, par. 9.2.

²⁸⁶ The Harmonized System, also known as the Harmonized Commodity Description and Coding System, is an international product nomenclature used by over 200 countries as a basis for their customs tariffs and the collection of international trade statistics. World Customs Organization, “[What is the Harmonized System \(HS\)?](#)” (accessed June 19, 2018).

waivers related to the African Growth and Opportunity Act²⁸⁷ and the Caribbean Basin Economic Recovery Act.²⁸⁸

WTO Membership

There were 164 members of the World Trade Organization in 2017.²⁸⁹ There were also 23 observers to the WTO by yearend, with South Sudan requesting observer status on November 16, 2017.²⁹⁰ According to USTR, six observers appeared actively engaged in the WTO accession process.²⁹¹ No accessions to the WTO took place during the year, although the General Council named a new chairman to lead discussions on the bid by Bosnia and Herzegovina to join.²⁹² In addition, there were eight observer organizations to the WTO.²⁹³

Appointment of Director-General

The General Council agreed to appoint Roberto Azevêdo as the Director-General of the WTO for a second term of four years, starting on September 1, 2017.²⁹⁴

Other Business

Informal dialogues and workshops also took place during the November 2017 General Council meeting. Various groups of delegates met to discuss MSMEs as well as Investment Facilitation for Development. Workshops focused on MSMEs and on trade and investment matters.²⁹⁵

Agreement on Trade Facilitation

The WTO Agreement on Trade Facilitation entered into force on February 22, 2017,²⁹⁶ after two-thirds of WTO members, including the United States, notified the WTO that they had ratified the agreement.

²⁸⁷ WTO, GC, "[United States—African Growth and Opportunity Act—Report of the Government of the United States for the Year 2015 under the Decision of 30 November 2015](#)," January 20, 2017.

²⁸⁸ WTO, GC, "[Draft Annual Report \(2017\)](#)," November 16, 2017, par. 10.1–10.4; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, v.96.

²⁸⁹ For a list of current WTO members and observers, see WTO, "[Understanding the WTO: The Organization—Members and Observers](#)" (accessed February 28, 2018).

²⁹⁰ Ibid.; WTO, "[Eleventh Session of the Ministerial Conference—Request for Observer Status by the Republic of South Sudan](#)," November 16, 2017.

²⁹¹ Equatorial Guinea, Libya, São Tomé and Príncipe, Somalia, South Sudan, and Syria. USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 190.

²⁹² USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 190.

²⁹³ The Food and Agriculture Organization (FAO); International Monetary Fund (IMF); International Trade Centre (WTO/UNCTAD ITC); Organisation for Economic Co-operation and Development (OECD); UN; United Nations Conference on Trade and Development (UNCTAD); World Bank (IBRD); and the World Intellectual Property Organization (WIPO). WTO, "[Understanding the WTO: The Organization—Members and Observers](#)" (accessed February 28, 2018).

²⁹⁴ WTO, GC, "[Draft Annual Report \(2017\)](#)," November 16, 2017, par. 23.3.

²⁹⁵ Ibid., par. 9.2.

²⁹⁶ Ibid., par. 23.3. The TFA was adopted under the Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization—Agreement on Trade Facilitation. WTO, GC, "[Minutes of the Meeting Held in the Centre William Rappard on 27–28 February, and Reconvened on 7 April 2017](#)," May 3, 2017, par. 3.1–3.46.

The agreement establishes multilateral trade rules under the WTO to reduce delays in customs and border procedures for trade in goods across national borders.²⁹⁷ At yearend 2017, there were 127 WTO members that had deposited their acceptance of the agreement with the WTO.²⁹⁸

The Committee on Trade Facilitation—established as part of the Agreement on Trade Facilitation—held its inaugural session on May 16, 2017, to confirm the committee’s first chair. In July, the committee received updates on the status of ratification and notification processes, as well as on activities of the Trade Facilitation Agreement Facility.²⁹⁹ At the third committee meeting in 2017—and the last one of the year—delegates reviewed a series of notifications under different articles as mandated by the Trade Facilitation Agreement.³⁰⁰ The majority of these submissions were under articles 15 and 16—so-called category A, B, and C notifications.³⁰¹

Plurilateral Agreements Already in Force

Agreement on Trade in Civil Aircraft

The Agreement on Trade in Civil Aircraft eliminates import duties on all aircraft (other than military aircraft) and other products covered by the agreement, such as aircraft engines, their parts and components, all components and sub-assemblies of civil aircraft, and flight simulators and their parts and components. It also covers disciplines concerning government procurement and financial support in the civil aircraft sector.³⁰² The agreement entered into force on January 1, 1980, and is one of two plurilateral agreements (along with the Agreement on Government Procurement) carried out under the auspices of the 1995 World Trade Organization³⁰³ that commits signatories to core disciplines applicable only to those parties signing the agreement. There were 32 signatories to the WTO Agreement on Trade in Civil Aircraft in 2017, including the United States, and 20 of which were EU member states.³⁰⁴ The WTO Committee on Trade in Civil Aircraft held a regular meeting on November 1, 2017, to discuss

²⁹⁷ WTO, “[Trade Facilitation](#),” n.d. (accessed March 20, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 85. For a detailed overview of the agreement, see USITC, [The Year in Trade 2013](#), 74–80.

²⁹⁸ This number continued to rise in 2018; on June 27, 2018, Uganda accepted the agreement, bringing the total number to 138 WTO members that had formally accepted the agreement. WTO, “[Members Accepting the Protocol of Amendment to Insert the WTO Trade Facilitation Agreement into Annex 1A of the WTO Agreement](#),” n.d. (accessed July 25, 2018).

²⁹⁹ The Trade Facilitation Agreement Facility provides technical assistance and capacity building to assist developing and least-developed WTO members in implementing the Trade Facilitation Agreement. For more information, see WTO, “[About the Facility](#),” n.d. (accessed June 26, 2018).

³⁰⁰ WTO, Committee on Trade Facilitation, “[Draft—Report \(2017\) of the Committee on Trade Facilitation to the Council for Trade in Goods—Revision](#),” November 2, 2017.

³⁰¹ WTO members are allowed to benefit from special and differential treatment by implementing the agreement at their own pace. The A, B, and C notifications indicate when the member will carry out each trade facilitation measure—immediate implementation, implementation after a transitional period, or implementation with assistance and support for capacity building. “[The WTO Trade Facilitation Agreement](#),” n.d. (accessed July 25, 2018).

³⁰² WTO, “[Agreement on Trade in Civil Aircraft](#),” n.d. (accessed February 28, 2018); WTO, “[Plurilaterals: Of Minority Interest](#),” n.d. (accessed June 1, 2018).

³⁰³ And before that, the 1947 General Agreement on Tariffs and Trade.

³⁰⁴ For a list of the signatories to the agreement, see WTO, Committee on Trade in Civil Aircraft, “[Report \(2016\) of the Committee on Trade in Civil Aircraft \(Adopted 3 November 2016\)](#),” November 7, 2016.

updating the agreement's aviation product list to be compatible with the 2007 version of the Harmonized System.³⁰⁵

Agreement on Government Procurement

The Agreement on Government Procurement (GPA) covers core disciplines such as transparency, competition, and good governance in public authorities' procurement of goods, services, and capital infrastructure.³⁰⁶ In 2017, there were 19 parties that had signed the original 1994 Agreement on Government Procurement, including the United States.³⁰⁷ These parties were also signatories to the 2012 Revised Agreement on Government Procurement, except for Switzerland, whose acceptance of the revised agreement was pending at yearend. The EU is a party in its own right to both the 1994 and the 2012 GPA, as are each of the 28 EU member states. Macedonia (also known as FYROM) applied for GPA accession in March 2017.³⁰⁸

Expansion of the Information Technology Agreement

The Information Technology Agreement (ITA)³⁰⁹ is a plurilateral agreement that eliminates tariffs on certain information and communications technology products, such as computers, telecommunication equipment, semiconductors, semiconductor manufacturing and testing equipment, software, and scientific instruments, as well as most of the parts and accessories for these products.³¹⁰ It was concluded by 29 participants at the December 1996 Singapore Ministerial Conference.³¹¹ In 2017, the ITA had 53 participants, accounting for 82 WTO members, including the United States.³¹²

Following preliminary discussions in May 2012, a subset of ITA participants opened talks on the possibility of broadening product coverage under the original ITA, given advances in technology since the original 1996 agreement.³¹³ In July 2015, after 17 rounds of negotiations, participants in the ITA Expansion agreed to a list of 201 additional products on which they would eliminate customs duties.³¹⁴ These new items included products such as new-generation multicomponent integrated circuits (MCOs), touch screens, GPS navigation equipment, portable interactive electronic education devices, video game consoles, and medical equipment, such as magnetic resonance imaging products and ultrasonic scanning

³⁰⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 195.

³⁰⁶ WTO, Ministerial Conference, Tenth Session, "[Work Programme on Electronic Commerce—Ministerial Decision of 19 December 2015](#)," December 21, 2015.

³⁰⁷ For a list of the signatories to the agreement, see WTO, "[Government Procurement—Agreement on Government Procurement](#)," n.d. (accessed February 28, 2018).

³⁰⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 198.

³⁰⁹ Formally, the WTO Ministerial Declaration on Trade in Information Technology Products (WT/MIN(96)/16).

³¹⁰ WTO, "[Information Technology Agreement—An Explanation](#)," n.d. (accessed February 28, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 198.

³¹¹ WTO, "[Information Technology Agreement—An Explanation](#)," n.d. (accessed February 28, 2018).

³¹² For a list of the participants, see WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, "[Status of Implementation—Note by the Secretariat—Revision](#)," May 19, 2017. The difference between the number of participants and the number of WTO members is that the 28 member states of the EU as well as Liechtenstein are included in the list of WTO members. In the list of participants, only the European Union (on behalf of all of the EU member states) and Switzerland (on behalf of the customs union of Switzerland and Liechtenstein) are included.

³¹³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 199.

³¹⁴ WTO, "[Briefing Note: The Expansion of Trade in Information Technology Products](#)," December 16, 2015.

apparatus.³¹⁵ Because the most-favored-nation principle applies to multilateral WTO agreements, all WTO members will benefit from duty-free access to the markets of the parties to the ITA Expansion.³¹⁶

Following needed domestic ratification procedures in the member countries, the first set of tariff reductions under the ITA expansion took place on July 1, 2016. A majority of participants had implemented their initial tariff commitments by yearend 2016.³¹⁷ On July 1, 2017, the second set of reductions took place.³¹⁸

Selected Plurilateral Agreements under Discussion

Negotiations on an Agreement on Trade in Environmental Goods

On July 8, 2014, a group of WTO members launched plurilateral negotiations toward an Environmental Goods Agreement (EGA). The goal of these talks is to reduce customs duties on products used to treat and benefit the environment, including products that help generate clean and renewable energy, improve energy and resource efficiency, control air pollution, manage waste products, treat waste water, monitor the quality of the environment, and combat noise pollution.³¹⁹ In 2017, there were 18 participants, representing 46 WTO members, working toward an EGA: Australia; Canada; China; Costa Rica; the EU; Hong Kong, China; Iceland; Israel; Japan; South Korea; Liechtenstein; New Zealand; Norway; Singapore; Switzerland; Taiwan; Turkey; and the United States.³²⁰

Between 2014 and 2016, 18 rounds of negotiations were held.³²¹ No rounds took place in 2017. At the June and November 2017 meetings of the WTO Trade and Environment Committee, delegates were briefed that EGA participants continued to look for a way to move forward in these negotiations. A number of members participating in the negotiations (Canada, the EU, Hong Kong, Japan, South Korea, New Zealand, Norway, Singapore, Switzerland, Taiwan, and Turkey) voiced their willingness to continue talks, and invited other members to join in.³²²

³¹⁵ WTO, "[Information Technology Agreement—An Explanation](#)," n.d. (accessed February 28, 2018).

³¹⁶ WTO, "[WTO: 2015 News Items—Information Technology Agreement—WTO Members Conclude Landmark \\$1.3 Trillion IT Trade Deal](#)," December 16, 2015. In the United States, the most-favored-nation principle is known as "normal trade relations."

³¹⁷ WTO, "[Information Technology Agreement—Majority of Participants Have Now Implemented](#)," November 1, 2016.

³¹⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 199.

³¹⁹ WTO, "[Environmental Goods Agreement \(EGA\)](#)," n.d. (accessed February 28, 2018).

³²⁰ The 46 WTO members represented include the 18 participants listed above, plus the individual 28 EU member states. WTO, "[Environmental Goods Agreement \(EGA\)](#)," n.d. (accessed February 28, 2018); Government of Canada, "[WTO Environmental Goods Agreement \(EGA\)](#)," December 14, 2016 [last modified] (accessed February 28, 2018).

³²¹ Following an agreement by Asia-Pacific Economic Cooperation (APEC) leaders in September 2012 to reduce applied tariffs on a list of 54 environmental goods by the end of 2015, interest grew among a number of APEC and non-APEC economies to engage in the environmental goods tariff negotiations at the WTO. There have been 18 rounds from 2014 through 2016, starting with the launch of EGA negotiations on July 8, 2014, and continuing into the 18th round, held November 26 to December 2, 2016. Government of Canada, "[WTO Environmental Goods Agreement](#)," December 14, 2016 (last modified).

³²² WTO, Committee on Trade and Environment, "[Report of the Meeting Held on 1 November 2017—Note by the Secretariat](#)," January 17, 2018, par. 2.1–2.2; WTO, Committee on Trade and Environment, "[Report \(2017\) of the](#)

Negotiations on an Agreement on Fisheries Subsidies

The establishment of international disciplines on fisheries subsidies has been under discussion in the WTO's Negotiating Group on Rules since the Doha Development Agenda was launched in 2001, with an elaboration of the negotiating mandate in 2005. The adoption by world leaders in September 2015 of the UN's Sustainable Development Goals (SDGs) gave renewed impetus to these talks.³²³

SDG target 14.6 set a deadline of 2020 for eliminating subsidies that contribute to illegal, unreported, and unregulated (IUU) fishing, and for prohibiting certain forms of fishery subsidies that contribute to overcapacity and overfishing. Negotiations to establish fisheries disciplines will also ensure special and differential treatment for developing and least-developed countries.

On October 12, 2017, members engaged in these negotiations circulated to the WTO Negotiating Group on Rules a draft compilation text based on proposals by seven groups participating in these talks: (1) New Zealand, Iceland, and Pakistan; (2) the EU; (3) Indonesia; (4) the African, Caribbean, and Pacific Group; (5) Argentina, Colombia, Costa Rica, Panama, Peru, and Uruguay; (6) the Least-developed Countries Group; and (7) Norway. Other members suggested additional amendments to this text, including China, Japan, India, the United States, and others, on issues such as transparency and institutional matters as well as subsidies that contribute to IUU fishing.³²⁴

Nonetheless, a consensus text could not be reached by the end of the WTO Ministerial Conference in December 2017. As a result, ministers issued a decision saying that they would continue to work toward a fisheries agreement, with a view toward its adoption by the 2019 WTO Ministerial Conference.³²⁵

Dispute Settlement Body

This section provides an overview of the WTO dispute settlement process as well as information about proceedings during calendar year 2017, particularly those in which the United States was a complaining or responding party. More specifically, this section provides (1) a tally of new requests for consultations filed by WTO members during calendar year 2017 under the WTO Dispute Settlement Understanding (DSU); (2) a table that lists the new dispute settlement panels established during calendar year 2017 in which the United States was either the complaining party or the named respondent; and (3) short summaries of the procedural and substantive issues in disputes involving the United States that moved to the panel stage during 2017, as well as summaries of panel and Appellate Body reports issued during 2017 in disputes that involved the United States. At the end of this section, U.S. concerns with the WTO dispute settlement process are described. Figure 3.1 provides a timeline for the WTO dispute settlement process prepared by the WTO. The references in the timeline are to articles in the WTO Dispute Settlement Understanding.

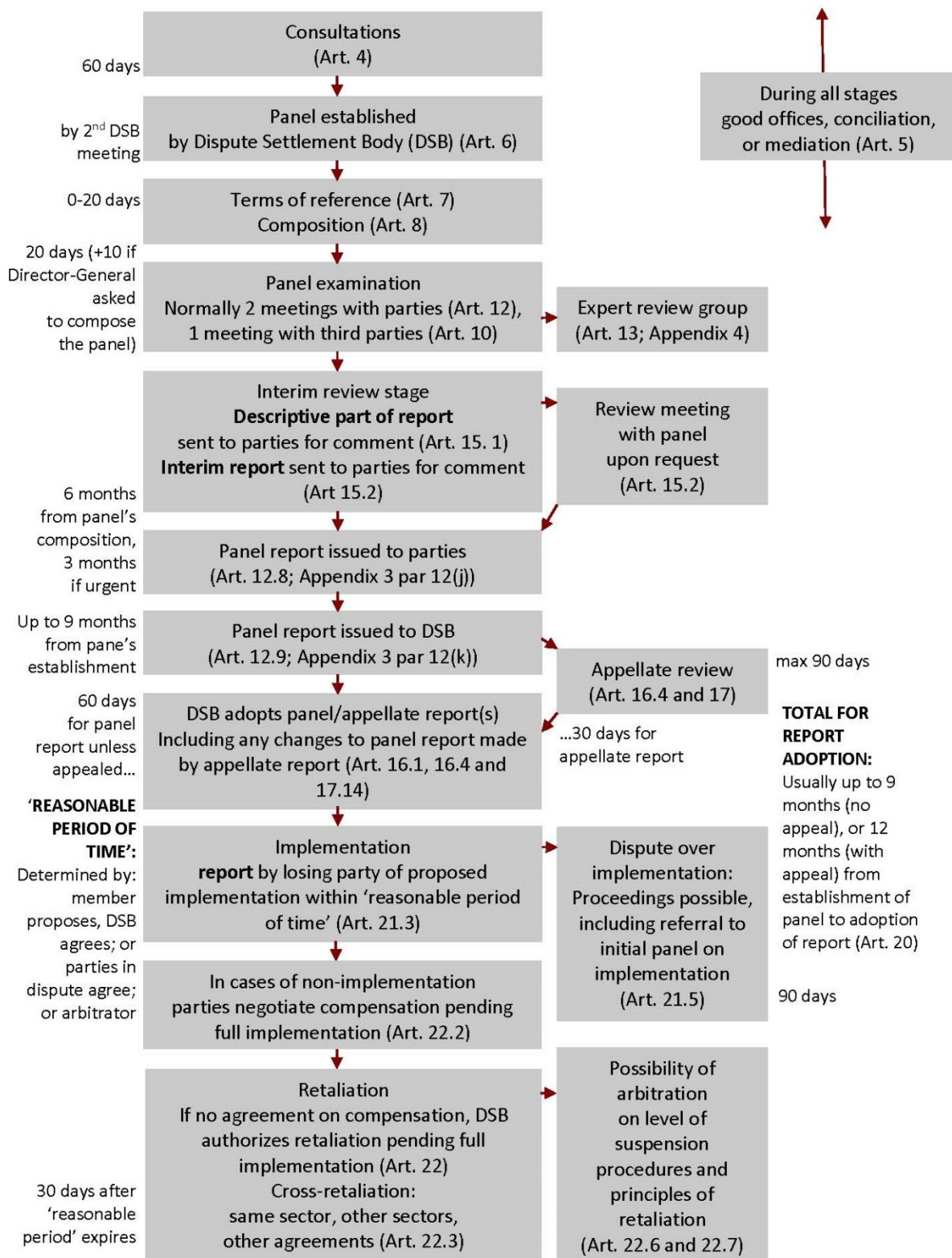
[Committee on Trade and Environment](#), "November 28, 2017, par. 28; *Inside U.S. Trade*, "[U.S. Remains Silent As WTO Members Look for Ways](#)," June 21, 2017.

³²³ WTO, "[MC11 in Brief—Negotiations on Fisheries Subsidies](#)," n.d. (accessed February 28, 2018).

³²⁴ *Ibid.*

³²⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 66; ICTSD, [Advancing Multilateral Trade Negotiations on Fisheries Subsidies](#), March 2018.

Figure 3.1 Timeline for the WTO Dispute Settlement Process³²⁶



³²⁶ WTO, “[The Process—Stages in a Typical WTO Dispute Settlement Case](#)” (accessed June 7, 2018).

The summaries in this section of issues and findings and recommendations in panel and Appellate Body reports are based entirely on information in publicly available documents, including summaries published online by the WTO, summaries included in USTR's *2018 Trade Policy Agenda and 2017 Annual Report*, and summaries included in USTR press releases. The summaries in this report should not be regarded as comprehensive or as reflecting a U.S. government or Commission interpretation of the issues raised or addressed in the disputes or in panel or Appellate Body reports. A table showing procedural developments during 2017 in disputes in which the United States was the complainant or respondent appears in appendix table A.25.

This section focuses on developments during 2017. Several disputes in which panels had been established and composed in 2016 were active during 2017, with decisions expected in 2018; the panel decisions in these cases will be summarized in the Commission's report covering 2018.³²⁷ A number of additional disputes in which dispute settlement consultations were requested in 2016 remained in the consultation phase throughout 2017 without further developments, at least as posted by the WTO on its dispute settlement website.³²⁸

This section also generally focuses only on developments through the panel and Appellate Body stage and does not include matters that arose after the Dispute Settlement Body (DSB) adopted panel or Appellate Body reports in the original dispute. As indicated in the flowchart in figure 3.1, dispute litigation often continues beyond the adoption of the panel or Appellate Body report, particularly when the defending party is the "losing" party. Issues may arise about the reasonableness of the time sought by the losing party to implement findings and recommendations, the adequacy of actions taken by that party to comply with the findings and recommendations, and possible compensation and retaliation. Matters may be referred to the original panel or to a new panel for further findings and recommendations on compliance and other matters, and when appropriate, the parties may seek the help of an arbitrator to resolve matters.

Appendix table A.25 sets out the timeline for procedural actions in specific active WTO dispute settlement cases, including procedural actions at the implementation, compliance, and compensation/retaliation stages. A number of disputes were still active during 2017 well after the panel or Appellate Body report had been adopted, including a dispute with respect to U.S. measures relating

³²⁷ For example, the panel in DS505 was established in July 2016 and composed in August 2016. On January 27, 2017, the chair of the panel informed the DSB that the beginning of the panel's work had been delayed because of a lack of available experienced lawyers in the Secretariat and that the panel expected to issue its final report to the parties before the end of 2017. The panel met with the parties in March 2017 and again in June 2017. The panel is expected to issue its report in 2018. WTO, "[Dispute Settlement: DS505; United States—Countervailing Measures on Supercalendered Paper from Canada](#)" (accessed May 2, 2018); USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 179–80.

³²⁸ See, for example, DS503, United States—Measures Concerning Non-Immigrant Visas. India filed a request for consultations on March 3, 2016. Consultations between India and the United States took place in Geneva on May 11–12, 2016. WTO, "[Dispute Settlement: DS503; United States—Measures Concerning Non-Immigrant Visas](#)" (accessed May 2, 2018); USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 179. See also DS514, United States—Countervailing Measures on Cold- and Hot-Rolled Steel Flat Products from Brazil. Brazil requested consultations in November 2016, and the parties consulted on the matter on December 19, 2016. WTO, "[Dispute Settlement: DS514; United States—Countervailing Measures on Cold- and Hot-Rolled Steel Flat Products from Brazil](#)" (accessed May 8, 2018); USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 180.

to the importation, marketing, and sale of tuna and tuna products;³²⁹ as well as a dispute relating to China's antidumping and countervailing measures on broiler products from the United States.³³⁰

New Requests for Consultations

During 2017 WTO members filed 17 new requests for dispute settlement consultations, which was about the average for the five preceding years. Three members—the United States, Canada, and Qatar—each filed 3 requests and accounted for slightly over half the requests filed during 2017. The Russian Federation and Ukraine each filed 2 requests, and Brazil, Indonesia, Mexico, and Turkey each filed 1 request during 2017. Three members, the United States, Canada, and the Russian Federation, were the named respondents in slightly over half the requests, with the United States the named respondent in 4 of the requests, while Canada was the named respondent in 3 requests and the Russian Federation in 2 requests during 2017. Australia, Bahrain, China, the EU, Kazakhstan, Saudi Arabia, Ukraine, and the United Arab Emirates were each the named respondent in 1 request during 2017. Two of the 3 requests filed by the United States during 2017 were against Canada, and the third was against China, while 3 of the requests in which the United States was the named respondent were filed by Canada, while the fourth was filed by Turkey. The issues presented in these disputes are described

³²⁹ WTO, "[Dispute Settlement: DS381; United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products](#)" (accessed May 8, 2018). The dispute concerned U.S. dolphin-safe labeling provisions for tuna and tuna products and whether they were consistent with U.S. obligations under the GATT 1994 and the Agreement on Technical Barriers to Trade (TBT Agreement). Mexico requested dispute settlement consultations in October 2008. Mexico then requested establishment of a panel, and a panel was established. The panel circulated its report in September 2011. The United States and Mexico appealed certain issues of law and legal interpretation in the panel report to the Appellate Body, and in May 2012 the Appellate Body found aspects of the U.S. provisions inconsistent with the TBT Agreement. In June 2012 the DSB adopted the Appellate Body report and panel report (as modified). In July 2013, the United States informed the DSB of a change in its dolphin-safe labeling requirements and stated that it had brought its requirements into conformity with the DSB's recommendations and rulings. A series of compliance proceedings began in 2013 and led to panel and Appellate Body reports that were adopted in December 2015. In March 2016, the U.S. National Oceanic and Atmospheric Administration issued a new rule modifying the dolphin-safe labeling measure, and in April 2016 the United States requested the establishment of a compliance panel to determine if the new rule is consistent with U.S. WTO obligations. In June 2016, Mexico requested the establishment of a second compliance panel because it considered that the United States' new rule had not brought the dolphin-safe labeling provisions into WTO compliance. The panels issued their reports on October 26, 2017, and found that the new U.S. measure is consistent with the relevant U.S. WTO obligations. Mexico appealed aspects of the compliance panels' reports on December 1, 2017, and the United States filed an appellee submission on December 19, 2017. The Appellate Body is expected to issue a report in 2018. USTR, "[U.S. Announces Compliance](#)," July 12, 2013; USTR, "[2018 Trade Policy Agenda and 2017 Annual Report](#)," March 2018, 165.

³³⁰ WTO, "[Dispute Settlement: DS427; China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States](#)" (accessed May 28, 2017). In response to the panel report, China initiated a reinvestigation of U.S. producers and released re-determinations on July 8, 2014, which continued the imposition of antidumping and countervailing duties on U.S. broiler products. The United States considered that China failed to bring its measures into WTO compliance and on May 27, 2016, requested establishment of a compliance panel. The panel was composed on July 18, 2016. A hearing before the panel took place in April 2017, and the panel released the public version of its report on January 18, 2018. The panel upheld most of the U.S. claims in its report. See USTR, "[2018 Trade Policy Agenda and 2017 Annual Report](#)," March 2018, 142; WTO, "[Dispute Settlement: DS427; China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States](#)" (accessed May 8, 2018).

below. Unlike the trend in recent years, in which China and the EU were a named party in multiple disputes each year, either as a complainant or respondent, neither filed a new request for dispute settlement consultations during 2017, and each was named respondent in only 1 new request filed during 2017.³³¹

All three complaints that the United States filed during 2017 were still at the consultation stage as of the end of 2017. The first of the complaints related to subsidies paid by China to producers of primary aluminum. In the complaint, the United States alleged that China's measures appear to be inconsistent with its obligations under Articles 5(c), 6.3(a), 6.3(b), 6.3(c), and 6.3(d) of the Subsidies and Countervailing Measures Agreement (SCM Agreement) and Article XVI:1 of the GATT 1994. The United States filed its request for consultations on January 12, 2017.³³² In the view of the United States, China appears to provide subsidies through artificially cheap loans from banks and through artificially low-priced inputs for aluminum production, such as coal, electricity, and alumina.³³³ In the second and third complaints, both of which concerned measures maintained by the Canadian province of British Columbia governing the sale of wine in grocery stores, the United States claimed that the measures appear to be inconsistent with Article III:4 of the GATT 1994.³³⁴ The United States maintains that the measures provide advantages to British Columbia wine by granting exclusive access to a retail channel (selling wine on grocery store shelves) by allowing only British Columbia wine to be sold on regular grocery store shelves. Imported wine may be sold in grocery stores only through a so-called "store within a store."³³⁵

As of the end of 2017, three of the four disputes filed against the United States during 2017 were still in the consultation phase; only one had advanced to the panel stage. The first of the four disputes was filed by Turkey on March 8, 2017, and it concerned countervailing duty measures imposed by the United States on imports of certain pipe and tube products from Turkey. Turkey requested establishment of a panel. A panel was established on June 19, 2017, and composed on September 14, 2017. The issues raised in this dispute are further summarized in the next section of this chapter, which covers new panels established during 2017 in which the United States was a named party.³³⁶

The remaining three requests for consultations were filed by Canada, and all three related to U.S. countervailing duty and antidumping measures. Two of the requests were filed on November 28, 2017, and concerned U.S. countervailing duty measures and U.S. antidumping measures, respectively, on softwood lumber from Canada. In the countervailing duty measures dispute (DS533), Canada claimed that the measures appear to be inconsistent with Articles 1.1(a), 1.1(b), 2.1(a), 2.1(b), 10, 11.2, 11.3, 14(d), 19.1, 19.3, 19.4, 21.2, 21.2, 32.1, and 32.5 of the SCM Agreement and Article VI:3 of the GATT

³³¹ WTO, "[Chronological List of Disputes Cases](#)" (accessed May 2, 2018).

³³² WTO, "[Dispute Settlement: DS519; China—Subsidies to Producers of Primary Aluminum](#)" (accessed May 2, 2018).

³³³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 144.

³³⁴ WTO, "[Dispute Settlement: DS520; Canada—Measures Governing the Sale of Wine in Grocery Stores](#)" (accessed May 2, 2018); WTO, "[Dispute Settlement: DS531; Canada—Measures Governing the Sale of Wine in Grocery Stores \(Second Complaint\)](#)" (accessed May 2, 2018).

³³⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 155.

³³⁶ WTO, "[Dispute Settlement: DS523; United States—Countervailing Measures on Certain Pipe and Tube Products \(Turkey\)](#)" (accessed May 2, 2018).

1994.³³⁷ Specifically, Canada challenged the U.S. Department of Commerce (USDOC) determinations regarding benchmarks for stumpage, the log export permitting processes, and non-stumpage programs.³³⁸ In the antidumping measures dispute (DS534), Canada claimed that the measures appear to be inconsistent with Articles 1, 2.1, 2.4, and 2.4.2 of the Antidumping Agreement and Article VI:1 and VI.2 of the GATT 1994.³³⁹ Specifically, Canada challenged the USDOC’s application of a differential pricing methodology, including the United States’ use of zeroing when applying the average-to-transaction comparison methodology.³⁴⁰

Canada filed the third request for dispute settlement consultations on December 20, 2017. Canada framed the request more broadly to apply to certain U.S. laws, regulations, and other measures concerning antidumping and countervailing duty proceedings, and claimed that the measures appear to be inconsistent with multiple articles of the Antidumping Agreement and SCM Agreement and also with Article VI:2, VI:3, and X:3(a) of the GATT 1994.³⁴¹

New Panels Established in 2017 That Involve the United States

As indicated in table 3.1, four dispute settlement panels were established during 2017 in which the United States was either the requesting party (complainant) or the respondent party. The United States was the complaining party in two disputes involving China, and the responding party in two disputes filed by India and Turkey, respectively. As of the end of 2017, panels had been composed in two of the four disputes (DS511 and DS523), and all were still pending.

Table 3.1 WTO dispute settlement panels established during 2017 in which the United States was a party

Case no.	Complainant	Respondent	Case name	Panel established
DS510	India	United States	United States—Certain Measures Relating to the Renewable Energy Sector	03/21/2017
DS511	United States	China	China—Domestic Support for Agricultural Producers	01/25/2017
DS517	United States	China	China—Tariff Rate Quotas for Certain Agricultural Products	09/22/2017
DS523	Turkey	United States	United States—Countervailing Measures on Certain Pipe and Tube Products	09/14/2017

Source: WTO, “[Dispute Settlement: The Disputes—Chronological List of Disputes](#)” (accessed May 19, 2017).

³³⁷ WTO, “[Dispute Settlement: DS533; United States—Countervailing Measures on Softwood Lumber from Canada](#)” (accessed May 2, 2018).

³³⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 182.

³³⁹ WTO, “[Dispute Settlement: DS534; United States—Anti-Dumping Measures Applying Differential Pricing Methodology to Softwood Lumber from Canada](#)” (accessed May 2, 2018). On March 16, 2018, Canada requested establishment of a panel in both lumber disputes, and panels were established on April 9, 2018.

³⁴⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 182.

³⁴¹ WTO, “[Dispute Settlement: DS535; United States—Certain Systemic Trade Remedies Measures](#)” (accessed May 2, 2018).

Panels Established during 2017 at the Request of the United States

China—Domestic Support for Agricultural Products (DS511)

On September 16, 2016, the United States requested consultations with China regarding certain measures through which China appears to provide domestic support in favor of agricultural producers, in particular those producing wheat, indica rice, japonica rice, and corn. The United States claimed that the measures appear to be inconsistent with Articles 3.2, 6.3, and 7.2(b) of the Agreement on Agriculture. The parties consulted on the matter on October 20, 2016, but the consultations did not resolve the matter. On December 5, 2016, the United States requested establishment of a panel, and the DSB established a panel at its meeting on January 25, 2017. Following agreement of the parties, the panel was composed on June 24, 2017.³⁴²

China—Tariff Rate Quotas for Certain Agricultural Products (DS517)

On December 15, 2016, the United States requested consultations with China concerning China's administration of its tariff-rate quotas for certain agricultural products, including those for wheat, short and medium grain rice, long grain rice, and corn. The United States claimed that the measures appear to be inconsistent with Articles X:3(a), XI:1, and XIII:3(b) of the GATT 1994; and Paragraph 1.2 of Part I of China's Protocol of Accession. On February 9, 2017, the United States and China held consultations in Geneva. After the consultations failed to resolve U.S. concerns, the United States requested establishment of a panel on August 31, 2017, and a panel was established at the DSB meeting on September 22, 2017. As of the end of 2017, the panel had not been composed.³⁴³

Panels Established during 2017 in Which the United States Was the Named Respondent

United States—Certain Measures Relating to the Renewable Energy Sector (DS510)

On September 9, 2016, India requested WTO consultations regarding certain U.S. measures relating to domestic-content requirements and subsidies instituted by the governments of the states of Washington, California, Montana, Massachusetts, Connecticut, Michigan, Delaware, and Minnesota in the energy sector. India claimed that the measures appear to be inconsistent with Articles III:4, XVI, and XVI:4 of the GATT 1994; Article 2.1 of the Agreement on Trade-related Investment Measures (TRIMS); and Articles 3.1(b), 3.2, 5(a), 5(c), 6.3(a), 6.3(c), and 25 of the SCM Agreement. Consultations between India and the United States took place in Geneva on November 16–17, 2016. On January 17, 2017, India

³⁴² WTO, "[Dispute Settlement: DS511; China—Domestic Supports for Agricultural Producers](#)" (accessed May 3, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 153–54. The panel held meetings with the parties in late January 2018 and was scheduled to hold a second panel meeting in late April 2018.

³⁴³ WTO, "[Dispute Settlement: DS517; China—Tariff Rate Quota for Certain Agricultural Products](#)" (accessed May 3, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 154. The panel was composed on February 12, 2018.

requested the establishment of a panel, and the DSB established a panel at its meeting on March 21, 2017. As of the end of 2017, the panel had not been composed.³⁴⁴

United States—Countervailing Measures on Certain Pipe and Tube Products (DS523)

On March 8, 2017, Turkey requested WTO consultations concerning countervailing duty measures imposed by the United States under four final countervailing duty determinations issued by USDOC on certain pipe and tube products from Turkey. Turkey claimed that the measures appear to be inconsistent with Articles 1.1(a)(1), 1.1(b), 2.1(c), 2.4, 10, 12.7, 14(d), 15.3, 19.4, and 32.1 of the SCM Agreement and Article VI:3 of the GATT 1994. Turkey challenged the application of measures in four final countervailing duty determinations with respect to the provision of hot-rolled steel for less than adequate remuneration. In addition, with respect to injury determinations, Turkey challenged section 771(7)(G)(i) of the Tariff Act of 1930 regarding cross-cumulation of imports.³⁴⁵ On May 11, 2017, Turkey requested the establishment of a panel, and the DSB established a panel at its meeting on June 19, 2017. At the request of Turkey, the Director-General composed the panel on September 14, 2017.³⁴⁶

Panel and Appellate Body Reports Issued and/or Adopted during 2017 That Involve the United States

During 2017, a WTO dispute settlement panel or the Appellate Body issued a report in five disputes to which the United States was a party, either as a complainant or as the respondent (table 3.2). The United States was the complaining party in only one of those disputes, and was the responding party in the four other disputes. This section covers only panel and Appellate Body reports relating to the original disputes and does not include subsequent reports, such as those of a compliance panel or an arbitrator. Many of the latter reports are noted in table A.25, which contains a procedural summary of most of the dispute settlement cases which are still active in some respect.

³⁴⁴ WTO, "[Dispute Settlement: DS510; United States—Certain Measures Relating to the Renewable Energy Sector](#)" (accessed May 3, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 180.

³⁴⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 182.

³⁴⁶ WTO, "[Dispute Settlement: DS523; United States—Countervailing Measures on Certain Pipe and Tube Products \(Turkey\)](#)" (accessed May 2, 2018). In a communication circulated on March 6, 2018, the chair of the panel stated that the panel's work was delayed as a result of the lack of available experienced lawyers in the Secretariat and that the panel expects to issue its final report to the parties in the second half of 2018. Communication from the Panel, WT/DS523/4 (accessed May 2, 2018).

Table 3.2 WTO dispute settlement panel and Appellate Body (AB) reports circulated and/or adopted in 2017 in which the United States was a party

Case no.	Complainant	Respondent	Case name	Date of report circulation or adoption
DS471	China	United States	United States—Certain Methodologies and Their Application to Anti-Dumping Proceedings Involving China	Appellate Body report circulated 05/11/2017; adopted 05/22/2017
DS478	United States	Indonesia	Indonesia—Importation of Horticultural Products, Animals and Animal Products	Appellate Body report circulated 11/09/2017; adopted 11/22/2017
DS487	European Union	United States	United States—Conditional Tax Incentives for Large Civil Aircraft	Appellate Body report circulated 09/04/2017; adopted 09/22/2017
DS488	South Korea	United States	United States—Anti-Dumping Measures on Certain Oil Tubular Goods from Korea	Panel report circulated 11/14/2017; adopted 01/12/2018
DS491	Indonesia	United States	United States—Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia	Panel report circulated 12/06/2017; adopted 01/12/2018

Source: WTO, "[Dispute Settlement: The Disputes—Chronological List of Disputes](#)" (accessed May 19, 2017).

Reports in Which the United States Was the Complainant

Indonesia—Importation of Horticultural Products, Animals and Animal Products (DS478)

On May 8, 2014, the United States requested consultations with Indonesia concerning certain measures it imposed on the importation of horticultural products, animals, and animal products. The United States claimed that the measures are inconsistent with Articles III:4 and XI:1 of the GATT 1994; Article 4.2 of the Agreement on Agriculture; Articles 1.2, 1.5, 1.6, 2.2, 3.2, 3.3, 5.1, and 5.2 of the Import Licensing Agreement; and Articles 2.1 and 2.15 of the Agreement on Preshipment Inspection.³⁴⁷ The United States was concerned that Indonesia, through its import licensing regimes, imposed numerous prohibitions and restrictions on the importation of covered products, including (1) prohibiting the importation of certain products altogether; (2) imposing strict application windows and validity periods for import permits; (3) restricting the type, quantity, and country of origin of products that may be imported; (4) requiring that importers actually import a certain percentage of the volume of products allowed under their permits;

³⁴⁷ WTO, "[Dispute Settlement: DS478; Indonesia—Importation of Horticultural Products, Animals and Animal Products](#)" (accessed May 6, 2018).

(5) restricting the uses for which products may be imported; (6) imposing local-content requirements; (7) restricting imports on a seasonal basis; and (8) setting a “reference price” below which products may not be imported.³⁴⁸ The measures at issue included import licensing regimes earlier amended by Indonesia in response to previous U.S. requests for dispute settlement consultations in January 2013 (DS455) and August 2013 (DS465).³⁴⁹

On March 18, 2015, the United States requested establishment of a panel. On May 20, 2015, the DSB established a single panel under Article 9.1 of the DSU to examine this dispute and dispute DS477, brought by New Zealand. At the request of New Zealand and the United States, on October 8, 2015, the Director-General composed the panel.

The panel circulated its report on December 16, 2016. The panel found that all of Indonesia’s import-restricting measures for horticultural products and animal products are inconsistent with Article XI:1 of the GATT 1994. The panel also found that Indonesia failed to demonstrate that the challenged measures are justified under any general exception available under the GATT 1994.³⁵⁰

Indonesia appealed the panel’s report to the Appellate Body on February 17, 2017, and the Appellate Body issued its report on November 9, 2017. The Appellate Body affirmed the finding of the panel that all of Indonesia’s measures are inconsistent with Article XI:1 of the GATT 1994 and, as Indonesia did not establish an affirmative defense with respect to any measure, affirmed that they are inconsistent with Indonesia’s WTO obligations.³⁵¹

At its meeting on November 22, 2017, the DSB adopted the Appellate Body report and the panel report, as modified by the Appellate Body report. On December 15, 2017, Indonesia informed the DSB that it required a reasonable period of time to comply with the DSB’s recommendations and rulings and that the 45-day deadline established by Article 21.3(b) of the DSU to reach a mutually agreed reasonable period of time might need to be extended. On January 11, 2018, Indonesia, New Zealand, and the United States informed the DSB that in order to allow sufficient time for them to discuss a mutually agreed period, they had agreed on deadlines for arbitration under Article 21.3(c) of the DSU.³⁵²

Reports in Which the United States Was the Respondent

United States—Certain Methodologies and Their Application to Anti-dumping Proceedings Involving China (DS471)

On December 3, 2013, China requested consultations with the United States regarding the use of certain methodologies in antidumping investigations involving Chinese products. China claimed that the measures are inconsistent with Articles 2.4.2, 6.1, 6.8, 6.10, 9.2, 9.3, 9.4 and Annex II of the Antidumping Agreement and Article VI:2 of the GATT 1994. Specifically, China challenged USDOC’s application in certain investigations and administrative reviews of a “targeted dumping methodology,” “zeroing” in connection with such methodology, a “single rate presumption for non-market economies,”

³⁴⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 153.

³⁴⁹ *Ibid.*, 152.

³⁵⁰ *Ibid.*, 153.

³⁵¹ *Ibid.*

³⁵² WTO, [“Dispute Settlement: DS478; Indonesia—Importation of Horticultural Products, Animals and Animal Products”](#) (accessed May 6, 2018).

and a “NME-wide methodology” including certain “features.” China also challenged a “single rate presumption” and the use of “adverse facts available” “as such.”³⁵³

On February 13, 2014, China requested establishment of a panel, and the DSB established a panel at its meeting on March 26, 2014. The Director-General composed the panel on August 28, 2014. On February 23, 2015, the chair of the panel informed the DSB that the start of proceedings was deferred due to the unavailability of Secretariat lawyers and that the panel, under its adopted timetable, expected to issue its final report to the parties in June 2016.³⁵⁴

The panel circulated its report on October 19, 2016. The panel found that a number of aspects of the “targeted dumping methodology” applied by USDOC in three challenged investigations were not inconsistent with the requirements of the Antidumping Agreement, including certain quantitative aspects of USDOC’s methodology. However, the panel found fault with other aspects of USDOC’s methodology and with USDOC’s explanation of why its resort to the alternative methodology was necessary. The panel also found that USDOC’s application of the alternative methodology to all sales, rather than only to so-called pattern sales, and USDOC’s use of “zeroing” in connection with the alternative methodology, were inconsistent with the second sentence of Article 2.4.2 of the Antidumping Agreement.

In addition, the panel questioned USDOC’s use of a rebuttable presumption that all producers and exporters in China comprise a single entity under common government control—the China-government entity—to which a single antidumping margin is assigned, both as used in specific proceedings and generally. The panel found that USDOC’s use of the presumption is inconsistent with certain obligations in the WTO Antidumping Agreement concerning when exporters and producers are entitled to a unique antidumping margin or rate. However, the panel agreed with the United States that China had not established that USDOC has a general norm whereby it uses adverse inferences to pick information that is adverse to the interests of the China-government entity in calculating its antidumping market or rate. The panel decided to exercise judicial economy with respect to the information USDOC used in particular proceedings.³⁵⁵

On November 18, 2016, China appealed certain of the panel’s findings regarding USDOC’s “targeted dumping methodology,” use of “adverse facts available,” and the “single rate presumption.” The Appellate Body issued its report on May 11, 2017. The Appellate Body rejected virtually all of China’s claims on appeal and did not make any additional findings of inconsistency against the United States.³⁵⁶

On May 22, 2017, the DSB adopted the panel and Appellate Body report. On June 19, 2017, the United States stated that it intended to implement the recommendations of the DSB in a manner that respects U.S. obligations, and that it would need a reasonable period of time in which to do so. On October 17, 2017, China requested that an Article 21.3(c) arbitrator determine the reasonable period of time for

³⁵³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 175-76.

³⁵⁴ WTO, [“Dispute Settlement: DS471; United States—Certain Methodologies and their Application to Anti-Dumping Proceedings Involving China”](#) (accessed May 5, 2018).

³⁵⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 176.

³⁵⁶ *Ibid.*

implementation.³⁵⁷ On January 19, 2018, the Award of the Arbitrator was circulated to members; the Arbitrator determined that the reasonable period is 15 months, expiring on August 22, 2018.³⁵⁸

United States—Conditional Tax Incentives for Large Civil Aircraft (DS487)

On December 19, 2014, the EU requested consultations with the United States with respect to conditional tax incentives established by the State of Washington relating to the development, manufacture, and sale of large civil aircraft. The EU alleged that the measures constitute specific subsidies within the meaning of Articles 1 and 2 of the SCM Agreement and alleged that such tax incentives are prohibited subsidies that are inconsistent with Articles 3.1(b) and 3.2 of the SCM Agreement.³⁵⁹ More specifically, the dispute concerned legislation enacted in the State of Washington in November 2013, which amended and extended various tax incentives for the aerospace industry. The EU identified seven separate tax incentives, including a reduced business and occupation tax rate, credits against business taxation, and exemptions from various other taxes in the State of Washington.³⁶⁰

On February 12, 2015, the EU requested establishment of a panel, and on February 23, 2015, the DSB established a panel. On April 22, 2015, at the request of the EU, the Director-General composed the panel.³⁶¹

On November 28, 2016, the panel report was circulated to members. The panel found that only the Washington State business and occupation tax incentive was a prohibited subsidy. While the panel found the six other tax incentives to be subsidies, they were not deemed to be illegal under WTO rules.³⁶²

On December 16, 2016, the United States appealed certain issues of law and legal interpretations in the panel report, and on January 17, 2017, the EU notified the SSB of its decision to cross-appeal. The Appellate Body circulated its report on September 14, 2017. The Appellate Body found that none of the seven challenged programs were prohibited import-substitution subsidies, and accordingly reversed the panel's finding that the business and occupation tax rate is a prohibited subsidy under Article 3.1(b) of the SCM Agreement. Having reversed the panel's sole finding of inconsistency, the Appellate Body made no recommendation in the dispute.³⁶³

³⁵⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 176.

³⁵⁸ WTO, "[Dispute Settlement: DS471; United States—Certain Methodologies and their Application to Anti-Dumping Proceedings Involving China](#)" (accessed May 5, 2018).

³⁵⁹ WTO, "[Dispute Settlement: DS487; United States—Conditional Tax Incentives for Large Civil Aircraft](#)" (accessed May 6, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 176.

³⁶⁰ WTO, "[Dispute Settlement: DS487; United States—Conditional Tax Incentives for Large Civil Aircraft](#)" (accessed May 6, 2018).

³⁶¹ *Ibid.*

³⁶² USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 177.

³⁶³ WTO, "[Dispute Settlement: DS487; United States—Conditional Tax Incentives for Large Civil Aircraft](#)" (accessed May 6, 2018).

The DSB adopted the Appellate Body report and the panel report, as modified by the Appellate Body report, on September 22, 2017.³⁶⁴

United States—Anti-Dumping Measures on Certain Oil Country Tubular Goods from Korea (DS488)

On December 22, 2014, South Korea requested consultations with the United States regarding certain antidumping duty measures on oil country tubular goods (OCTG) from South Korea and the investigation methodology underlying such measures. South Korea claimed that the calculation by USDOC of the constructed value profit rate for South Korean respondents was inconsistent with U.S. obligations under Articles 2.2, 2.2.2, 2.2.1.1, 2.3, 2.4, 6.2, 6.4, 6.9, 6.10, including Articles 6.10.1 and 6.10.2, and 12.2.2 of the Antidumping Agreement and Articles I and X:3 of the GATT 1994.³⁶⁵

On February 23, 2015, South Korea requested the establishment of a panel, and a panel was established on March 25, 2015. On July 13, 2015, the parties agreed on the composition of the panel. On January 16, 2016, the chair of the panel informed the DSB that the beginning of the panel's work had been delayed due to a lack of available experienced lawyers in the Secretariat, and that the panel expected to issue its final report to the parties before the end of 2016. On September 15, 2016, the parties agreed on a new chair following the resignation of the chair of the panel. On December 19, 2016, the chair of the panel informed the DSB that following the additional delay due to the need to appoint a new chair and the complexity of the issues raised by the parties in the dispute, the panel expected to issue its final report to the parties by June 2017.³⁶⁶

On November 14, 2017, the panel report was circulated to members. The panel found that the United States had acted inconsistently in four respects: (1) with the chapeau (introductory paragraph) of Article 2.2.2 of the Antidumping Agreement, because USDOC did not determine profit for constructed value based on actual data pertaining to sales of the like product in the home market; (2) with Articles 2.2.2(i) and (iii), because USDOC relied on a narrow definition of the "same general category of products" in concluding it could not determine profit under Article 2.2.2(i) and in concluding it could not calculate a profit cap under Article 2.2.2(iii); (3) with Article 2.2.2, because USDOC did not determine profit for constructed value based on actual data pertaining to sales of the like product in third-country markets and with respect to Articles 1 and 9.3 as a consequence of substantive violations of Articles 2.2.2, 2.2.2(i), and 2.2.2(iii).

Finally, the panel found two of South Korea's claims with respect to profit for constructed value to be outside its terms of reference. In the first instance, this finding applied to South Korea's claim that the United States had violated Article 2.2.2(iii) because USDOC had determined the profit rate based on a certain company's financial statements. In the second instance, the finding applied to South Korea's claim that the United States had violated Article X.3(a) of the GATT 1994, because USDOC had purportedly acted contrary to its agency practice of determining profit. The panel rejected the

³⁶⁴ WTO, "[Dispute Settlement: DS487; United States—Conditional Tax Incentives for Large Civil Aircraft](#)" (accessed May 6, 2018).

³⁶⁵ WTO, "[Dispute Settlement: DS488; United States—Anti-Dumping Measures on Certain Oil Country Tubular Goods from Korea](#)" (accessed May 7, 2018).

³⁶⁶ Ibid.

remaining claims asserted by South Korea, including claims about the use of constructed export price and the selection of costs for calculation of constructed normal value.³⁶⁷

On January 12, 2018, the DSB adopted the panel report in this dispute.³⁶⁸

United States—Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia (DS491)

On March 13, 2015, Indonesia requested consultations with the United States concerning the imposition of antidumping and countervailing duty measures on certain coated paper products from Indonesia, as well as the investigation underlying those measures. Indonesia claimed that the measures are inconsistent with Articles 2.1, 2.1(c), 10, 12.7, 15.5, 15.7, and 15.8 of the SCM Agreement; Articles 3.5, 3.7, and 3.8 of the Antidumping Agreement; and Article VI of the GATT 1994. Indonesia requested establishment of a panel on July 9, 2015, and the DSB established a panel on September 28, 2015. On February 4, 2016, at the request of Indonesia, the Director-General composed the panel.³⁶⁹

With regard to the countervailing duty measures, Indonesia challenged USDOC's determinations that Indonesia's provision of standing timber, log export ban, and debt forgiveness program are countervailable subsidies. Indonesia claimed that USDOC determined both that the standing timber was provided for less than adequate remuneration and that the log export ban distorted prices without factoring in prevailing market conditions. Indonesia also alleged, with regard to all three subsidies, that USDOC failed to examine whether there was a plan or scheme in place sufficient to constitute a "subsidy programme" within the meaning of the SCM Agreement. Indonesia further claimed that USDOC did not identify whether each subsidy was "specific to an enterprise . . . within the jurisdiction of the granting authority," as required by the SCM Agreement. In addition, Indonesia challenged USDOC's "facts available" determination, in which it concluded that the government of Indonesia forgave debt.

With regard to both the antidumping and countervailing duty measures, Indonesia alleged that the USITC threat of injury determination breached both the Antidumping Agreement and SCM Agreement because it relied on allegation, conjecture, and remote possibility; was not based on a change in circumstances that was clearly foreseen and imminent; and showed no causal relationship between the subject imports and the threat of injury to the domestic industry.³⁷⁰

Indonesia also raised an "as such" claim with respect to 19 U.S.C. § 11677(11)(B) (affirmative determination by divided U.S. International Trade Commission). Indonesia contended that, with respect

³⁶⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 178.

³⁶⁸ WTO, "[Dispute Settlement: DS488; United States—Anti-Dumping Measures on Certain Oil Country Tubular Goods from Korea](#)" (accessed May 7, 2018). At the DSB meeting on February 9, 2018, the United States informed the DSB of its intention to implement the DSB's recommendations and ruling and that it would need a reasonable period of time to do so. On February 26, 2018, South Korea and the United States informed the DSB that they had agreed that the reasonable period of time would be 12 months—that is, the period would expire on January 12, 2019. Ibid.

³⁶⁹ WTO, "[Dispute Settlement: DS491; United States—Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia](#)" (accessed May 8, 2018).

³⁷⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 179.

to threat of injury cases, the law does not consider or exercise “special care” because of the requirement that a tie vote be treated as an affirmative Commission determination.³⁷¹

On December 6, 2017, the panel report was circulated to members. The report rejected all of Indonesia’s claims. Indonesia chose not to appeal, and the DSB adopted the report on January 12, 2018.³⁷²

U.S. Concerns with WTO Dispute Settlement

In recent years, the United States has expressed a number of concerns about how the WTO dispute settlement system functions, including the concern that a number of WTO dispute settlement reports have not followed WTO rules. The most recent expression of these concerns is reflected in the President’s *2018 Trade Policy Agenda and 2017 Annual Report* issued in March 2018 (2018 report).³⁷³ The 2018 report states that the most significant area of concern has been panels and the Appellate Body adding to or diminishing rights and obligations under the WTO Agreement by not applying the WTO Agreement as written. The 2018 report noted that the earlier Bush and Obama Administrations had detailed numerous examples and concerns and had proposed formal guidance in 2005 for WTO members to adopt, but that these efforts have not yielded significant results.

Concerns cited included Appellate Body interpretations that would significantly restrict the ability of WTO members to counteract trade-distorting subsidies provided through state-owned enterprises; concerns with the Appellate Body’s interpretation of the non-discrimination obligation under the Agreement on Technical Barriers to Trade, which calls for reviewing factors unrelated to any difference in treatment due to national origin; disagreement with panel and Appellate Body reports which resulted in an interpretation under which WTO rules do not treat different (worldwide vs. territorial) tax systems fairly; concerns that the Appellate Body’s non-text-based interpretation of Article XIX of the GATT 1994 and the Safeguards Agreement has seriously undermined the ability of members to use safeguards measures; and concerns that the Appellate Body in effect created a new category of prohibited subsidies that was neither negotiated nor agreed to by WTO members.

The 2018 report also cited a number of additional concerns:

- (1) Concern about the Appellate Body’s decision, at least since 2011, to ignore the mandatory 90-day deadline for deciding appeals set out in WTO rules and instead assume the authority to take whatever time it considers appropriate for individual appeals. The 2018 report cited among other things the Appellate Body’s approach in appeals in compliance proceedings in 2017 involving the United States and European Union concerning large civil aircraft.
- (2) Concern about service on the Appellate Body by persons who are no longer Appellate Body members. The 2018 report cited concerns expressed by the United States in August 2017 about decisions of the Appellate Body to “authorize” a person who is no longer a member of the Appellate Body to continue hearing appeals, and stated that the Appellate Body does not have the authority to deem someone a member who is not a member. Since the

³⁷¹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 179.

³⁷² WTO, “[Dispute Settlement: DS491; United States—Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia](#)” (accessed May 8, 2018).

³⁷³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 22–28.

- summer of 2017, U.S. officials have had the view at WTO Dispute Settlement Body meetings that this issue must be resolved before the United States will consider supporting new appointments to the Appellate Body.³⁷⁴
- (3) Concern about the tendency of WTO reports to make findings unnecessary to resolve a dispute or on issues not presented in the dispute. Citing Articles 3.4, 3.7, 7.1, and 11 of the DSU, the 2018 report said that WTO panels and the Appellate Body are not to make findings that cannot “assist the DSB in making [its] recommendations.” It noted that the purpose of the dispute settlement system is not to produce reports or to “make law,” but rather to help members resolve trade disputes among them.
 - (4) Concern about the Appellate Body’s approach to reviewing facts, and concern about *de novo* review of a member’s domestic law. The 2018 report noted that Article 17.6 of the DSU limits an appeal to “issues of law covered in the panel report and legal interpretations developed by the panel.” The 2018 report expressed concern that the Appellate Body has consistently reviewed panel fact-finding under different legal standards, and has reached conclusions that are not based on panel factual findings or undisputed facts. The report also expressed concern about the Appellate Body’s review of the meaning of a member’s domestic law that is being challenged. The report said that the key fact to be proven is what a member’s challenged measure does or means, and the law to be interpreted and applied are the provisions of the WTO agreements. The report expressed concern that the Appellate Body asserts it can review the meaning of a member’s domestic measure as a matter of law rather than acknowledging that it is a matter of fact and thus not a subject for Appellate Body review. The report also expressed concern that when the Appellate Body reviews the meaning of a member’s domestic measure, it does not provide any deference to a panel’s findings of fact.
 - (5) Concern that the Appellate Body claims its reports are entitled to be treated as precedent. The 2018 report states that this is not consistent with WTO rules, and that WTO members established one and only one means for adopting binding interpretations of the obligations agreed to: Article IX:2 of the Agreement Establishing the World Trade Organization.³⁷⁵

³⁷⁴ See, for example, [“Statements by the United States at the Meeting of the WTO Dispute Settlement Body,”](#) August 31, 2017; [“Statements by the United States at the Meeting of the WTO Dispute Settlement Body,”](#) November 22, 2017; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 26.

³⁷⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 22–28.

Chapter 4

Selected Regional and Bilateral Trade Activities

This chapter summarizes trade-related activities during 2017 in two major multilateral organizations—the Organisation for Economic Co-operation and Development (OECD) and the Asia-Pacific Economic Cooperation (APEC) forum. It also covers the status of negotiations for a Trade in Services Agreement (TISA) and activities conducted under trade and investment framework agreements (TIFAs).

Organisation for Economic Co-operation and Development

The 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. In 2017, there were 35 OECD members.³⁷⁶

Ministerial Council Meeting

The OECD held its Ministerial Council Meeting on June 7–8, 2017, in Paris, France. The meeting focused on how the benefits arising from globalization might be shared more broadly.³⁷⁷ Regarding trade and investment in particular, the chair of the meeting found that OECD members appeared to agree on a number of points, including (1) the need to dismantle trade barriers without reducing international standards, as done by the World Trade Organization (WTO) Trade Facilitation Agreement; (2) the need to address overcapacity in various industrial sectors—including steel, aluminum, and shipbuilding—through such measures as the recent establishment of the Global Forum on Steel Excess Capacity; and (3) the need for continued OECD work on an array of trade topics, such as export credit rules.³⁷⁸

At the 2016 G20 Summit in Hangzhou, China, ministers established a Global Forum on Steel Excess Capacity comprising 33 countries. The forum set the following aims at the summit: (1) exchange information and data on excess capacity in the steel industry between governments of steel-producing countries; (2) develop ways to strengthen the functioning of the world steel market; and, (3) with the OECD acting as facilitator in this three-year process, present a report on its work to G20 ministers in 2017. The forum held its first ministerial meeting under the German G20 Presidency on November 30, 2017, in Berlin, Germany. Its principal goals were to review the exchange of information underway,

³⁷⁶ For a list of OECD members, see OECD, “[List of OECD Member Countries—Ratification of the Convention on the OECD](#),” n.d. (accessed February 28, 2018).

³⁷⁷ OECD, “[2017 Ministerial Council Statement—Making Globalisation Work: Better Lives for All](#),” June 8, 2017; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 82.

³⁷⁸ Among the topics cited were official export credit rules; global value chains; trade in value added; trade facilitation indicators; trade in agriculture, manufactured goods, and services; and the prospects for digital trade. OECD, “[Meeting of the OECD Council at Ministerial Level, Chair’s Statement](#),” June 8, 2017, 2.

receive the initial report published in November 2017, and hear a progress report on the Forum's upcoming work in 2018.³⁷⁹

Trade Committee

The OECD Trade Committee met twice during 2017: April 26, for its 170th session, and November 29–30, for its 171st. The Trade Committee continued work on two broad themes: (1) trade and the digital economy and (2) trade and investment.³⁸⁰

Working Party of the Trade Committee

The Working Party of the Trade Committee met four times in 2017: March 16–17, June 15–16, October 10, and December 14–15.³⁸¹ During 2017, the Working Party focused on the following topics: global value chains and trade in value added; trade in services, especially the OECD's Services Trade Restrictiveness Index; digital trade; data localization and local-content policies; state-owned enterprises and small and medium-sized enterprises; best practices in government procurement; and international regulatory cooperation.³⁸² Other topics considered during the year included measuring nontariff measures; technology transfer issues; trade and investment; and trade facilitation matters reflecting the updated OECD Trade Facilitation Indicators.³⁸³

Asia-Pacific Economic Cooperation

Background

Established in 1989 and composed of 21 member economies,³⁸⁴ the Asia-Pacific Economic Cooperation (APEC) is a regional economic forum. Since its inception, APEC has aimed to increase prosperity in the region by supporting regional economic integration; promoting balanced, innovative, inclusive, and sustainable growth; and facilitating easy movement of goods, services, investment, and people across borders. Throughout the year, APEC organizes events, including an economic leaders' summit, senior official meetings, policy dialogues, and workshops, to discuss various trade- and investment-related issues. APEC decisions are made by consensus, and commitments are undertaken voluntarily. Every

³⁷⁹ Bundesministerium für Wirtschaft und Energie (Federal Ministry for Economic Affairs and Energy), "[Factsheet—Global Forum on Steel Excess Capacity](#)," November 30, 2017.

³⁸⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 82; OECD, "Summary Record of the 170th Session of the Trade Committee Plenary Session," September 6, 2017; OECD, "Summary Record of the 171st Session of the Trade Committee," January 9, 2018.

³⁸¹ OECD, "Draft Summary Record: Working Party of the Trade Committee," May 29, 2017; OECD, "Draft Summary Record: Working Party of the Trade Committee," September 12, 2017; OECD, "Draft Summary Record: Working Party of the Trade Committee," November 10, 2017; OECD, "Summary Record—December 2017 WPTC," January 15, 2018.

³⁸² USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 82.

³⁸³ OECD, "Draft Summary Record: Working Party of the Trade Committee," May 29, 2017.

³⁸⁴ In 2017, the 21 APEC member economies were Australia; Brunei; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; South Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Taiwan (Chinese Taipei); Thailand; the United States; and Vietnam. For further details, see APEC, "[Member Economies](#)" (accessed March 19, 2018).

year, one of the 21 APEC member economies plays the host to APEC’s meetings and serves as the APEC chair.³⁸⁵

APEC’s operational structure is based on both “bottom-up” and “top-down” approaches. Four core committees, including the Committee on Trade and Investment (CTI), provide strategic policy recommendations to APEC economic leaders and ministers who meet annually to set the vision of overarching goals and initiatives. The working groups under each committee are then tasked with carrying out these initiatives through a variety of APEC-funded projects. Member economies also take individual and collective actions to carry out APEC initiatives. Capacity building is a key element of APEC’s operation, playing an important role in helping reach APEC’s goals by providing skill training and technological know-how to member economies.³⁸⁶

2017 APEC Developments

In 2017, Vietnam served as the APEC chair and hosted major APEC meetings. Under its leadership, APEC highlighted the theme of “Creating New Dynamism, Fostering a Shared Future,” and sought to pursue the following four priorities:

promoting sustainable, innovative and inclusive growth; deepening regional economic integration; strengthening micro, small, and medium enterprises’ (MSMEs) competitiveness and innovation in the digital age; and enhancing food security and sustainable agriculture in response to climate change.³⁸⁷

In 2017, APEC organized various events, carrying out discussions and/or training on a wide range of topics, including labor mobility; women’s economic, financial, and social inclusion; anticorruption and transparency issues; competition policy and laws; sustainable tourism; food safety and security; energy efficiency and storage; and agricultural technology, among others.³⁸⁸

In its 2017 annual report to ministers, CTI noted the accomplishments made throughout the year. Among the highlights are:³⁸⁹

(1) Progress made in advancing global value chain (GVC) development and cooperation. These advancements included a proposal to establish a *APEC Global Value Chain Partnership Platform*; the release of APEC’s *Global Value Chains Investment Climate Improvement Report*; the implementation of targeted capacity-building projects to improve supply chain performance on prearrival processing, expedited shipments, electronic payment, and more; and progress made towards developing statistical measurement of trade in value added (TiVA) in the APEC region by 2018.³⁹⁰

³⁸⁵ APEC, “[About APEC](#)” and “[How APEC Operates](#)” (accessed March 19, 2018).

³⁸⁶ APEC, “[About APEC](#)” (accessed March 19, 2018).

³⁸⁷ APEC, “[APEC 2017: Priorities](#)” (accessed March 19, 2018).

³⁸⁸ APEC, “[Events: 2017](#)” (accessed March 19, 2018).

³⁸⁹ APEC, [APEC Committee on Trade and Investment 2017 Annual Report](#), November 2017, 1–5.

³⁹⁰ The United States co-leads GVC Work Stream 2, “APEC GVCs and TiVA Measurement,” with China. The objective of this work stream is to develop an APEC TiVA database by 2018. Upon USTR’s request, in the capacity of technical support, USITC staff members have been co-leading this project with participants from the U.S. Bureau of Economic Analysis on the U.S. side since 2014. For more information on APEC global value chain development and cooperation, see USITC, [The Year in Trade 2016](#), July 2017, 111–12.

(2) Progress made in promoting MSMEs' participation in the global economy. This included projects for facilitating MSMEs' integration into GVCs in services industries, such as fashion design and logistics; a workshop organized to discuss best practices for integrating small and medium-sized suppliers into the automotive GVCs; an initiative on promoting MSMEs' global reach through electronic commerce (e-commerce); and projects facilitating MSMEs' use of intellectual property rights.

(3) Progress made in reducing applied tariffs to 5 percent or less on the APEC list of environmental goods, as well as in implementing the *Environmental Services Action Plan*. The latter effort included a workshop on environmental services and a set of case studies on environmental damage remediation services, renewable energy services, and energy efficiency services.³⁹¹

(4) Efforts made in advancing work related to the realization of the Free Trade Area of the Asia Pacific (FTAAP) through "capacity building initiatives and information sharing mechanism."³⁹² These efforts included a workshop on free trade agreement (FTA) negotiation skills; a policy dialogue on regional trade agreements (RTAs) and FTAs; and a report, *Trends and Developments in Provisions and Outcomes of RTAs/FTAs Implemented in 2016 by APEC Economies*.³⁹³

Digital Trade, Internet Economy, and E-Commerce

Recognizing the growing amount of trade conducted electronically and the transformative effect of e-commerce on industries, APEC listed digital trade, the internet economy, and e-commerce as important trade and investment topics to address. In recent years, a number of working groups and initiatives have been established to promote the development and use of digital technology for economic growth in the APEC region. Examples include *Initiative of Cooperation to Promote Internet Economy* (2014),³⁹⁴ the Ad Hoc Steering Group on the Internet Economy (2015),³⁹⁵ and the *Work Plan for Advancing "Facilitating Digital Trade for Inclusive Growth"* (2015).³⁹⁶

In 2017, there were various developments in this area. In April 2017, the Policy Support Unit (PSU) of APEC completed a study and released a report, *Facilitating Digital Trade for Inclusive Growth: Key Issues in Promoting Digital Trade in APEC*. The report discussed opportunities as well as challenges that digital trade presents, and highlighted emerging technical and policy issues that need to be better understood for balanced regulation of the industry. The report identified the factors enabling the growth of the digital economy, including those affecting infrastructure (e.g., internet speed and cost), the supply of internet services (e.g., the availability of skilled labor such as engineers and scientists, and intellectual property rights protection), and the demand for internet services (e.g., internet access and online payment).³⁹⁷

In November 2017, PSU released another report, *Promoting E-Commerce to Globalize MSMEs*. Through case studies of Taiwan, China, Brunei Darussalam, and Malaysia, the report identified constraints faced

³⁹¹ For more information on APEC's environmental goods and services initiatives, see USITC, [The Year in Trade 2015, 67th Report](#), July 2016, 121–22.

³⁹² APEC, [2017 Leaders' Declaration](#), November 11, 2017.

³⁹³ For more information on FTAAP, see USITC, [The Year in Trade 2016](#), July 2017, 110–11.

³⁹⁴ APEC, ["APEC Initiative of Cooperation to Promote Internet Economy,"](#) 2014.

³⁹⁵ APEC, ["Updates by the Ad Hoc Steering Group on the Internet Economy,"](#) August 27–28, 2016.

³⁹⁶ APEC, [Work Plan for Advancing "Facilitating Digital Trade for Inclusive Growth,"](#) September 5–6, 2015.

³⁹⁷ APEC, [Facilitating Digital Trade for Inclusive Growth](#), April 2017.

by MSMEs in attempting to participate in e-commerce and digital trade. Constraints addressed included information communication technology infrastructure, logistics cost, payment services, and postal services, among others.³⁹⁸

A trade policy dialogue on facilitating digital trade was held on May 12, 2017. At the dialogue, the participants discussed barriers to digital trade, and identified issues and areas where further work should be conducted. Based on the discussion, CTI agreed on *The Work Plan to Identify Building Blocks to Facilitate Digital Trade for 2018*. In addition, in 2017, senior officials also approved a number of new initiatives, including *The APEC Internet and Digital Economy Roadmap* and the *APEC Framework on Cross-border E-commerce Facilitation*.³⁹⁹

Negotiations on a Trade in Services Agreement

In 2013, a group of 20 WTO members launched negotiations on a plurilateral Trade in Services Agreement (TiSA) that might form the basis for a broader multilateral agreement.⁴⁰⁰ Four rounds of negotiations were held in 2013, five rounds in 2014, five rounds in 2015, and seven rounds in 2016.⁴⁰¹ Negotiations intensified in 2016, focusing on market access and proposals for additional disciplines under the annexes.⁴⁰² However, no negotiating rounds were held in 2017.⁴⁰³ As of the last negotiating round in December 2016, there were 23 participants, including Australia, Canada, Chile, Colombia, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, South Korea, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, Switzerland, Taiwan, Turkey, and the United States.⁴⁰⁴

³⁹⁸ APEC, [Promoting E-Commerce to Globalize MSMEs](#), November 2017.

³⁹⁹ APEC, [APEC Committee on Trade and Investment 2017 Annual Report to Ministers](#), November 2017, 1–7, and [2017 Leaders' Declaration](#), November 11, 2017. On May 18, 2018, USITC staff made a presentation about its report [Global Digital Trade 1: Market Opportunities and Key Foreign Trade Restrictions](#) at the Trade Policy Dialogue on Digital Trade during the APEC Senior Officials Meeting (SOM2) in Port Moresby, Papua New Guinea.

⁴⁰⁰ USTR, ["U.S. Trade Representative Ron Kirk Notifies Congress,"](#) January 15, 2013. For more information about TiSA negotiations, see USITC, [The Year in Trade 2016](#), July 2017, 112. The WTO is based on a "multilateral" agreement whose rules and commitments apply to all its members. WTO members may also negotiate smaller "plurilateral" agreements whose rules and commitments apply only to the members that have signed it.

⁴⁰¹ Government of Australia, ["Trade in Services Agreement—News,"](#) n.d. (accessed April 30, 2018).

⁴⁰² USTR, [2017 Trade Policy Agenda and 2016 Annual Report](#), March 2017, 166.

⁴⁰³ "The Trump Administration has not stated an official position on the continuation of TiSA negotiations, but USTR Robert Lighthizer indicated that the Trump Administration may support its continuation." CRS, [U.S. Trade in Services: Trends and Policy Issues](#), January 26, 2018.

⁴⁰⁴ Uruguay and Paraguay were participants earlier, but later withdrew from negotiations in 2015. They were replaced in turn by Liechtenstein and Mauritius. USTR, [2017 Trade Policy Agenda and 2016 Annual Report](#), March 2017, 166; CRS, ["U.S. Trade in Services: Trends and Policy Issues,"](#) January 26, 2018, 22.

Trade and Investment Framework Agreements

Trade and Investment Framework Agreements (TIFAs) provide principles for dialogue on trade and investment issues. By yearend 2017, the United States had entered into 57 TIFAs, including one new TIFA with Paraguay (table 4.1). These agreements cover diverse matters, including market access, labor, environment, and intellectual property rights.⁴⁰⁵ TIFA meetings serve as a setting for the United States and other parties to the TIFA to discuss issues of mutual interest with the objective of strengthening trade and investment ties, and promoting free, fair, and reciprocal trade.⁴⁰⁶ As part of the Trump administration's stated goal of expanding trade with countries in the Indo-Pacific region, several of the meetings were held between the United States and Asia-Pacific trading partners.⁴⁰⁷

⁴⁰⁵ USTR, "[Trade and Investment Framework Agreements](#)," n.d. (accessed March 29, 2018).

⁴⁰⁶ USTR, "USTR Lighthizer Statement on the President's New Paradigm," November 10, 2017; USTR, "[Trade and Investment Framework Agreements](#)" (accessed March 29, 2018).

⁴⁰⁷ White House, "[Fact Sheet: President Donald J. Trump's Visit](#)," November 15, 2017; USTR, "[United States and Vietnam Renew Trade Dialogue](#)," March 28, 2017.

Table 4.1 U.S. trade and investment framework agreements in 2017

Type and name	Date signed
Bilateral	
U.S.-Afghanistan TIFA	September 21, 2004
U.S.-Algeria TIFA	July 13, 2001
U.S.-Angola TIFA	May 19, 2009
U.S.-Argentina TIFA	March 23, 2016
U.S.-Armenia TIFA	November 13, 2015
U.S.-Bahrain TIFA	June 18, 2002
U.S.-Bangladesh TICFA	November 25, 2013
U.S.-Brunei-Darussalam TIFA	December 16, 2002
U.S.-Burma TIFA	May 21, 2013
U.S.-Cambodia TIFA	July 14, 2006
U.S.-Egypt TIFA	July 1, 1999
U.S.-Georgia TIFA	June 20, 2007
U.S.-Ghana TIFA	February 26, 1999
U.S.-Iceland TICF	January 15, 2009
U.S.-Indonesia TIFA	July 16, 1996
U.S.-Iraq TIFA	July 11, 2005
U.S.-Kuwait TIFA	February 6, 2004
U.S.-Laos TIFA	February 17, 2016
U.S.-Lebanon TIFA	November 30, 2006
U.S.-Liberia TIFA	February 15, 2007
U.S.-Libya TIFA	December 18, 2013
U.S.-Malaysia TIFA	May 10, 2004
U.S.-Maldives TIFA	October 17, 2009
U.S.-Mauritius TIFA	September 18, 2006
U.S.-Mongolia TIFA	July 15, 2004
U.S.-Mozambique TIFA	June 21, 2005
U.S.-Nepal TIFA	April 15, 2011
U.S.-New Zealand TIFA	October 2, 1992
U.S.-Nigeria TIFA	February 16, 2000
U.S.-Oman TIFA	July 7, 2004
U.S.-Pakistan TIFA	June 25, 2003
U.S.-Paraguay TIFA	January 13, 2017
U.S.-Philippines TIFA	November 9, 1989
U.S.-Qatar TIFA	March 19, 2004
U.S.-Rwanda TIFA	June 7, 2006
U.S.-Saudi Arabia TIFA	July 31, 2003
U.S.-South Africa TIFA ^a	June 18, 2012a
U.S.-Sri Lanka TIFA	July 25, 2002
U.S.-Switzerland TICF	May 25, 2006
U.S.-Taiwan TIFA	September 19, 1994
U.S.-Thailand TIFA	October 23, 2002
U.S.-Tunisia TIFA	October 2, 2002
U.S.-Turkey TIFA	September 29, 1999
U.S.-Ukraine TICA	March 28, 2008
U.S.-United Arab Emirates TIFA	March 15, 2004
U.S.-Uruguay TIFA ^b	January 25, 2007
U.S.-Vietnam TIFA	June 21, 2007
U.S.-Yemen TIFA	February 6, 2004

Type and name	Date signed
Regional	
U.S.-Association of Southeast Asian Nations (ASEAN) TIFA ^c	August 5, 2006
U.S.-Caribbean Community (CARICOM) TIFA ^d	May 28, 2013
U.S.-Central Asian TIFA ^e	June 1, 2004
U.S.-Common Market for Eastern and Southern Africa (COMESA) TIFA ^f	October 29, 2001
U.S.-East African Community TIFA ^g	July 16, 2008
U.S.-Economic Community of West African States (ECOWAS) TIFA ^h	August 5, 2014
U.S.-Gulf Cooperation Council (GCC) Framework Agreement for Trade, Economic, Investment, and Technical Cooperation ⁱ	September 25, 2012
U.S.-Southern Africa Customs Union (SACU) Trade, Investment, and Development Cooperative Agreement ^j	July 16, 2008
U.S.-West African Economic and Monetary Union (WAEMU) TIFA ^k	April 24, 2002

Source: USTR, "[Trade and Investment Framework Agreements](#)," n.d. (accessed March 22, 2018); USTR, "[United States, Bangladesh Sign Trade and Investment Cooperation Forum Agreement](#)," November 25, 2013; USTR, "[2018 Trade Policy Agenda and 2017 Annual Report](#)," March 2017, 357; USTR, "[SACU](#)," (accessed March 22, 2018).

Note: TICF stands for Trade and Investment Cooperation Forum, TICA stands for Trade and Investment Cooperation Agreement, and TICFA stands for Trade and Investment Cooperation Forum Agreement. All are considered TIFAs by USTR. For more information, see USTR, "[Trade and Investment Framework Agreements](#)" (accessed March 22, 2018).

^a The United States-South Africa TIFA was amended on June 18, 2012, and replaces the original TIFA, signed on February 18, 1999.

^b On October 2, 2008, the United States and Uruguay signed a TIFA protocol on trade and environment and a TIFA protocol on trade facilitation.

^c The 10 countries of ASEAN are Brunei Darussalam (Brunei), Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

^d The 15 members of CARICOM are Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. It also has 5 associate members: Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, and the Turks and Caicos Islands.

^e The 6 parties to the U.S.-Central Asian TIFA are the United States, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

^f The 19 members of COMESA are Burundi, Comoros, the Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

^g The 6 parties to the U.S.-East African Community TIFA are the United States, Burundi, Kenya, Rwanda, Tanzania, and Uganda.

^h The 15 members of ECOWAS are Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

ⁱ The 6 parties to the U.S.-Gulf Cooperation Council (GCC) Framework Agreement for Trade, Economic, Investment, and Technical Cooperation are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

^j The 5 members of SACU are Botswana, Lesotho, Namibia, South Africa, and Swaziland.

^k The 8 members of WAEMU are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.

Developments in TIFA Negotiations during 2017

On January 13, 2017, the United States Trade Representative (USTR) and the Paraguayan Ambassador to the United States met in Washington, DC, to sign a TIFA. The TIFA creates a forum for the countries to engage on a diverse set of bilateral economic issues, including market access and intellectual property rights protection.⁴⁰⁸

⁴⁰⁸ USTR, "[United States and Paraguay Sign Trade and Investment Framework Agreement](#)," January 13, 2017.

Developments in Existing TIFAs during 2017

During 2017, the following TIFA councils met:

Afghanistan

The United States and Afghanistan met under their TIFA on March 27–28, 2017, in Kabul, Afghanistan. Several issues were discussed, including the importance of women in increasing trade and economic growth, workers' rights, ease of doing business, and the importance of nurturing a governing regime that will foster private sector growth. In addition, the countries discussed potential vehicles for increasing Afghanistan's external trade and investment, including Afghanistan's accession to the WTO, full implementation of the Afghanistan-Pakistan Transit Trade Agreement, and full implementation of the Transports Internationaux Routiers Convention (International Road Transport Convention) of the International Road Union.⁴⁰⁹

Algeria

On April 24, 2017, the United States and Algeria met in Algiers under their TIFA. Topics discussed included ease of doing business, market access, and investments in agriculture and pharmaceuticals.⁴¹⁰

Bangladesh

Under their TICFA, the United States and Bangladesh met in Dhaka on May 17, 2017. The countries used the meeting as a forum to discuss Bangladeshi efforts to improve labor conditions.⁴¹¹ Additional topics addressed included market access, intellectual property, the digital economy, and ease of doing business.⁴¹²

Burma (Myanmar)

On July 13, 2017, government officials from the United States and Burma met to discuss the plan for moving forward under their TIFA, signed in 2013. The meeting, which was held in Rangoon (Yangon), included discussions related to intellectual property rights and enforcement, labor standards, and agriculture.⁴¹³

Cambodia

On August 8, 2017, U.S. and Cambodian senior government officials met under their TIFA. The countries agreed to work cooperatively to address outstanding bilateral trade issues, especially those related to labor, intellectual property protection, and financial services. During the meeting, U.S. officials shared

⁴⁰⁹ USTR, "[United States and Afghanistan Hold Annual Meeting](#)," March 28, 2017.

⁴¹⁰ *Maghreb Times*, "[New Algeria-US Discussions on TIFA April 24](#)," April 20, 2017.

⁴¹¹ Several U.S. agencies have coordinated efforts targeted towards dealing with the concerns over Bangladeshi workers' safety and workers' rights that led to the withdrawal of Generalized System of Preferences benefits. USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2017, 82.

⁴¹² USTR, "[United States and Bangladesh Hold 3rd Trade and Investment Cooperation Forum](#)," May 17, 2017.

⁴¹³ Government of Burma (Myanmar), Directorate of Investment and Company Administration, "[US-Myanmar TIFA Planning Meeting](#)," July 14, 2017.

the Trump Administration's trade priorities, including improving enforcement of trade laws, lowering the trade deficit, and opening new markets.⁴¹⁴

Central Asia

On December 13, 2017, senior government officials met in Almaty, Kazakhstan, for the U.S.-Central Asia TIFA Council meeting. Topics covered included the trade, transit, and investment environment; facilitating regional private sector activity by expanding fair and reciprocal trade and creating a welcoming business environment; and Central Asian exports under the U.S. Generalized System of Preferences.⁴¹⁵ In 2017, U.S. and foreign officials agreed to form a new working group on intellectual property rights.⁴¹⁶ The Afghan government participated in the council meeting as observers, and proposed becoming a full member of the TIFA.⁴¹⁷

Egypt

On December 5, 2017, the United States and Egypt held a Trade and Investment Council meeting in Cairo under their TIFA. During the meeting, both countries renewed their commitment to work cooperatively towards improving bilateral trade, especially in the areas of market access, labor regulations, and intellectual property protection and enforcement.⁴¹⁸

Indonesia

The United States and Indonesia met under their TIFA on June 12–13, 2017. During the TIFA meetings in Washington, DC, and in subsequent informal meetings in both Jakarta and Washington, the countries proposed to resolve outstanding bilateral issues, including U.S. intellectual property rights concerns and agricultural import barriers.⁴¹⁹ As Indonesia is listed on USTR's Special 301 Priority Watch List, the countries discussed a work plan for addressing U.S. concerns regarding intellectual property protection and enforcement.⁴²⁰ The two sides also focused on making progress on agriculture, high-technology products, digital services, and financial services, and addressed several market access restrictions, including agricultural import barriers, import licensing restrictions, and localization requirements.⁴²¹

Laos

On March 23, 2017, the United States and Laos held the inaugural meeting under their TIFA. In addition to affirming their interest in expanding bilateral trade, the countries discussed the importance of

⁴¹⁴ USTR, "[United States and Cambodia Discuss Intensified Work Program](#)," August 9, 2017.

⁴¹⁵ USTR, "[Joint Statement on the Council Meeting of the U.S.-Central Asian Trade](#)," December 13, 2017.

⁴¹⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), 34.

⁴¹⁷ USTR, "[Joint Statement on the Council Meeting of the U.S.-Central Asian Trade](#)," December 13, 2017.

⁴¹⁸ USTR, "[United States and Egypt Agree to Further Trade Cooperation](#)," December 5, 2017.

⁴¹⁹ On November 9, 2017, the WTO Appellate Body circulated its report that upheld a panel ruling that Indonesia's import restrictions on horticultural products, animals, and animal products from both the United States and New Zealand are a violation of the WTO's rules. WTO, "[Dispute Settlement: DS478; Indonesia—Importation of Horticultural Products, Animals and Animal Products](#)" (accessed April 25, 2018).

⁴²⁰ The Special 301 Priority Watch List is a list compiled annually by the USTR that identifies trading partners that have harmful records on protection, enforcement, or market access for U.S. creators and innovators. USTR, "[USTR Releases 2017 Special 301 Report on Intellectual Property Rights](#)," April 28, 2017; USTR, [2017 Special 301 Report](#), 2; USTR, "[United States and Indonesia Agree to Step Up Work to Expand Trade](#)," June 14, 2017.

⁴²¹ Ibid.

addressing vital issues in a timely manner. These key topics included digital trade; agricultural, sanitary, and phytosanitary standards; intellectual property; and illegal logging and wildlife tracking.⁴²² The United States also encouraged labor-related reforms.⁴²³

Malaysia

Under their TIFA, the United States and Malaysia met on July 17, 2017, with the goals of further strengthening trade relations and promoting fair and balanced trade. During the course of their meetings, the countries established working groups related to the environment, financial services, goods trade, labor, and intellectual property.⁴²⁴

Nepal

On April 20, 2017, the United States and Nepal held their third TIFA Council meeting in Kathmandu. Technical discussions addressed customs and trade facilitation, sanitary and phytosanitary measures, food safety, labeling requirements, standards and conformity assessment, and labor. The two sides also discussed the Nepal Trade Preference Act (NTPA), which entered into force on December 30, 2016, following the 2015 earthquakes in Nepal.⁴²⁵ Under the NTPA, the United States grants duty-free treatment to imports from Nepal for products covered by 77 HTS tariff lines. During the TIFA Council meeting, the government of Nepal requested that additional products be added to the duty-free trade preference program. Both countries affirmed the importance of full implementation of the NTPA.⁴²⁶

Pakistan

Under their TIFA, the United States and Pakistan held an intersessional meeting in June. The United States used the forum to promote market access for several U.S. agricultural products, including beef, distiller's dried grains, soybeans, pulses, and chickpeas. In addition, the U.S. side discussed the importance of intellectual property rights protection and enforcement and tax predictability for U.S. businesses.⁴²⁷

Philippines

The United States and the Philippines met under their TIFA twice in 2017: on July 11 in Manila, and on November 29 in Washington, DC.⁴²⁸ The countries discussed bilateral trade issues including intellectual property protection, customs, agriculture, labor, and investment. In addition, the countries agreed to work cooperatively to advance the U.S.-Association of Southeast Asian Nations (ASEAN) trade and investment agenda.⁴²⁹

⁴²² USTR, "[United States and Laos Hold Inaugural Meeting](#)," March 23, 2017.

⁴²³ USTR, "[2018 Trade Policy Agenda and 2017 Annual Report](#)," March 2017, 31.

⁴²⁴ USTR, "[United States and Malaysia Meet](#)," July 17, 2017.

⁴²⁵ For more information on NTPA, see chapter 2.

⁴²⁶ USTR, "[U.S.-Nepal Joint Statement](#)," April 20, 2017.

⁴²⁷ USTR, "[2018 Trade Policy Agenda and 2017 Annual Report](#)," March 2017, 83.

⁴²⁸ U.S. Department of State, "[Joint Press Statement: U.S.-Philippines Bilateral](#)," December 1, 2017.

⁴²⁹ USTR, "[United States and Philippines Strengthen Engagement](#)," July 11, 2017.

Thailand

Under their TIFA, the United States and Thailand met twice in 2017: on April 3 and June 12–13. The countries met with the goals of expanding market access and working together to address trade barriers. During the meetings, U.S. officials discussed both the importance of labor laws' compliance with internationally recognized workers' rights standards and the importance of enhancing trade with countries in the Asia-Pacific region via bilateral trade initiatives focused on promoting economic growth and competitiveness.⁴³⁰ In December 2017, in response to the country's improved intellectual property protections and enforcement, Thailand was moved from the Special 301 Priority Watch List to the Watch List.⁴³¹

Tunisia

On April 21, 2017, government officials from the United States and Tunisia met in Tunis under their TIFA. Their meeting was the seventh since the TIFA was signed in 2002. The countries discussed recent bilateral strides made in support of U.S. and Tunisian agricultural industries. In addition, the United States discussed the Tunisian government's marked progress on its economic reform program, stressing that the country's new laws on investment, the banking sector, and bankruptcy will increase Tunisia's attractiveness as a trading partner for U.S. firms.⁴³²

Turkey

The United States and Turkey met in Ankara on September 12–13 for their 10th TIFA meeting.⁴³³ Topics discussed included agricultural and industrial goods trade, intellectual property rights and enforcement, the digital economy, government procurement, and export credit cooperation. In addition, the countries agreed to work towards improving the private sector business climate between them. To accomplish this, the governments plan to increase dialogue on subjects such as trade facilitation, export financing, innovation, advanced manufacturing, and startups.⁴³⁴

Ukraine

The United States and Ukraine met on October 3, 2017, under their Trade and Investment Cooperation Agreement (TICA). The meeting, held in Kyiv under the auspices of the U.S.-Ukraine Trade and Investment Council, was the seventh meeting since the TICA entered into force in 2008. During the meeting, the Ukraine government described its efforts to diversify its exports and improve intellectual property rights protection and enforcement. The United States acknowledged Ukraine's efforts to

⁴³⁰ USTR, "[United States and Thailand Discuss Trade Agenda](#)," April 3, 2017; USTR, "[United States and Indonesia Agree to Step Up Work](#)," June 14, 2017; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2017, 125.

⁴³¹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2017, 79.

⁴³² USTR, "[Joint Statement of the United States-Tunisia Trade and Investment Council](#)," April 21, 2017.

⁴³³ U.S. Embassy and Consulates in Turkey, "[U.S.-Turkey Trade and Investment Framework Agreement](#)," October 2, 2017.

⁴³⁴ USTR, "[Joint Statement of the United States-Turkey Trade and Investment Council](#)," September 29, 2017.

reform its tax and customs authorities, and urged Ukraine to continue reforms aimed at increasing the ease of doing business in the country.⁴³⁵

Vietnam

On March 27–28, 2017, government officials from the United States and Vietnam met under their TIFA, the first such meetings since 2011. During the talks, the countries discussed bilateral issues related to several topics, and agreed to create working groups on agriculture and food safety, industrial goods, intellectual property, and digital trade. They also discussed issues related to motor vehicles, electronic payments, and labor reforms.⁴³⁶ In addition, officials discussed how they could work cooperatively to build U.S.-ASEAN ties.⁴³⁷ On May 30, 2017, senior officials met under the TIFA again, this time in Washington, DC. Topics included agricultural imports, including U.S. import restrictions on catfish from Vietnam, and digital trade, including electronic payment services and Vietnamese advertising on U.S. social websites.⁴³⁸

⁴³⁵ U.S. Embassy in Ukraine, "[Joint Statement on the United States-Ukraine Trade and Investment Council](#)," October 5, 2017.

⁴³⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2017, 31.

⁴³⁷ USTR, "[United States and Vietnam Renew Trade Dialogue](#)," March 28, 2017.

⁴³⁸ Vietnam.net Bridge, "[Vietnam, US Hold Trade Meeting in Washington](#)," May 31, 2017.

Chapter 5

U.S. Free Trade Agreements

This chapter summarizes developments related to U.S. free trade agreements (FTAs) during 2017.⁴³⁹ It describes trends in U.S. merchandise trade with FTA partners, features highlights of the status of U.S. FTA negotiations during the year, and summarizes major activities and dispute settlement developments involving the North American Free Trade Agreement (NAFTA) and other U.S. FTAs in force during 2017.

U.S. Trade with FTA Partners in 2017

The United States was party to 14 FTAs involving a total of 20 countries as of December 31, 2017. Starting with the most recent, the FTAs in force during 2017 were the U.S.-Panama Trade Promotion Agreement (TPA) (entered into force in 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 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).

U.S. Total Merchandise Trade with FTA Partners

Total two-way merchandise trade between the United States and its 20 FTA partners was \$1.5 trillion in 2017, which accounted for 39.0 percent of total U.S. merchandise trade with the world. The value of U.S. exports to FTA partners totaled \$720.5 billion, a 6.6 percent increase from \$675.8 billion in 2016; this growth mirrored the 6.6 percent increase in total U.S. exports to the world in 2017. The value of U.S. exports to most FTA partners increased in 2017; the exception was exports to Israel. U.S. imports from FTA partners were valued at \$797.0 billion, a 6.5 percent increase from \$748.3 billion in 2016. The U.S. merchandise trade deficit with all FTA partners increased 5.6 percent to \$76.6 billion in 2017 (tables 5.1–5.3).

U.S. trade with the two NAFTA countries (Canada and Mexico) continued to contribute the most to overall U.S. trade with FTA partners. In 2017, these countries accounted for \$1.1 trillion, or 75.1 percent, of total U.S. trade with its FTA partners. From 2016 to 2017, the value of U.S. exports to NAFTA countries rose 5.8 percent (\$29.0 billion) to \$525.5 billion. U.S. imports from NAFTA countries rose 7.4 percent (\$42.2 billion), to \$614.0 billion in 2017. As a result, the U.S. merchandise trade deficit with its NAFTA partners increased by 17.6 percent to \$88.6 billion in 2017.

U.S. trade with its non-NAFTA FTA partners was valued at \$378.0 billion in 2017, which was a 3.7 percent increase from 2016. U.S. exports to these FTA partners increased 8.8 percent (\$15.7 billion), from \$179.3 billion in 2016 to \$195.0 billion in 2017. At the same time, U.S. imports from these partners

⁴³⁹ The term free trade agreements includes free trade agreements (FTAs) and trade promotion agreements (TPAs).

increased 3.7 percent (\$6.5 billion) from \$176.5 billion in 2016 to \$183.0 billion.⁴⁴⁰ U.S. exports increased more than imports, causing the U.S. merchandise trade surplus with its non-NAFTA FTA partners to increase 333.9 percent to \$12.0 billion (tables 5.1–5.3).

Table 5.1 Total U.S. exports to FTA partners, by FTA partner, 2015–17

FTA partner	2015	2016	2017	2016–17
	Million \$			% change
NAFTA	517,059	496,499	525,460	5.8
Canada	280,855	266,797	282,472	5.9
Mexico	236,204	229,702	242,989	5.8
Non-NAFTA	194,005	179,266	194,990	8.8
Israel	13,539	13,197	12,544	-4.9
Jordan	1,360	1,459	1,963	34.5
Chile	15,449	12,922	13,608	5.3
Singapore	28,474	26,725	29,753	11.3
Australia	25,034	22,160	24,601	11.0
Morocco	1,625	1,933	2,116	9.5
Bahrain	1,271	899	907	0.9
CAFTA-DR ^a	28,713	28,709	30,719	7.0
Oman	2,355	1,804	2,096	16.2
Peru	8,724	7,955	8,686	9.2
South Korea	43,484	42,309	48,277	14.1
Colombia	16,303	13,067	13,272	1.6
Panama	7,674	6,128	6,447	5.2
FTA partner total	711,064	675,766	720,450	6.6
World total	1,503,101	1,451,011	1,546,733	6.6
FTA partner share of world (percent)	47.3	46.6	46.6	

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a CAFTA-DR is a multiparty FTA that includes the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica.

⁴⁴⁰ Among all the United States' FTA partners, Panama, Bahrain, Oman, Morocco, and Jordan (in ascending order of U.S. imports) supplied the United States with the smallest value of general imports in 2017, which covered a small number of tariff lines under the Harmonized Tariff Schedule of the United States (HTS) chapters 1–97. U.S. general imports from all countries entered the United States under 10,582 tariff lines, but U.S. general imports from Bahrain covered just 183 tariff lines in 2017; Oman, 199 tariff lines; Jordan, 536 tariff lines; Panama, 636 tariff lines, and Morocco, 1,110 tariff lines.

Table 5.2 Total U.S. imports from FTA partners, by FTA partner, 2015–17

FTA partner	2015	2016	2017	2016–17
	Million \$			% change
NAFTA	592,632	571,812	614,020	7.4
Canada	296,230	277,756	299,975	8.0
Mexico	296,401	294,056	314,045	6.8
Non-NAFTA	181,763	176,507	183,016	3.7
Israel	24,478	22,203	21,947	-1.2
Jordan	1,492	1,555	1,688	8.5
Chile	8,772	8,797	10,552	19.9
Singapore	18,267	17,833	19,397	8.8
Australia	10,884	9,510	10,051	5.7
Morocco	1,012	1,021	1,230	20.4
Bahrain	902	768	996	29.7
CAFTA-DR ^a	23,755	23,356	23,641	1.2
Oman	907	1,125	1,069	-5.0
Peru	5,053	6,252	7,283	16.5
South Korea	71,758	69,881	71,164	1.8
Colombia	14,075	13,794	13,556	-1.7
Panama	408	410	442	7.8
FTA partner total	774,395	748,318	797,036	6.5
World total	2,248,183	2,187,805	2,342,905	7.1
FTA partner share of world (percent)	34.4	34.2	34.0	

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a CAFTA-DR is a multiparty FTA that includes the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica.

Table 5.3 U.S. merchandise trade balance with FTA partners, by FTA partner, 2015–17

FTA partner	2015	2016	2017	2016–17
	Million \$			% change ^a
NAFTA	-75,572	-75,312	-88,560	-17.6
Canada	-15,375	-10,958	-17,504	-59.7
Mexico	-60,197	-64,354	-71,057	-10.4
Non-NAFTA	12,242	2,760	11,974	333.9
Israel	-10,939	-9,007	-9,403	-4.4
Jordan	-132	-96	275	^(b)
Chile	6,677	4,125	3,057	-25.9
Singapore	10,207	8,891	10,356	16.5
Australia	14,151	12,650	14,550	15.0
Morocco	613	911	887	-2.7
Bahrain	368	131	-89	^(b)
CAFTA-DR ^c	4,958	5,353	7,078	32.2
Oman	1,448	679	1,027	51.3
Peru	3,671	1,703	1,403	-17.6
South Korea	-28,273	-27,572	-22,887	17.0
Colombia	2,228	-726	-284	60.9
Panama	7,266	5,718	6,005	5.0
FTA partner total	-63,330	-72,553	-76,586	-5.6
World total	-745,082	-736,794	-796,172	-8.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a Negative percentage changes indicate an increase in the U.S. trade deficit or a decrease in the U.S. trade surplus. Positive percentage changes indicate a decrease in the trade deficit or an increase in the trade surplus.

^b Not meaningful.

^c CAFTA-DR is a multiparty FTA that includes the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica.

U.S. Imports Entered under FTAs

The value of U.S. imports entered under FTAs totaled \$385.1 billion in 2017, which accounted for nearly half (48.3 percent) of total U.S. imports from FTA partners and 16.5 percent of U.S. imports from the world (tables 5.4–5.5).⁴⁴¹

The value of U.S. imports entered under FTAs in 2017 increased \$10.6 billion (2.8 percent), up from \$374.4 billion in 2016. FTA imports from Chile grew 26.6 percent (\$1.3 billion), which represented the largest percent increase. The growth was primarily driven by large increases in imports of copper products.⁴⁴² Imports under FTAs from Peru and Bahrain increased 24.5 percent (\$651 million) and 16.5 percent (\$82 million), respectively; however, they changed from smaller baselines. Imports from Mexico accounted for the greatest increase in value, rising by \$11.9 billion (7.0 percent) to \$182.8 billion. Combined imports from the NAFTA partners rose 3.5 percent (\$10.6 billion), which was mostly due to an

⁴⁴¹ Not all products imported from FTA partners are eligible for FTA treatment or take advantage of their eligibility.

⁴⁴² The value of imports of refined copper and copper alloys, HTS 7403, increased by \$1.2 billion (71.6 percent). USITC DataWeb/USDOC (accessed May 1, 2018).

increase in motor vehicle imports from Mexico.⁴⁴³ U.S. imports under an FTA declined the most from Oman, largely due to a 64.3 percent drop in U.S. imports of crude petroleum.⁴⁴⁴

Table 5.4 U.S. imports for consumption that entered under FTA provisions, by FTA partner, 2015–17

FTA partner	2015	2016	2017	2016–17
	Million \$			% change
NAFTA	316,260	302,019	312,637	3.5
Canada	140,755	131,203	129,875	-1.0
Mexico	175,504	170,816	182,763	7.0
Non-NAFTA	56,851	72,428	72,416	0.0
Israel	2,908	2,750	2,693	-2.1
Jordan	1,349	1,355	1,485	9.6
Chile	4,860	4,691	5,940	26.6
Singapore	1,658	1,842	1,806	-1.9
Australia	5,122	3,703	3,914	5.7
Morocco	256	190	201	5.9
Bahrain	527	499	581	16.5
CAFTA-DR ^a	13,524	13,662	13,697	0.3
Oman	598	815	708	-13.1
Peru	2,731	2,659	3,310	24.5
South Korea	17,872	34,885	33,015	-5.4
Colombia	5,405	5,324	5,010	-5.9
Panama	41	53	56	5.8
FTA partner total	373,110	374,447	385,055	2.8
World total	2,226,615	2,173,617	2,330,447	7.2

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a CAFTA-DR is a multiparty FTA that includes the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica.

Jordan remained the partner with the highest ratio of imports entered under an FTA to total imports, with a ratio of 88.0 percent (table 5.5). Other countries with notably high ratios include Oman (66.3 percent), Bahrain (58.3 percent), and Mexico (58.2 percent). CAFTA-DR countries as a whole also had a high FTA imports-to-total-imports ratio, at 57.9 percent. Each CAFTA-DR partner had large shares, except for Costa Rica, for which the ratio was 32.7 percent. The partners with the smallest shares of imports entered under an FTA to total imports continued to be Singapore (9.3 percent), Israel (12.3 percent), and Panama (12.7 percent). The imports from these countries often entered the United States free of duty under normal trade relations rates.

⁴⁴³ The value of imports of motor cars and other motor vehicles designed to transport people, HTS 8703, increased by \$6.9 billion (29.1 percent). USITC DataWeb/USDOC (accessed May 2, 2018).

⁴⁴⁴ USITC DataWeb/USDOC (accessed May 10, 2018).

Table 5.5 Ratio of U.S. imports for consumption under FTAs to U.S. general imports, by partner, 2015–17

FTA partner	2015	2016	2017
	Percent		
NAFTA	53.4	52.8	50.9
Canada	47.5	47.2	43.3
Mexico	59.2	58.1	58.2
Non-NAFTA	31.3	41.0	39.6
Israel	11.9	12.4	12.3
Jordan	90.4	87.2	88.0
Chile	55.4	53.3	56.3
Singapore	9.1	10.3	9.3
Australia	47.1	38.9	38.9
Morocco	25.3	18.6	16.4
Bahrain	58.4	64.9	58.3
CAFTA-DR ^a	56.9	58.5	57.9
Oman	65.9	72.4	66.3
Peru	54.1	42.5	45.4
South Korea	24.9	49.9	46.4
Colombia	38.4	38.6	37.0
Panama	10.0	13.0	12.7
FTA partner total	48.2	50.0	48.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a CAFTA-DR is a multiparty FTA that includes the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica.

Developments in FTA Negotiations during 2017

Trans-Pacific Partnership (TPP)

In February 2016, the United States and 11 other countries signed the Trans-Pacific Partnership. Although the U.S. administration worked during 2016 to prepare the signed agreement for Congressional consideration, implementing legislation was not submitted to Congress by yearend. In January 2017, newly elected President Donald Trump instructed the U.S. Trade Representative (USTR) to formally withdraw the United States from further TPP discussions.⁴⁴⁵

Transatlantic Trade and Investment Partnership (TTIP) Agreement

U.S. and European Union (EU) officials began negotiating a Transatlantic Trade and Investment Partnership Agreement in 2013. By the end of 2016, 15 negotiating rounds had been held.⁴⁴⁶ In January

⁴⁴⁵ USTR, [2017 Trade Policy Agenda and 2016 Annual Report](#), March 2017, 143; CRS, [“U.S. Trade with Free Trade Agreement \(FTA\) Partners,”](#) April 24, 2018, 1; USTR, [“The United States Officially Withdraws,”](#) January 30, 2017.

⁴⁴⁶ For more background, see USITC, [The Year in Trade 2016](#), July 2017, 125–27.

2017, the United States and EU issued a joint report on the status of negotiations as of the end of 2016, and highlighted areas that still needed “significant work.” These areas included (1) the most sensitive tariff lines (the final 3 percent of tariff lines); (2) market access in service sectors; (3) sanitary and phytosanitary measures; (4) mutual recognition of professional qualifications; (5) government procurement; (6) standards and conformity assessment procedures; (7) investor protection; (8) labor and environmental protection; (9) electronic commerce; (10) energy; and (11) trademarks, generic names, and geographical indications.⁴⁴⁷ No TTIP negotiations were held in 2017 and, as of June 2018, none were scheduled for 2018.

Developments in the North American Free Trade Agreement (NAFTA)⁴⁴⁸

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, as scheduled, by the three parties by January 1, 2008, with the exception of the NAFTA cross-border trucking provisions.⁴⁴⁹

Renegotiation of the NAFTA

On May 18, 2017, more than 23 years after NAFTA entered into force, USTR notified Congress that the President intended to initiate negotiations with Canada and Mexico to modernize the agreement.⁴⁵⁰ The negotiations began on August 16, 2017, in Washington, DC,⁴⁵¹ with two primary goals.⁴⁵² The first is to update NAFTA with modern provisions on digital trade, intellectual property, cybersecurity, good regulatory practices, and treatment of state-owned enterprises. The second is to “rebalance NAFTA” in a way that makes it easier to reduce the U.S. trade deficit with Canada and Mexico.⁴⁵³

Within this framework, USTR has “set as its primary objective for these negotiations to improve the U.S. trade balance and reduce the trade deficit with the NAFTA countries.”⁴⁵⁴ To accomplish this objective, USTR is focusing on tightening rules of origin for products imported into the United States from Canada and Mexico to ensure they contain considerable regional, and U.S.-specific, content. The focus is on products for which the United States has significant trade imbalances, such as in automobiles and

⁴⁴⁷ USTR, “[U.S.-EU Joint Report on TTIP Progress](#),” January 17, 2017.

⁴⁴⁸ U.S. bilateral trade relations with Canada and Mexico are described in chapter 6 of this report.

⁴⁴⁹ The section on Mexico in chapter 6 updates recent developments in NAFTA’s cross-border trucking provisions; more information appears in USITC, *The Year in Trade 2008*, July 2009, 5–16. All product categories offer duty-free entry to originating goods from Mexico, and all shipments of goods from Canada are likewise eligible except those exceeding a tariff-rate quota (TRQ).

⁴⁵⁰ USTR, [Letter to Congressional Leadership](#), May 18, 2017, and “[USTR: Trump Administration Announces Intent to Renegotiate](#),” May 18, 2017. This 90-day notice is required under Trade Promotion Authority.

⁴⁵¹ USTR, “[Opening Statement of USTR Robert Lighthizer at the First Round](#),” August 16, 2017.

⁴⁵² USTR, [Summary of Objectives for the NAFTA Renegotiation](#), July 17, 2017; and updated [Summary of Objectives for the NAFTA Renegotiation](#), November 17, 2017.

⁴⁵³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 2, 9.

⁴⁵⁴ *Ibid.*, 9.

automotive parts.⁴⁵⁵ In addition, USTR has proposed that all provisions in the labor and environment chapters be subject to the same dispute settlement mechanism that applies to other obligations under the agreement.⁴⁵⁶

In developing these objectives, USTR held numerous meetings with congressional leaders and private sector advisory committees, and held public hearings on June 27–29, 2017.⁴⁵⁷ USTR received more than 12,000 public comments for the hearings that were reviewed and integrated into the Administration’s priorities for the renegotiation. On November 17, 2017, after four rounds of negotiations USTR updated the NAFTA negotiation objectives.⁴⁵⁸

By the end of 2017, five negotiating rounds had been completed (table 5.6). At the end of the third round of negotiations, USTR announced that the chapter on small and medium-sized enterprises had been completed.⁴⁵⁹ The chapter on competition was completed in round four. The same round also saw progress in several other negotiating areas, including customs and trade facilitation, digital trade, good regulatory practices, and certain sectoral annexes.⁴⁶⁰ Throughout the negotiations, officials from all three countries continued to engage representatives of the private sector, industry associations, and civil society, including labor groups.⁴⁶¹

Table 5.6 Timetable of major NAFTA negotiations, 2017–18

Negotiation Round	Date	City
First round	August 16–20, 2017	Washington, DC
Second round	September 1–5, 2017	Mexico City
Third round	September 23–27, 2017	Ottawa
Fourth round	October 11–17, 2017	Arlington, Virginia
Fifth round	November 17–21, 2017	Mexico City
Sixth round	January 23–28, 2018	Montreal
Seventh round	February 25–March 5, 2018	Mexico City

Source: USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March, 2018; USTR, [“Trilateral Statement on the Conclusion of the Fifth Round of NAFTA Negotiations,”](#) November 21, 2017 (accessed April 5, 2018).

NAFTA’s central oversight body is the Free Trade Commission, which is responsible for overseeing NAFTA’s implementation and elaboration, as well as activities under its dispute settlement provisions.

⁴⁵⁵ USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 9.

⁴⁵⁶ Ibid.

⁴⁵⁷ 82 Fed. Reg. 23699 (May 23, 2017); USTR, [“Public Hearings on the Renegotiation of NAFTA,”](#) June 27, 2017; USTR, [“USTR Extends Public Comment Period for NAFTA,”](#) June 13, 2017.

⁴⁵⁸ USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 2; USTR, [“USTR Releases Updated NAFTA Negotiating Objectives,”](#) November 17, 2017.

⁴⁵⁹ USTR, [“Closing Statement of USTR,”](#) September 27, 2017.

⁴⁶⁰ USTR, [“Trilateral Statement on the Conclusion of the 4th Round,”](#) October 17, 2017. In the first quarter of 2018, two more rounds were held. At the end of round six the chapter on corruption was completed; USTR, [“Closing Statement of USTR,”](#) January 29, 2018. USTR announced at the end of round seven that the negotiators had closed out three additional chapters: good regulatory practices, administration and publication, and sanitary and phytosanitary measures. They also completed work on sectoral annexes related to chemicals and proprietary food formulas, made substantial progress on telecommunications and technical barriers to trade, and agreed to include a chapter on energy. USTR, [“Statement of USTR,”](#) March 5, 2018.

⁴⁶¹ USTR, [“Trilateral Statement on the Conclusion of NAFTA Round One,”](#) August 20, 2017.

The commission itself has not officially met since 2012.⁴⁶² However, lower-ranked officials of the three member countries have met regularly to consider approaches to expand and deepen trade and investment opportunities in North America, and in 2017, met to renegotiate the agreement.⁴⁶³

The following sections describe the major activities of NAFTA’s Commission for Labor Cooperation (CLC) and Commission for Environmental Cooperation (CEC) during 2017, as well as dispute settlement activities under NAFTA Chapters 11 and 19 in that year.

NAFTA’s 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 a national administrative office (NAO) within its labor ministry to act as the contact point with the other parties, the secretariat, other government agencies, and the public.⁴⁶⁴ Another NAO function is to receive and respond to public communications on labor law matters arising in another NAALC country. The United States’ NAO is the Office of Trade and Labor Affairs in the U.S. Department of Labor (USDOL).⁴⁶⁵ 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.⁴⁶⁶ As part of the renegotiations, the United States is proposing to make the labor obligations subject to the same dispute settlement mechanism as other enforceable obligations of NAFTA.⁴⁶⁷

As of the end of 2017, there were three submissions under review at the NAALC. One with the United States’ NAO (involving Mexico),⁴⁶⁸ and two with the Canadian NAO (one involving Mexico and one involving the United States).⁴⁶⁹

In December 2017, Mexico’s executive branch submitted legislation to its Congress to amend Mexico’s Federal Labor Law by implementing constitutional reforms to the labor justice system enacted in February 2017. One of the reforms consists of transferring the authority to adjudicate labor disputes

⁴⁶² The Free Trade Commission is composed of the U.S. Trade Representative (USTR), the Canadian Minister of Foreign Affairs, and the Mexican Secretary of Economy. The most recent official meeting of the commission was held in Washington, DC, on April 3, 2012. USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 3.

⁴⁶³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 3. See also the section on NAFTA renegotiations above in this chapter.

⁴⁶⁴ USDOL, ILAB, U.S. National Administrative Office, “[North American Agreement on Labor Cooperation](#)” (accessed April 5, 2018).

⁴⁶⁵ Ibid.

⁴⁶⁶ Ibid.

⁴⁶⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March, 2018, 3.

⁴⁶⁸ USDOL, ILAB, OTLA, “[Submissions under the North American Agreement on Labor Cooperation \(NAALC\), US](#)” (accessed April 5, 2018).

⁴⁶⁹ USDOL, ILAB, OTLA, “[Submissions under the North American Agreement on Labor Cooperation \(NAALC\), Canada](#)” (accessed April 5, 2018).

from the current tripartite Conciliation and Administrative Boards to new labor courts, while transferring the registration of unions and collective bargaining agreements to a new federal institution. The U.S. Administration is consulting with the Mexican government about the reforms through the ongoing renegotiation of NAFTA.⁴⁷⁰

NAFTA’s Commission for Environmental Cooperation

The CEC was established under Article 8 of the North American Agreement on Environmental Cooperation. This supplemental agreement, which came into force at the same time as NAFTA, is designed to support NAFTA’s environmental goals, which are to protect and improve the environment, support sustainable development, and increase cooperation in reaching these goals.⁴⁷¹ The CEC was established to support cooperation among the parties to reach these goals.⁴⁷²

Articles 14 and 15 of the supplemental agreement offer citizens and nongovernmental organizations a mechanism to help enforce environmental laws in the NAFTA countries. Article 14 governs alleged violations submitted for review by the CEC. It sets out guidelines about criteria for submissions and for parties that can file complaints. Article 15 outlines the CEC Secretariat’s obligations in considering the submissions and publishing findings in the factual record.⁴⁷³ At the end of 2017, two complaint files remained active under Articles 14 and 15. One, involving Mexico, was submitted in 2016, and the other, involving Canada, was submitted in 2017 (table 5.7).

Table 5.7 Active files as of yearend 2017 under Articles 14 and 15 of the North American Agreement on Environmental Cooperation

Name	Case	First filed	Country ^a	Status
Agricultural Waste Burning in Sonora	SEM-16-001	January 22, 2016	Mexico	The Secretariat submitted a draft factual record to Council for a 45-day comment period on the accuracy of the draft.
Alberta Tailings Ponds II	SEM-17-001	June 26, 2017	Canada	The Secretariat received a response from the concerned government party and began considering whether to recommend a factual record.

Source: CEC, [“Submission on Enforcement Matters: Active Submissions”](#) (accessed April 9, 2018).

^a Refers to the country against which an allegation was filed.

At the 24th regular session of the CEC Council on June 28, 2017, in Charlottetown, Prince Edward Island, Canada, a new trilateral cooperative work program for the CEC was announced. Its focus was primarily on improving the outcomes of interactions between trade and the environment. Panelists discussed sustainable and innovative water-related businesses, increasing resilience through cooperation, sustainable economic growth on the water’s edge, and solution-focused innovation.⁴⁷⁴ The session also

⁴⁷⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March, 2018, 3.

⁴⁷¹ Commission for Environmental Cooperation (CEC), [“North American Agreement on Environmental Cooperation”](#) (accessed April 5, 2018).

⁴⁷² CEC, [“About the CEC”](#) (accessed March 17, 2017).

⁴⁷³ CEC, [“About Submissions on Enforcement Matters”](#) (accessed March 15, 2017).

⁴⁷⁴ CEC, [“24th Regular Session of the CEC Council”](#) (accessed June 7, 2018).

featured a dialogue with youth and the public on how innovation can accelerate clean growth and advance North American competitiveness.⁴⁷⁵

Under the *Operational Plan of the Commission for Environmental Cooperation 2017–2018*,⁴⁷⁶ the CEC will undertake 10 cooperative projects that bring together experts on environmental issues of regional concern. Examples include “greening” transport by reducing maritime shipping emissions; achieving legal and sustainable trade in select North American species; measuring and mitigating food loss and waste; protecting pollinators vital to food crops; advancing growth and conservation of migratory species through ecotourism; and improving cost-effectiveness and environmental protection through higher industrial energy efficiency.⁴⁷⁷

The United States accepted chairmanship of the CEC Council for 2018, and announced it will host the 2018 CEC Council Session in Oklahoma City.⁴⁷⁸

The Border Environment Cooperation Commission and the North American Development Bank were created in 1994 to address environmental issues in the U.S.-Mexico border region.⁴⁷⁹ As of December 31, 2017, the bank had contracted a total of about \$3.0 billion in loans and grants to help finance 244 projects estimated to cost a total of \$9.3 billion. Of the financing contracted, 94 percent has been disbursed.⁴⁸⁰

NAFTA Dispute Settlement

The dispute settlement provisions of NAFTA Chapters 11 (Investment) and 19 (Review and Dispute Settlement in Antidumping/Countervailing Duty Matters) cover a variety of areas.⁴⁸¹ The sections below describe developments during 2017 in NAFTA Chapter 11 investor-state disputes and Chapter 19 binational reviews of final determinations of antidumping and countervailing cases. Appendix table A.26 presents an overview of developments in NAFTA Chapter 19 dispute settlement cases to which the United States was a party in 2017.

⁴⁷⁵ CEC, “[Operational Plan 2017–2018](#),” June 28, 2017.

⁴⁷⁶ Ibid.

⁴⁷⁷ Ibid.

⁴⁷⁸ CEC, “[New Trilateral Environmental Initiatives Announced](#),” June 28, 2017.

⁴⁷⁹ North American Development Bank, “[Origins](#)” (accessed March 17, 2017).

⁴⁸⁰ North American Development Bank, “[Summary of Project Implementation Activities: Active Projects](#),” December 31, 2017 (accessed April 10, 2018).

⁴⁸¹ NAFTA Secretariat, “[Overview of the Dispute Settlement Provisions](#)” (accessed April 10, 2018).

NAFTA Chapter 11 Dispute Settlement Developments

Chapter 11 of NAFTA includes provisions designed to protect cross-border investors and to make it easier to settle investment disputes. Under subpart B of Chapter 11, an individual 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.⁴⁸² A key feature of the Chapter 11 arbitral provisions is the enforceability in domestic courts of final awards made by arbitration tribunals.⁴⁸³ In 2017, there were 5 active Chapter 11 cases filed against the United States, 4 of them filed by Canadian investors and 1 filed by Mexican investors,⁴⁸⁴ 11 filed by U.S. investors against Canada,⁴⁸⁵ and 4 filed against Mexico, 3 by U.S. investors and 1 by Canadian investors.⁴⁸⁶

NAFTA Chapter 19 Dispute Panel Reviews

Chapter 19 of NAFTA provides for a binational panel to review final determinations made by national investigating authorities in antidumping and countervailing duty cases.⁴⁸⁷ 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.⁴⁸⁸ At the end of 2017, the NAFTA Secretariat listed six binational panels active under Chapter 19 (table 5.8). The United States filed two cases contesting Mexico's determinations; Canada filed three cases contesting U.S. determinations; and Mexico filed one case contesting U.S. determinations.⁴⁸⁹

⁴⁸² 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. NAFTA Secretariat, "[Overview of the Dispute Settlement Provisions](#)" (accessed April 10, 2018).

⁴⁸³ Ibid.

⁴⁸⁴ USDOS, "[NAFTA Investor-State Arbitrations: Cases Filed against the United States of America](#)" (accessed March 15, 2017).

⁴⁸⁵ USDOS, "[NAFTA Investor-State Arbitrations: Cases Filed against the Government of Canada](#)" (accessed April 10, 2018).

⁴⁸⁶ USDOS, "[NAFTA Investor-State Arbitrations: Cases Filed against the United Mexican States](#)" (accessed April 10, 2018).

⁴⁸⁷ The binational panel is made up of representatives of the two nationalities that are involved in the dispute. NAFTA Secretariat, "[Overview of the Dispute Settlement Provisions](#)" (accessed April 10, 2018).

⁴⁸⁸ NAFTA Secretariat, "[Overview of the Dispute Settlement Provisions](#)" (accessed April 10, 2018). Such reviews involve the parties and designated agencies, rather than individuals or firms.

⁴⁸⁹ NAFTA Secretariat, "[Status Report of Panel Proceedings—Chapter 19 Active Cases](#)" (accessed April 10, 2018).

Table 5.8 NAFTA Chapter 19 binational panels, active reviews through 2017

Country ^a	Case number	National agencies' final determination ^b	Case title
Mexico	MEX-USA-2015-1904-01	SE Antidumping Administrative Review	Ammonium sulphate
	MEX-USA-2016-1904-01	SE Antidumping Administrative Review	Ethylene glycol monobutyl ether
United States	USA-CDA-2015-1904-01	USDOC Antidumping Administrative Review	Supercalendered paper
	USA-CDA-2017-1904-02	USDOC Antidumping Administrative Review	Certain softwood lumber products
	USA-CDA-2017-1904-03	USDOC Antidumping Administrative Review	Certain softwood lumber products
	USA-MEX-2017-1904-01	USDOC Antidumping Administrative Review	Certain circular welded non-alloy steel pipe

Source: NAFTA Secretariat, "[Status Report of Panel Proceedings—Chapter 19 Active Cases](#)" (accessed April 9, 2018).

^a The United States filed the first two cases contesting Mexico's determinations, while Canada filed three cases and Mexico one case contesting U.S. determinations.

^b In Canada, final dumping and subsidy determinations are made by the Canada Border Services Agency (CBSA), and injury determinations are made by the Canadian International Trade Tribunal (CITT). In Mexico, all determinations are made by the Secretariat of the Economy (SE). 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 15, 2017.

Developments in Other U.S. FTAs Already in Force during 2017

In 2017, U.S. officials met with FTA partners for discussions on a variety of matters, including labor and environmental issues, enhancing trade and investment, and dispute settlement. Highlights of these consultations are presented in this section.

Thirteen of the 14 U.S. FTAs have labor provisions to protect worker rights and facilitate cooperation on labor issues.⁴⁹⁰ The U.S. Department of Labor, which monitors reports and submissions made under the labor chapters of U.S. trade agreements, reported two developments in 2017: (1) a January 2017 submission under the U.S.-Colombia TPA, and (2) a June 2017 report issued regarding the arbitral panel decision reached under CAFTA-DR concerning Guatemala.⁴⁹¹ Further details are set out below.

Twelve of the 14 U.S. FTAs have investment provisions designed to protect foreign investors and their investments, as well as to facilitate the settlement of investment disputes.⁴⁹² The U.S. Department of

⁴⁹⁰ Only the 1985 U.S.-Israel Free Trade Agreement, the United States' first FTA, contained no labor provisions.

⁴⁹¹ USDOL, ILAB, "[Submissions under the Labor Provisions of Free Trade Agreements](#)," n.d. (accessed April 25, 2018).

⁴⁹² CRS, "[U.S. International Investment Agreements: Issues for Congress](#)," April 29, 2013. The U.S.-Israel FTA has limited treatment of investment in the context of trade-related performance requirements. The U.S.-Australia FTA has investment provisions but does not include investor-state arbitration provisions.

State reported two submissions in 2017 under the U.S.-Panama TPA,⁴⁹³ both on behalf of Bridgestone Licensing Services, Inc. and Bridgestone Americas, Inc. The submissions alleged that a decision by the Supreme Court of Panama related to trademark proceedings violated certain provisions of the U.S.-Panama TPA.⁴⁹⁴

U.S.-Australia FTA

The U.S.-Australia Joint Committee, the central body under the 2005 U.S.-Australia Free Trade Agreement, held its sixth meeting in December 2017 to review the operation of the agreement. The Joint Committee received a report from the FTA's Committee on Sanitary and Phytosanitary Measures about its efforts to address sanitary and phytosanitary issues affecting agricultural trade between the two countries. The two sides agreed to meet again in 2018 to review the FTA's implementation.⁴⁹⁵

U.S.-Bahrain FTA

The Joint Committee, the primary body overseeing the 2006 U.S.-Bahrain Free Trade Agreement, met in 2017 to review the FTA's chapters covering customs, services, and investment; to consider possible cooperation with the broader Middle East and North Africa region; and to address matters concerning labor rights and the environment.⁴⁹⁶

Labor

In 2017, U.S. officials met with government officials from Bahrain, as well as with representatives from labor unions and businesses, to continue discussions on labor rights that began in 2013. Subjects addressed in these talks included Bahrain's response to employment discrimination, enforcement of laws on freedom of association and collective bargaining, how to amend Bahrain's labor laws to make them more consistent with international standards, as well as encouraging regular dialogue between government, labor, and business representatives. In December 2017, representatives from the two sides met in Washington, DC, to discuss possible Bahraini initiatives in remaining areas of interest, and agreed to continue discussions in 2018.⁴⁹⁷

Environment

During 2017, U.S. officials and experts met with Bahrain's Supreme Council for Environment to continue efforts set out under the U.S.-Bahrain Memorandum of Understanding on Environmental

⁴⁹³ U.S.-Panama Trade Promotion Agreement, Chapter 10; USDOS, "[Submission of the United States of America re: Bridgestone Licensing Services, Inc., and Bridgestone Americas, Inc., Claimants, and The Republic Of Panama, Respondent](#)," August 28, 2017. A supplemental submission was submitted on September 25, 2017.

⁴⁹⁴ USDOS, [Bridgestone Licensing Services, Inc., and Bridgestone Americas, Inc. v. The Republic of Panama](#), n.d. (accessed April 30, 2018). For more information on investment disputes under FTAs, see USDOS, "[International Claims and Investment Disputes](#)," n.d. (accessed April 30, 2018).

⁴⁹⁵ Government of Australia, DFAT, "[Australia-United States FTA—AUSFTA Joint Committee Meeting](#)," December 7, 2017.

⁴⁹⁶ 83 Fed. Reg. 7829 (February 22, 2018).

⁴⁹⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 7.

Cooperation.⁴⁹⁸ The MOU was negotiated in parallel with the U.S.-Bahrain FTA to support the dual goals of strengthening environmental protection under the FTA’s Environment Chapter and promoting sustainable development as trade expands under the FTA. Both sides look to revise the Plan of Action developed under the MOU, as approved by the Bahraini cabinet in August 2017, and expect to reconvene in 2018.⁴⁹⁹

CAFTA-DR

The CAFTA-DR central oversight body, the Free Trade Commission, met in 2017, and agreed to modify certain product-specific rules of origin to reflect changes in the nomenclature of the 2017 global Harmonized System of tariff classifications.⁵⁰⁰ In addition, the United States worked bilaterally with a number of CAFTA-DR partners in 2017 on matters related to implementation of the agreement. For example, the United States worked with several partners on agricultural trade, in particular poultry tariffs and tariff-rate quotas.⁵⁰¹

Labor

In January 2017, Honduras passed a new labor inspection law in an effort to bring the country into compliance with CAFTA-DR’s Labor Chapter provisions, following a Monitoring and Action Plan signed in 2015 between Honduras and the United States.⁵⁰²

On June 26, 2017, the arbitral panel decision was released in a case concerning violations of the CAFTA-DR Labor Chapter, brought by the United States against Guatemala in April 2008. The panel found that Guatemala had failed to effectively enforce its labor laws, but that violation of CAFTA-DR labor provisions could not be proven without other required evidence.⁵⁰³

Environment

CAFTA-DR officials met twice in 2017 to discuss environmental priorities under the agreement, in particular to prepare for meetings of the agreement’s Environmental Affairs Council.⁵⁰⁴ The Council held its 11th meeting June 21–22, 2017, to discuss progress and challenges under the CAFTA-DR Environment

⁴⁹⁸ USDOS, OIE, “[Joint Communiqué of the United States-Bahrain Joint Forum on Environmental Cooperation](#),” March 7, 2018.

⁴⁹⁹ The inaugural meeting of the Joint Forum on Environmental Cooperation, as well as the Subcommittee on Environmental Affairs, was held on March 7, 2018. The Joint Forum is expected to identify priority projects in areas such as air quality, coastal environmental zones, and endangered species. USDOS, OIE, “[Joint Communiqué of the United States-Bahrain Joint Forum on Environmental Cooperation](#),” March 7, 2018.

⁵⁰⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 7.

⁵⁰¹ *Ibid.*, 11.

⁵⁰² USDOL, ILAB, “[Submissions under the Labor Provisions of Free Trade Agreements](#),” n.d. (accessed April 19, 2018).

⁵⁰³ *Ibid.*

⁵⁰⁴ USDOS, “[Eleventh Meeting of the Environmental Affairs Council—Dominican Republic-Central America-United States Free Trade Agreement \(CAFTA-DR\)—San José, Costa Rica—June 21–22, 2017—Joint Communiqué](#),” June 2017.

Chapter, and focused in particular on environmental impact assessments and best practices concerning air quality and waste management laws.⁵⁰⁵

U.S.-Chile FTA

The U.S.-Chile Free Trade Commission, the supervisory body for the 2004 U.S.-Chile Free Trade Agreement, convened its most recent meeting in December 2016, and expects to hold its 12th meeting in 2018.

Labor

In April 2017, Chile's most recent labor reform went into effect. It covers areas related to collective bargaining, such as an employer's ability to replace striking with non-striking workers, as well as expanding collective bargaining rights to certain temporary workers and apprentices and removing obstacles that previously limited collective bargaining to the individual enterprise level.⁵⁰⁶

Environment

The Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) announced in 2017 that Chile's new wildlife law fully satisfied commitments made in implementing CITES international standards. The new law was supported by efforts to promote environmental protection in Chile taken with the help of the FTA's Joint Commission for Environmental Cooperation.⁵⁰⁷

U.S.-Colombia TPA

The U.S.-Colombia Free Trade Commission, the oversight body under the 2012 U.S.-Colombia Trade Promotion Agreement (CTPA), worked on initiatives launched at the first Free Trade Commission meeting in November 2012. These included changes to the CTPA's dispute settlement mechanism and updates to the CTPA's rules of origin, including updates to reflect changes in trade nomenclature in the 2012 and 2017 Harmonized System. The Free Trade Commission expects to conclude this work in 2018.⁵⁰⁸

The CTPA's Committee on Agriculture and its Committee on Sanitary and Phytosanitary Measures also met, leading to an exchange of letters in August 2017 that removed the temporary restrictions on U.S. paddy rice imported into Colombia originally agreed in 2012.⁵⁰⁹ The CTPA's Free Trade Commission also arrived at decisions on two other agricultural matters in November and December 2017, respectively: it

⁵⁰⁵ USDOS, "[Eleventh Meeting of the Environmental Affairs Council—Dominican Republic-Central America-United States Free Trade Agreement \(CAFTA-DR\)—San José, Costa Rica—June 21–22, 2017—Joint Communiqué](#)," June 2017.

⁵⁰⁶ Mcfarlane, "[Chile: Chilean Labour Reform Now In Force](#)," April 13, 2017; RSM International Association, "[Approved Labor Reform Bill in the House of Representatives](#)," April 28, 2017.

⁵⁰⁷ CITES, SC, "[Summary Record](#)," SC69 SR Rev. 1, November 27–December 1, 2017, 18; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 68.

⁵⁰⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 13.

⁵⁰⁹ USDA, FAS, "USDA, [USTR Announce Expanded Access for U.S. Rice Exports to Colombia](#)," August 17, 2017; USTR, "[USDA Secretary Sonny Perdue and USTR Robert Lighthizer Announce Expanded Access](#)," August 17, 2017.

(1) clarified tariff treatment for U.S. yellow corn imported into Colombia under a tariff-rate quota, and (2) clarified product coverage for U.S. variety meats imported into Colombia under a second tariff-rate quota.⁵¹⁰

Labor

On January 11, 2017, the U.S. Department of Labor issued a report in response to a submission filed May 16, 2016, under the CTPA’s Labor Chapter, by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and five Colombian workers’ organizations.⁵¹¹ The report recommended that the U.S. Secretary of Labor open consultations under the TPA, and set out 19 recommendations aimed at addressing a range of labor concerns. Areas of particular focus included violence against unionists, protection of labor rights, labor law inspection, and enforcement of rights to protect freedom of association and collective bargaining in Colombia. Four meetings were held later in 2017 between the two sides regarding CTPA labor commitments—three in Washington, DC, and one in Bogotá, as well as a videoconference in April 2017.⁵¹²

U.S.-Israel FTA

The U.S.-Israel Joint Committee was established as the central body overseeing the 1985 U.S.-Israel Free Trade Agreement.⁵¹³ On May 10, 2017, the Joint Committee signed a decision revising the rules of origin provisions in the FTA.⁵¹⁴ On December 5, 2017, the two countries also agreed to extend the 2004 Agreement on Trade in Agricultural Products (ATAP) through December 31, 2018, to allow time to negotiate a successor agreement.⁵¹⁵ This agreement provides preferential market access to U.S. agricultural products, but does not conform to the FTA’s objective of free trade in agricultural products. The ATAP was first reached in 1996, and renegotiated in 2004 to remain in effect through December 2008. Since then, both sides have extended the 2004 ATAP on an annual basis, pending a new agreement.⁵¹⁶

⁵¹⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 13–14. A TRQ is a trade restriction that imposes a relatively low “in-quota” tariff on imports until the quota level (sometimes an annual allocation) is met. Any imports beyond the quota level are subject to a higher over-quota tariff.

⁵¹¹ USDOL, “[US Labor Department Report Identifies Labor Concerns in Colombia](#),” January 11, 2017.

⁵¹² USDOL, ILAB, “[Submissions under the Labor Provisions of Free Trade Agreements](#),” n.d. (accessed April 19, 2018).

⁵¹³ USTR, [2017 Trade Policy Agenda and 2016 Annual Report](#), March 2017, 123.

⁵¹⁴ USTR, “[Decision of the Joint Committee](#),” n.d. (accessed April 19, 2018).

⁵¹⁵ 82 Fed. Reg. 61414 (December 27, 2017).

⁵¹⁶ USTR, [2017 Trade Policy Agenda and 2016 Annual Report](#), March 2017, 124.

U.S.-Jordan FTA

In 2017, the United States and Jordan continued to consult on the implementation of the 2001 U.S.-Jordan Free Trade Agreement and to work on the environmental matters set out under the 2014–2017 Work Program of the FTA’s Environment Chapter.⁵¹⁷

Labor

During 2017, Jordan and the United States continued work toward completion of the Implementation Plan signed in 2016, which aims to ensure a broader scope for labor inspections to include garment dormitories. In addition, Jordan agreed to make factory-level audits publicly available in 2017.⁵¹⁸

U.S.-Korea FTA (KORUS)

The fourth meeting of the KORUS FTA Joint Committee was held in Seoul on January 12, 2017.⁵¹⁹ Also in 2017, the following committees met under the KORUS FTA: the Automobiles Working Group, the Committee on Services and Investment, the Committee on Trade in Goods, the Committee on Technical Barriers to Trade, the Professional Services Working Group, and the Committee on Trade Remedies.⁵²⁰ In November 2017, the KORUS FTA Sanitary and Phytosanitary Committee met and discussed a number of the United States’ market access requests with South Korea’s Ministry of Agriculture, Food, and Rural Affairs. According to USTR, these issues included market access for blueberries from states beyond Oregon; improvement of the cherry export program; and market access for U.S. apples and pears, which South Korea currently bans.⁵²¹

On July 12, 2017, USTR Robert Lighthizer formally notified South Korea that the United States was calling for a special session of the Joint Committee, established under Article 22.2 of the KORUS FTA, to discuss possible amendments and modifications to KORUS and to “review progress on the implementation of the Agreement, resolve several problems regarding market access in South Korea for U.S. exports, and, most importantly, address our significant trade imbalance.”⁵²² This special session, which was held on August 22, 2017, in South Korea, was the first special session held under the KORUS FTA.⁵²³ The daylong meeting was attended by USTR Lighthizer via teleconference.⁵²⁴

⁵¹⁷ On February 12, 2018, at a meeting of the Joint Forum on Environmental Technical Cooperation, the two countries announced a new 2018–2021 Work Program that updates the previous one. The Work Program aims to protect the environment through sustainable development as the U.S.-Jordan FTA expands bilateral trade between the two countries. USDOS, OES, “[Joint Communiqué of the United States-Jordan Joint Forum on Environmental Technical Cooperation](#),” February 12, 2018; USDOS, “[United States-Jordan 2018–2021 Work Program for Environmental Technical Cooperation](#),” n.d. (accessed April 27, 2018).

⁵¹⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 16–17.

⁵¹⁹ Government of South Korea, MOTIE, “[Korea, U.S. Host 4th KORUS FTA Joint Committee Meeting in Seoul](#),” January 13, 2017.

⁵²⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 6.

⁵²¹ USTR, [2018 National Trade Estimate Report](#), March 2018, 295.

⁵²² USTR, “[USTR Calls a Special Session](#),” July 12, 2017; USTR, [Letter from Ambassador Robert E. Lighthizer to Minister of Trade, Industry and Energy Dr. Joo Hyunghwan](#), July 12, 2017.

⁵²³ [Inside U.S. Trade](#), “[USTR to Request First-ever KORUS Joint Committee Special Session](#),” July 3, 2017.

⁵²⁴ USTR, “[USTR Lighthizer Statement on the Conclusion of the Special Session](#),” August 22, 2017.

On September 21, 2017, South Korean Trade Minister Hyun-chong Kim formally requested the second special session of the Joint Committee.⁵²⁵ The meeting was held on October 4, 2017, in Washington, DC, and was co-chaired by Ambassador Lighthizer and Minister Kim.⁵²⁶ Following that meeting, South Korea began the domestic procedures required for it to begin discussions to amend the agreement. Those procedures included an assessment of the economic feasibility of the agreement, a public hearing, and reports to the National Assembly.⁵²⁷ These procedures were completed in December 2017, when it was announced that negotiations on amendments and modifications to KORUS would begin on January 5, 2018.⁵²⁸

U.S.-Morocco FTA

The U.S.-Morocco Joint Committee held its fifth meeting on October 18, 2017, under the 2006 U.S.-Morocco Free Trade Agreement. The Joint Committee noted progress in the areas of agriculture, labor, and environmental matters, as well as Morocco's commitment to allow access for U.S. automobile exports made to U.S. safety standards.⁵²⁹ The two countries also agreed to further discussions on Moroccan market access for U.S. pharmaceutical products.⁵³⁰

Agriculture and Sanitary and Phytosanitary Measures

The two countries held meetings of the FTA's Subcommittee on Agriculture as well as the Subcommittee on Sanitary and Phytosanitary Measures.⁵³¹ At the Agriculture Subcommittee meetings, and later at the Joint Committee meeting, Morocco agreed to fully tender FTA imports under its wheat tariff-rate quota in each calendar year, and to re-tender in particular situations. Morocco also agreed at the Joint Committee meeting to accelerate the phaseout of tariffs on a number of wheat, beef, and poultry products from the United States for which Morocco applied a lower duty on EU products. At the meeting of the Subcommittee on Sanitary and Phytosanitary Measures, Morocco removed its ban on U.S. beef product imports previously subject to restrictions because of bovine spongiform encephalopathy. Morocco also agreed to set import alerts for certain wheat fungal toxins (mycotoxins) at standard international levels.⁵³²

⁵²⁵ MOTIE, [Letter to Ambassador Lighthizer](#), September 21, 2017; MOTIE, "[Korean, US Trade Ministers Meet in Washington DC](#)," September 20, 2017.

⁵²⁶ USTR, "[USTR Lighthizer Statement on the Conclusion of the Second Special Session](#)," October 4, 2017.

⁵²⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 6; MOTIE, "[2nd Special Session of KORUS FTA Joint Committee Held in Washington DC](#)," October 5, 2017.

⁵²⁸ USTR, "[United States, Korea to Hold Amendment Negotiations on KORUS FTA](#)," December 28, 2017.

Negotiations occurred on January 5, 2018, and January 31–February 1, 2018, and an agreement was reached in principle on March 27, 2018. USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 6; USTR, [2018 National Trade Estimate Report](#), March 2018, 293.

⁵²⁹ Government of Morocco, "[Morocco-USA Joint Committee in Charge of Following Up FTA](#)," October 19, 2017.

⁵³⁰ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 16.

⁵³¹ USDA, FAS, "[Morocco: US Common Wheat TRQ Fully Allocated in 2017](#)," November 16, 2017.

⁵³² USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 17.

Labor

In August 2017, Morocco began to implement a law addressing certain domestic worker rights, an issue originally raised in 2014 by the United States under the FTA's Subcommittee on Labor. When fully implemented, the law will provide a number of protections and benefits for domestic workers.⁵³³

Environment

At the FTA's Joint Cooperation Committee meeting in 2017, the two countries continued to work on environmental matters under the 2014–2017 Plan of Action, as set out by the U.S.-Morocco Joint Statement on Environmental Cooperation. In particular, the two sides highlighted in 2017 the establishment of protocols implementing Morocco's new legislation in support of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).⁵³⁴

U.S.-Oman FTA

In 2017, the two sides began to prepare a new Plan of Action for 2018–2021 regarding environmental matters under the 2009 U.S.-Oman Free Trade Agreement. This follows completion of the 2014–2017 Plan originally established under the U.S.-Oman Memorandum of Understanding on Environmental Cooperation.⁵³⁵

U.S.-Panama TPA

The U.S.-Panama Free Trade Commission provides the key oversight for the 2012 U.S.-Panama Trade Promotion Agreement.⁵³⁶ The Free Trade Commission held its second meeting in November 2016 and expects to hold its third meeting in 2018.

Labor

Under the TPA's Labor Chapter, representatives from the U.S. Department of Labor and Panama's Ministry of Labor and Maritime Authority met in August 2017 to discuss labor law enforcement issues concerning child labor, wage-and-hour protections, union registration, short-term contracts, and subcontracting, as well as occupational safety and health issues.⁵³⁷

Environment

In 2017, the two sides continued efforts to establish an independent secretariat for environment matters under the agreement. The secretariat is presently situated in the Water Center for the Humid

⁵³³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 17.

⁵³⁴ *Ibid.*, 70.

⁵³⁵ *Ibid.*, 70–77. In 2018, the U.S. Department of State gave notice of a meeting of the U.S.-Oman Joint Forum on Environmental Cooperation (Joint Forum), to be held March 4–5, 2018. 83 Fed. Reg. 5505 (February 7, 2018).

⁵³⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 18.

⁵³⁷ *Ibid.*, 19.

Tropics of Latin America and the Caribbean, located in Panama City, Panama. In 2017, the center’s Council hired an executive director, as well as agreed to an initial outreach plan for the Secretariat.⁵³⁸

U.S.-Peru TPA

During 2017, the U.S.-Peru Free Trade Commission continued its work as the central body overseeing the implementation of the 2009 U.S.-Peru Trade Promotion Agreement (PTPA), and is expected to meet next in 2018.⁵³⁹

Labor

In June 2017, U.S. officials visited Peru to follow up on the issues identified in a U.S. Department of Labor report released in March 2016 in response to a public submission filed under the Labor Chapter of the PTPA in July 2015. The USDOL report raised concerns about Peru’s protection of fundamental labor rights and enforcement of labor laws. U.S. officials also held videoconferences with their Peruvian counterparts to discuss these issues in August and December 2017.⁵⁴⁰

Environment

The two governments made progress under the 2015–2018 Work Program of PTPA’s Environmental Cooperation Agreement, signing a memorandum of understanding between the U.S. Environmental Protection Agency and the Peruvian Organization of Evaluation and Environmental Inspection to support Peru’s efforts to strengthen enforcement of and compliance with Peruvian environmental laws.⁵⁴¹ Nonetheless, the U.S. Interagency Committee on Trade in Timber Products from Peru determined during 2017 that Peru had made insufficient progress to stem illegal logging. As a consequence, USTR instructed the U.S. Customs and Border Protection Agency to deny future timber shipments from a Peruvian exporter, subject to verification.⁵⁴² The United States and Peru expect to hold a review in 2018 of implementation of the PTPA’s Environment Chapter in Lima, Peru, at the senior-level Environmental Affairs Council.⁵⁴³

U.S.-Singapore FTA

The United States and Singapore met in July 2017 for a comprehensive review of the FTA, as well as in March and December 2017 for a review of the FTA’s labor provisions, and in October 2017 to review the FTA’s environmental provisions.⁵⁴⁴

⁵³⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 71.

⁵³⁹ *Ibid.*, 20.

⁵⁴⁰ USDOL, [“Second Periodic Review of Progress to Address Issues Identified in the U.S. Department of Labor’s Public Report of Review of Submission 2015-01 \(Peru\)”](#), April 20, 2018; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 20.

⁵⁴¹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 71–72.

⁵⁴² USTR, [“USTR Announces Unprecedented Action to Block Illegal Timber Imports”](#), October 19, 2017; USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 71.

⁵⁴³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 72.

⁵⁴⁴ *Ibid.*, 21.

Environment

On October 4, 2017, the two sides met to review the implementation of the Environment Chapter of the 2004 U.S.-Singapore Free Trade Agreement,⁵⁴⁵ in accordance with their Memorandum of Intent on Cooperation in Environmental Matters and as set out under the 2016–2017 Plan of Action for Environmental Cooperation.⁵⁴⁶ Discussions centered largely on enforcement of environmental laws, particularly to combat wildlife and timber trafficking in the region. In 2017, cooperation between the two governments on environmental matters helped cut off the sale of illegal wildlife products. This work led to a July 2017 commendation from the Secretary-General of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, recognizing Singapore’s 2014 actions in interdicting an illegal shipment of rosewood logs.⁵⁴⁷

⁵⁴⁵ USTR, [“Joint Statement on the United States-Singapore Free Trade Agreement Environment Chapter Meeting,”](#) October 5, 2017.

⁵⁴⁶ On January 19, 2018, the two sides adopted a Plan of Action for 2018–2019 at their fifth biennial meeting under the U.S.-Singapore Memorandum of Intent on Environmental Cooperation. USDOS, EOS, [“2018–2019 Plan of Action for Environmental Cooperation under the U.S.-Singapore Memorandum of Intent,”](#) January 19, 2018; USDOS, EOS, [“Joint Communiqué for United States-Singapore 5th Biennial Review Meeting,”](#) January 19, 2018.

⁵⁴⁷ CITES, [“Persistence Pays Off—Singapore Authorities’ Successful Prosecutions,”](#) July 22, 2017.

Chapter 6

U.S. Trade Relations with Major Trading Partners

This chapter reviews U.S. bilateral trade relations with the United States' top trading partners in 2017: the European Union (EU), China, Canada, Mexico, Japan, South Korea, India, and Taiwan (ordered according to the value of their two-way merchandise trade). For each trading partner, the chapter summarizes U.S. bilateral trade, including two-way merchandise and private services trade, the U.S. trade balance, U.S. merchandise exports, and U.S. merchandise imports. That description is followed by summaries of the major developments in bilateral trade during 2017.

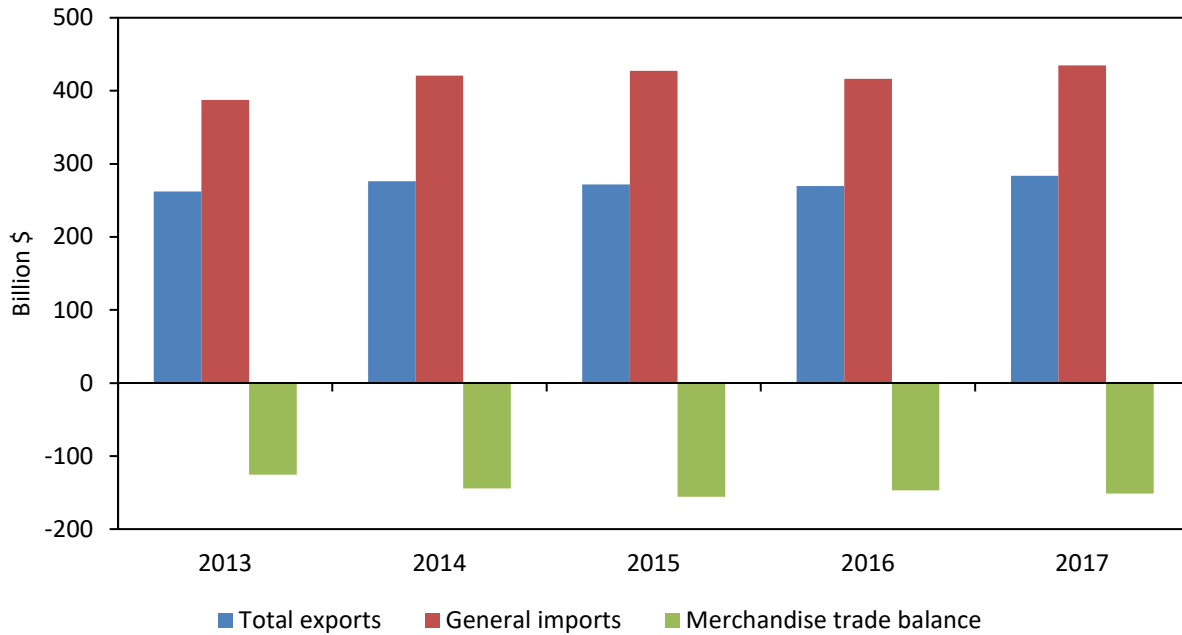
European Union

U.S.-EU Trade

The EU as a single entity is the United States' largest two-way (exports plus imports) trading partner in terms of both goods and services. The value of U.S. merchandise trade with the 28 member states of the EU increased 4.7 percent, from \$686.0 billion in 2016 to \$718.5 billion in 2017. However, the EU share of U.S. trade declined slightly, from 18.9 percent in 2016 to 18.5 percent in 2017, as total U.S. trade with the world increased by more than U.S. trade with the EU. The U.S. trade deficit with the EU rose by \$4.7 billion, from \$146.8 billion in 2016 to \$151.4 billion in 2017, but was still lower than the U.S. trade deficit with the EU in 2015 (figure 6.1).

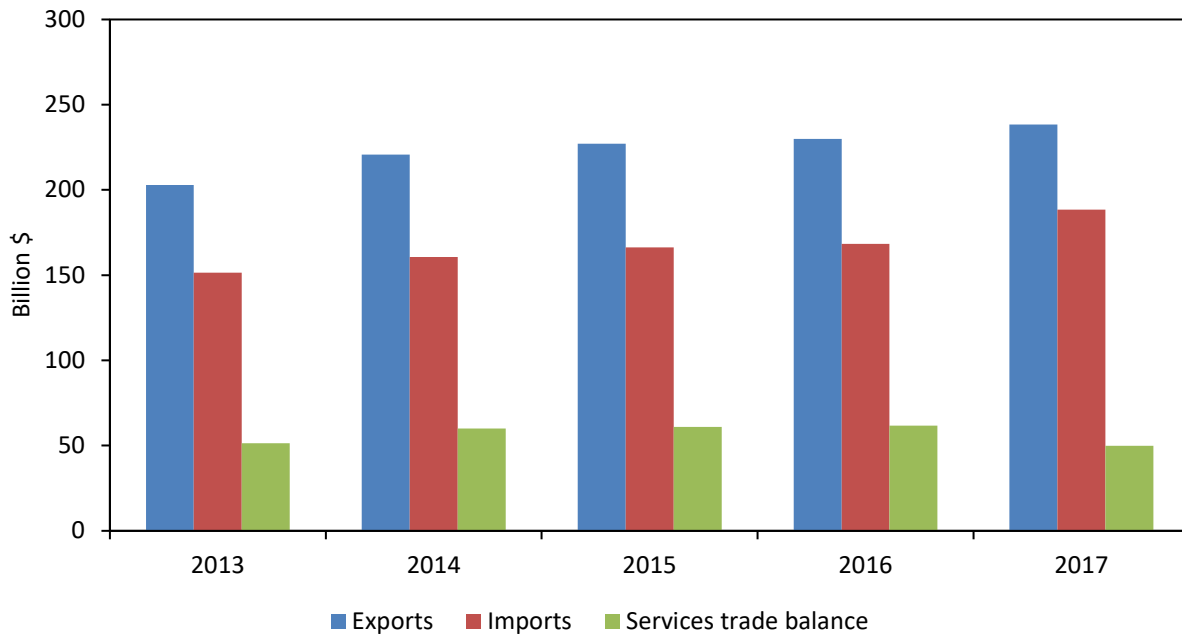
The EU was the largest market for U.S. merchandise exports in 2017 for the second year in a row, accounting for 18.3 percent of total U.S. exports. U.S. exports to the EU increased 5.2 percent, from \$269.6 billion in 2016 to \$283.5 billion in 2017. Leading U.S. exports to the EU included civilian aircraft, engines, and parts; medicaments (medicines); refined petroleum products; crude petroleum; and certain immunological products.

Figure 6.1 U.S. merchandise trade with the EU, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.2 U.S. cross-border trade in private services with the EU, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. U.S. imports from the EU in 2017 are overstated because the data include government goods and services n.i.e. Underlying data can be found in appendix table [B.7](#).

The EU remained the second-largest source of U.S. merchandise imports, following China, in 2017. The EU accounted for 18.6 percent of total U.S. imports in 2017. U.S. imports from the EU increased 4.5 percent, from \$416.4 billion in 2016 to \$434.9 billion in 2017. Leading U.S. imports were passenger motor vehicles, medicaments, parts of turbojets and turbopropellers, light oils, and airplanes and other aircraft. U.S.-EU merchandise trade data are shown in appendix tables A.27 through A.30.

Two-way cross-border trade in services with the EU increased 7.2 percent to \$426.9 billion in 2017 and accounted for 33.4 percent of total U.S. trade in services that year. The United States continued to register a trade surplus in services with the EU, but it declined \$11.8 billion in 2017 to \$49.9 billion as U.S. imports increased more than U.S. exports (figure 6.2). U.S. exports of private services to the EU increased 3.7 percent (\$8.4 billion) to \$238.4 billion in 2017, while U.S. imports increased 12.0 percent (\$20.2 billion) to \$188.5 billion. The United Kingdom (UK) was the EU's largest services trader with the United States, with 28.5 percent of the EU total, followed by Germany and France.

Trade Developments

Among the important U.S.-EU trade developments in 2017 were a bilateral agreement on insurance and reinsurance measures, the first annual review of the functioning of the Privacy Shield, and a mutual recognition agreement on good manufacturing practices in pharmaceutical products. Under the framework of the Transatlantic Economic Council, the United States hosted the eighth workshop for small and medium-sized enterprises in Wichita, Kansas. All of these topics are described below.

In other developments, negotiations for the proposed Transatlantic Trade and Investment Partnership (TTIP) agreement between the United States and the EU remained dormant in 2017.⁵⁴⁸ The UK continued to prepare for exiting the EU (Brexit) in March 2019. In May 2017, the Office of the U.S. Trade Representative (USTR) and the U.S. Department of Agriculture (USDA) announced that the EU had lifted rules requiring that U.S. citrus groves be surveyed for citrus canker before U.S. citrus exports to the EU would be permitted.⁵⁴⁹ According to USTR, the EU requirement had effectively eliminated EU market access for a majority of Florida citrus groves.⁵⁵⁰ USTR estimates that U.S. citrus producers will save \$5.6 million annually with the elimination of the EU rules.⁵⁵¹

During 2017, there were new developments in two long-running World Trade Organization (WTO) dispute settlement cases on civil aircraft filed by the EU against the United States. On June 9, 2017, the WTO compliance panel issued a report in the complaint by the EU regarding U.S. measures affecting trade in large civil aircraft (DS353). In the second case, on September 4, the WTO Appellate Body circulated its report in the complaint by the EU relating to U.S. conditional tax incentives for large civil aircraft (DS487). The developments in these two cases are described in more detail in chapter 3.

⁵⁴⁸ For more information, see chapter 5.

⁵⁴⁹ USTR, "[Agriculture Secretary Perdue and Acting U.S. Trade Representative Vaughn Announce](#)," May 3, 2017.

⁵⁵⁰ USTR, [2017 National Trade Estimate Report](#), 2017, 152–53.

⁵⁵¹ USTR, "[Agriculture Secretary Perdue and Acting U.S. Trade Representative Vaughn Announce](#)," May 3, 2017.

Agreement on Insurance and Reinsurance Measures

On January 13, 2017, the United States and EU announced conclusion of an agreement⁵⁵² on insurance and reinsurance measures.⁵⁵³ Negotiations began in February 2016 following the implementation on January 1, 2016, of a new EU insurance regulatory regime⁵⁵⁴ known as Solvency II.⁵⁵⁵ Solvency II requires that U.S. prudential regulation be deemed equivalent to that in the EU to prevent “disadvantageous treatment” of U.S. insurers and reinsurers operating in the EU market.⁵⁵⁶ To address this issue, on September 22, 2017, U.S. and EU officials signed a “covered agreement” on prudential measures affecting insurance and reinsurance.⁵⁵⁷ At the same time, the U.S. Government issued a policy statement that clarified how the U.S. views implementation of certain provisions of the agreement.⁵⁵⁸ Although some parts of the agreement will apply provisionally, the agreement is expected to fully apply after 5 years from the date of signature.⁵⁵⁹

According to a joint U.S.-EU statement issued at the conclusion of negotiations, the new agreement will ensure “ongoing robust insurance consumer protection” and will provide “enhanced regulatory certainty for insurers and reinsurers operating in both the U.S. and the EU.”⁵⁶⁰ The U.S. policy statement said that the agreement “affirms the U.S. system of insurance regulation, including the role of state insurance regulators as the primary supervisors of the business of insurance.”⁵⁶¹

⁵⁵² [Bilateral Agreement between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance](#), (accessed March 21, 2018).

⁵⁵³ U.S. Treasury Department, “[Joint Statement on the U.S.-EU Negotiations for a Bilateral Agreement on Insurance and Reinsurance Measures](#),” January 13, 2017. Reinsurance, commonly referred to as insurance for insurance companies, refers to insurance companies buying insurance contracts from specialized insurers (reinsurers) to protect themselves from large unexpected claims.

⁵⁵⁴ U.S. Treasury Department, “[Bilateral Agreement, Fact Sheet](#),” January 18, 2017, 1.

⁵⁵⁵ Solvency II ([Directive 2009/138/EC](#))—as amended by [Directive 2014/51/EU](#) (“Omnibus II”)—replaces 14 existing directives commonly known as “Solvency I.” European Commission, “[Solvency II Overview—Frequently Asked Questions](#),” January 12, 2015.

⁵⁵⁶ Wall and Harney, [letter to Richard Shelby et al.](#), November 20, 2015.

⁵⁵⁷ U.S. Treasury Department, “[Statement of the United States on the Covered Agreement with the European Union](#),” September 22, 2017. The Department of the Treasury defines a covered agreement as “an international agreement that relates to the recognition of prudential measures with respect to the business of insurance or reinsurance that achieves a level of protection for insurance or reinsurance consumers that is substantially equivalent to the level of protection achieved under state insurance or reinsurance regulation.” U.S. Treasury Department, “Initiatives, U.S. and EU Covered Agreement” (accessed February 21, 2018).

⁵⁵⁸ U.S. Treasury Department, “[Statement of the United States on the Covered Agreement with the European Union](#),” September 22, 2017; U.S. Treasury Department, “Initiatives, U.S. and EU Covered Agreement” (accessed February 21, 2018).

⁵⁵⁹ U.S. Treasury Department, “[Bilateral Agreement, Fact Sheet](#),” January 18, 2017, 4; European Commission, “[EU-US Agreement on Insurance and Reinsurance](#),” September 22, 2017.

⁵⁶⁰ U.S. Treasury Department, “[Joint Statement on the U.S.-EU Negotiations for a Bilateral Agreement on Insurance and Reinsurance Measures](#),” January 13, 2017.

⁵⁶¹ U.S. Treasury Department, “[Statement of the United States on the Covered Agreement with the European Union](#),” September 22, 2017.

The agreement covers three areas of insurance regulation: (1) group supervision, (2) collateral and local presence requirements for U.S. and EU reinsurers operating in the other's market, and (3) exchange of information between U.S. and EU supervisory authorities.⁵⁶²

Under the new agreement, U.S. and EU insurance and reinsurance groups active in both the U.S. and EU markets will not be subject to certain requirements under Solvency II with respect to group supervision for their worldwide activities. Instead, U.S. and EU groups operating in the other jurisdiction will only be subject to worldwide prudential insurance group oversight by the supervisors in their home jurisdiction.⁵⁶³ As a result, U.S. insurance groups operating in the EU will not have to meet EU worldwide group capital, reporting, or governance requirements.⁵⁶⁴

With respect to reinsurance, the agreement eliminates collateral and local presence requirements for EU and U.S. reinsurers operating in the other jurisdiction's market subject to certain conditions (i.e., specified financial strength and market conduct requirements, such as a record of prompt payments of claims).⁵⁶⁵ As a result, relief from collateral requirements will reduce obstacles for EU reinsurers operating in the U.S. market, and within 24 months of signature, U.S. reinsurers will be fully able to operate in the EU without establishing a branch or subsidiary.⁵⁶⁶

The agreement also encourages U.S. and EU insurance supervisory authorities to continue to share supervisory information on insurers and reinsurers that operate in the U.S. and EU markets.⁵⁶⁷ To facilitate this exchange of information, the agreement contains an annex with model provisions for a possible future memorandum of understanding on information exchange.⁵⁶⁸

Privacy Shield

The first annual review of the U.S.-EU Privacy Shield was held in September 2017. The Privacy Shield, which became operational on August 1, 2016, provides a mechanism for companies to transfer personal data from the EU to the United States that is consistent with EU law.⁵⁶⁹ Company participation is voluntary and requires a company to certify that it will comply with a set of principles or obligations for

⁵⁶² U.S. Treasury Department, "[Bilateral Agreement, Fact Sheet](#)," January 18, 2017, 1.

⁵⁶³ U.S. Treasury Department, "[Joint Statement on the U.S.-EU Negotiations for a Bilateral Agreement on Insurance and Reinsurance Measures](#)," January 13, 2017; U.S. Treasury Department, "[Bilateral Agreement, Fact Sheet](#)," January 18, 2017, 1–2.

⁵⁶⁴ U.S. Treasury Department, "[Bilateral Agreement, Fact Sheet](#)," January 18, 2017, 2.

⁵⁶⁵ U.S. Treasury Department, "[Statement of the United States on the Covered Agreement with the European Union](#)," September 22, 2017, 1; USTR, "[Joint Statement on Upcoming Signature of the Bilateral Agreement](#)," September 22, 2017; U.S. Treasury Department, "[Bilateral Agreement, Fact Sheet](#)," January 18, 2017, 2.

⁵⁶⁶ Bilateral Agreement on Prudential Measures Regarding Insurance and Reinsurance, art. 3; U.S. Treasury Department, "[Bilateral Agreement, Fact Sheet](#)," January 18, 2017, 3.

⁵⁶⁷ USTR, "[Joint Statement on Upcoming Signature of the Bilateral Agreement](#)," September 22, 2017.

⁵⁶⁸ U.S. Treasury Department, "[Bilateral Agreement, Fact Sheet](#)," January 18, 2017, 3; Bilateral Agreement on Prudential Measures Regarding Insurance and Reinsurance, Annex, art. 1; European Commission, "[EU-US Agreement on Insurance and Reinsurance](#)," September 22, 2017.

⁵⁶⁹ For more background, see USITC, [The Year in Trade 2016](#), July 2017, 143–44. For more information about EU rules on data protection, see USITC, [Global Digital Trade 1: Market Opportunities and Key Foreign Trade Restrictions](#), 2017, 377–83; European Commission Web site, "[Data Protection](#)."

the handling of data transferred from the EU to the United States.⁵⁷⁰ The Privacy Shield also contains obligations for the U.S. government if U.S. government officials request access to this personal data for national security or law enforcement purposes.⁵⁷¹ As of the date of the annual review, over 2,400 companies had joined the Privacy Shield.⁵⁷²

On September 18–19, U.S. and EU officials met for the first annual review of the functioning of the Privacy Shield. The meeting addressed the administration and enforcement of the Privacy Shield, and included Privacy Shield participants and other stakeholders who shared their views with government officials and informed the review process.⁵⁷³ Based on the meeting, the EU released a report on October 18 that concluded that “the United States continues to ensure an adequate level of protection for personal data transferred under the Privacy Shield from the Union to organisations in the United States.”⁵⁷⁴ In addition, the report listed a number of recommendations for improving the implementation of the Privacy Shield, including the following:⁵⁷⁵

- Increase proactive and regular monitoring of companies’ compliance with the Privacy Shield as well as proactive searches for false claims of company participation in the Privacy Shield by the U.S. Department of Commerce.
- Increase EU individuals’ awareness about how to lodge complaints under the Privacy Shield by the U.S. Department of Commerce and EU data protection authorities.
- Improve cooperation between U.S. and EU enforcers, including the U.S. Department of Commerce, the Federal Trade Commission, and the EU data protection authorities, to develop guidance for companies and enforcers on the interpretation of the Privacy Shield’s rules, which would provide greater legal certainty for businesses.
- Strengthen the privacy protections contained in the U.S. Foreign Intelligence Surveillance Act.
- As soon as possible, appoint a permanent Privacy Shield Ombudsperson at the U.S. Department of State, where complaints will be addressed about U.S. authorities accessing personal data for national security purposes.

⁵⁷⁰ For more information on the Privacy Shield and how companies can participate, see the website of the U.S. Department of Commerce, which administers the program: <https://www.privacyshield.gov/welcome>.

⁵⁷¹ European Commission, “[First Annual Review of the EU-U.S. Privacy Shield](#),” October 18, 2017.

⁵⁷² USDOC, “[Joint Press Statement from Secretary Ross and Commissioner Jourova](#),” September 20, 2017.

⁵⁷³ Ibid.

⁵⁷⁴ European Commission, “[Report from the Commission to the European Parliament and the Council on the First Annual Review of the Functioning of the EU-U.S. Privacy Shield](#),” October 18, 2017.

⁵⁷⁵ Ibid; European Commission, “[EU-U.S. Privacy Shield: First Review Shows It Works but Implementation Can be Improved](#),” October 18, 2017.

- More proactive reporting by U.S. authorities of developments related to the Privacy Shield.⁵⁷⁶

U.S. officials welcomed the release of the report.⁵⁷⁷ On November 29, 2017, in the first three enforcement actions under the Privacy Shield framework, the Federal Trade Commission announced settlements with companies that falsely claimed they had been certified to participate in the Privacy Shield.⁵⁷⁸

U.S.-EU Mutual Recognition Agreement on Pharmaceutical Inspections

On March 2, 2017, the United States and EU agreed to amend the Pharmaceutical Annex to the 1998 U.S.-EU Mutual Recognition Agreement. The purpose of amending the annex is to avoid duplicating good manufacturing practice (GMP) inspections of pharmaceutical manufacturing facilities by allowing each side to rely on the drug inspections conducted by the other's regulatory authority. The updated annex will also allow regulators to devote more inspection resources to drug manufacturing facilities in other parts of the world where there may be greater risk.⁵⁷⁹

All drugs approved for use in the United States, regardless of where they are made, must comply with U.S. regulations. Because some of these drugs are either fully manufactured abroad or contain some foreign ingredients, the U.S. Food and Drug Administration (FDA) routinely inspects foreign as well as domestic drug manufacturing plants for compliance with manufacturing standards that assure that the products meet quality and product label requirements.⁵⁸⁰ The agreement with the EU to amend the annex will permit the FDA to rely on EU inspection reports, lowering inspection costs and enabling regulators to redirect resources to other parts of the world.⁵⁸¹

Since May 2014, U.S. and EU authorities have been auditing and assessing each other's inspection systems to learn if they meet domestic requirements. In June 2017, the European Commission determined that the FDA "has the capability, capacity and procedures in place to carry out GMP inspections at a level equivalent to the EU."⁵⁸² In October 2017, the FDA stated that it would recognize the drug regulatory authorities in 8 of the 28 EU member states (Austria, Croatia, France, Italy, Malta, Spain, Sweden, and the UK) as capable of conducting inspections of manufacturing facilities that meet

⁵⁷⁶ European Commission, "[Report from the Commission to the European Parliament and the Council on the First Annual Review of the Functioning of the EU-U.S. Privacy Shield](#)," COM(2017) 611 Final, October 18, 2017; European Commission, "[EU-U.S. Privacy Shield: First Review shows It Works but Implementation Can be Improved](#)," October 18, 2017.

⁵⁷⁷ USDOC, "[U.S. Secretary of Commerce Wilbur Ross Welcomes Release of the European Commission's Report](#)," October 18, 2017; Federal Trade Commission, "[Statement of Acting FTC Chairman Maureen K. Ohlhausen on First Annual Review of EU-U.S.-Privacy Shield](#)," October 18, 2017.

⁵⁷⁸ Federal Trade Commission, "[FTC Gives Final Approval to Settlements with Companies That Falsely Claimed Participation in Privacy Shield](#)," November 29, 2017.

⁵⁷⁹ Food and Drug Administration, "[Mutual Recognition Promises New Framework](#)," March 2, 2017.

⁵⁸⁰ Food and Drug Administration, "[FDA Takes Unprecedented Step](#)," October 31, 2017.

⁵⁸¹ Food and Drug Administration, "[Mutual Recognition Promises New Framework](#)," March 2, 2017.

⁵⁸² [Notification to the Joint Sectoral Committee by the European Union under Article 7 of the Sectoral Annex on Pharmaceutical Good Manufacturing Practices \(GMPs\) of the Agreement on Mutual Recognition between the European Community and the United States of America](#), 2017 O.J. (L 237/36); European Medicines Agency, "[EU-US Mutual Recognition of Inspections of Medicines Manufacturers](#)," October 31, 2017.

FDA requirements.⁵⁸³ This is the first time that the FDA has recognized another country's inspection authority.⁵⁸⁴ FDA expects to finish evaluating the remaining EU countries by July 15, 2019.⁵⁸⁵

Transatlantic Economic Council (TEC)

The Transatlantic Economic Council (TEC) was launched in 2007 to promote bilateral cooperation aimed at lowering transatlantic barriers to trade and investment.⁵⁸⁶ On October 19, 2017, under the TEC framework, the United States hosted the eighth workshop for small and medium-sized enterprises (SMEs) in Wichita, Kansas.⁵⁸⁷ The purpose of these workshops is to expand trade and investment opportunities for U.S. and EU SMEs and discuss trade topics of particular interest to SMEs.⁵⁸⁸

The following topics were discussed at the workshop: manufacturing SMEs in transatlantic trade, including export strategies, regulatory issues, and barriers to trade; SME startups, innovation, and competitiveness; transatlantic skills development for SMEs and best practices in apprenticeships and vocational training; transatlantic foreign direct investment in manufacturing; and SME export promotion resources in both the United States and the EU.⁵⁸⁹ Also, government officials provided an update on the 2015 U.S.-EU SME Cooperation Arrangement,⁵⁹⁰ which aims to make it easier for regional innovation clusters and their member businesses in the United States and EU to form strategic partnerships across the Atlantic.⁵⁹¹

China

U.S.-China Trade

In 2017, China remained the United States' largest single-country trading partner based on two-way merchandise trade, accounting for 16.4 percent of total U.S. merchandise trade. U.S. two-way merchandise trade with China amounted to \$635.9 billion in 2017, an increase of 10.0 percent over the \$578.2 billion recorded in 2016. The U.S. merchandise trade deficit with China remained higher than the U.S. trade deficit with any other trading partner in 2017, amounting to \$375.2 billion. Its \$28.2 billion

⁵⁸³ Food and Drug Administration, "[FDA Takes Unprecedented Step](#)," October 31, 2017.

⁵⁸⁴ Ibid.

⁵⁸⁵ European Medicines Agency, "[EU-US Mutual Recognition of Inspections of Medicines Manufacturers](#)," October 31, 2017.

⁵⁸⁶ For more background on the TEC, see USDOS, EUR, "[Framework for Advancing Transatlantic Economic Integration](#)," April 20, 2007.

⁵⁸⁷ USDOS, EUR, "[Joint Statement from the 8th U.S.-EU SME Workshop](#)," October 19, 2017.

⁵⁸⁸ USDOS, EUR, "[Transatlantic Economic Council Facilitators' Report to Stakeholders](#)," November 30, 2016.

⁵⁸⁹ USDOS, EUR, "[Joint Statement From the 8th U.S.-EU SME Workshop](#)," October 19, 2017; Adduci, Mastriani & Schaumberg, LLP, "[8th U.S.-EU Small and Medium Enterprise \(SME\) Best Practices Workshop, . . . October 19, 2017, Draft Agenda](#)."

⁵⁹⁰ USDOS, "[Cooperation Arrangement between the United States Department of Commerce International Trade Administration and European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs on Small and Medium-Sized Enterprises](#)," 2015.

⁵⁹¹ USDOC, "[New Agreement with the European Union Will Strengthen Partnerships](#)," April 23, 2015; USDOS, EUR, "[Joint Statement from the 8th U.S.-EU SME Workshop](#)," October 19, 2017.

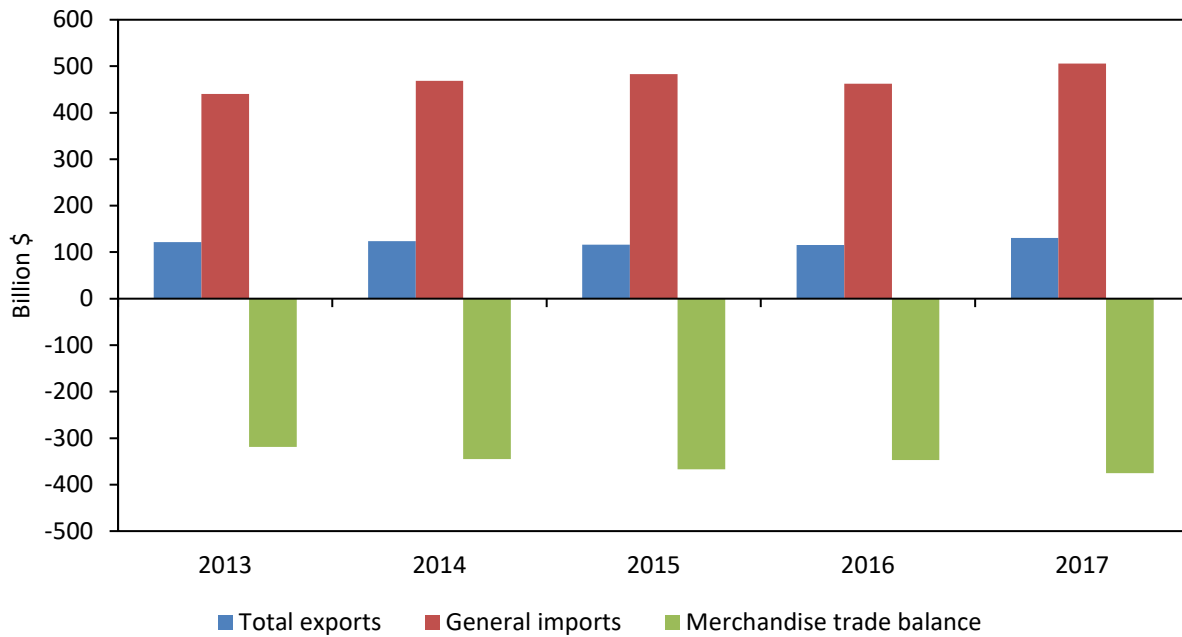
increase relative to the year before reflected a \$42.3 billion increase in U.S. merchandise imports from China that outpaced a \$14.8 billion increase in U.S. merchandise exports to China in 2017 (figure 6.3).

China was the third-largest single-country destination for U.S. merchandise exports in 2017, behind Canada and Mexico. U.S. merchandise exports to China amounted to \$130.4 billion in 2017, increasing by 12.8 percent, or \$14.8 billion, relative to 2016. Leading U.S. exports to China in 2017 were civilian aircraft, engines, and parts, and soybeans. Other leading U.S. exports to China included small passenger motor vehicles, petroleum, and semiconductors.

In 2017, U.S. merchandise imports from China amounted to \$505.6 billion, representing 21.6 percent of total U.S. goods imports in that year. This was more than imports from any other country, and U.S. merchandise imports from China increased by 9.3 percent relative to the year before. Leading 2017 U.S. imports from China were cellphones; portable computers and tablets; telecommunications equipment; computer parts and accessories; and tricycles, scooters, and related toys. U.S.-China merchandise trade data are shown in appendix tables A.31 through A.34.

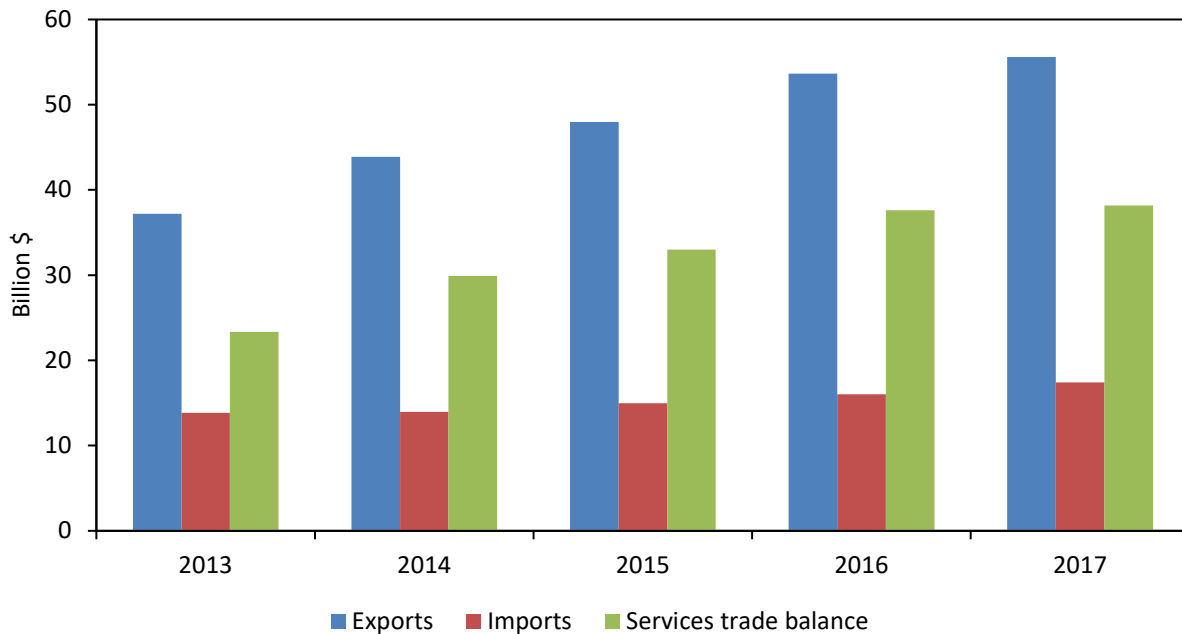
Services trade between the two countries was also significant. In 2017, China continued to be the United States' fourth-largest single-country trading partner based on two-way cross-border services trade of \$73.0 billion. U.S. services trade with China amounted to 5.7 percent of total U.S. cross-border services trade in 2017, compared to 5.7 percent in 2016 and 5.2 percent in 2015. The U.S. services trade surplus with China increased \$600.0 million in 2017 to \$38.2 billion, as a result of growing U.S. exports. In 2017, U.S. services exports to China grew by \$1.9 billion, or 3.6 percent, while U.S. services imports from China grew by \$1.4 billion, or 8.6 percent, relative to the year before (figure 6.4).

Figure 6.3 U.S. merchandise trade with China, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.4 U.S. cross-border trade in private services with China, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

Trade Developments

Since China's accession to the WTO in 2001, the United States has filed 22 WTO complaints against China. Those complaints are more than half of the total 40 worldwide complaints the United States filed during that time using the dispute settlement mechanism. China has filed 12 such complaints against the United States of the 17 it has filed since 2001.⁵⁹² In 2017, the United States filed 1 new complaint against China. Specifically, on January 12, 2017, the United States requested consultations with China concerning alleged subsidies that China provides to its producers of primary aluminum.⁵⁹³ In 2017, China did not file any complaints against the United States, though it had filed 2 by April 4, 2018. Developments in these and other WTO dispute settlement proceedings during 2017 are described in more detail in chapter 3 and appendix table A.25.

In 2017, the most prominent U.S.-China bilateral trade issues were discussed in the context of a newly formed Comprehensive Economic Dialogue (CED). The CED supplanted both the U.S.-China Joint Commission on Commerce and Trade (JCCT) and the U.S.-China Strategic and Economic Dialogue (S&ED). The JCCT had been the primary forum for high-level trade dialogue since 2003, while the S&ED, established in 2009, had focused on a wide range of bilateral and global political, strategic, security, and economic issues. Major topics addressed by U.S. and Chinese officials in the CED in 2017 included China's protection and enforcement of intellectual property rights (IPRs); Chinese policies and practices that require or pressure the transfer of U.S. and other foreign technologies to China; and the implementation of China's new Cybersecurity Law, as well as a new draft Standardization Law.

In addition, a 100-day action plan was agreed upon by U.S. President Donald Trump and China's President Xi Jinping during their May 11, 2017, meeting. This plan called for the co-chairmen, which include U.S. Treasury Secretary Stephen Mnuchin, U.S. Commerce Secretary Wilbur Ross, and China's Vice Premier Wang Yang, to jointly address and resolve several outstanding agricultural trade, financial services, investment, and energy related issues.⁵⁹⁴ According to the 100-day action plan, there were several notable results: (1) China agreed to take steps to reopen its market to U.S. beef on conditions consistent with international food safety and animal health standards; (2) China agreed to allow wholly foreign-owned financial institutions from the United States to provide credit-rating services in the Chinese market by July 2017; (3) both sides agreed to resolve outstanding issues to allow U.S. imports of cooked poultry from China; and (4) the United States agreed to allow its liquefied natural gas exports to China in volumes comparable to other trade partners with which the United States has no free trade agreement (FTA).⁵⁹⁵

⁵⁹² WTO, "[Chronological List of Dispute Settlement Cases](#)" (accessed April 8, 2018).

⁵⁹³ WTO, "[Dispute Settlement: DS519; China—Subsidies to Producers of Primary Aluminum](#)" (accessed April 8, 2018). Primary aluminum is aluminum that has been smelted from ore rather than recycled from scrap.

⁵⁹⁴ U.S. Treasury Department, "[Joint Press Release: Initial Results of the 100-Day Action Plan of the U.S.-China Comprehensive Economic Dialogue](#)," April 2017.

⁵⁹⁵ USDOC, "Joint Release: [Initial Results of the 100-Day Action Plan of the U.S.-China Comprehensive Economic Dialogue](#)," May 11, 2017.

Intellectual Property Rights

The United States and China have long held consultations on IPRs, technology transfer, and innovation-related issues, particularly since China's WTO accession and its acceptance of the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.⁵⁹⁶ China has undertaken substantive legal and judicial reforms since 2001 aimed at protecting IPRs of domestic and foreign entities, in accordance with TRIPS.⁵⁹⁷ However, USTR continued to find China's 2017 IPR protection and enforcement regime to be insufficient in many regards.⁵⁹⁸ USTR has also recommended that the Chinese government expand its efforts to combat the scope and scale of IPR infringement in online and physical marketplaces, including areas such as Beijing's Silk Market and Hongqiao Market, and numerous locations in Guangdong Province.⁵⁹⁹ Given the scope and scale of its reported IPR infringement activities, China remained on USTR's Priority Watch List in its *2017 Special 301 Report*.

In its *2017 Special 301 Report*, USTR described recent IPR-related policy developments in China as well as ongoing IPR-related problems. The report noted some positive developments in 2017, including (1) high-level government statements and official goals aimed at developing a culture of innovation through strengthened intellectual property (IP) laws; (2) incremental gains in IPR protection reported by U.S. rights holders in China; and (3) judicial system reforms. Examples of China's 2017 judicial system reforms included the expansion of four new specialized IP courts and the establishment of the Beijing IP Court as the base for the Supreme People's Court's research on case guidance and precedent.⁶⁰⁰

Despite these positive developments in 2017, issues remain regarding China's progress in protecting the IPRs of foreign rights holders. According to the *2017 Special 301 Report*, the volume of counterfeited products manufactured, sold, and exported from China continued to be a major concern for U.S. businesses and posed health and safety risks to purchasers. Moreover, difficulties associated with bad-faith trademark registrations in China, and the lack of unified legislation on trade secret protection, continued to be problematic in 2017. According to USTR, industry has continued to identify trade secret misappropriation as one of their greatest concerns about operating in China.⁶⁰¹

Technology Transfers

In 2017, USTR also expressed concern about requirements and pressures faced by U.S. firms to transfer their technology to Chinese entities in exchange for market access.⁶⁰² Such practices have reportedly affected U.S. IP holders in a number of sectors, including information and communications technology,

⁵⁹⁶ For information about the estimated effect of China's IPR infringement on the U.S. economy, see USITC, [China: Intellectual Property Infringement, Indigenous Innovation Policies, and Frameworks for Measuring the Effects on the U.S. Economy](#), November 2010, and USITC, [China: Effects of Intellectual Property Infringement and Indigenous Innovation Policies on the U.S. Economy](#), May 2011.

⁵⁹⁷ USTR, [2017 Report to Congress on China's WTO Compliance](#), January 2017, 16.

⁵⁹⁸ Ibid.

⁵⁹⁹ USTR, [2017 Out-of-Cycle Review of Notorious Markets](#), January 2018.

⁶⁰⁰ USTR, [2017 Special 301 Report](#), 2017, 29-30.

⁶⁰¹ Ibid., 30.

⁶⁰² Ibid., 29.

medical device, biotechnology, semiconductor, new energy vehicles, aviation, and high-tech equipment.⁶⁰³

On August 14, 2017, President Trump instructed U.S. Trade Representative Robert Lighthizer to investigate whether China’s laws, policies, practices, or actions may be considered unreasonable or discriminatory, or may be harming U.S. IPRs, innovation, and technical development.⁶⁰⁴ Three days later, USTR Lighthizer, upon consultation with U.S. governmental and private sector advisory committees, launched an investigation of China under Section 301 of the Trade Act of 1974.⁶⁰⁵ This part of the Trade Act of 1974 gives USTR authority to respond to a foreign country’s allegedly unfair trade practices. In the event of an affirmative determination on the allegations of wrongdoing, USTR has the authority to take “all appropriate and feasible action to obtain the elimination of the act, policy, or practice, subject to the direction of the President.”⁶⁰⁶ The results of USTR’s Section 301 Investigation were released in March 2018.⁶⁰⁷

Cybersecurity Law

In 2017, China implemented a Cybersecurity Law drafted by the Standing Committee of the National People’s Congress in 2016.⁶⁰⁸ According to the U.S.–China Economic and Security Review Commission, this law will tighten government control over information flows and technology products.⁶⁰⁹ Before China’s new Cybersecurity Law went into effect, U.S. technology companies expressed concern about being compelled to disclose trade secrets to Chinese authorities.⁶¹⁰ Now that legislation has been implemented, U.S. stakeholders continue to express concern, stating that ambiguities in the law may be used to pressure them to disclose information about their most critical technologies. Examples of their most critical technologies that they believe may be susceptible to disclosure include source codes, design databases, behavioral and logic models, and floor plans of central processing units.⁶¹¹

China committed to keeping its Cybersecurity Law consistent with WTO agreements in 2016.⁶¹² At that time, it stated that this law would not impose nationality-based conditions or restrictions on business’s

⁶⁰³ USTR, [2017 Special 301 Report](#), 2017, 29.

⁶⁰⁴ See “[Addressing China’s Laws, Policies, Practices, and Actions Related to Intellectual Property, Innovation, and Technology](#),” 82 Fed. Reg. 39007 (August 17, 2017). For more information on this case, see chapter 2.

⁶⁰⁵ USTR, [Findings of the Investigation Into China’s Acts, Policies, and Practices Related to Technology Transfer](#), March 22, 2018.

⁶⁰⁶ USTR, “[USTR Announces Initiation of Section 301 Investigation of China](#),” August 2017.

⁶⁰⁷ In its Section 301 report, which was released in March 2018, USTR found that the Chinese government used foreign ownership restrictions, such as joint-venture requirements and other foreign restrictions, to pressure or force technology transfer from U.S. companies operating in China. These ownership restrictions prohibited foreign investors from operating in select industries in China unless they partnered with Chinese companies. In some cases, these partnerships had to ensure that the Chinese partnering entities was the controlling shareholder. USTR also found that the Chinese government used administrative licensing procedures and approval processes to force technology transfers in exchange for administrative approvals needed to operate businesses in China. See USTR, [Findings of the Investigation into China’s Acts, Policies, and Practices Related to Technology Transfer](#), March 22, 2018, 19.

⁶⁰⁸ USTR, [2018 National Trade Estimate Report](#), March 2018, 93-94.

⁶⁰⁹ USCC, [Economics and Trade Bulletin](#), December 6, 2016.

⁶¹⁰ *Ibid.*

⁶¹¹ USTR, [2017 Special 301 Report](#), April 2017, 43.

⁶¹² USTR, [2016 USTR Report to Congress on China’s WTO Compliance](#), January 2017, 11.

purchase, sale, or use of information and communications technology products.⁶¹³ USTR, however, has remained critical of the law, stating that the cybersecurity-related restrictions on U.S. and foreign high technology products and services are ultimately aimed at displacing foreign firms from the Chinese market.⁶¹⁴

Standards

As in years past, U.S.-China engagement in 2017 included standards as part of the bilateral dialogue. As part of its reforms in this area, Chinese authorities allowed greater foreign participation in its technical committees on related matters and also published a draft version of a Standardization Law in September 2017.⁶¹⁵ USTR expressed concern about the draft law, noting that it would introduce preferences for Chinese technologies in standards development in line with the government's longer-term efforts to leverage the power of the large Chinese market to promote or compel the adoption of Chinese standards in global markets.⁶¹⁶ Despite such concerns, China's September 2017 draft Standardization Law was finalized in November 2017 and put into effect in January 2018.⁶¹⁷

With respect to technical standards committees, some progress was made as U.S. and other foreign firms have been increasingly allowed to participate in standards development and setting in China.⁶¹⁸ This greater participation has reportedly included voting in working groups on specific standards development processes.⁶¹⁹

Canada

U.S.-Canada Trade

For the third year in a row, Canada was the second-largest U.S. single-country trading partner in 2017 after China, having fallen from the top position it held in 2014 and previous years. Nonetheless, the value of U.S. merchandise trade with Canada rose 7.0 percent in 2017 to \$582.4 billion, accounting for 15.0 percent of total U.S. merchandise trade with the world—a share unchanged from 2016. Both U.S. merchandise exports and imports with Canada increased in 2017 from the previous year, but imports outpaced exports, resulting in a \$6.5 billion increase in the U.S. merchandise trade deficit with Canada to \$17.5 billion (figure 6.5).

⁶¹³ USTR, [2016 USTR Report to Congress on China's WTO Compliance](#), January 2017, 11.

⁶¹⁴ Ibid.

⁶¹⁵ USTR, [2018 National Trade Estimate Report](#), March 2018, 97.

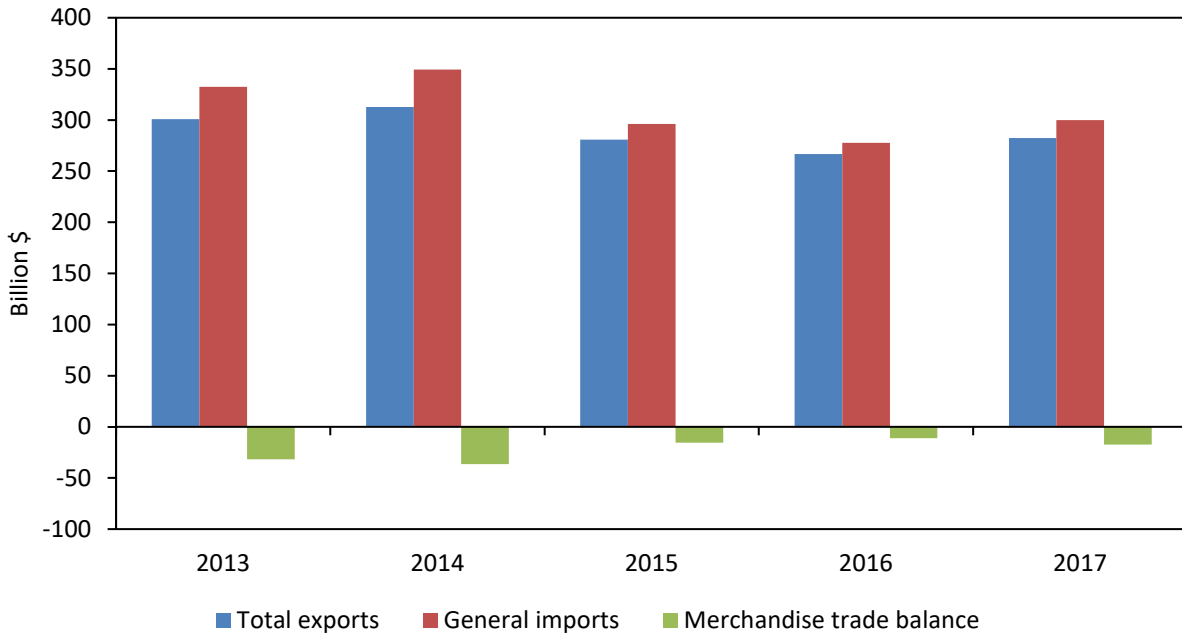
⁶¹⁶ USTR, [2017 Report to Congress on China's WTO Compliance](#), January 2017, 15.

⁶¹⁷ USTR, [2018 National Trade Estimate Report](#), March 2018, 97.

⁶¹⁸ Ibid.

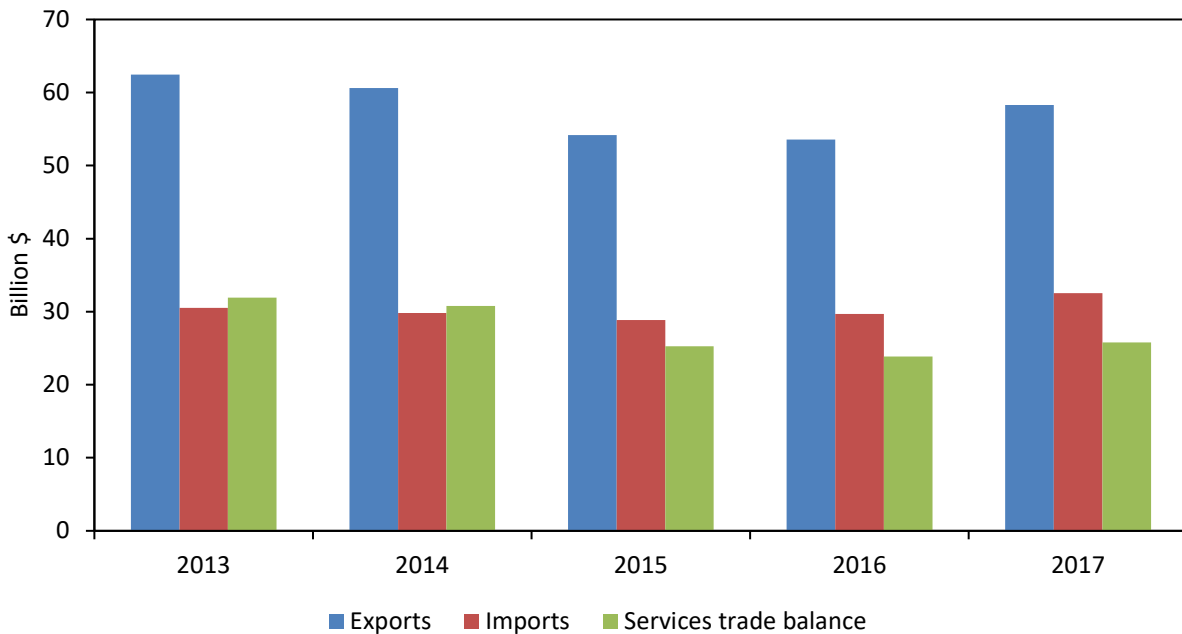
⁶¹⁹ USTR, [2017 Report to Congress on China's WTO Compliance](#), January 2017, 15.

Figure 6.5 U.S. merchandise trade with Canada, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.6 U.S. cross-border trade in private services with Canada, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Underlying data can be found in appendix table [B.7](#).

In 2017, Canada was the United States' largest single-country export market for goods, taking 18.3 percent of U.S. merchandise exports. U.S. exports to Canada increased by 5.9 percent to \$282.5 billion in 2017. Leading U.S. exports to Canada included motor vehicles—vehicles both for passengers and for goods transport—as well as their parts and accessories; civilian aircraft, engines, and parts; crude petroleum; and light oils.

In 2017, Canada remained the third-largest single-country import source for the United States, after China and Mexico. U.S. imports from Canada were \$300.0 billion in 2017, up 8.0 percent from \$277.8 billion in 2016. Energy-related products and transportation equipment accounted for nearly half of U.S. imports from Canada. Leading U.S. imports were crude petroleum, passenger motor vehicles, natural gas, coniferous wood and products, and refined petroleum products. U.S.-Canada merchandise trade data are shown in appendix tables A.35 through A.38.

Canada remained the second-largest single-country U.S. trading partner in services in 2017. It reached \$90.8 billion in two-way cross-border trade in services, ranked only behind the UK at \$121.6 billion. U.S. two-way trade in services with Canada grew 9.1 percent in 2017, accounting for 7.1 percent of total U.S. services trade with the world. U.S. exports of services to Canada increased 8.9 percent (\$4.8 billion) to \$58.3 billion in 2017, whereas U.S. services imports from Canada—while only about half the value of U.S. services exports to Canada—also increased significantly in 2017, by 9.5 percent (\$2.8 billion) to \$32.5 billion. Overall, the U.S. cross-border trade surplus in services with Canada grew in 2017 to \$25.8 billion. While the surplus was up from \$23.8 billion in 2016, it was still below its recent peak (2013) of \$31.9 billion (figure 6.6).

Trade Developments

Much of the U.S.-Canada trade relationship is governed by the North American Free Trade Agreement (NAFTA). On May 18, 2017, the U.S. Administration notified Congress of its intent to renegotiate NAFTA's terms so as to modernize and rebalance its provisions. Five negotiating rounds were held by yearend 2017.⁶²⁰

In other developments, several U.S. trade remedy cases involving Canada were active in 2017. In addition, the Canada-United States Regulatory Cooperation Council continued to meet in 2017 to address regulatory issues that hinder cross-border trade and investment.

Softwood Lumber

The United States and Canada signed the Softwood Lumber Agreement (SLA) on October 12, 2006. In it, Canada agreed to apply certain export measures—notably export charges and volume limits—on its exports of softwood lumber to the United States when the price of such products fell below a certain level.⁶²¹

⁶²⁰ See chapter 5 for more details on the NAFTA renegotiation.

⁶²¹ USITC, [Softwood Lumber Products from Canada—Investigation Nos. 701-TA-566 and 731-TA-1342 \(Final\)](#), December 2017, I-12.

The 2006 SLA had a term originally of seven years; in 2013, however, the two countries agreed to take advantage of an option to extend the agreement for an additional two years.⁶²² After nine years, though, the 2006 SLA officially expired on October 12, 2015, although the agreement contained a one-year grace period (“standstill” clause) to allow renegotiation of a new agreement. During the grace period, the U.S. lumber industry was not allowed to petition for any trade remedy investigation.⁶²³

Absent a new agreement following the one-year standstill period, on November 25, 2016, the U.S. lumber industry petitioned the U.S. Department of Commerce (USDOC) and the Commission to initiate antidumping and countervailing duty investigations on imports of certain softwood lumber products from Canada.⁶²⁴

On November 8, 2017, USDOC published its final determination on antidumping and countervailing duties on U.S. imports of softwood lumber from Canada.⁶²⁵ Subsequently, on December 7, 2017, the Commission voted unanimously that imports of softwood lumber from Canada had caused material injury to U.S. softwood lumber producers.⁶²⁶

On January 3, 2018, USDOC issued its amended final affirmative determinations for antidumping and countervailing duty investigations concerning certain softwood lumber products from Canada.⁶²⁷ The amended antidumping duty rates published on four companies ranged between 3.20 percent and 7.28 percent, as well as an “all others” rate of 6.04 percent. The published amended countervailing duty rates on four companies ranged from 3.34 percent to 17.99 percent, with an “all others” rate of 14.19 percent.⁶²⁸

In response to these cases, on November 14, 2017, Canada requested establishment of a panel under NAFTA to review the softwood lumber duties issued in the case,⁶²⁹ and initiated WTO dispute settlement consultations with the United States on November 28, 2017.⁶³⁰

Aircraft

In May 2005, the government of Canada first announced its support for research and development into a family of larger commercial aircraft—the Bombardier's C-series—with a C\$350 million repayable contribution (US\$275.2 million). The government signed contribution agreements with Bombardier in 2008. During this time, the government of Quebec contributed C\$117 million (US\$89.7 million) and the UK government contributed £123 million (US\$228.1 million) to the C-series project.⁶³¹

⁶²² USITC, [Softwood Lumber Products from Canada—Investigation Nos. 701-TA-566 and 731-TA-1342 \(Final\)](#), December 2017, I–12.

⁶²³ *Ibid.*, 25.

⁶²⁴ CRS, [Softwood Lumber Imports from Canada: Current Issues](#), April 12, 2018, ii.

⁶²⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 22.

⁶²⁶ CRS, [Softwood Lumber Imports from Canada: Current Issues](#), April 12, 2018, ii.

⁶²⁷ 83 Fed. Reg. 347 (January 3, 2018); 83 Fed. Reg. 350 (January 3, 2018).

⁶²⁸ *Ibid.*

⁶²⁹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 22–23; CRS, [Softwood Lumber Imports from Canada: Current Issues](#), April 12, 2018, 14.

⁶³⁰ WTO, [“Canada initiates WTO dispute proceedings on US softwood lumber duties,”](#) November 30, 2017.

⁶³¹ Government of Canada, [“Bombardier Contribution,”](#) Backgrounder, February 7, 2017; USTR, [2018 National Trade Estimate Report on Foreign Trade Barriers](#), March 2018, 83.

On February 7, 2017, the government of Canada announced it was making additional repayable program contributions of C\$372.5 million (US\$284 million) to Bombardier. These contributions support the development of the Global 7000 business aircraft through Canada's Strategic Aerospace and Defence Initiative (SADI) as well as the Bombardier C-series aircraft. The contributions will extend over four years, with the majority allocated to the Global 7000 project.⁶³² SADI is a domestic support program for industrial research and pre-competitive development projects in the aerospace, defense, space, and security industries that are considered strategic.⁶³³

On April 27, 2017, the Boeing Company filed antidumping duty and countervailing duty petitions with the Commission and USDOC concerning imports of 100- to 150-seat large civil aircraft from Canada. Boeing alleged that imports of these aircraft from Canada are being, or are likely to be, sold in the United States at less than fair value, and that such imports are threatening material injury to the domestic aircraft industry in the United States.⁶³⁴ The USDOC made its preliminary determinations concerning these aircraft in fall 2017—on September 25 for countervailing duty subsidy rates and on October 4 for antidumping margins.⁶³⁵

On October 16, 2017, Airbus and Bombardier announced the signing of an agreement to become partners on the C-series aircraft program.⁶³⁶ Under the agreement, Airbus acquired a controlling interest of 50.01 percent in the C-series program, with Bombardier holding about a 31 percent interest and Quebec a 19 percent interest.⁶³⁷ As part of the agreement, Airbus is to provide its expertise in procurement, sales and marketing, and customer support.⁶³⁸

On December 18, 2017, USDOC issued its final determinations in the case, finding a dumping margin of 79.82 percent and a subsidy rate of 212.39 percent regarding Bombardier. At yearend 2017, these duties had not entered into effect, pending a final injury determination by the Commission in early 2018.⁶³⁹

⁶³² Government of Canada, "[Bombardier Contribution](#)," February 7, 2017. USTR reports that according to the February 2017 announcement, the contribution consisted of approximately US\$187 million allocated to Bombardier's Toronto-based Global 7000 project—making it one of the largest loans ever made with the SADI program—and approximately US\$97 million in a repayable contribution for the Montreal-based Bombardier C-series aircraft program. USTR, [2018 National Trade Estimate Report on Foreign Trade Barriers](#), March 2018, 83.

⁶³³ USTR, [2018 National Trade Estimate Report on Foreign Trade Barriers](#), March 2018, 83. Subsequently, in February 2017, Brazil requested WTO consultations with Canada concerning Canadian federal and provincial subsidies to Bombardier, and a WTO dispute settlement panel was established on September 29, 2017. WTO, "[Dispute Settlement: DS522; Canada—Measures Concerning Trade in Commercial Aircraft](#)" (accessed March 29, 2018). Embraer S.A. of Brazil designs, develops, manufactures, and sells aircraft and systems worldwide, some similar to the C-series line in development by Bombardier. Bloomberg, "[Company Overview of Embraer S.A.](#)," May 7, 2018.

⁶³⁴ 82 Fed. Reg. 24296 (May 26, 2017).

⁶³⁵ USDOC, ITA, EAC, "[Fact Sheet—Commerce Finds Dumping and Subsidization of Imports of 100- to 150-Seat Large Civil Aircraft from Canada](#)," n.d. (accessed March 29, 2018).

⁶³⁶ Airbus, "[Airbus and Bombardier Announce C Series Partnership](#)," October 16, 2017.

⁶³⁷ USTR, [2018 National Trade Estimate Report on Foreign Trade Barriers](#), March 2018, 83.

⁶³⁸ Ibid.

⁶³⁹ On January 26, 2018, the Commission determined that there was no injury or threat of injury to the U.S. industry in the case concerning large civil aircraft from Canada. As a result, no antidumping or countervailing duty orders were issued by USDOC. USITC, "[100- to 150-Seat Large Civil Aircraft from Canada](#)," January 26, 2018; USDOC, ITA, EAC, "[Fact Sheet—Commerce Finds Dumping and Subsidization of Imports](#)," n.d. (accessed March 29, 2018), 3.

Canada-United States Regulatory Cooperation Council

In 2011, Canada and the United States established the Canada-United States Regulatory Cooperation Council (RCC) to advance economic growth by deepening regulatory cooperation and reducing unnecessary regulatory differences while maintaining high health, safety, and environmental standards.⁶⁴⁰ The RCC Secretariat—involving the United States Office of Management and Budget and the Treasury Board of Canada—coordinates and monitors the Council’s work as well as provides a forum for industry, consumers, and nongovernmental organizations to discuss regulatory barriers and opportunities as stakeholders.

In 2016–17, the RCC developed 23 technical work plans that currently contain over 100 initiatives that bring together regulators from both U.S. and Canadian departments. These work plans cover issue areas addressing agriculture and food, transportation, health and personal care products, workplace chemicals, the environment, and various cross-sectoral issues. In 2017, U.S. and Canadian agencies worked together to publish these work plans, implementing many of the initiatives included in these agencies’ joint partnership statements.⁶⁴¹

Mexico

U.S.-Mexico Trade

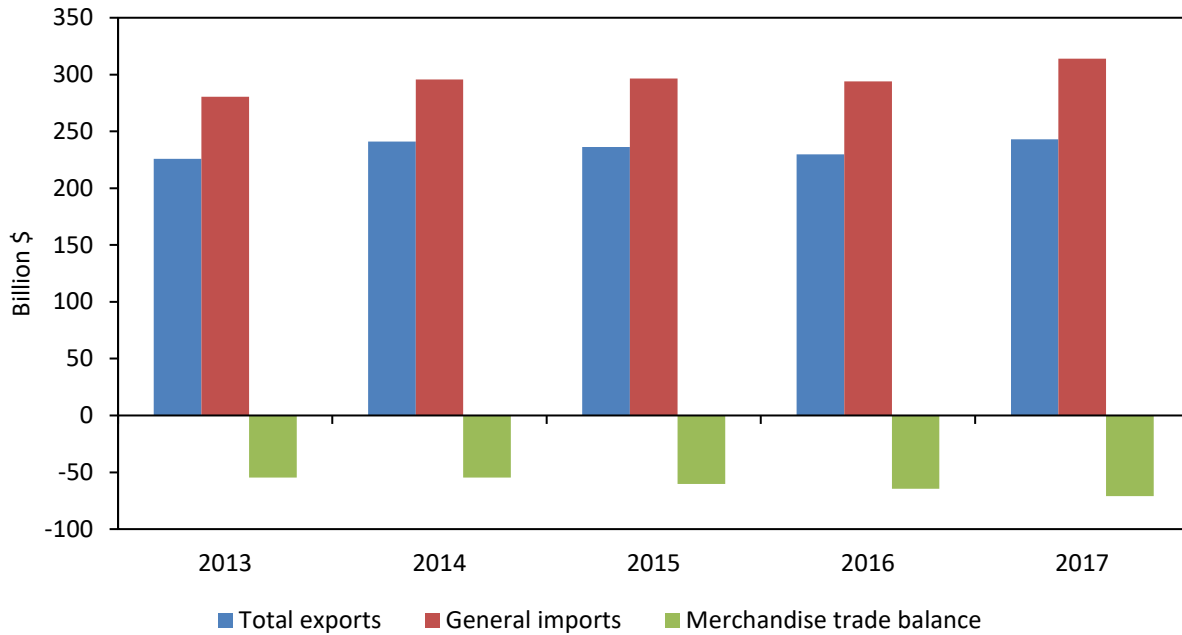
In 2017, Mexico was the United States’ third-largest single-country merchandise trading partner, following China and Canada. Merchandise trade between the two countries increased 6.4 percent to \$557.0 billion in 2017, accounting for 14.3 percent of U.S. trade with the world. While both imports and exports increased in 2017, the U.S. merchandise trade deficit with Mexico rose by \$6.7 billion to \$71.1 billion, since U.S. imports from Mexico increased more than U.S. exports (figure 6.7).

Mexico remained the United States’ second-largest single-country export market after Canada in 2017, accounting for 15.7 percent of total U.S. exports to the world. U.S. merchandise exports to Mexico totaled \$243.0 billion, an increase of 5.8 percent from 2016. In 2017, the leading U.S. exports to Mexico were light oils; computer parts and accessories; refined petroleum products; processors and controllers; and internal combustion diesel engines.

⁶⁴⁰ USDOC, ITA, “[U.S.-Canada Regulatory Cooperation Council—United States and Canada Announce the 2016 Annual Work Plans](#),” n.d. (accessed March 28, 2018); Government of Canada, Treasury Board of Canada Secretariat, “[Learn More about Regulatory Cooperation](#),” February 21, 2018 (last modified).

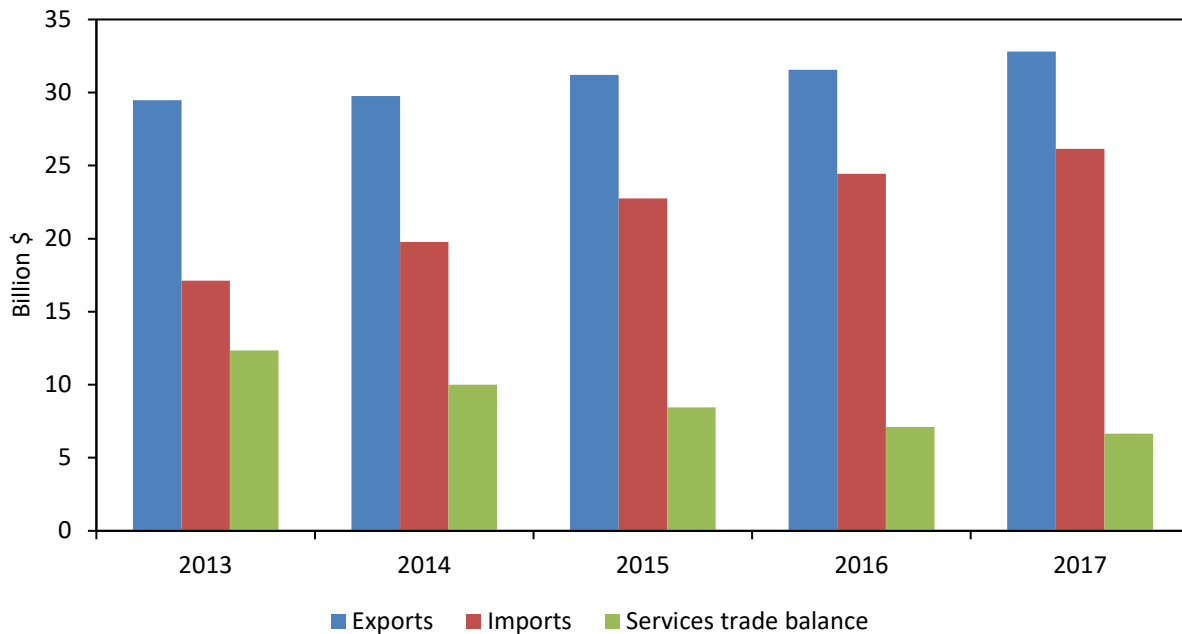
⁶⁴¹ USDOC, ITA, “[RCC Partnership Statements and Work Plans](#),” n.d. (accessed May 7, 2018).

Figure 6.7 U.S. merchandise trade with Mexico, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.8 U.S. cross-border trade in private services with Mexico, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

Mexico was the United States' second-largest single-country import source in 2017 after China and accounted for 20.3 percent of U.S. total imports. In 2017, U.S. merchandise imports from Mexico increased by 6.8 percent to \$314.0 billion, driven mainly by the increased value of U.S. imports of transportation equipment. Leading U.S. imports from Mexico included passenger motor vehicles, computers, motor vehicles for goods transport, crude petroleum, telecommunications equipment, and color TV reception apparatus. U.S.-Mexico merchandise trade data are shown in appendix tables A.39 through A.42.

At the same time, the U.S. cross-border trade surplus in services with Mexico shrank 6.5 percent to \$6.6 billion in 2017, largely a result of increasing U.S. services imports from Mexico (figure 6.8). U.S. exports of services to Mexico increased 3.9 percent (\$1.2 billion) to \$32.8 billion in 2017 whereas U.S. services imports from Mexico increased 7.0 percent (\$1.7 billion) to \$26.2 billion. Mexico continued to be the United States' sixth-largest single-country trading partner for services in 2017, after the UK, Canada, Japan, China, and Germany.

Trade Developments

Most of the trade relations between Mexico and the United States are governed by NAFTA. On August 16, 2017, negotiations between the United States, Canada, and Mexico to modernize NAFTA started in Washington, DC.⁶⁴² Other major U.S.-Mexico trade developments in 2017, including work to improve U.S.-Mexico border crossings and recent results of NAFTA's cross-border trucking provisions, are described below.

Modern Borders

In 2017, the United States and Mexico continued to make progress on cross-border improvements. On April 20, 2017, officials of U.S. Customs and Border Protection (CBP) and Mexico's Tax Administration Service (SAT) met in Mexico City to advance the development of customs practices for both the United States and Mexico.⁶⁴³ At the meeting, Mexico's SAT and the CBP expressed their intent to enhance bilateral work in trade and travel facilitation; continue to cooperate on innovative approaches to cargo inspection for faster goods flow; improve the efficiency of their customs processes to manage risk and reduce processing times and transactional costs; promote better international standards, measures, and controls in order to enhance supply chain security; and keep working towards harmonizing data requirements to make cargo processing easier.⁶⁴⁴

On April 21, 2017, CBP Acting Commissioner Kevin McAleenan traveled to Mexico City with a Department of Homeland Security delegation to meet with Mexican officials. During their meetings, he praised the success of the Unified Cargo Inspection Pilot⁶⁴⁵ at the Mariposa port of entry in Nogales,

⁶⁴² Chapter 5 in this report describes major developments on the NAFTA negotiations.

⁶⁴³ USDHS, U.S. Customs and Border Protection, "[United States and Mexico Hold Official Meeting to Strengthen Economic Competitiveness and Security](#)," April 20, 2017.

⁶⁴⁴ Ibid.

⁶⁴⁵ The Unified Cargo Inspection program was announced in August 2016. USDHS, U.S. Customs and Border Protection. "[U. S. Customs and Border Protection Announces Unified Cargo Inspection Pilot](#)," August 5, 2016.

Arizona, for significantly reducing wait times for both U.S. and Mexican businesses.⁶⁴⁶ On August 17, 2017, senior management from CBP and Mexico's SAT, together with executives from Kansas City Southern, a transportation holding company, formally dedicated a railway processing building in Laredo, TX. Constructed by Kansas City Southern, the building enables Mexico customs officers to work collaboratively with CBP officers. According to the CBP, "The joint operations allow Mexico Customs to complete their outbound inspections and CBP to perform their inbound inspection processes simultaneously, eliminating unnecessary delays and duplication while maintaining security and facilitating lawful commerce."⁶⁴⁷

In addition, on September 20, 2017, U.S. CBP together with Mexico's SAT announced the piloting of their Unified Cargo Processing Program at the Otay Mesa Cargo Facility. The joint cargo inspections are aimed at ending separate inspections and reducing wait times at the border.⁶⁴⁸ These efforts add to earlier cross-border projects and facilities undertaken in previous years.⁶⁴⁹

Cross-Border Trucking between the United States and Mexico

Under the cross-border trucking commitments in Chapter 12 of NAFTA, Mexican trucks were allowed to provide cross-border truck services throughout the United States beginning in 2000. However, the implementation of these provisions was delayed because of U.S. safety concerns.⁶⁵⁰ To address these concerns, the U.S. Department of Transportation and the Federal Motor Carrier Safety Administration (FMCSA) launched the U.S.-Mexico Cross-Border Long-Haul Trucking Pilot Program on October 14, 2011.⁶⁵¹ The program successfully concluded on October 10, 2014.⁶⁵² On January 15, 2015, the FMCSA began accepting applications from Mexico-domiciled motor carriers interested in conducting long-haul operations beyond the U.S. commercial zones.⁶⁵³

In 2017, reports from the FMCSA indicated that Mexican-owned or Mexico-domiciled motor carriers continued to operate more safely than U.S. carriers on U.S. roads. For instance, FMCSA data from 2017 showed that roadside inspections of Mexican-owned or Mexico-domiciled carriers resulted in driver out-of-service rates—that is, rates of violations serious enough to halt drivers' trips immediately⁶⁵⁴—of 0.75

⁶⁴⁶ USDHS, U.S. Customs and Border Protection, "[Readout of Acting Commissioner Kevin McAleeman's Trip to Mexico City](#)," April 21, 2017.

⁶⁴⁷ USDHS, U.S. Customs and Border Protection, "[CBP, SAT/Aduana Mexico, Kansas City Southern Dedicate](#)," August 17, 2017.

⁶⁴⁸ USDHS, U.S. Customs and Border Protection, "[CBP Announces Unified Cargo Inspection Pilot Program](#)," September 20, 2017.

⁶⁴⁹ See the section on Mexico in USITC, *The Year in Trade 2016*, July 2017, 156. Also, infrastructure at the border is further discussed in USITC, *The Year in Trade 2015*, July 2016, 181.

⁶⁵⁰ Developments in cross-border truck services between the United States and Mexico are reported in USITC, *The Year in Trade 2014*, July 2015, 177.

⁶⁵¹ 76 Fed. Reg. 20807 (April 13, 2011).

⁶⁵² USDOT, FMCSA, "[United States-Mexico Cross-Border Long-Haul Trucking Pilot Program](#)," January 2015. Details of the program may be found in USITC, *The Year in Trade 2016*, July 2017, 156.

⁶⁵³ 80 Fed. Reg. 2179 (January 10, 2015). The U.S. commercial zones refer to the 25-mile commercial zones along the southern U.S. border.

⁶⁵⁴ USDOT, FMCSA, "[Out-of-Service \(OOS\) Rates \(Mexican-Owned or Mexico-Domiciled Carriers\)](#)," 2014–18 (accessed April 13, 2018).

percent, compared with a rate of 5.08 percent for all motor carriers on U.S. highways.⁶⁵⁵ Those rates compare favorably with the 0.82 percent and 4.89 percent, respectively, in 2016.⁶⁵⁶

In March 2017, the International Brotherhood of Teamsters challenged the FMCSA's statutory authority to issue permits for U.S. long-haul operations to Mexico-domiciled trucking companies, given that the FMCSA's inspector general had found that the 13 drivers used in the pilot program were too few to draw inferences about the safety of the entire population of Mexico-domiciled carriers expected to receive long-haul authority within the United States. In June 2017, a three-judge panel denied the petition on the grounds that the law did not mandate any particular threshold of statistical validity.⁶⁵⁷

Japan

U.S.-Japan Trade

In 2017, Japan remained the United States' fourth-largest single-country trading partner in terms of two-way trade, accounting for 5.3 percent of total U.S. merchandise trade. Specifically, U.S. merchandise trade with Japan increased 4.6 percent, from \$195.3 billion in 2016 to \$204.2 billion in 2017. At the same time, the U.S. merchandise trade deficit with Japan rose by just \$38 million in 2017 to \$68.8 billion. The increase in the bilateral merchandise trade deficit was attributable to a \$4.46 billion increase in U.S. exports to Japan, and a corresponding \$4.49 billion increase in U.S. imports (figure 6.9).

Japan remained the fourth-largest destination for U.S. merchandise exports in 2017, accounting for 4.4 percent of global U.S. exports. Between 2016 and 2017, U.S. exports to Japan increased 7.1 percent, from \$63.2 billion in 2016 to \$67.7 billion in 2017. Leading U.S. exports to Japan were civilian aircraft, engines, and parts; liquefied propane; corn; semiconductor manufacturing machines; and medicaments.

Japan remained the fourth-largest source of U.S. merchandise imports in 2017, accounting for 5.8 percent of global U.S. imports. The value of U.S. imports from Japan increased 3.4 percent in 2017, from \$132.0 billion in 2016 to \$136.5 billion in 2017. Leading U.S. imports from Japan were passenger motor vehicles, parts for airplanes or helicopters, motor vehicle gearboxes, and parts for printers. U.S.-Japan merchandise trade data are shown in appendix tables A.43–A.46.

In 2017, Japan was once again the United States' third-largest single-country services trading partner, accounting for 5.8 percent of total U.S. two-way services trade. U.S. cross-border services exports to Japan increased by \$1.9 billion, or 4.2 percent, to \$45.4 billion in 2017, while U.S. cross-border services imports from Japan increased by \$0.8 billion, or 3.0 percent, to \$28.4 billion. As a result, the U.S. surplus in services trade with Japan grew to \$17.1 billion from \$16.0 billion the year before (figure 6.10).

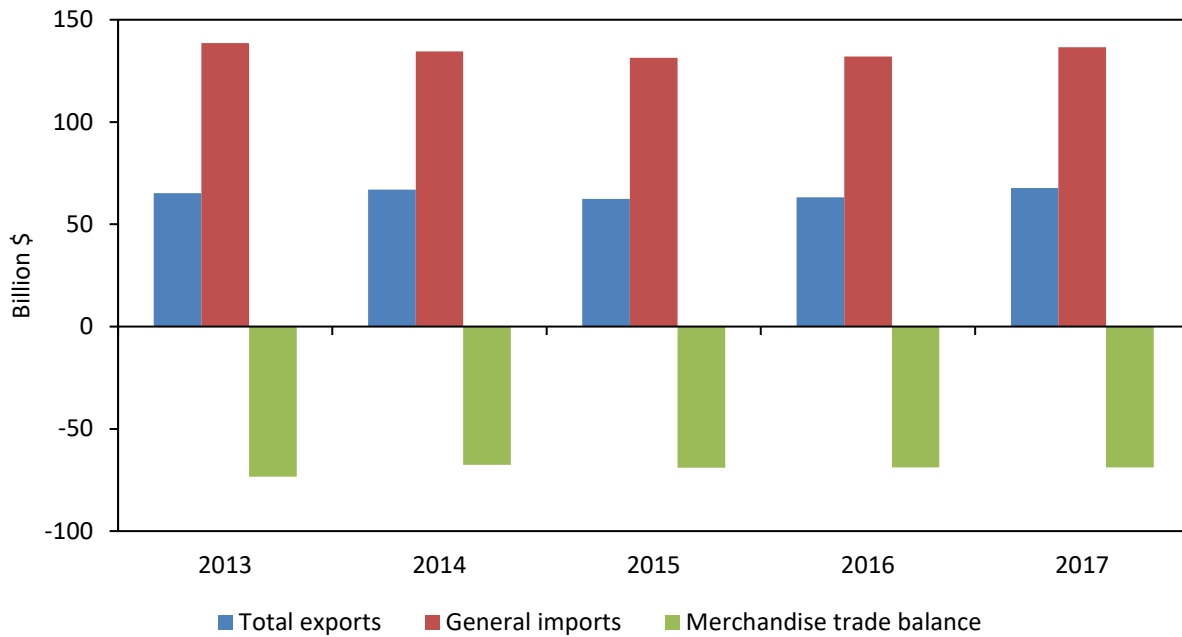
⁶⁵⁵ USDOT, FMCSA, "[Roadside Inspection Out-of-Service \(OOS\) Rates](#)," 2014-2018 (accessed April 13, 2018).

⁶⁵⁶ USDOT, FMCSA, "[Out-of-Service \(OOS\) Rates \(Mexican-Owned or Mexico-Domiciled Carriers\)](#)," 2014-2018 (accessed April 13, 2018).

⁶⁵⁷ *International Brotherhood of Teamsters v. U.S. Department of Transportation*, 9th Circuit, Nos. 15-70754, 16-71137 and 16-71992, June 29, 2017.

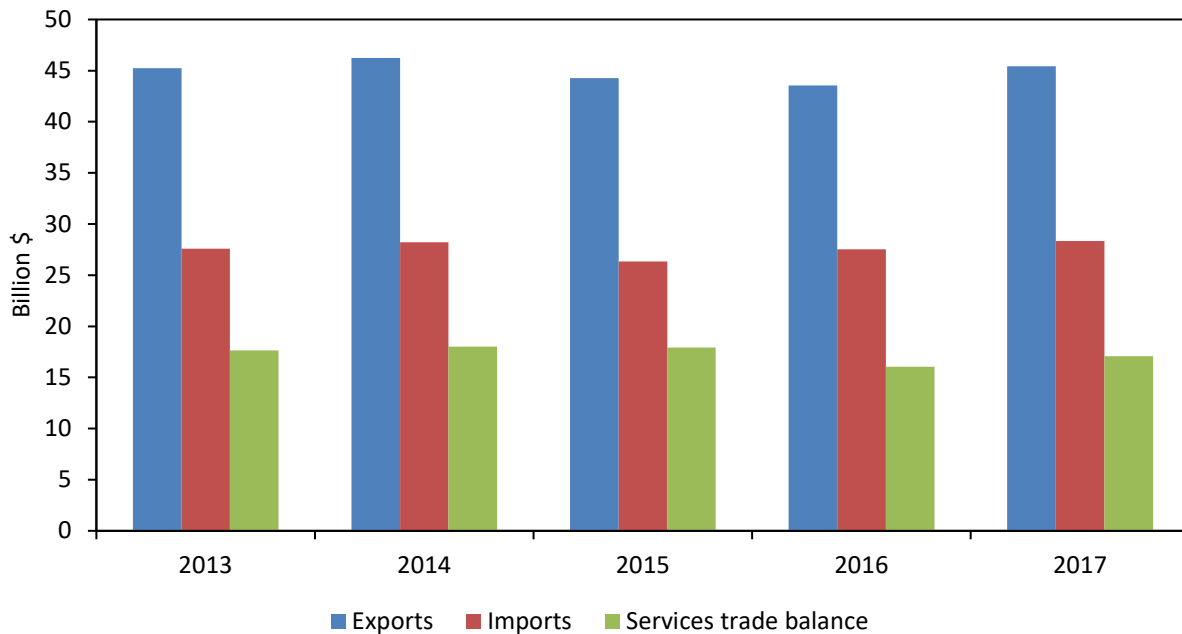
<http://cdn.ca9.uscourts.gov/datastore/opinions/2017/06/29/15-70754.pdf>.

Figure 6.9 U.S. merchandise trade with Japan, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.10 U.S. cross-border trade in private services with Japan, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

Trade Developments

Economic dialogue between the United States and Japan in 2017 focused on a variety of trade issues, including agricultural trade developments and the efficiency of the Japanese regulatory review process for medical devices and pharmaceuticals. According to USTR, one of the Administration’s top trade policy goals was to resolve Japanese import barriers for U.S. lamb, beef, horticultural products, and processed foods.⁶⁵⁸

These topics were discussed in a variety of bilateral and international forums in 2017. In February, President Trump and Japanese Prime Minister Abe agreed to hold regular bilateral discussions on trade-related matters, which came to be called the “U.S. -Japan Economic Dialogue.”⁶⁵⁹ Given the U.S. withdrawal from the Trans-Pacific Partnership, both leaders also agreed to explore how best to accomplish their shared objectives, both bilaterally and in light of Japan’s continuing efforts to advance progress on regional economic interests.⁶⁶⁰ In April 2017, Vice President Mike Pence and Deputy Prime Minister Taro Aso officially started the U.S.-Japan Economic Dialogue in Tokyo and established “trade and investment issues” as one of its three principal pillars. (“Macroeconomic and financial policy” and “infrastructure and energy” cooperation were the other two pillars of the dialogue.)⁶⁶¹

In October 2017, Vice President Pence and Deputy Prime Minister Aso met for a second U.S.-Japan Economic Dialogue round, where they agreed to lift Japanese import restrictions on potatoes from Idaho and to streamline Japanese noise and emissions testing procedures for U.S. automobile exports certified under Japan’s Preferential Handling Procedure system.⁶⁶² In that meeting, Japan also agreed to increase transparency in its system for geographical indications and in its pharma-related reimbursement policies.⁶⁶³ In November 2017, President Trump and Prime Minister Abe met again, and reinforced their commitments to the bilateral trade negotiation process that had already begun.⁶⁶⁴

The United States and Japan worked together in a variety of international forums to address common trade issues. For example, at the WTO ministerial meeting in December 2017, the United States, Japan, and the EU strengthened their commitment to address overcapacity and other market-distorting practices of third countries. The United States and Japan also worked closely together in the Asia-Pacific Economic Cooperation (APEC) forum to advance common interests on such issues as digital trade.⁶⁶⁵

Agricultural Products

Japan remained an important market for U.S. agricultural exports in 2017. In that year, U.S. agricultural exports to Japan amounted to \$12.0 billion, making Japan the fourth-largest single-country market for

⁶⁵⁸ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 13.

⁶⁵⁹ White House, [“Joint Statement from President Donald J. Trump and Prime Minister Shinzo Abe,”](#) February 10, 2017.

⁶⁶⁰ Ibid.

⁶⁶¹ Center for Strategic Studies, [“What to Expect from the U.S.-Japan Economic Dialogue,”](#) April 14, 2017.

⁶⁶² USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 13.

⁶⁶³ White House, [“Joint Statement from Vice President Mike Pence and Deputy Prime Minister Taro Aso on the Second Round of the U.S.-Japan Economic Dialogue,”](#) October 16, 2017.

⁶⁶⁴ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 13.

⁶⁶⁵ Ibid.

these goods. Bilateral agriculture trade negotiations focused on a variety of matters in 2017, including market access issues affecting U.S. rice, beef, and potato exports to Japan.⁶⁶⁶

In particular, U.S. officials identified some continuing market access issues connected with U.S. rice exports to Japan in 2017. For many years, USTR has considered Japan's importation and distribution system for rice to be both highly regulated and nontransparent. This is largely due to the administration of Japan's 682,200-metric-ton WTO tariff-rate quota (TRQ) on imported rice through a complex tendering system that is regulated by Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF). Following Japan's September 2017 revisions of administrative rules governing the sale, transfer, and handover of imported rice under its official tendering system, the market access issues were once again brought to the forefront of negotiations. According to USTR, the implemented rule changes will prevent Japanese imported rice from being distributed at prices below a government-imposed threshold value. Despite the fact that Japan is the United States' second-largest export market for rice, only a small share of U.S. exported rice that reaches Japanese consumers is labeled as U.S. rice.⁶⁶⁷

U.S. officials have also called attention to increased Japanese tariffs on frozen beef in 2017. Between April and June of that year, Japanese duties on frozen beef from the United States increased from 38.5 percent to 50.0 percent ad valorem, following a Japanese safeguard action on this commodity.⁶⁶⁸ Since 1995, Japan has maintained a safeguard on beef to protect its domestic industry from import surges. This safeguard is triggered when Japanese beef import volumes increase by more than 17 percent year-on-year from all trading partners as well as those from its non-FTA trading partners, including the United States. As both of these conditions were met in 2017, Japanese import tariffs increased to 50.0 percent. Nonetheless, in 2017, Japan remained the largest export market for U.S. beef and beef products on a value basis. In that year alone, the United States exported 303,762 metric tons of beef to Japan, or \$1.9 billion in value terms.⁶⁶⁹

In 2017, the Japanese government lifted a previously imposed ban on the importation of chipping potatoes from Idaho.⁶⁷⁰ Chipping potatoes are a particular type of potato whose skin can be easily rubbed off and whose low sugar content creates a gold coloration when fried (rendering them attractive to chip manufacturers). Japan stopped importing such potatoes from Idaho in 2006 after an outbreak of pests of the potato crops, called pale cyst nematode (PCN), was detected in the southeastern part of the state.⁶⁷¹ According to the USDA, its Animal and Plant Health Inspection Service worked closely with the U.S. potato industry and the Idaho State Department of Agriculture to eradicate PCN.⁶⁷² As a result, as of September 15, 2017, Japan reopened the market to chipping potatoes from most Idaho counties (except Bingham and Bonneville, which remain under quarantine for PCN). The lifting of this restriction represents the resumption of these exports to Japan after 11 years.

⁶⁶⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 13.

⁶⁶⁷ USTR, [2018 National Trade Estimate Report](#), March 2018, 265.

⁶⁶⁸ USDA, Foreign Agricultural Service, "[Statement of Secretary Perdue Regarding Japan's Planned Increase](#)," July 28, 2017.

⁶⁶⁹ USTR, [2018 National Trade Estimate Report](#), March 2018, 266.

⁶⁷⁰ *Ibid.*, 265.

⁶⁷¹ USDA, Foreign Agricultural Service, "[Japan Expands Market Access for U.S. Chipping Potatoes](#)," September 15, 2017.

⁶⁷² *Ibid.*

The United States supplies Japan with the vast majority (98 percent) of its imported potatoes. While this will include chipping potatoes from Idaho beginning in the 2018 agricultural season, Japanese imports of this commodity will be allowed only for half the year (February to July). According to USTR, such potato exports are still subject to a number of conditions, including Japanese restrictions on overland transportation to chipping facilities away from ports.⁶⁷³

Medical Devices and Pharmaceuticals

Japan is a major market for U.S. medical devices and pharmaceutical products. In 2017, the United States and Japan continued to address longstanding barriers to U.S. medical device and pharmaceutical exports to Japan. Some improvements have been made in the speed of Japan’s regulatory review process for medical devices and pharmaceuticals in recent years. For example, in 2017, the Japanese government initiated a “conditional early approval system” for medical devices and pharmaceuticals targeting incurable or other major diseases. With respect to medical devices, Japan has continued its efforts to track performance goals to speed up its regulatory approval period of medical devices, under its “New Collaborative Plan to Accelerated Review of Medical Devices” program.⁶⁷⁴

However, USTR has also encouraged Japan to improve its goals on this program by ensuring that quality-focused audits are completed within standard review periods. With respect to pharmaceuticals, Japan has brought its approval periods within comparable U.S. and European norms (in some circumstances, they are even faster). Nonetheless, USTR has continued to encourage Japan to harmonize its regulatory agencies’ efforts to international standards in clinical development, multiregional clinical trials, and risk management.⁶⁷⁵

Republic of Korea

U.S.-South Korea Trade

The Republic of Korea (South Korea) continued to be the United States’ sixth-largest single-country merchandise trading partner in 2017. Two-way merchandise trade was valued at \$119.4 billion, up from \$112.2 billion in 2016. The share of U.S. trade with South Korea remained unchanged from previous years, at 3.1 percent of U.S. trade with the world. The United States recorded a trade deficit of \$22.9 billion with South Korea in 2017, a 17.0 percent decrease from the \$27.6 billion deficit in 2016, as U.S. exports to South Korea increased more than U.S. imports from South Korea (figure 6.11).

U.S. merchandise exports to South Korea were valued at \$48.3 billion in 2017, increasing 14.1 percent (\$6.0 billion) from 2016. Leading U.S. exports to South Korea were machines for the manufacture of semiconductor devices or electronic integrated circuits, which jumped to \$4.7 billion in 2017 from \$1.9 billion in 2016 (a 147.5 percent increase). As in previous years, other leading U.S. exports to South Korea included civilian aircraft, engines, and parts, as well as processors or controllers. For the first time, however, crude petroleum and liquefied propane were among the top U.S. exports to South Korea (see below). Although U.S. exports of passenger motor vehicles to South Korea declined slightly to \$1.5

⁶⁷³ USTR, [2018 National Trade Estimate Report](#), March 2018, 265.

⁶⁷⁴ *Ibid.*, 274.

⁶⁷⁵ *Ibid.*

billion in 2017 from \$1.6 billion in 2016, exports of all passenger motor vehicles combined are the United States' fourth-largest export to South Korea.⁶⁷⁶ U.S. exports of beef to South Korea were the fifth-largest U.S. export to South Korea, with a total value of \$1.2 billion in 2017, up 13.9 percent from \$1.1 billion in 2016.⁶⁷⁷ South Korea is the second-largest export market for U.S. beef, after Japan, accounting for approximately 16.9 percent of U.S. exports of beef.⁶⁷⁸

U.S. merchandise imports from South Korea totaled \$71.2 billion in 2017, increasing 1.8 percent (\$1.3 billion) from 2016. U.S. imports of passenger motor vehicles, the top import from South Korea, declined to \$14.3 billion in 2017, down \$1.8 billion (11.0 percent) from 2016.⁶⁷⁹ Other top U.S. imports from South Korea included cellphones, computer parts and accessories, refined petroleum products, and microchips. U.S.-South Korea merchandise trade data are shown in appendix tables A.47 through A.50.

In 2017, South Korea became the United States' 9th-largest single-country services trading partner in terms of two-way trade, up from 10th-largest in 2016. U.S. cross-border services exports to South Korea increased 10.0 percent in 2017 to reach a new high of \$22.8 billion. U.S. cross-border services imports from South Korea also increased in 2017, by 7.2 percent, to reach \$9.4 billion. Because U.S. services exports increased more than U.S. services imports, the U.S. services trade surplus with South Korea increased from \$12.0 billion in 2016 to \$13.4 billion in 2017, an increase of 12.0 percent (figure 6.12).

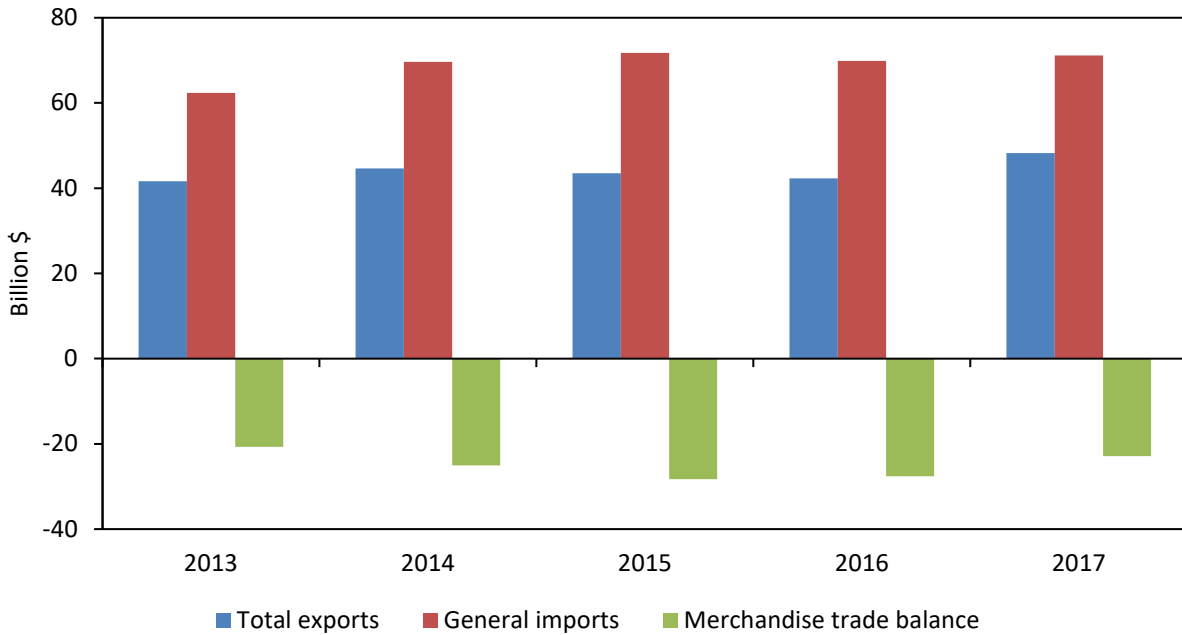
⁶⁷⁶ USITC DataWeb/USDOC (accessed March 14, 2018). Passenger motor vehicles includes the following HTS 6-digit lines: 8703.21, 8703.22, 8703.23, 8703.24, 8703.31, 8703.32, 8703.33, 8703.90, 8704.21, and 8704.31.

⁶⁷⁷ USITC DataWeb/USDOC (accessed April 18, 2018). Total beef exports consist of fresh, frozen, and prepared beef and beef products and includes the following HTS 6-digit lines: 0201.10, 0201.20, 0201.30, 0202.10, 0202.20, 0202.30, 0206.10, 0206.21, 0206.22, 0206.29, 0210.20, and 1602.50.

⁶⁷⁸ When measured by value; by volume, South Korea is the third-largest export market for U.S. beef. USITC DataWeb/USDOC (accessed May 2, 2018).

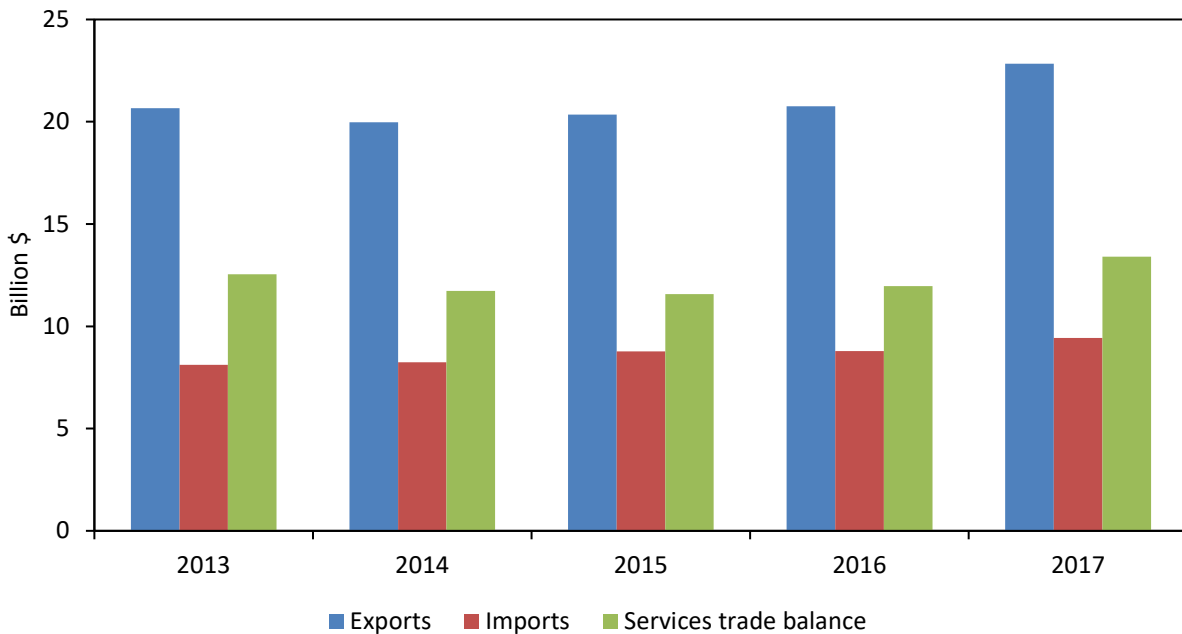
⁶⁷⁹ USITC DataWeb/USDOC (accessed March 14, 2018). Passenger motor vehicles includes the following HTS 6-digit lines: 8703.21, 8703.22, 8703.23, 8703.24, 8703.31, 8703.32, 8703.33, 8703.90, 8704.21, and 8704.31.

Figure 6.11 U.S. merchandise trade with South Korea, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.12 U.S. cross-border trade in private services with South Korea, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

Trade Developments

In 2017, U.S. trade relations with South Korea occurred within the framework of the U.S.-Korea Free Trade Agreement (KORUS FTA or KORUS), as discussed below and in chapter 5. In June 2017, President Trump hosted President Moon Jae-in in Washington, DC, and in November 2017, President Trump traveled to South Korea for his third bilateral meeting with President Moon.⁶⁸⁰ Other trade developments included the WTO dispute regarding U.S. antidumping measures on certain oil country tubular goods from South Korea, in which the panel report was circulated on November 14, 2017.⁶⁸¹ In the dispute regarding U.S. antidumping and countervailing duty measures on large residential washers from South Korea, the award of the arbitrator was circulated on April 13, 2017.⁶⁸²

U.S.-Korea FTA

In 2017, the sixth round of tariff reductions under KORUS was implemented.⁶⁸³ As outlined in KORUS, as of March 2017, U.S. law firms are allowed to form joint-venture law firms in South Korea and employ Korean-licensed lawyers.⁶⁸⁴ Also as of March 2017, U.S. accounting firms are allowed to purchase less than a 50 percent share of Korean accounting firms.

On July 12, 2017, USTR Lighthizer formally notified South Korea that the United States was calling for a special session of the KORUS Joint Committee to discuss possible amendments and modifications to KORUS.⁶⁸⁵ This special session, which was held on August 22, 2017, in South Korea, was the first special session held under KORUS.⁶⁸⁶ The first special session was a daylong meeting that was attended by USTR Lighthizer via teleconference.⁶⁸⁷ The second special session took place on October 4, 2017, in Washington, DC, and was co-chaired by Ambassador Lighthizer and Korean Trade Minister Hyun-chong Kim.⁶⁸⁸ Following that meeting, Korea began the procedures required to begin discussions to amend the agreement.⁶⁸⁹ These procedures were completed in December 2017, when it was announced that

⁶⁸⁰ White House, "[Joint Statement between the United States and the Republic of Korea](#)," June 30, 2017; White House, "[Joint Press Release by the United States of America and the Republic of Korea](#)," November 8, 2017.

⁶⁸¹ WTO, "[Dispute Settlement: DS488; United States—Anti-Dumping Measures on Certain Oil Country Tubular Goods from Korea](#)" (accessed April 9, 2018). For more information, see chapter 3.

⁶⁸² WTO, "[Dispute Settlement: DS464; United States—Anti-Dumping and Countervailing Measures on Large Residential Washers from Korea](#)" (accessed April 9, 2018). For more information, see chapter 3.

⁶⁸³ USTR, [2018 National Trade Estimate Report](#), March 2018, 293.

⁶⁸⁴ *Ibid.*, 299.

⁶⁸⁵ USTR, "[USTR Calls a Special Session Under the U.S.-Korea Free Trade Agreement](#)," July 12, 2017; USTR, [Letter from Ambassador Robert E. Lighthizer to Minister of Trade, Industry and Energy Dr. Joo Hunghwan](#), July 12, 2017.

⁶⁸⁶ Inside U.S. Trade, "[USTR to Request First-Ever KORUS Joint Committee Special Session](#)," July 3, 2017.

⁶⁸⁷ USTR, "[USTR Lighthizer Statement on the Conclusion of the Special Session of the U.S.-Korea FTA Joint Committee](#)," August 22, 2017.

⁶⁸⁸ USTR, "[USTR Lighthizer Statement on the Conclusion of the Second Special Session of the U.S.-Korea FTA Joint Committee](#)," October 4, 2017.

⁶⁸⁹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 6.

negotiations on amendments and modifications to KORUS would begin on January 5, 2018.⁶⁹⁰ For more information, please see chapter 5.

Oil-related Exports

In 2017, U.S. exports of oil and gas products increased significantly, with South Korea becoming a major importer of these products. U.S. exports of crude petroleum to South Korea became the United States' fourth-largest export to South Korea, reaching \$1.1 billion in 2017, up from \$181 million in 2016. At the same time, South Korea became the fifth-largest importer of U.S. crude petroleum—after Canada, China, the UK, and the Netherlands—purchasing 5.1 percent of these U.S. exports. Liquefied propane exports to South Korea have also increased steadily in recent years, rising from \$227 million in 2015, to \$556 million in 2016 and reaching \$947 million in 2017 to become the fifth-largest U.S. export to South Korea. South Korea has become the fourth-largest importer of U.S. liquefied propane—after Japan, Mexico, and China—purchasing 7.8 percent of these U.S. exports. Additionally, U.S. exports of natural gas to South Korea reached \$596 million in 2017, up from \$22 million in 2016. South Korea became the second-largest importer of U.S. liquefied natural gas after Mexico, purchasing 17.2 percent of total U.S. exports.⁶⁹¹

The increase in U.S. exports of these products to South Korea in 2017 resulted from a number of factors. These included a decline in output from the Organization of the Petroleum Exporting Countries (OPEC) and Russia in 2017; South Korea's lack of domestic production, leading to an ongoing demand for imports; the removal of U.S. restrictions on exports of crude petroleum; and favorable spot pricing for U.S. products relative to other suppliers.⁶⁹² In addition, U.S. facilities for exporting these products have recently expanded or come online, allowing for an increase in U.S. exports to distant destinations.⁶⁹³ Finally, the government of South Korea has encouraged diversification of the oil supply, providing Korean firms with tax rebates on transport costs for purchases of crude produced outside of the Middle East.⁶⁹⁴

India

U.S.-India Trade

In 2017, India was the United States' ninth-largest single-country trading partner based on two-way merchandise trade, a position it has maintained since 2016. U.S. two-way merchandise trade with India

⁶⁹⁰ USTR, "[United States, Korea to Hold Amendment Negotiations on KORUS FTA](#)," December 28, 2017.

Negotiations occurred on January 5, 2018 and January 31–February 1, 2018, and an agreement in principle was announced on March 27, 2018. USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 6; USTR, [2018 National Trade Estimate Report](#), March 2018, 293.

⁶⁹¹ USITC DataWeb/USDOC (accessed March 28, 2018)

⁶⁹² Friedman and Kenneally, "[U.S. Crude Petroleum Exports Expand to Asia](#)," January 2018; EIA, "[U.S. Liquefied Natural Exports Quadrupled in 2017](#)," March 27, 2018. For more information on changes affecting U.S. oil exports, see chapter 1.

⁶⁹³ EIA, "[U.S. Crude Oil Exports Increased and Reached More Destinations](#)," March 15, 2018; EIA, "[U.S. Liquefied Natural Gas Exports Have Increased](#)," December 7, 2017.

⁶⁹⁴ S&P Global Platts, "[APPEC Analysis: South Korea Aims to Reduce Dependence](#)," September 27, 2017; WTO, "[Trade Policy Review: Republic of Korea](#)," September 6, 2016, 63.

increased by 9.8 percent to \$74.3 billion in 2017. At the same time, India's share of total U.S. merchandise trade with the world for 2017 was the same as 2016—1.9 percent. U.S. exports to India rose significantly in 2017, shrinking the U.S. merchandise trade deficit with India by 5.9 percent to \$22.9 billion in 2017 (figure 6.13).

U.S. merchandise exports to India increased 18.7 percent from \$21.7 billion in 2016 to \$25.7 billion in 2017. Leading U.S. exports to India in 2017 were nonindustrial diamonds; nonmonetary gold; civilian aircraft, engines, and parts; bituminous coal; and almonds. While U.S. exports of nonindustrial diamonds (the leading U.S. export) decreased by \$693 million (or 14.4 percent) in 2017, most other U.S. exports increased.

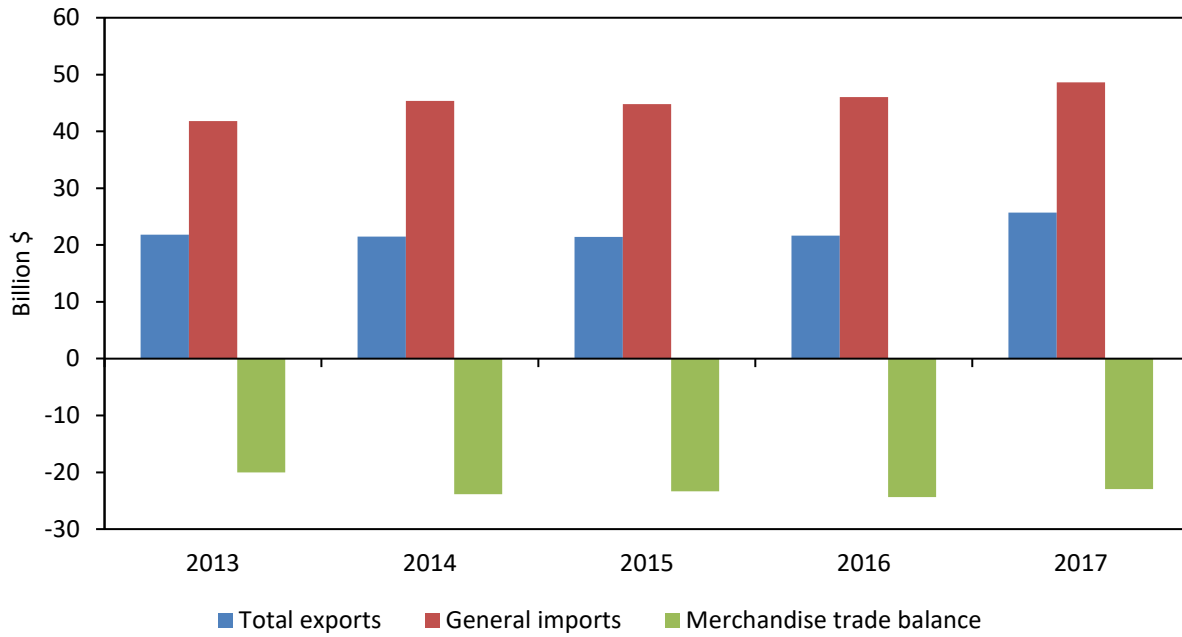
U.S. merchandise imports from India increased by 5.6 percent in 2017 to \$48.6 billion. Leading U.S. imports from India in 2017 were nonindustrial diamonds,⁶⁹⁵ certain medicaments, frozen shrimp, light oils, and gold jewelry. U.S.-India merchandise trade data are shown in appendix tables A.51 through A.54.

India is the United States' seventh-largest single-country services trading partner, based on two-way cross-border services trade, with total services trade increasing 11.6 percent to \$51.3 billion in 2017. India is one of only two of the top 20 services trading partners with which the United States had a services trade deficit in 2017 (the other was Italy).⁶⁹⁶ While this trade deficit decreased in 2015 and 2016, it increased 5.3 percent to \$5.8 billion in 2017 (figure 6.14).

⁶⁹⁵ Because the United States and India are both major centers for the global trade of cut or faceted diamonds, diamonds lead U.S.-India trade for both U.S. imports and exports.

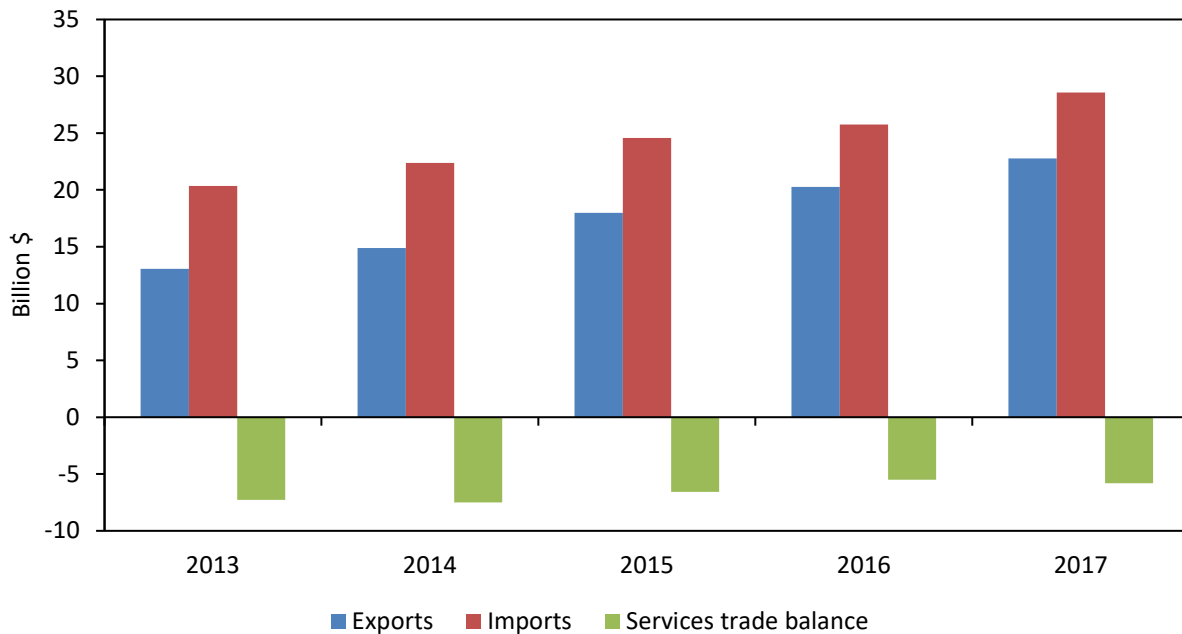
⁶⁹⁶ Although disaggregated 2017 data are not available, 2016 data indicate that over half of U.S. services imports from India were computer services. For more information on services trade with India, see chapter 1.

Figure 6.13 U.S. merchandise trade with India, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.14 U.S. cross-border trade in private services with India, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

Trade Developments

There were several active WTO dispute settlement proceedings involving the United States and India in 2017. In March 2017, the Dispute Settlement Body (DSB) established a panel in response to a request from India in a case alleging imposition of domestic-content requirements in the renewable energy sector by several U.S. states.⁶⁹⁷ In May, the DSB established a compliance panel in response to a request by India in a case concerning prohibitions by India on the importation of various U.S. agricultural products because of concerns related to avian influenza. India claims that it has complied with DSB rulings following arbitration proceedings in 2016.⁶⁹⁸ In December, in a case regarding certain measures that India has taken relating to solar cells and solar modules, the United States requested authorization to suspend concessions or obligations with respect to India, arguing that India failed to comply with the DSB's rulings and recommendations issued in 2016.⁶⁹⁹ For more information on WTO dispute settlement cases, see chapter 3.

In 2017, the United States and India continued dialogue on improving bilateral trade and investment, including the protection of IPRs and manufactured goods exports. These are discussed in detail below.

India and U.S. Trade Policy Forum

On October 26, 2017, USTR Robert Lighthizer, and India's Minister of Commerce and Industry, Sri Suresh Prabhu, met in Washington, DC for the 11th ministerial-level meeting of the India and United States Trade Policy Forum (TPF). This meeting covered several topics, including non-science-based barriers on agricultural trade, regulatory and technical barriers to trade in technology and other products, market access for services, barriers to U.S. exports of manufactured goods (including medical devices), high tariffs in certain industrial and agricultural sectors, and IPRs.⁷⁰⁰ Regarding digital trade, the United States expressed concern over India's data localization requirements.⁷⁰¹ According to USTR, the TPF "yielded limited progress" on U.S. areas of concern.⁷⁰²

Intellectual Property

India remained on USTR's Priority Watch List in the *2017 Special 301 Report* due to continuing concerns regarding weak protection and enforcement of IPRs.⁷⁰³ Of concern are patentability issues; inadequate trade secret protection; the production, domestic distribution, and export of counterfeit pharmaceuticals; and digital piracy. Patent issues that were noted as being particularly burdensome for U.S. firms include an opposition procedure that allows any third party to oppose a patent application,

⁶⁹⁷ WTO, "[Dispute Settlement: DS510; United States—Certain Measures Relating to the Renewable Energy Sector](#)," (accessed March 23, 2018).

⁶⁹⁸ WTO, "[Dispute Settlement: DS430; India—Measures Concerning the Importation of Certain Agricultural Products](#)," (accessed March 23, 2018).

⁶⁹⁹ WTO, "[Dispute Settlement: DS456; India—Certain Measures Relating to Solar Cells and Solar Modules](#)," (accessed March 23, 2018).

⁷⁰⁰ USTR, "[USTR Lighthizer Statement on the U.S.-India Bilateral Trade Policy Forum](#)," October 2017.

⁷⁰¹ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 64.

⁷⁰² *Ibid.*, 33.

⁷⁰³ India has been on USTR's Priority Watch List or has been designated a priority foreign country since 1989.

long wait times to receive patents, and onerous reporting requirements.⁷⁰⁴ The report also notes that products in the pharmaceutical and agricultural chemicals sector are susceptible to the unfair commercial use of data generated during the market approval process that are supposed to be protected from disclosure.⁷⁰⁵

USTR's *2017 Out-of-Cycle Review of Notorious Markets Report* highlighted several markets of concern in India, including markets for counterfeit apparel and footwear, pirated media, and counterfeit and illegal pharmaceuticals.⁷⁰⁶

Taiwan

U.S.-Taiwan Trade

In 2017, Taiwan became the United States' 11th-largest single-country trading partner, dropping from its position as 10th largest in 2016. U.S. two-way merchandise trade with Taiwan grew 4.5 percent to \$68.2 billion in 2017 from \$65.2 billion in 2016, continuing to account for 1.8 percent of total merchandise trade with the world. The U.S. merchandise trade deficit with Taiwan widened 26.7 percent to \$16.7 billion in 2017, as U.S. imports rose \$3.2 billion while U.S. exports fell \$0.3 billion (figure 6.15).

U.S. merchandise exports to Taiwan decreased from \$26.0 billion in 2016 to \$25.8 billion in 2017, a 1.1 percent fall. The top U.S. exports to Taiwan during the year were civilian aircraft, engines and parts; machines for semiconductor or integrated circuit manufacturing; processors or controllers; computer memories; and machines for semiconductor boules or wafer manufacturing. The top three U.S. exports all declined in 2017 and were primarily responsible for the overall decline in U.S. exports to Taiwan.

U.S. merchandise imports from Taiwan increased from \$39.2 billion in 2016 to \$42.5 billion in 2017, an 8.3 percent rise. The top U.S. imports from Taiwan in 2017 were microchips; telecommunications equipment; processors or controllers; computer parts and accessories; and portable computers and tablets. U.S.-Taiwan merchandise trade data are shown in appendix tables A.55 through A.58.

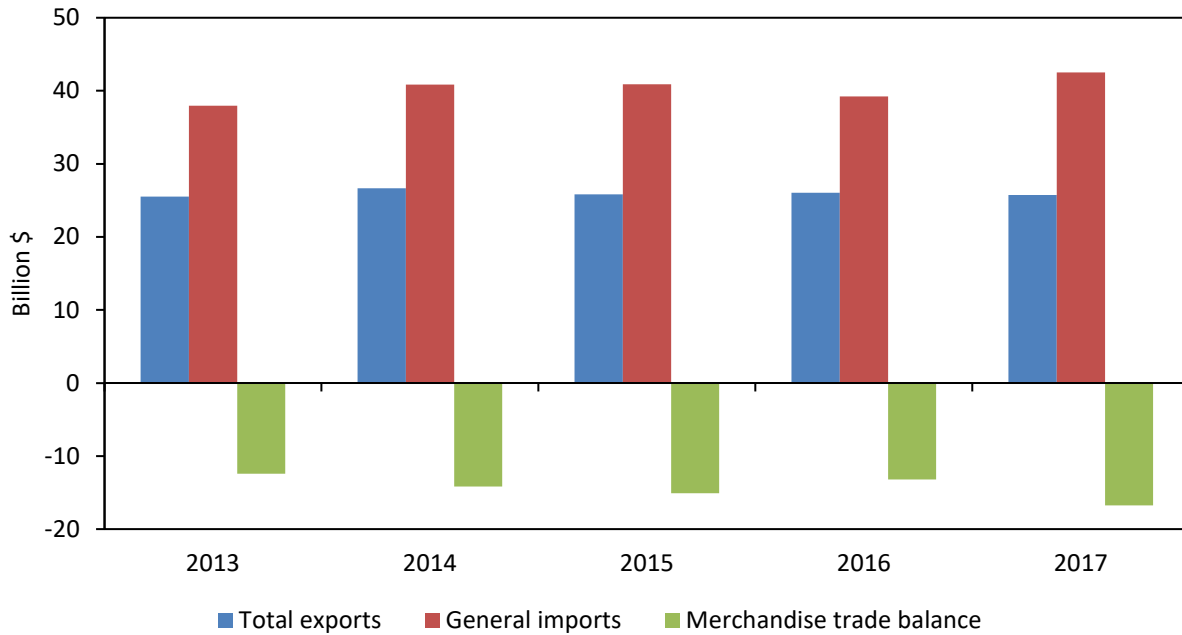
From 2016 to 2017, total U.S.-Taiwan two-way services trade fell 8.8 percent from \$18.9 billion to \$17.2 billion, accounting for 1.4 percent of all U.S. cross-border services trade in 2017. U.S. services exports to Taiwan fell by 18.4 percent to \$9.2 billion, while imports rose 5.5 percent to \$8.1 billion. These trends resulted in a sharp 68.6 percent decrease in the U.S. services trade surplus, from \$3.6 billion in 2016 to \$1.1 billion in 2017 (figure 6.16).

⁷⁰⁴ USTR, [2017 Special 301 Report to Congress](#), April 2017, 42.

⁷⁰⁵ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 42.

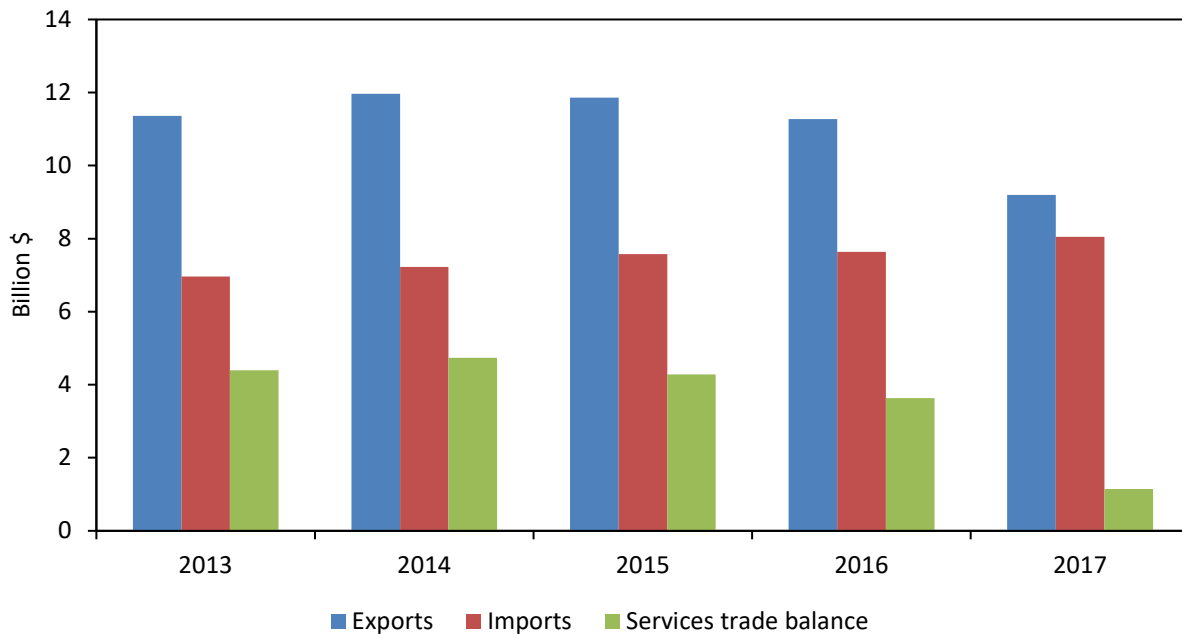
⁷⁰⁶ USTR, [2017 Out-of-Cycle Review of Notorious Markets](#), January 2018.

Figure 6.15 U.S. merchandise trade with Taiwan, 2013–17



Source: USITC DataWeb/USDOC (accessed April 24, 2018).
 Note: Underlying data can be found in appendix table [B.5](#).

Figure 6.16 U.S. cross-border trade in private services with Taiwan, 2013–17



Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, International Transactions data, tables 1.2 and 1.3, March 21, 2018.
 Note: Data for 2017 are preliminary. Underlying data can be found in appendix table [B.7](#).

Trade Developments

The primary forum for bilateral discussions on trade and investment issues is the U.S.-Taiwan Trade and Investment Framework Agreement (TIFA).⁷⁰⁷ In 2017, while there was no TIFA Council meeting, the U.S.-Taiwan trade relationship continued under the TIFA framework as well as through congressional and department-level exchanges. The key issues under discussion were IPRs, market access for medical devices and pharmaceuticals, agriculture, investment issues, and technical barriers in industries such as chemicals, cosmetics, and consumer products.⁷⁰⁸

U.S.-Taiwan TIFA

The most recent bilateral TIFA meeting was in October 2016, where participants discussed IPRs, agriculture, medical devices, and pharmaceuticals. In July 2017, under the auspices of the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO), the two governments held follow-up meetings to the October 2016 TIFA meetings in order to assess progress that had been made on these issues.⁷⁰⁹

Also, during July 2017, the two sides held the Second Medical Devices Time-to-Market Dialogue and the Transparency and Procedural Fairness Dialogue.⁷¹⁰ The first iterations of each of these two dialogues were held during the 2016 TIFA meetings.⁷¹¹

There are three primary issues under discussion in the Medical Devices Time-to-Market Dialogue involving product license approvals and pricing review mechanisms. First, the Taiwan Food and Drug Administration requires facilities that manufacture medical devices sold in Taiwan, regardless of their location, to reapply for registration every three years. While the renewal process can be expedited, the documentation required restricts the availability of this option for U.S. companies to only a fraction of U.S. manufacturers.⁷¹²

Second, Taiwan's National Health Insurance Administration (NHIA) causes delays in market availability for devices whose costs to the patient are not covered by them in full. NHIA must issue a self-pay code for these devices, which is only issued after a review of up to two months, which delays patient access to new U.S. devices.⁷¹³

Finally, NHIA has also instituted ceilings on how much a patient can self-pay on high-end devices or new items. There is little methodological transparency in how the ceilings are set.⁷¹⁴

The Transparency and Procedural Fairness Dialogue focuses on improving transparency and procedural fairness in trade and investment matters.⁷¹⁵ For example, the United States seeks increased

⁷⁰⁷ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 29.

⁷⁰⁸ *Ibid.*, 30.

⁷⁰⁹ *Ibid.*, 29.

⁷¹⁰ *Ibid.*

⁷¹¹ USTR, ["United States and Taiwan Hold Dialogue on Trade and Investment Priorities,"](#) October 2016.

⁷¹² USTR, [2018 National Trade Estimate Report](#), March 2018, 435.

⁷¹³ *Ibid.*

⁷¹⁴ *Ibid.*

⁷¹⁵ USTR, ["United States and Taiwan Hold Dialogue on Trade and Investment Priorities,"](#) October 2016.

transparency in Taiwan's investment review process.⁷¹⁶ Taiwan limits, and sometimes prohibits, investment in certain sectors, causing lengthy and redundant review processes.⁷¹⁷

Intellectual Property Rights

IPRs remained a prominent issue during bilateral discussions in 2017. On February 22, 2017, AIT and TECRO signed a memorandum of understanding to combat IP infringement and trade fraud crimes.⁷¹⁸ The memorandum of understanding will facilitate cooperation between national authorities from each country to investigate IPR violations and trade fraud and share best practices and information.⁷¹⁹

The United States continues to share its views on amendments to Taiwan's Copyright Act, which were approved by the Executive Yuan in October 2017 and are currently under review by the Legislative Yuan.⁷²⁰ Some of the key IPR issues with the Copyright Act that remain points of concern for the United States are digital copyright protection and enforcement, licensing, the role of collective management organizations, fair use exceptions, and the use of copyrighted teaching materials.⁷²¹

Agriculture

Although Taiwan remains the seventh-largest export market for U.S. agricultural goods,⁷²² the United States continues to see some of Taiwan's agricultural policies as concerning.⁷²³ Taiwan notified the World Trade Organization of its intent to implement a maximum residue limit on ractopamine in U.S. pork and some beef products in 2007, but it has not yet implemented one.⁷²⁴ In the absence of a maximum residue limit, the subject U.S. pork and beef products cannot be imported into Taiwan.⁷²⁵ Taiwan also has barriers to U.S. beef offal products.⁷²⁶

Taiwan's biennial Agricultural Trade Goodwill Mission took place in September 2017, led by the deputy minister of agriculture for Taiwan.⁷²⁷ The mission included a signing ceremony for three letters of intent to buy nearly \$3 billion in U.S. soybeans, wheat, and grains.⁷²⁸ Also in September 2017, U.S.

⁷¹⁶ USTR, [2018 National Trade Estimate Report](#), March 2018, 434.

⁷¹⁷ Ibid.

⁷¹⁸ American Institute in Taiwan. "[AIT and TECRO Sign Memorandum of Understanding to Strengthen Intellectual Property Rights Enforcement Cooperation](#)," March 2017.

⁷¹⁹ Ibid.

⁷²⁰ The Executive Yuan is the executive branch, led by the premier, and the Legislative Yuan is the legislature. See Republic of China (Taiwan), "[Executive Yuan](#)," (accessed on April 5, 2018); USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 29; USTR, [2018 National Trade Estimate Report](#), March 2018.

⁷²¹ USTR, [2018 National Trade Estimate Report](#), March 2018, 433.

⁷²² USDA, FAS, [Global Agricultural Trade System Online](#) (accessed March 14, 2018).

⁷²³ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 30.

⁷²⁴ Ibid.; USTR, [2018 National Trade Estimate Report](#), March 2018, 431.

⁷²⁵ USTR, [2018 National Trade Estimate Report](#), March 2018, 432.

⁷²⁶ USTR, [2018 Trade Policy Agenda and 2017 Annual Report](#), March 2018, 30.

⁷²⁷ Taipei Economic and Cultural Representative Office in the U.S., "[The 2017 Republic of China \(Taiwan\) Agricultural Trade Goodwill Mission](#)," September 14, 2017.

⁷²⁸ Ibid.; Harper, Connolly, Diaz-Balart, and Sires, "[Congressional Taiwan Caucus Co-Chairs Release Statement](#)," October 2017.

Congressman Steve Daines led a mission to Taiwan, where he met with President Tsai Ing-wen and Secretary General Joseph Wu regarding expanding export markets.⁷²⁹

⁷²⁹ Office of Senator Steve Daines, "[Daines Returns from Security, Trade Mission to South Korea, Taiwan,](#)" September 2017.

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Appendix A

Data Tables

Table A.1 U.S. total exports to the world, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	146,644	148,683	153,116	3.0
2	Forest products	39,059	37,707	39,698	5.3
3	Chemicals and related products	227,676	218,089	227,270	4.2
4	Energy-related products	110,225	98,418	143,236	45.5
5	Textiles and apparel	23,272	21,656	22,082	2.0
6	Footwear	1,464	1,368	1,430	4.5
7	Minerals and metals	135,667	128,684	136,452	6.0
8	Machinery	138,765	128,097	135,945	6.1
9	Transportation equipment	327,401	320,022	325,434	1.7
10	Electronic products	264,119	260,407	268,278	3.0
11	Miscellaneous manufactures	47,366	47,754	49,138	2.9
12	Special provisions	41,444	40,125	44,655	11.3
	Total	1,503,101	1,451,011	1,546,733	6.6

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.2 U.S. general imports from the world, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	136,947	139,153	147,406	5.9
2	Forest products	42,383	43,118	44,856	4.0
3	Chemicals and related products	260,293	259,846	268,112	3.2
4	Energy-related products	194,132	157,826	198,096	25.5
5	Textiles and apparel	126,538	120,265	121,423	1.0
6	Footwear	27,650	25,634	25,654	0.1
7	Minerals and metals	189,230	183,522	200,714	9.4
8	Machinery	185,884	179,537	196,414	9.4
9	Transportation equipment	426,225	418,286	434,894	4.0
10	Electronic products	449,793	449,951	484,271	7.6
11	Miscellaneous manufactures	124,817	124,973	130,453	4.4
12	Special provisions	84,291	85,695	90,610	5.7
	Total	2,248,183	2,187,805	2,342,905	7.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.3 Leading U.S. total exports to the world, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8800.00	Civilian aircraft, engines, and parts	119,487	120,945	121,120	0.1
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	47,341	37,652	48,033	27.6
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	25,774	24,268	29,754	22.6
2709.00	Petroleum oils and oils from bituminous minerals, crude	8,821	9,423	21,825	131.6
1201.90	Soybeans, other than seed	18,878	22,821	21,591	-5.4
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	19,077	17,516	19,610	12.0
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	20,671	18,605	19,168	3.0
8542.31	Processors and controllers, electronic integrated circuits	18,153	19,849	18,962	-4.5
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	21,754	21,928	18,664	-14.9
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	18,323	18,845	18,019	-4.4
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	18,506	18,856	17,572	-6.8
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	20,684	19,174	17,066	-11.0
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.	15,699	15,501	15,542	0.3
8486.20	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrates circuits	8,237	8,830	12,489	41.4
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	11,864	12,333	12,340	0.1
	Total of items shown	393,269	386,545	411,755	6.5
	All other products	1,109,832	1,064,465	1,134,977	6.6
	Total of all commodities	1,503,101	1,451,011	1,546,733	6.6

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included; cc = cubic centimeter.

Table A.4 Leading U.S. general imports from the world, by HTS subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
2709.00	Petroleum oils and oils from bituminous minerals, crude	126,073	101,841	132,945	30.5
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	97,427	106,342	101,620	-4.4
8517.12	Telephones for cellular networks or for other wireless networks	52,707	49,795	55,944	12.3
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	47,880	51,062	50,270	-1.5
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	40,015	45,393	47,373	4.4
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	57,659	50,088	47,117	-5.9
8471.30	Portable automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	39,244	35,861	39,990	11.5
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	29,319	21,830	27,003	23.7
8471.50	Digital processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	17,837	19,630	23,423	19.3
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.	16,617	15,198	21,946	44.4
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	23,086	23,024	21,624	-6.1
8542.31	Processors and controllers, electronic integrated circuits	18,171	20,887	21,079	0.9
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	19,684	17,307	19,057	10.1
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	7,016	10,962	15,994	45.9
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvwt not over 5 metric tons	13,516	15,889	15,826	-0.4
	Total of items shown	606,252	585,111	641,210	9.6
	All other products	1,641,931	1,602,693	1,701,695	6.2
	Total of all commodities	2,248,183	2,187,805	2,342,905	7.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included; cc = cubic centimeter; GVW = gross vehicle weight.

Table A.5 U.S. merchandise trade with top 15 single-country trading partners, 2017

Rank	Country	Total exports	General imports	Total	% of total trade
Million \$					
1	China	130,370	505,597	635,967	16.4
2	Canada	282,472	299,975	582,447	15.0
3	Mexico	242,989	314,045	557,034	14.3
4	Japan	67,696	136,544	204,239	5.3
5	Germany	53,493	117,745	171,238	4.4
6	South Korea	48,277	71,164	119,441	3.1
7	United Kingdom	56,329	53,075	109,404	2.8
8	France	33,582	48,888	82,469	2.1
9	India	25,700	48,631	74,332	1.9
10	Italy	18,323	49,963	68,286	1.8
11	Taiwan	25,754	42,492	68,246	1.8
12	Ireland	10,737	48,844	59,580	1.5
13	Switzerland	21,694	36,002	57,696	1.5
14	Vietnam	8,164	46,483	54,647	1.4
15	Malaysia	12,826	37,409	50,235	1.3
Top 15 countries		1,038,404	1,856,857	2,895,261	74.4
All others		508,329	486,048	994,377	25.6
Total		1,546,733	2,342,905	3,889,638	100.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.6 Top 15 U.S. single-country merchandise export markets, 2017

Rank	Country	Million \$	% of total exports
1	Canada	282,472	18.3
2	Mexico	242,989	15.7
3	China	130,370	8.4
4	Japan	67,696	4.4
5	United Kingdom	56,329	3.6
6	Germany	53,493	3.5
7	South Korea	48,277	3.1
8	Netherlands	42,230	2.7
9	Hong Kong	40,024	2.6
10	Brazil	37,077	2.4
11	France	33,582	2.2
12	Belgium	29,911	1.9
13	Singapore	29,753	1.9
14	Taiwan	25,754	1.7
15	India	25,700	1.7
Top 15 countries		1,145,656	74.1
All others		401,077	25.9
Total		1,546,733	100.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.7 Top 15 U.S. single-country merchandise import sources, 2017

Rank	Country	Million \$	% of total imports
1	China	505,597	21.6
2	Mexico	314,045	13.4
3	Canada	299,975	12.8
4	Japan	136,544	5.8
5	Germany	117,745	5.0
6	South Korea	71,164	3.0
7	United Kingdom	53,075	2.3
8	Italy	49,963	2.1
9	France	48,888	2.1
10	Ireland	48,844	2.1
11	India	48,631	2.1
12	Vietnam	46,483	2.0
13	Taiwan	42,492	1.8
14	Malaysia	37,409	1.6
15	Switzerland	36,002	1.5
	Top 15 countries	1,856,857	79.3
	All others	486,048	20.8
	Total	2,342,905	100.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.8 U.S. private services exports to the world, by category, 2015–17

Service industry	2015	2016	2017	2016–17
	Million \$			% change
Travel	205,418	205,940	203,696	-1.1
Charges for the use of intellectual property n.i.e.	124,442	124,453	127,935	2.8
Financial services	102,595	98,180	106,424	8.4
Professional and management consulting services	66,784	74,021	78,732	6.4
Air passenger fares	41,976	38,770	39,104	0.9
Research and development services	34,539	37,176	42,763	15.0
Technical, trade-related, and other business services	35,299	31,034	32,964	6.2
Maintenance and repair services, n.i.e.	23,406	25,628	25,916	1.1
Air transport ^a	22,968	22,778	24,061	5.6
Sea transport ^b	18,044	18,078	18,738	3.7
Insurance services	16,229	16,348	17,815	9.0
Other	40,285	41,148	43,581	5.9
Total	731,985	733,554	761,729	3.8

Source: USDOC, BEA, Interactive data, International Transactions, Services, & IIP, International Transactions Data, "Table 3.1 U.S. International Trade in Services," March 21, 2018.

Note: Data for 2017 are preliminary. N.i.e. = not indicated elsewhere. Because of rounding, figures may not add up to totals shown.

^a Air transport includes airport and air freight services.

^b Sea transport includes sea port and sea freight services.

Table A.9 U.S. private services imports from the world, by category, 2015–17

Service industry	2015	2016	2017	2016–17
	Million \$			% change
Travel	114,723	123,618	135,209	9.4
Insurance services	47,822	48,077	49,698	3.4
Charges for the use of intellectual property n.i.e.	39,858	44,392	48,354	8.9
Professional and management consulting services	40,423	40,169	42,906	6.8
Air passenger fares	35,494	37,198	38,629	3.8
Sea transport ^a	37,295	35,097	37,085	5.7
Research and development services	32,202	34,243	34,922	2.0
Computer services	27,507	28,989	31,642	9.2
Financial services	25,740	25,629	27,986	9.2
Technical, trade-related, and other business services	27,040	24,510	26,945	9.9
Other	42,046	41,204	42,639	3.5
Travel	114,723	123,618	135,209	9.4
Total	470,148	483,126	516,015	6.8

Source: USDOC, BEA, Interactive data, International Transactions, Services, & IIP, International Transactions Data, "Table 3.1 U.S. International Trade in Services," March 21, 2018.

Note: Data for 2017 are preliminary. N.i.e. = not indicated elsewhere. Because of rounding, figures may not add up to totals shown.

^a Sea transport includes sea port and sea freight services.

Table A.10 Antidumping cases active in 2017, by USITC investigation number

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
Affirmative = A; Negative = N								
731-TA-1306	Large residential washers	China	12/16/2015	A	A	A	A	1/30/2017
731-TA-1308	Pneumatic off-the-road (OTR) tires	India	1/8/2016	A	A	A	A	2/23/2017
731-TA-1309	Biaxial integral geogrid products	China	1/13/2016	A	A	A	A	2/24/2017
731-TA-1310	Amorphous silica fabric	China	1/20/2016	A	A	A	A	3/10/2017
731-TA-1311	Truck and bus tires	China	1/29/2016	A	A	A	N	3/13/2017
731-TA-1312	Stainless steel sheet and strip	China	2/12/2016	A	A	A	A	3/24/2017
731-TA-1313	1,1,1,2-Tetrafluoroethane (R-134a)	China	3/3/2016	A	A	A	A	4/5/2017
731-TA-1314	Phosphor copper	South Korea	3/9/2016	A	A	A	A	4/17/2017
731-TA-1315	Ferrovandium	South Korea	3/28/2016	A	A	A	A	5/8/2017
731-TA-1316	1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP)	China	3/31/2016	A	A	A	A	5/8/2017
731-TA-1317	Carbon and alloy steel cut-to-length plate	Austria	4/8/2016	A	A	A	A	5/18/2017
731-TA-1318	Carbon and alloy steel cut-to-length plate	Belgium	4/8/2016	A	A	A	A	5/18/2017
731-TA-1319	Carbon and alloy steel cut-to-length plate	Brazil	4/8/2016	A	A	A	A	1/19/2017
731-TA-1320	Carbon and alloy steel cut-to-length plate	China	4/8/2016	A	A	A	A	3/13/2017
731-TA-1321	Carbon and alloy steel cut-to-length plate	France	4/8/2016	A	A	A	A	5/18/2017
731-TA-1322	Carbon and alloy steel cut-to-length plate	Germany	4/8/2016	A	A	A	A	5/18/2017
731-TA-1323	Carbon and alloy steel cut-to-length plate	Italy	4/8/2016	A	A	A	A	5/18/2017
731-TA-1324	Carbon and alloy steel cut-to-length plate	Japan	4/8/2016	A	A	A	A	5/18/2017
731-TA-1325	Carbon and alloy steel cut-to-length plate	South Korea	4/8/2016	A	A	A	A	5/18/2017
731-TA-1326	Carbon and alloy steel cut-to-length plate	South Africa	4/8/2016	A	A	A	A	1/19/2017

The Year in Trade 2017

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
731-TA-1327	Carbon and alloy steel cut-to-length plate	Taiwan	4/8/2016	A	A	A	A	5/18/2017
731-TA-1328	Carbon and alloy steel cut-to-length plate	Turkey	4/8/2016	A	A	A	A	1/19/2017
731-TA-1329	Ammonium sulfate	China	5/25/2016	A	A	A	A	3/2/2017
731-TA-1330	Diocetyl terephthalate (DOTP)	South Korea	6/30/2016	A	A	A	A	8/9/2017
731-TA-1331	Finished carbon steel flanges	India	6/30/2016	A	A	A	A	8/14/2017
731-TA-1332	Finished carbon steel flanges	Italy	6/30/2016	A	A	A	A	8/14/2017
731-TA-1333	Finished carbon steel flanges	Spain	6/30/2016	A	A	A	A	6/7/2017
731-TA-1334	Emulsion styrene-butadiene rubber	Brazil	7/21/2016	A	A	A	A	8/25/2017
731-TA-1335	Emulsion styrene-butadiene rubber	South Korea	7/21/2016	A	A	A	A	8/25/2017
731-TA-1336	Emulsion styrene-butadiene rubber	Mexico	7/21/2016	A	A	A	A	8/25/2017
731-TA-1337	Emulsion styrene-butadiene rubber	Poland	7/21/2016	A	A	A	A	8/25/2017
731-TA-1338	Steel concrete reinforcing bar (rebar)	Japan	9/20/2016	A	A	A	A	6/30/2017
731-TA-1339	Steel concrete reinforcing bar (rebar)	Taiwan	9/20/2016	A	A	A	A	9/11/2017
731-TA-1340	Steel concrete reinforcing bar (rebar)	Turkey	9/20/2016	A	A	A	A	6/30/2017
731-TA-1341	Hardwood plywood	China	11/18/2016	A	A	A	A	12/20/2017
731-TA-1342	Softwood lumber	Canada	11/25/2016	A	A	A	A	12/22/2017
731-TA-1343	Silicon metal	Australia	3/8/2017	A	A	(c)	(c)	(c)
731-TA-1344	Silicon metal	Brazil	3/8/2017	A	A	(c)	(c)	(c)
731-TA-1345	Silicon metal	Norway	3/8/2017	A	A	(c)	(c)	(c)
731-TA-1346	Aluminum foil	China	3/9/2017	A	A	(c)	(c)	(c)
731-TA-1347	Biodiesel	Argentina	3/23/2017	A	A	(c)	(c)	(c)
731-TA-1348	Biodiesel	Indonesia	3/23/2017	A	A	(c)	(c)	(c)
731-TA-1349	Wire rod	Belarus	3/28/2017	A	A	A	(c)	(c)
731-TA-1350	Wire rod	Italy	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1351	Wire rod	South Korea	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1352	Wire rod	Russia	3/28/2017	A	A	A	(c)	(c)
731-TA-1353	Wire rod	South Africa	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1354	Wire rod	Spain	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1355	Wire rod	Turkey	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1356	Wire rod	Ukraine	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1357	Wire rod	United Arab Emirates	3/28/2017	A	A	A	(c)	(c)

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
731-TA-1358	Wire rod	United Kingdom	3/28/2017	A	A	(c)	(c)	(c)
731-TA-1359	Carton closing staples	China	3/31/2017	A	A	(c)	(c)	(c)
731-TA-1360	Tool chests	China	4/11/2017	A	A	(c)	(c)	(c)
731-TA-1361	Tool chests	Vietnam	4/11/2017	A	A	(c)	(c)	(c)
731-TA-1362	Cold-drawn mechanical tubing	China	4/19/2017	A	A	(c)	(c)	(c)
731-TA-1363	Cold-drawn mechanical tubing	Germany	4/19/2017	A	A	(c)	(c)	(c)
731-TA-1364	Cold-drawn mechanical tubing	India	4/19/2017	A	A	(c)	(c)	(c)
731-TA-1365	Cold-drawn mechanical tubing	Italy	4/19/2017	A	A	(c)	(c)	(c)
731-TA-1366	Cold-drawn mechanical tubing	South Korea	4/19/2017	A	A	(c)	(c)	(c)
731-TA-1367	Cold-drawn mechanical tubing	Switzerland	4/19/2017	A	A	(c)	(c)	(c)
731-TA-1368	100- to 150-seat large civil aircraft	Canada	4/27/2017	A	A	A	(c)	(c)
731-TA-1369	Fine denier polyester staple fiber	China	5/31/2017	A	(c)	(c)	(c)	(c)
731-TA-1370	Fine denier polyester staple fiber	India	5/31/2017	A	(c)	(c)	(c)	(c)
731-TA-1371	Fine denier polyester staple fiber	South Korea	5/31/2017	A	(c)	(c)	(c)	(c)
731-TA-1372	Fine denier polyester staple fiber	Taiwan	5/31/2017	A	(c)	(c)	(c)	(c)
731-TA-1373	Fine denier polyester staple fiber	Vietnam	5/31/2017	(d)	(c)	(c)	(c)	(c)
731-TA-1374	Citric acid and certain citrate salts	Belgium	6/2/2017	A	(c)	(c)	(c)	(c)
731-TA-1375	Citric acid and certain citrate salts	Colombia	6/2/2017	A	(c)	(c)	(c)	(c)
731-TA-1376	Citric acid and certain citrate salts	Thailand	6/2/2017	A	(c)	(c)	(c)	(c)
731-TA-1377	Ripe olives	Spain	6/22/2017	A	(c)	(c)	(c)	(c)
731-TA-1378	Low melt polyester staple fiber	South Korea	6/27/2017	A	(c)	(c)	(c)	(c)
731-TA-1379	Low melt polyester staple fiber	Taiwan	6/27/2017	A	(c)	(c)	(c)	(c)
731-TA-1380	Tapered roller bearings	South Korea	6/28/2017	A	(c)	(c)	(c)	(c)
731-TA-1381	Cast iron soil pipe fittings	China	7/13/2017	A	(c)	(c)	(c)	(c)
731-TA-1382	Uncoated groundwood paper	Canada	8/9/2017	A	(c)	(c)	(c)	(c)
731-TA-1383	Stainless steel flanges	China	8/16/2017	A	(c)	(c)	(c)	(c)
731-TA-1384	Stainless steel flanges	India	8/16/2017	A	(c)	(c)	(c)	(c)
731-TA-1385	Titanium sponge	Japan	8/24/2017	N	(c)	(c)	(c)	10/10/2017
731-TA-1386	Titanium sponge	Kazakhstan	8/24/2017	N	(c)	(c)	(c)	10/10/2017
731-TA-1387	PET resin	Brazil	9/26/2017	A	(c)	(c)	(c)	(c)
731-TA-1388	PET resin	Indonesia	9/26/2017	A	(c)	(c)	(c)	(c)
731-TA-1389	PET resin	South Korea	9/26/2017	A	(c)	(c)	(c)	(c)
731-TA-1390	PET resin	Pakistan	9/26/2017	A	(c)	(c)	(c)	(c)
731-TA-1391	PET resin	Taiwan	9/26/2017	A	(c)	(c)	(c)	(c)

The Year in Trade 2017

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
731-TA-1392	PFTE resin	China	9/28/2017	A	(^c)	(^c)	(^c)	(^c)
731-TA-1393	PFTE resin	India	9/28/2017	A	(^c)	(^c)	(^c)	(^c)
731-TA-1394	Forged steel fittings	China	10/5/2017	A	(^c)	(^c)	(^c)	(^c)
731-TA-1395	Forged steel fittings	Italy	10/5/2017	A	(^c)	(^c)	(^c)	(^c)
731-TA-1396	Forged steel fittings	Taiwan	10/5/2017	A	(^c)	(^c)	(^c)	(^c)
731-TA-1397	Sodium gluconate	China	11/30/2017	(^c)	(^c)	(^c)	(^c)	(^c)
731-TA-1398	Sodium gluconate	France	11/30/2017	(^c)	(^c)	(^c)	(^c)	(^c)
731-TA-1399	Common alloy aluminum sheet	China	12/1/2017	(^c)	(^c)	(^c)	(^c)	(^c)
731-TA-1400	Plastic decorative ribbon	China	12/27/2017	(^c)	(^c)	(^c)	(^c)	(^c)

Source: U.S. International Trade Commission.

^a "ITA" is the International Trade Administration of the U.S. Department of Commerce (USDOC).

^b For 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.

^c Pending or not applicable as of December 31, 2017.

^d Withdrawn by petitioning firm(s). Investigation terminated.

Table A.11 Antidumping duty orders and suspension agreements in effect as of December 31, 2017

Country	Commodity	Effective date of original action
Argentina	Lemon juice (suspended)	September 10, 2007
Austria	Carbon and alloy steel cut-to-length plate	May 25, 2017
Australia	Uncoated paper	March 5, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
Belarus	Steel concrete reinforcing bar	September 7, 2001
Belgium	Stainless steel plate in coils	May 21, 1999
	Carbon and alloy steel cut-to-length plate	May 25, 2017
Brazil	Iron construction castings	May 9, 1986
	Carbon steel butt-weld pipe fittings	December 17, 1986
	Circular welded nonalloy steel pipe	November 2, 1992
	Stainless steel bar	February 21, 1995
	Carbon steel wire rod	October 29, 2002
	Prestressed concrete steel wire strand	January 28, 2004
	Frozen warm-water shrimp and prawns	February 1, 2005
	Uncoated paper	March 5, 2016
	Cold-rolled steel flat products	September 20, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
Canada	Carbon and alloy steel cut-to-length plate	January 26, 2017
	Emulsion styrene-butadiene rubber	September 12, 2017
	Iron construction castings	March 5, 1986
Chile	Citric acid and certain citrate	May 29, 2009
	Polyethylene terephthalate resin	May 6, 2016
China	Preserved mushrooms	December 2, 1998
China	Potassium permanganate	January 31, 1984
	Chloropicrin	March 22, 1984
	Barium chloride	October 17, 1984
	Iron construction castings	May 9, 1986
	Petroleum wax candles	August 28, 1986
	Porcelain-on-steel cooking ware	December 2, 1986
	Tapered roller bearings	June 15, 1987
	Heavy forged hand tools - axes & adzes	February 19, 1991
	Heavy forged hand tools - bars & wedges	February 19, 1991
	Heavy forged hand tools - hammers & sledges	February 19, 1991
	Heavy forged hand tools - picks & mattocks	February 19, 1991
	Silicon metal	June 10, 1991
	Carbon steel butt-weld pipe fittings	July 6, 1992
	Sulfanilic acid	August 19, 1992
	Helical spring lock washers	October 19, 1993
	Fresh garlic	November 16, 1994
	Paper clips	November 25, 1994
	Silicomanganese	December 22, 1994
	Cased pencils	December 28, 1994
	Glycine	March 29, 1995
Pure magnesium (ingot)	May 12, 1995	
Furfuryl alcohol	June 21, 1995	
Persulfates	July 7, 1997	
Crawfish tail meat	September 15, 1997	
Carbon steel plate	October 24, 1997	
Preserved mushrooms	February 19, 1999	

Country	Commodity	Effective date of original action
China (<i>cont.</i>)	Steel concrete reinforcing bar	September 7, 2001
	Foundry coke	September 17, 2001
	Pure magnesium (granular)	November 19, 2001
	Hot-rolled carbon steel flat products	November 29, 2001
	Honey	December 10, 2001
	Folding gift boxes	January 8, 2002
	Ferrovandium	January 28, 2003
	Non-malleable cast iron pipe fittings	April 7, 2003
	Polyvinyl alcohol	October 1, 2003
	Barium carbonate	October 1, 2003
	Refined brown aluminum oxide	November 19, 2003
	Malleable iron pipe fittings	December 12, 2003
	Tetrahydrofurfuryl alcohol	August 6, 2004
	Ironing tables	August 6, 2004
	Polyethylene retail carrier bags	August 9, 2004
	Hand trucks	December 2, 2004
	Carbazole violet pigment 23	December 29, 2004
	Wooden bedroom furniture	January 4, 2005
	Crepe paper	January 25, 2005
	Frozen warm-water shrimp and prawns	February 1, 2005
	Tissue paper	March 30, 2005
	Magnesium	April 15, 2005
	Chlorinated isocyanurates	June 24, 2005
	Certain artist canvas	June 1, 2006
	Certain lined paper	September 28, 2006
	Certain activated carbon	April 27, 2007
	Certain polyester staple fiber	June 1, 2007
	Sodium hexametaphosphate	March 19, 2008
	Circular welded carbon quality steel pipe	July 22, 2008
	Steel nails	August 1, 2008
	Light-walled rectangular pipe and tube	August 5, 2008
	Laminated woven sacks	August 7, 2008
	Sodium nitrite	August 27, 2008
	New pneumatic off-the-road tires	September 4, 2008
	Raw flexible magnets	September 17, 2008
	Steel wire garment hangers	October 6, 2008
	Electrolytic manganese dioxide	October 7, 2008
	Polyethylene terephthalate film, sheet, and strip	November 10, 2008
	Lightweight thermal paper	November 24, 2008
	Uncovered innerspring units	February 19, 2009
	Small diameter graphite electrodes	February 26, 2009
	Circular welded austenitic stainless pressure pipe	March 17, 2009
	Steel threaded rod	April 14, 2009
	Circular welded carbon quality steel line pipe	May 13, 2009
	Citric acid and certain citrate	May 29, 2009
	Tow behind lawn groomer	August 3, 2009
	Kitchen appliance shelving and racks	September 14, 2009
Oil country tubular goods	May 21, 2010	
Prestressed concrete steel wire strand	June 29, 2010	
Potassium phosphate salts	July 22, 2010	

Country	Commodity	Effective date of original action
China (<i>cont.</i>)	Steel grating	July 23, 2010
	Narrow woven ribbons with woven selvage	September 1, 2010
	Magnesia carbon bricks	September 20, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	November 10, 2010
	Coated paper suitable for high-quality print graphics using sheet-fed presses	November 17, 2010
	Seamless refined copper pipe and tube	November 22, 2010
	Aluminum extrusions	May 26, 2011
	Multilayered wood flooring	December 8, 2011
	Stilbenic optical brightening agent	May 10, 2012
	High pressure steel cylinders	June 21, 2012
	Crystalline silicon photovoltaic cells	December 7, 2012
	Utility scale wind towers	February 15, 2013
	Drawn stainless steel sinks	April 11, 2013
	Xanthan gum	July 19, 2013
	Prestressed concrete steel rail tie wire	June 24, 2014
	Monosodium glutamate	November 26, 2014
	Non-oriented electrical steel	December 3, 2014
	Carbon and certain alloy steel wire	January 8, 2015
	Calcium hypochlorite	January 30, 2015
	Crystalline silicon photovoltaic products	February 18, 2015
	Passenger vehicle and light truck tires	August 10, 2015
	Boltless steel shelving units prepackaged for sale	October 21, 2015
	Melamine	December 28, 2015
	Uncoated paper	March 5, 2016
	Polyethylene terephthalate resin	May 6, 2016
	Cold-rolled steel flat products	July 14, 2016
	Corrosion-resistant steel products	July 25, 2016
	Hydrofluorocarbon blends	August 19, 2016
	Large residential washers	February 6, 2017
	Biaxial integral geogrid products	March 3, 2017
Ammonium sulfate	March 9, 2017	
Amorphous silica fabric	March 17, 2017	
Carbon and alloy steel cut-to-length plate	March 20, 2017	
Stainless steel sheet and strip	April 3, 2017	
1,1,1,2 Tetrafluoroethane (R-134a)	April 19, 2017	
1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP)	May 18, 2017	
France	Brass sheet & strip	March 6, 1987
	Low enriched uranium	February 13, 2002
	Carbon and alloy steel cut-to-length plate	May 25, 2017
Germany	Brass sheet & strip	March 6, 1987
	Seamless pipe	August 3, 1995
	Sodium nitrite	August 27, 2008
	Non-oriented electrical steel	December 3, 2014
India	Carbon and alloy steel cut-to-length plate	May 25, 2017
	Welded carbon steel pipe	May 12, 1986
	Sulfanilic acid	March 2, 1993
	Stainless steel wire rod	December 1, 1993
	Stainless steel bar	February 21, 1995
	Preserved mushrooms	February 19, 1999

Country	Commodity	Effective date of original action
	Carbon steel plate	February 10, 2000
	Hot-rolled carbon steel flat products	December 3, 2001
	Silicomanganese	May 23, 2002
	Polyethylene terephthalate (PET) film	July 1, 2002
	Prestressed concrete steel wire strand	January 28, 2004
	Carbazole violet pigment 23	December 29, 2004
	Frozen warm-water shrimp and prawns	February 1, 2005
	Certain lined paper	September 28, 2006
	Commodity matchbooks	December 11, 2009
	Oil country tubular goods	September 10, 2014
	Polyethylene terephthalate resin	May 6, 2016
	Corrosion-resistant steel products	July 25, 2016
	Cold-rolled steel flat products	September 20, 2016
	Welded stainless pressure pipe	November 17, 2016
	New pneumatic off-the-road tires	March 6, 2017
	Finished carbon steel flanges	August 24, 2017
Indonesia	Preserved mushrooms	February 19, 1999
	Carbon steel plate	February 10, 2000
	Steel concrete reinforcing bar	September 7, 2001
	Hot-rolled carbon steel flat products	December 3, 2001
	Carbon steel wire rod	October 29, 2002
	Polyethylene retail carrier bags	May 4, 2010
	Coated paper suitable for high-quality print graphics using sheet-fed presses	November 17, 2010
	Monosodium glutamate	November 26, 2014
	Uncoated paper	March 5, 2016
Iran	Raw in-shell pistachios	July 17, 1986
Italy	Pressure sensitive plastic tape	October 21, 1977
	Brass sheet & strip	March 6, 1987
	Granular polytetrafluoroethylene resin	August 30, 1988
	Pasta	July 24, 1996
	Stainless steel butt-weld pipe fittings	February 23, 2001
	Corrosion-resistant steel products	July 25, 2016
	Carbon and alloy steel cut-to-length plate	May 25, 2017
	Finished carbon steel flanges	August 24, 2017
Japan	Prestressed concrete steel wire strand	December 8, 1978
	Carbon steel butt-weld pipe fittings	February 10, 1987
	Brass sheet & strip	August 12, 1988
	Gray portland cement & clinker	May 10, 1991
	Stainless steel bar	February 21, 1995
	Clad steel plate	July 2, 1996
	Stainless steel wire rod	September 15, 1998
	Stainless steel sheet & strip	July 27, 1999
	Large diameter seamless pipe	June 26, 2000
	Small diameter seamless pipe	June 26, 2000
	Tin mill products	August 28, 2000
	Welded large diameter line pipe	December 6, 2001
	Polyvinyl alcohol	July 2, 2003
	Diffusion-annealed, nickel-plated flat-rolled steel products	May 29, 2014
	Non-oriented electrical steel	December 3, 2014

Country	Commodity	Effective date of original action
	Cold-rolled steel flat products	July 14, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
	Carbon and alloy steel cut-to-length plate	May 25, 2017
	Steel concrete reinforcing bar	July 14, 2017
Kazakhstan	Silicomanganese	May 23, 2002
Latvia	Steel concrete reinforcing bar	September 7, 2001
Malaysia	Stainless steel butt-weld pipe fittings	February 23, 2001
	Polyethylene retail carrier bags	August 9, 2004
	Welded stainless pressure pipe	July 21, 2014
	Steel Nails	July 13, 2015
Mexico	Circular welded nonalloy steel pipe	November 2, 1992
	Fresh tomatoes (suspended)	November 1, 1996
	Carbon steel wire rod	October 29, 2002
	Prestressed concrete steel wire strand	January 28, 2004
	Light-walled rectangular pipe and tube	August 5, 2008
	Magnesia carbon bricks	September 20, 2010
	Seamless refined copper pipe and tube	November 22, 2010
	Large residential washers	February 15, 2013
	Prestressed concrete steel rail tie wire	June 24, 2014
	Steel concrete reinforcing bar	November 6, 2014
	Heavy-walled rectangular welded carbon steel pipes and tubes	September 13, 2016
	Emulsion styrene-butadiene rubber	September 12, 2017
Moldova	Steel concrete reinforcing bar	September 7, 2001
	Carbon steel wire rod	October 29, 2002
Netherlands	Hot-rolled carbon steel flat products	October 3, 2016
Oman	Steel nails	July 13, 2015
	Polyethylene terephthalate resin	May 6, 2016
Philippines	Stainless steel butt-weld pipe fittings	February 23, 2001
Poland	Steel concrete reinforcing bar	September 7, 2001
	Emulsion styrene-butadiene rubber	September 12, 2017
Portugal	Uncoated paper	March 5, 2016
Romania	Small diameter seamless pipe	August 10, 2000
Russia	Uranium (suspended)	October 16, 1992
	Carbon steel plate (suspended)	October 24, 1997
	Hot-rolled carbon steel flat products	July 12, 1999
	Silicon metal	March 26, 2003
South Africa	Stainless steel plate in coils	May 21, 1999
	Ferrovandium	January 28, 2003
	Uncovered innerspring units	December 11, 2008
	Carbon and alloy steel cut-to-length plate	January 26, 2017
South Korea	Circular welded nonalloy steel pipe	November 2, 1992
	Welded ASTM A-312 stainless steel pipe	December 30, 1992
	Stainless steel wire rod	September 15, 1998
	Stainless steel sheet & strip	July 27, 1999
	Carbon steel plate	February 10, 2000
	Polyester staple fiber	May 25, 2000
	Prestressed concrete steel wire strand	January 28, 2004
	Light-walled rectangular pipe and tube	August 5, 2008
	Large power transformers	August 31, 2012
	Large residential washers	February 15, 2013

Country	Commodity	Effective date of original action
	Oil country tubular goods	September 10, 2014
	Non-oriented electrical steel	December 3, 2014
	Steel nails	July 13, 2015
	Welded line pipe	December 1, 2015
	Corrosion-resistant steel products	July 25, 2016
	Heavy-walled rectangular welded carbon steel pipes and tubes	September 13, 2016
	Cold-rolled steel flat products	September 20, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
	Phosphor copper	April 24, 2017
	Ferrovandium	May 15, 2017
	Carbon and alloy steel cut-to-length plate	May 25, 2017
	Diocetyl terephthalate (DOTP)	August 18, 2017
	Emulsion styrene-butadiene rubber	September 12, 2017
Spain	Stainless steel bar	March 2, 1995
	Chlorinated isocyanurates	June 24, 2005
	Finished carbon steel flanges	June 14, 2017
Sweden	Non-oriented electrical steel	December 3, 2014
Taiwan	Small diameter carbon steel pipe	May 7, 1984
	Carbon steel butt-weld pipe fittings	December 17, 1986
	Light-walled rectangular tube	March 27, 1989
	Circular welded nonalloy steel pipe	November 2, 1992
	Welded ASTM A-312 stainless steel pipe	December 30, 1992
	Helical spring lock washers	June 28, 1993
	Stainless steel wire rod	September 15, 1998
	Stainless steel plate in coils	May 21, 1999
	Stainless steel sheet & strip	July 27, 1999
	Polyester staple fiber	May 25, 2000
	Hot-rolled carbon steel flat products	November 29, 2001
	Polyethylene terephthalate (PET) film	July 1, 2002
	Raw flexible magnets	September 17, 2008
	Polyethylene retail carrier bags	May 4, 2010
	Narrow woven ribbons with woven selvedge	September 1, 2010
	Stilbenic optical brightening agent	May 10, 2012
	Steel wire garment hangers	December 10, 2012
	Non-oriented electrical steel	December 3, 2014
	Crystalline silicon photovoltaic products	February 18, 2015
	Steel nails	July 13, 2015
	Corrosion-resistant steel products	July 25, 2016
	Carbon and alloy steel cut-to-length plate	May 25, 2017
	Steel concrete reinforcing bar	October 2, 2017
Thailand	Welded carbon steel pipe	March 11, 1986
	Carbon steel butt-weld pipe fittings	July 6, 1992
	Hot-rolled carbon steel flat products	November 29, 2001
	Prestressed concrete steel wire strand	January 28, 2004
	Polyethylene retail carrier bags	August 9, 2004
	Frozen warm-water shrimp and prawns	February 1, 2005
	Welded stainless pressure pipe	July 21, 2014
Trinidad & Tobago	Carbon steel wire rod	October 29, 2002
Turkey	Welded carbon steel pipe	May 15, 1986

Country	Commodity	Effective date of original action
	Pasta	July 24, 1996
	Light-walled rectangular pipe and tube	May 30, 2008
	Oil country tubular goods	September 10, 2014
	Welded line pipe	December 1, 2015
	Heavy-walled rectangular welded carbon steel pipes and tubes	September 13, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
	Carbon and alloy steel cut-to-length plate	January 26, 2017
	Steel concrete reinforcing bar	July 14, 2017
United Kingdom	Cold-rolled steel flat products	September 20, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
Ukraine	Carbon steel plate (suspended)	October 24, 1997
	Steel concrete reinforcing bar	September 7, 2001
	Ammonium nitrate	September 12, 2001
	Hot-rolled carbon steel flat products	November 29, 2001
	Silicomanganese	September 17, 2001
United Arab Emirates	Polyethylene terephthalate film, sheet, and strip	November 10, 2008
	Steel nails	May 10, 2012
Venezuela	Silicomanganese	May 23, 2002
Vietnam	Frozen fish fillets	August 12, 2003
	Frozen warm-water shrimp and prawns	February 1, 2005
	Uncovered innerspring units	December 11, 2008
	Polyethylene retail carrier bags	May 4, 2010
	Steel wire garment hangers	February 5, 2013
	Utility scale wind towers	February 15, 2013
	Welded stainless pressure pipe	July 21, 2014
	Oil country tubular goods	September 10, 2014
	Steel nails	July 13, 2015

Source: U.S. International Trade Commission.

Table A.12 Countervailing duty cases active in 2017, by USITC investigation number

USITC investigation no.	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
Affirmative = A; Negative = N								
701-TA-552	Pneumatic off-the-road (OTR) tires	India	1/8/2016	A	A	A	A	2/23/2017
701-TA-553	Pneumatic off-the-road (OTR) tires	Sri Lanka	1/8/2016	A	A	A	A	2/23/2017
701-TA-554	Biaxial integral geogrid products	China	1/13/2016	A	A	A	A	2/24/2017
701-TA-555	Amorphous silica fabric	China	1/20/2016	A	A	A	A	3/10/2017
701-TA-556	Truck and bus tires	China	1/29/2016	A	A	A	N	3/13/2017
701-TA-557	Stainless steel sheet and strip	China	2/12/2016	A	A	A	A	3/24/2017
701-TA-558	1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP)	China	3/31/2016	A	A	A	A	5/8/2017
701-TA-560	Carbon and alloy steel cut-to-length plate	China	4/8/2016	A	A	A	A	3/13/2017
701-TA-561	Carbon and alloy steel cut-to-length plate	South Korea	4/8/2016	A	A	A	A	5/18/2017
701-TA-562	Ammonium sulfate	China	5/25/2016	A	A	A	A	3/2/2017
701-TA-563	Finished carbon steel flanges	India	6/30/2016	A	A	A	A	8/14/2017
701-TA-564	Steel concrete reinforcing bar (rebar)	Turkey	9/20/2016	A	A	A	A	6/30/2017
701-TA-565	Hardwood plywood	China	11/18/2016	A	A	A	A	12/20/2017
701-TA-566	Softwood lumber	Canada	11/25/2016	A	A	A	A	12/22/2017
701-TA-567	Silicon metal	Australia	3/8/2017	A	A	(^c)	(^c)	(^c)
701-TA-568	Silicon metal	Brazil	3/8/2017	A	A	(^c)	(^c)	(^c)
701-TA-569	Silicon metal	Kazakhstan	3/8/2017	A	A	(^c)	(^c)	(^c)
701-TA-570	Aluminum foil	China	3/9/2017	A	A	(^c)	(^c)	(^c)
701-TA-571	Biodiesel	Argentina	3/23/2017	A	A	A	A	12/21/2017
701-TA-572	Biodiesel	Indonesia	3/23/2017	A	A	A	A	12/21/2017
701-TA-573	Wire rod	Italy	3/28/2017	A	A	(^c)	(^c)	(^c)
701-TA-574	Wire rod	Turkey	3/28/2017	A	A	(^c)	(^c)	(^c)
701-TA-575	Tool chests	China	4/11/2017	A	A	A	(^c)	(^c)
701-TA-576	Cold-drawn mechanical tubing	China	4/19/2017	A	A	A	(^c)	(^c)

USITC investigation no.	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
701-TA-577	Cold-drawn mechanical tubing	India	4/19/2017	A	A	A	(^c)	(^c)
701-TA-578	100- to 150-seat large civil aircraft	Canada	4/27/2017	A	A	A	(^c)	(^c)
701-TA-579	Fine denier polyester staple fiber	China	5/31/2017	A	A	(^c)	(^c)	(^c)
701-TA-580	Fine denier polyester staple fiber	India	5/31/2017	A	A	(^c)	(^c)	(^c)
701-TA-581	Citric acid	Thailand	6/2/2017	A	N	(^c)	(^c)	(^c)
701-TA-582	Ripe olives	Spain	6/22/2017	A	A	(^c)	(^c)	(^c)
701-TA-583	Cast iron soil pipe fittings	China	7/13/2017	A	A	(^c)	(^c)	(^c)
701-TA-584	Uncoated groundwood paper	Canada	8/9/2017	A	(^c)	(^c)	(^c)	(^c)
701-TA-585	Stainless steel flanges	China	8/16/2017	A	(^c)	(^c)	(^c)	(^c)
701-TA-586	Stainless steel flanges	India	8/16/2017	A	(^c)	(^c)	(^c)	(^c)
701-TA-587	Titanium sponge	Kazakhstan	8/24/2017	N	(^c)	(^c)	(^c)	10/10/2017
701-TA-588	PFTF resin	India	9/28/2017	A	(^c)	(^c)	(^c)	(^c)
701-TA-589	Forged steel fittings	China	10/5/2017	A	(^c)	(^c)	(^c)	(^c)
701-TA-590	Sodium gluconate	China	11/30/2017	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-591	Common alloy aluminum sheet	China	12/1/2017	(^c)	(^c)	(^c)	(^c)	(^c)
701-TA-592	Plastic decorative ribbon	China	12/27/2017	(^c)	(^c)	(^c)	(^c)	(^c)

Source: U.S. International Trade Commission.

^a "ITA" is the International Trade Administration of the USDOC.

^b For 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.

^c Pending or not applicable as of December 31, 2017.

Table A.13 Countervailing duty orders and suspension agreements in effect as of December 31, 2017

Country	Commodity	Effective date of original action
Brazil	Heavy iron construction castings	May 15, 1986
	Carbon steel wire rod	October 22, 2002
	Cold-rolled steel flat products	September 20, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
Canada	Supercalendered paper	December 10, 2015
China	Heavy forged hand tools - hammers & sledges	February 19, 1991
	Circular welded carbon quality steel pipe	July 22, 2008
	Light-walled rectangular pipe and tube	August 5, 2008
	Laminated woven sacks	August 7, 2008
	Sodium nitrite	August 27, 2008
	New pneumatic off-the-road tires	September 4, 2008
	Raw flexible magnets	September 17, 2008
	Lightweight thermal paper	November 24, 2008
	Circular welded carbon quality steel line pipe	January 23, 2009
	Circular welded austenitic stainless pressure pipe	March 19, 2009
	Citric acid and certain citrate	May 29, 2009
	Kitchen appliance shelving and racks	September 14, 2009
	Oil country tubular goods	January 20, 2010
	Prestressed concrete steel wire strand	July 7, 2010
	Potassium phosphate salts	July 22, 2010
	Steel grating	July 23, 2010
	Narrow woven ribbons with woven selvage	September 1, 2010
	Magnesia carbon bricks	September 21, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	November 10, 2010
	Coated paper suitable for high-quality print graphics using sheet-fed presses	November 17, 2010
	Aluminum extrusions	May 26, 2011
	Multilayered wood flooring	December 8, 2011
	High pressure steel cylinders	June 21, 2012
	Crystalline silicon photovoltaic cells	December 7, 2012
	Utility scale wind towers	February 15, 2013
	Drawn stainless steel sinks	April 11, 2013
	Chlorinated isocyanurates	November 13, 2014
	Non-oriented electrical steel	December 3, 2014
	Carbon and certain alloy steel wire	January 8, 2015
	Calcium hypochlorite	January 30, 2015
	Crystalline silicon photovoltaic products	February 18, 2015
	Passenger vehicle and light truck tires	August 10, 2015
	Boltless steel shelving units prepackaged for sale	October 21, 2015
	Melamine	December 28, 2015
	Uncoated paper	March 5, 2016
	Polyethylene terephthalate resin	May 6, 2016
	Cold-rolled steel flat products	July 14, 2016
	Corrosion-resistant steel products	July 25, 2016
	Biaxial integral geogrid products	March 3, 2017
	Ammonium sulfate	March 6, 2017
Amorphous silica fabric	March 6, 2017	
Carbon and alloy steel cut-to-length plate	March 9, 2017	
Stainless steel sheet and strip	March 17, 2017	

Country	Commodity	Effective date of original action
	1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP)	March 20, 2017
India	Sulfanilic acid	March 2, 1993
	Carbon steel plate	February 10, 2000
	Hot-rolled carbon steel flat products	December 3, 2001
	Polyethylene terephthalate (PET) film	July 1, 2002
	Prestressed concrete steel wire strand	February 4, 2004
	Carbazole violet pigment 23	December 29, 2004
	Certain lined paper	September 28, 2006
	Commodity matchbooks	December 11, 2009
	Oil country tubular goods	September 10, 2014
	Polyethylene terephthalate resin	May 6, 2016
	Corrosion-resistant steel products	July 25, 2016
	Cold-rolled steel flat products	September 20, 2016
	Welded stainless pressure pipe	November 17, 2016
	New pneumatic off-the-road tires	April 3, 2017
	Finished carbon steel flanges	May 18, 2017
Indonesia	Carbon steel plate	February 10, 2000
	Hot-rolled carbon steel flat products	December 3, 2001
	Coated paper suitable for high-quality print graphics using sheet-fed presses	November 17, 2010
	Uncoated paper	March 5, 2016
Iran	Raw in-shell pistachios	March 11, 1986
	Roasted in-shell pistachios	October 7, 1986
Italy	Pasta	July 24, 1996
	Corrosion-resistant steel products	July 25, 2016
Russia	Uranium (suspended)	October 16, 1992
South Africa	Stainless steel plate in coils	May 11, 1999
South Korea	Stainless steel sheet & strip	August 6, 1999
	Carbon steel plate	February 10, 2000
	Large residential washers	February 15, 2013
	Corrosion-resistant steel products	July 25, 2016
	Cold-rolled steel flat products	September 20, 2016
	Hot-rolled carbon steel flat products	October 3, 2016
	Carbon and alloy steel cut-to-length plate	May 25, 2017
Sri Lanka	New Pneumatic Off-the-Road Tires	July 14, 2017
Taiwan	Non-oriented electrical steel	December 3, 2014
Thailand	Hot-rolled carbon steel flat products	December 3, 2001
Turkey	Welded carbon steel pipe	March 7, 1986
	Pasta	July 24, 1996
	Oil country tubular goods	September 10, 2014
	Steel concrete reinforcing bar	November 6, 2014
	Welded line pipe	December 1, 2015
	Heavy-walled rectangular welded carbon steel pipes and tubes	September 13, 2016
	Steel concrete reinforcing bar	August 24, 2017
Vietnam	Polyethylene retail carrier bags	May 4, 2010
	Steel wire garment hangers	February 5, 2013
	Steel nails	July 14, 2015

Source: U.S. International Trade Commission.

Table A.14 Reviews of existing antidumping and countervailing duty orders and suspended investigations completed in 2017, by date of completion.

USITC				
investigation number	Product	Country of origin	Action	Completion date^a
731-TA-1058	Wooden bedroom furniture	China	Continued	01-25-2017
731-TA-718	Glycine	China	Continued	01-31-2017
731-TA-825	Polyester staple fiber	South Korea	Continued	01-31-2017
731-TA-826	Polyester staple fiber	Taiwan	Continued	01-31-2017
731-TA-1091	Artists' canvas	China	Continued	03-02-2017
701-TA-475	Aluminum extrusions	China	Continued	03-27-2017
731-TA-1177	Aluminum extrusions	China	Continued	03-27-2017
731-TA-696	Pure magnesium ingot	China	Continued	03-29-2017
701-TA-318	Sulfanilic acid	India	Continued	04-17-2017
731-TA-538	Sulfanilic acid	China	Continued	04-17-2017
731-TA-561	Sulfanilic acid	India	Continued	04-17-2017
731-TA-540	Welded stainless steel pipe	South Korea	Continued	05-12-2017
731-TA-541	Welded stainless steel pipe	Taiwan	Continued	05-12-2017
731-TA-624	Helical spring lock washers	China	Continued	05-16-2017
731-TA-625	Helical spring lock washers	Taiwan	Continued	05-16-2017
731-TA-1063	Frozen warmwater shrimp	Brazil	Revoked	06-01-2017
731-TA-1064	Frozen warmwater shrimp	China	Continued	05-25-2017
731-TA-1066	Frozen warmwater shrimp	India	Continued	05-25-2017
731-TA-1067	Frozen warmwater shrimp	Thailand	Continued	05-25-2017
731-TA-1068	Frozen warmwater shrimp	Vietnam	Continued	05-25-2017
731-TA-638	Stainless steel wire rod	India	Continued	06-06-2017
731-TA-287	Raw-in-shell pistachios	Iran	Continued	06-26-2017
731-TA-461	Gray portland cement and clinker	Japan	Continued	06-29-2017
731-TA-410	Light-walled rectangular pipe	Taiwan	Continued	07-25-2017
731-TA-703	Furfuryl alcohol	China	Continued	07-28-2017
731-TA-669	Cased pencils	China	Continued	08-17-2017
731-TA-663	Paper clips	China	Continued	08-24-2017
731-TA-539-C	Uranium	Russia	Continued	09-20-2017
701-TA-382	Stainless steel sheet and strip	South Korea	Continued	09-20-2017
731-TA-800	Stainless steel sheet and strip	Japan	Continued	09-20-2017
731-TA-801	Stainless steel sheet and strip	South Korea	Continued	09-20-2017
731-TA-803	Stainless steel sheet and strip	Taiwan	Continued	09-20-2017
731-TA-1185	Steel nails	United Arab Emirates	Continued	09-29-2017
731-TA-847	Carbon and alloy seamless standard, line, and pressure pipe	Japan	Continued	10-10-2017
731-TA-849	Carbon and alloy seamless standard, line, and pressure pipe	Romania	Continued	10-10-2017
731-TA-313	Brass sheet and strip	France	Continued	10-13-2017
731-TA-314	Brass sheet and strip	Germany	Continued	10-13-2017
731-TA-317	Brass sheet and strip	Italy	Continued	10-13-2017
731-TA-379	Brass sheet and strip	Japan	Continued	10-13-2017
731-TA-683	Fresh garlic	China	Continued	10-19-2017
731-TA-1186	Stilbenic optical brightening agents	China	Continued	10-27-2017
731-TA-1187	Stilbenic optical brightening agents	Taiwan	Continued	10-27-2017
701-TA-480	High pressure steel cylinders	China	Continued	10-31-2017
731-TA-1188	High pressure steel cylinders	China	Continued	10-31-2017

USITC investigation number	Product	Country of origin	Action	Completion date^a
701-TA-476	Multilayered wood flooring	China	Continued	12-13-2017
731-TA-1179	Multilayered wood flooring	China	Continued	12-13-2017

Source: U.S. International Trade Commission.

^a The completion date shown is the date of the USITC notification of USDOC, except in the case of a revocation where the date shown is the date of ITA's *Federal Register* notice.

Table A.15 Section 337 investigations and related proceedings completed by the Commission during 2017 and those pending on December 31, 2017

Status of investigation	Article	Country^a	Commission determination^b
Completed			
337-TA-565	Certain ink cartridges and components thereof	China, Hong Kong, Macau, South Korea	One related (ancillary) advisory opinion proceeding; terminated based on a settlement agreement.
337-TA-567	Certain foam footwear	Canada	One related (ancillary) modification proceeding; modification denied.
337-TA-698	Certain DC-DC controllers and products containing the same	Hong Kong, Taiwan	One related (ancillary) rescission proceeding; consent order rescinded.
337-TA-854	Certain two-way global satellite communication devices, systems and components thereof	United Kingdom	One related (ancillary) rescission proceeding; rescission denied.
337-TA-890	Certain sleep-disordered breathing treatment systems and components thereof	China	One related (ancillary) remand proceeding; remedial orders vacated.
337-TA-929	Certain beverage brewing capsules, components thereof, and products containing the same	Hong Kong, China	One related (ancillary) enforcement proceeding and two related (ancillary) rescission proceedings; no violation found; rescission denied.
337-TA-944	Certain network devices, related software and components thereof (I)	No foreign respondents	One related (ancillary) declassification proceeding; declassification granted in part.
337-TA-945	Certain network devices, related software and components thereof (II)	No foreign respondents	Issued limited exclusion order and cease and desist order.
337-TA-945	Certain network devices, related software and components thereof (II)	No foreign respondents	Two related (ancillary) rescission proceedings; rescission denied.
337-TA-946	Certain ink cartridges and components thereof	China, Hong Kong	One related (ancillary) advisory opinion proceeding; terminated based on a settlement agreement.
337-TA-947	Certain light-emitting diode products and components thereof	China, Taiwan	Terminated based on a settlement agreement.
337-TA-951	Certain lithium metal oxide cathode materials, lithium-ion batteries for power tool products containing same, and power tool products with lithium-ion batteries containing same	Japan, Belgium	One related (ancillary) rescission proceeding; remedial order rescinded.
337-TA-959	Certain electric skin care devices, brushes and chargers therefor, and kits containing same	China, South Korea, United Kingdom, Canada, Israel	Issued general exclusion order, limited exclusion order, and nine cease and desist orders.
337-TA-965	Certain table saws incorporating active injury mitigation technology and components thereof	Germany	Issued limited exclusion order and cease and desist order.

Status of investigation	Article	Country ^a	Commission determination ^b
337-TA-967	Certain document cameras and software for use therewith	No foreign respondents	One related (ancillary) rescission proceeding; remedial orders rescinded.
337-TA-968	Certain radiotherapy systems and treatment planning software, and components thereof	Sweden, United Kingdom, Germany, China	Terminated based on a settlement agreement.
337-TA-971	Certain air mattress systems, components thereof, and methods of using the same	No foreign respondents	Issued limited exclusion order.
337-TA-972	Certain automated teller machines, ATM modules, components thereof, and products containing the same	South Korea	Issued limited exclusion order and three cease and desist orders.
337-TA-973	Certain wearable activity tracking devices, systems, and components thereof	No foreign respondents	Terminated based on withdrawal of the complaint.
337-TA-976	Certain woven textile fabrics and products containing same	India	Issued general exclusion order.
337-TA-977	Certain arrowheads with deploying blades and components thereof and packaging therefor	China	Issued general exclusion order and cease and desist order.
337-TA-979	Certain radio frequency identification (RFID) products and components thereof	Canada, Thailand, Hong Kong	Terminated based on a finding of no violation.
337-TA-982	Certain radio frequency (RF) capable integrated circuits and products containing the same	South Korea	Terminated based on withdrawal of the complaint.
337-TA-988	Certain pumping bras	China	Issued general exclusion order.
337-TA-989	Certain automated teller machines, ATM modules, components thereof, and products containing the same	No foreign respondents	Issued limited exclusion order and two cease and desist orders.
337-TA-995	Certain electrical conductor composite cores and components thereof	China	Terminated based on good cause.
337-TA-997	Certain sleep-disordered breathing treatment systems and components thereof	China	Terminated based on a settlement agreement.
337-TA-998	Certain hybrid electric vehicles and components thereof	Germany	Terminated based on a settlement agreement.
337-TA-999	Certain air mattress bed systems and components thereof	No foreign respondents	One related (ancillary) declassification proceeding; declassification granted in part.
337-TA-1000	Certain motorized self-balancing vehicles	China, Hong Kong	Terminated based on a finding of no violation.
337-TA-1001	Certain digital video receivers and hardware and software components thereof	United Kingdom, France	Issued limited exclusion order and six cease and desist orders.
337-TA-1005	Certain L-tryptophan, L-tryptophan products, and their methods of production	South Korea, Indonesia	Issued limited exclusion order and cease and desist order.
337-TA-1006	Certain passenger vehicle automotive wheels	No foreign respondents	Terminated based on withdrawal of the complaint.
337-TA-1007	Certain personal transporters, components thereof, and packaging and manuals therefor	No foreign respondents	Issued limited exclusion order and cease and desist order.

Status of investigation	Article	Country^a	Commission determination^b
337-TA-1008	Certain carbon spine board, cervical collar, CPR masks and various medical training manikin devices, and trademarks, copyrights of product catalogues, product inserts, and components thereof	China	Issued limited exclusion order and cease and desist order.
337-TA-1010	Certain semiconductor devices, semiconductor device packages, and products containing same	Taiwan, Singapore, United Kingdom, France	Terminated based on a settlement agreement.
337-TA-1013	Certain potassium chloride powder products	Canada	Terminated based on a settlement agreement.
337-TA-1014	Certain composite intermediate bulk containers	China	Terminated based on withdrawal of the complaint.
337-TA-1015	Certain hand dryers and housings for hand dryers	United Kingdom, China	Issued general exclusion order and three cease and desist orders.
337-TA-1018	Certain athletic footwear	No foreign respondents	Terminated based on a consent order.
337-TA-1019	Certain krill oil products and krill meal for production of krill oil products	Canada, Norway, New Zealand	Terminated based on a settlement agreement.
337-TA-1020	Certain industrial control system software, systems using same, and components thereof	Germany, Taiwan	Terminated based on a settlement agreement.
337-TA-1021	Certain personal transporters and components thereof	Netherlands, China, Turkey	Issued limited exclusion order and cease and desist order.
337-TA-1022	Certain sleep-disordered breathing treatment mask systems and components thereof	New Zealand	Terminated based on withdrawal of the complaint.
337-TA-1025	Certain silicon-on-insulator wafers	France	Terminated based on a settlement agreement.
337-TA-1027	Certain food supplements and vitamins, including ocular antioxidants and components thereof and products containing the same	India	Terminated based on a settlement agreement.
337-TA-1029	Certain mobile electronic devices	China	Terminated based on a settlement agreement.
337-TA-1030	Certain high-potency sweeteners, processes for making same, and products containing same	China	Terminated based on withdrawal of the complaint.
337-TA-1034	Certain flash memory devices and components thereof	Japan, China, Malaysia	Terminated based on a settlement agreement.
337-TA-1035	Certain liquid crystal eWriters and components thereof	China	Issued limited exclusion order and cease and desist order.
337-TA-1037	Certain graphics processors, DDR memory controllers and products containing the same	South Korea, China, Taiwan, Japan	Terminated based on a settlement agreement.
337-TA-1038	Certain electronic devices, including mobile phones, tablet computers, and components thereof	No foreign respondents	Terminated based on a settlement agreement.

Status of investigation	Article	Country^a	Commission determination^b
337-TA-1039	Certain electronic devices, including mobile phones, tablet computers, and components thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-1040	Certain basketball backboard components and products containing the same	China	Terminated based on a settlement agreement.
337-TA-1041	Certain digital television set-top boxes, remote control devices, and components thereof	China, United Kingdom	Terminated based on withdrawal of the complaint.
337-TA-1045	Certain document cameras and software for use therewith	No foreign respondents	Terminated based on withdrawal of the complaint.
337-TA-1048	Certain intravascular administration sets and components thereof	China	Issued limited exclusion order.
337-TA-1051	Certain LTE wireless communication devices and components thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-1052	Certain thermoplastic-encapsulated electric motors, components thereof, and products and vehicles containing same	Japan, Germany	Terminated based on withdrawal of the complaint.
337-TA-1054	Certain height-adjustable desk platforms and components thereof	China	Terminated based on a settlement agreement.
337-TA-1062	Certain backpack chairs	No foreign respondents	Terminated based on withdrawal of the complaint.
Pending			
337-TA-921	Certain marine sonar imaging devices, including downscan and sidescan devices, products containing the same, and components thereof	Taiwan	One related (ancillary) enforcement proceeding and one related (ancillary) rescission proceeding; pending before the Commission.
337-TA-933	Certain stainless steel products, certain processes for manufacturing or relating to same and certain products containing same	India, Germany, Taiwan	One related (ancillary) bond forfeiture proceeding; pending before the ALJ.
337-TA-943	Certain wireless headsets	Ireland, Australia, Singapore, Denmark, Germany, Japan	One related (ancillary) remand proceeding; pending before the ALJ.
337-TA-944	Certain network devices, related software and components thereof (I)	No foreign respondents	One related (ancillary) enforcement proceeding; pending before the ALJ.
337-TA-945	Certain network devices, related software and components thereof (II)	No foreign respondents	One related (ancillary) modification proceeding; pending before the ALJ.
337-TA-971	Certain air mattress systems, components thereof, and methods of using the same	No foreign respondents	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-989	Certain automated teller machines, ATM modules, components thereof, and products containing the same	No foreign respondents	One related (ancillary) enforcement proceeding; pending before the ALJ.

Status of investigation	Article	Country^a	Commission determination^b
337-TA-990	Certain mobile electronic devices incorporating haptics (including smartphones and smartwatches) and components thereof	No foreign respondents	Pending before the ALJ.
337-TA-1002	Certain carbon and alloy steel products	China, Hong Kong	Pending before the Commission.
337-TA-1003	Certain composite aerogel insulation materials and methods for manufacturing the same	China	Pending before the Commission.
337-TA-1004	Certain mobile and portable electronic devices incorporating haptics (including smartphones and laptops) and components thereof	No foreign respondents	Pending before the ALJ.
337-TA-1012	Certain magnetic data storage tapes and cartridges containing the same	Japan	Pending before the Commission.
337-TA-1016	Certain access control systems and components thereof	China, Hong Kong	Pending before the Commission.
337-TA-1023	Certain memory modules and components thereof, and products containing same	South Korea	Pending before the Commission.
337-TA-1024	Certain integrated circuits with voltage regulators and products containing same	China, Ireland, Vietnam, Israel, Malaysia	Pending before the Commission.
337-TA-1026	Certain audio processing hardware, software, and products containing the same	South Korea	Pending before the Commission.
337-TA-1028	Certain mobile device holders and components thereof	China, Hong Kong	Pending before the Commission.
337-TA-1031	Certain UV curable coatings for optical fibers, coated optical fibers, and products containing same	China	Pending before the ALJ.
337-TA-1032	Certain single-molecule nucleic acid sequencing systems and reagents, consumables, and software for use with same	United Kingdom	Pending before the Commission.
337-TA-1033	Certain arrowheads with arcuate blades and components thereof	China	Pending before the Commission.
337-TA-1036	Certain magnetic tape cartridges and components thereof	Japan	Pending before the ALJ.
337-TA-1042	Certain hybrid electric vehicles and components thereof	No foreign respondents	Pending before the ALJ.
337-TA-1043	Certain electronic connectors, components thereof, and products containing the same	China, Taiwan, Germany, Brazil, Mexico	Pending before the Commission.
337-TA-1044	Certain graphics systems, components thereof, and consumer products containing the same	South Korea, Taiwan	Pending before the ALJ.
337-TA-1046	Certain nonvolatile memory devices and products containing same	Japan, Philippines	Pending before the ALJ.

Status of investigation	Article	Country^a	Commission determination^b
337-TA-1047	Certain semiconductor devices and consumer audiovisual products containing the same	Japan, South Korea, Taiwan	Pending before the ALJ.
337-TA-1049	Certain digital cable and satellite products, set-top boxes, gateways and components thereof	United Kingdom	Pending before the Commission.
337-TA-1050	Certain dental ceramics, products thereof, and methods of making the same	Japan	Pending before the ALJ.
337-TA-1053	Certain two-way radio equipment and systems, related software and components thereof	China	Pending before the ALJ.
337-TA-1055	Certain mirrors with internal illumination and components thereof	Canada	Pending before the Commission.
337-TA-1056	Certain collapsible sockets for mobile electronic devices and components thereof	Hong Kong, China	Pending before the ALJ.
337-TA-1057	Certain robotic vacuum cleaning devices and components thereof such as spare parts	Canada, Taiwan, China	Pending before the ALJ.
337-TA-1058	Certain magnetic tape cartridges and components thereof	Japan	Pending before the ALJ.
337-TA-1059	Certain digital cameras, software, and components thereof	Thailand, Japan, China, Indonesia	Pending before the ALJ.
337-TA-1060	Certain consumer electronic devices, including televisions, gaming consoles, mobile phones and tablets, and network-enabled DVD and Blu-ray players	Japan	Pending before the Commission.
337-TA-1061	Certain bar code readers, scan engines, products containing the same, and components thereof	Singapore	Pending before the ALJ.
337-TA-1063	Certain Xray breast imaging devices and components thereof	Japan	Pending before the ALJ.
337-TA-1064	Certain shielded electrical ribbon cables and products containing the same	China, Taiwan	Pending before the ALJ.
337-TA-1065	Certain mobile electronic devices and radio frequency and processing components thereof	No foreign respondents	Pending before the ALJ.
337-TA-1066	Certain recombinant factor IX products	Germany, Switzerland	Pending before the ALJ.
337-TA-1067	Certain road milling machines and components thereof	Switzerland, Italy	Pending before the ALJ.
337-TA-1068	Certain microfluidic devices	No foreign respondents	Pending before the ALJ.
337-TA-1069	Certain pool and spa enclosures	Czech Republic, Slovakia	Pending before the ALJ
337-TA-1070	Certain periodontal laser devices and components thereof	Slovenia	Pending before the ALJ.
337-TA-1071	Certain wireless audio systems and components thereof	Canada	Pending before the Commission.

Status of investigation	Article	Country^a	Commission determination^b
337-TA-1072	Wi-Fi enabled electronic devices and components thereof	China, Hong Kong	Pending before the ALJ.
337-TA-1073	Certain thermoplastic-encapsulated electric motors, components thereof, and products and vehicles containing same	Japan, Germany	Pending before the ALJ.
337-TA-1074	Certain industrial automation systems and components thereof including control systems, controllers, visualization hardware, motion and motor control systems, networking equipment, safety devices, and power supplies	China, Hong Kong	Pending before the ALJ.
337-TA-1075	Certain electrochemical glucose monitoring systems and components thereof	No foreign respondents	Pending before the ALJ.
337-TA-1076	Certain magnetic data storage tapes and cartridges containing the same (II)	Japan	Pending before the ALJ.
337-TA-1077	Certain reusable diapers, components thereof, and products containing the same	China	Pending before the ALJ.
337-TA-1078	Certain amorphous metal and products containing same	China	Pending before the ALJ.
337-TA-1079	Certain shaving cartridges, components thereof and products containing same	China	Pending before the ALJ.
337-TA-1080	Certain wafer-level packaging semiconductor devices and products containing same (including cellular phones, tablets, laptops, and notebooks) and components thereof	South Korea	Pending before the ALJ.
337-TA-1081	Certain LED lighting devices, LED power supplies, and components thereof	China	Pending before the ALJ.
337-TA-1082	Certain gas spring nailer products and components thereof	No foreign respondents	Pending before the ALJ.
337-TA-1083	Certain personal computers, mobile devices, digital media players, and microconsoles	No foreign respondents	Pending before the ALJ.
337-TA-1084	Certain insulated beverage containers, components, labels, and packaging materials thereof	Hong Kong, China	Pending before the ALJ.
337-TA-1085	Certain glucosylated steviol glycosides, and products containing same	China	Pending before the ALJ.
337-TA-1086	Certain mounting apparatuses for holding portable electronic devices and components thereof	China	Pending before the ALJ.
337-TA-1087	Certain batteries and electrochemical devices containing composite separators, components thereof, and products containing same	Hong Kong, China	Pending before the ALJ.
337-TA-1088	Certain road construction machines and components thereof	Germany	Pending before the ALJ.

Status of investigation	Article	Country^a	Commission determination^b
337-TA-1089	Certain memory modules and components thereof	South Korea	Pending before the ALJ.
337-TA-1090	Certain intraoral scanners and related hardware and software	Denmark	Pending before the ALJ.
337-TA-1091	Certain color intraoral scanners and related hardware and software	Denmark	Pending before the ALJ.

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the original notice of investigation and may thus not reflect the remaining respondents at the time of the final decision or during any ancillary proceeding. “Hong Kong” refers to “Hong Kong, China”; “Macau” refers to “Macau, China.”

^b ALJ = Administrative Law Judge.

Table A.16 Outstanding section 337 exclusion orders as of December 31, 2017

Investigation no.	Article	Country^a	Date patent expires^b
337-TA-69	Certain airtight cast-iron stoves	Taiwan, South 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 (namely, Rally-X and Pac-Man)	Japan, Taiwan	Nonpatent
337-TA-112	Certain cube puzzles	Taiwan, Japan	Nonpatent
337-TA-114	Certain miniature plug-in blade fuses	Taiwan	Nonpatent
337-TA-118	Certain sneakers with fabric uppers and rubber soles	South Korea	Nonpatent
337-TA-137	Certain heavy-duty staple gun tackers	Taiwan, Hong Kong, South Korea	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	Philippines, 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, South Korea, Thailand, Hong Kong, Malaysia	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-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-424	Certain cigarettes and packaging thereof	No foreign respondents	Nonpatent
337-TA-440	Certain 4-androstenediol	China	July 13, 2018
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-512	Certain light-emitting diodes and products containing same	Malaysia	July 27, 2018 July 27, 2018 July 27, 2018
337-TA-522	Certain ink markers and packaging thereof	China, India, South Korea, Hong Kong	Nonpatent

Investigation no.	Article	Country^a	Date patent expires^b
337-TA-541	Certain power supply controllers and products containing same	Taiwan	Sept. 24, 2019 Sept. 24, 2019
337-TA-549	Certain ink sticks for solid ink printers	South 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 therefor	China	Nonpatent
337-TA-565	Certain ink cartridges and components thereof	Hong Kong, China, Macau, Germany, South Korea	May 18, 2019 May 18, 2019 Apr. 3, 2022 Aug. 17, 2023 Aug. 26, 2023
337-TA-567	Certain foam footwear	Canada	Mar. 28, 2020 Oct. 3, 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-604	Certain sucralose, sweeteners containing sucralose, and related intermediate compounds thereof	China, United Kingdom, Hong Kong	Apr. 18, 2023
337-TA-611	Certain magnifying loupe products and components thereof	China	May 20, 2022
337-TA-615	Certain ground fault circuit interrupters and products containing the same	China	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-643	Certain cigarettes and packaging thereof	Moldova, Belize, Singapore, Ukraine, Kyrgyzstan, Gibraltar, United Kingdom, Switzerland	Nonpatent
337-TA-650	Certain coaxial cable connectors and components thereof and products containing same	Taiwan, China	Jan. 24, 2020

The Year in Trade 2017

Investigation no.	Article	Country^a	Date patent expires^b
337-TA-655	Certain cast steel railway wheels, processes for manufacturing or relating to same and certain products containing same	China	Nonpatent
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-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	South Korea	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, China, Hong Kong	Aug. 30, 2019 July 24, 2020 July 24, 2020 Oct. 30, 2020 Oct. 30, 2020
337-TA-725	Certain caskets	Mexico	Sept. 13, 2020
337-TA-730	Certain inkjet ink supplies and components thereof	China	Aug. 20, 2023 Oct. 29, 2023
337-TA-739	Certain ground fault circuit interrupters and products containing same	China	Oct. 21, 2023
337-TA-740	Certain toner cartridges and components thereof	China, Hong Kong, Canada, South Korea, Macau	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-754	Certain handbags, luggage, accessories, and packaging thereof	China	Nonpatent
337-TA-763	Certain radio control hobby transmitters and receivers and products containing same	China	Nonpatent Oct. 18, 2025
337-TA-780	Certain protective cases and components thereof	China, Hong Kong	Nonpatent Sept. 29, 2023 May 11, 2024 June 15, 2024 June 15, 2024 Mar. 22, 2025 Apr. 19, 2025 Jan. 25, 2029

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-791/826	Certain electric fireplaces, components thereof, manuals for same, certain processes for manufacturing or relating to same and certain products containing same; and certain electric fireplaces, components thereof, manuals for same, certain processes for manufacturing or relating to same and certain products containing same	China	Nonpatent
337-TA-796	Certain electronic digital media devices and components thereof	South Korea	Sept. 6, 2026 Jan. 5, 2027
337-TA-804	Certain LED photographic lighting devices and components thereof	China, Taiwan	Dec. 7, 2021 Dec. 7, 2021
337-TA-807	Certain digital photo frames and image display devices and components thereof	Taiwan, Canada, Japan	July 6, 2020 Dec. 26, 2020 Oct. 29, 2021
337-TA-832	Certain ink application devices and components thereof and methods of using the same	Canada, China	Feb. 28, 2020 Sept. 2, 2020
337-TA-849	Certain rubber resins and processes for manufacturing same	China, Hong Kong, Canada	Nonpatent
337-TA-861/867	Certain cases for portable electronic devices; and certain cases for portable electronic devices	Taiwan, Hong Kong, China	Feb. 6, 2029
337-TA-878	Certain electronic devices having placeshifting or display replication functionality and products containing same	No foreign respondents	May 26, 2019 May 26, 2019 June 7, 2025 June 7, 2025 June 7, 2025 May 1, 2029
337-TA-883	Certain opaque polymers	Turkey, Netherlands	Nonpatent
337-TA-887	Certain crawler cranes and components thereof	China	Nonpatent May 12, 2027
337-TA-894	Certain tires and products containing same	China, Thailand	Mar. 9, 2018 Jan. 19, 2024 Mar. 2, 2024 Mar. 2, 2024
337-TA-895	Certain multiple mode outdoor grills and parts thereof	China, Hong Kong	May 4, 2027
337-TA-918	Certain toner cartridges and components thereof	China, Hong Kong, Macau	Dec. 26, 2027 Dec. 26, 2027 Dec. 26, 2027 Dec. 26, 2027 Mar. 24, 2028
337-TA-919	Certain archery products and related marketing materials	China	Nonpatent Mar. 30, 2018 Jan. 15, 2023
337-TA-921	Certain marine sonar imaging devices, including downscan and sidescan devices, products containing same, and components thereof	Taiwan	July 14, 2029 July 14, 2029
337-TA-923	Certain loom kits for creating linked articles	China	Dec. 15, 2031
337-TA-929	Certain beverage brewing capsules, components thereof and products containing the same	Hong Kong, China	July 13, 2027

Investigation no.	Article	Country^a	Date patent expires^b
337-TA-933	Certain stainless steel products, certain processes for manufacturing or relating to same, and certain products containing same	India, Germany, Taiwan	Nonpatent
337-TA-934	Certain dental implants	Brazil	May 23, 2024 Nov. 26, 2026
337-TA-935 ^d	Certain personal transporters, components thereof and manuals therefor	China	Nonpatent June 4, 2019 June 4, 2019 Oct. 13, 2020 Sept. 25, 2021 Sept. 25, 2021
337-TA-936	Certain footwear products	Canada, Italy, China, Australia, Japan	Nonpatent
337-TA-939	Certain three-dimensional cinema systems and components thereof	South Korea	Oct. 18, 2026 Sept. 28, 2027 Nov. 17, 2028
337-TA-944	Certain network devices, related software and components thereof (I)	No foreign respondents	Jan. 6, 2020 May 22, 2020 May 22, 2020
337-TA-945	Certain network devices, related software and components thereof (II)	No foreign respondents	June 30, 2018 Aug. 23, 2025
337-TA-946	Certain ink cartridges and components thereof	Hong Kong, China	Dec. 15, 2026 Dec. 15, 2026 Dec. 15, 2026 Dec. 15, 2026 Sept. 4, 2029
337-TA-959 ^e	Certain electric skin care devices, brushes and chargers therefor, and kits containing same	South Korea, Israel, Canada, United Kingdom, China	Nonpatent June 27, 2020 July 4, 2024 Dec. 15, 2024
337-TA-965	Certain table saws incorporating active injury mitigation technology and components thereof	Germany	Sept. 29, 2020 Feb. 1, 2022
337-TA-967	Certain document cameras and software for use therewith	No foreign respondents	Jan. 28, 2030
337-TA-972	Certain automated teller machines, ATM modules, components thereof, and products containing the same	South Korea	Dec. 9, 2027
337-TA-975	Certain computer cables, chargers, adapters, peripheral devices and packaging containing the same	China	Nonpatent
337-TA-976	Certain woven textile fabrics and products containing same	India	Nonpatent

Investigation no.	Article	Country ^a	Date patent expires ^b
337-TA-977	Certain arrowheads with deploying blades and components thereof and packaging therefor	China	Nonpatent March 3, 2021 March 3, 2021 Aug. 12, 2028 Aug. 19, 2028 Oct. 8, 2028 Jan. 8, 2033 March 15, 2033 April 18, 2033
337-TA-988	Certain pumping bras	China	July 29, 2030
337-TA-989	Certain automated teller machines, ATM modules, components thereof, and products containing the same	No foreign respondents	Jan. 17, 2029
337-TA-1001	Certain digital video receivers and hardware and software components thereof	United Kingdom, France	Sept. 18, 2019 Sept. 18, 2019
337-TA-1005	Certain L-tryptophan, L-tryptophan products, and their methods of production	South Korea, Indonesia	Jan. 30, 2018 June 15, 2023
337-TA-1007/1021	Certain personal transporters, components thereof, and packaging and manuals therefor and certain personal transporters and components thereof	Netherlands, China, Turkey	Nonpatent
337-TA-1008	Certain carbon spine board, cervical collar, CPR masks and various medical training manikin devices, and trademarks, copyrights of product catalogues, product inserts and components thereof	China	Nonpatent
337-TA-1015	Certain hand dryers and housings for hand dryers	United Kingdom, China	Nonpatent
337-TA-1035	Certain liquid crystal eWriters and components thereof	China	March 9, 2026 Nov. 14, 2033
337-TA-1048	Certain intravascular administration sets and components thereof	China	Nov. 9, 2018 Nov. 9, 2018

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the original notice of investigation and may thus not reflect the countries of the respondents covered by an exclusion order. "Hong Kong" refers to "Hong Kong, China"; "Macau" refers to "Macau, China."

^b Multiple dates indicate the expiration dates of separate patents within the investigation.

^c There are three outstanding exclusion orders in inv. no. 337-TA-487.

^d There are two outstanding exclusion orders in inv. no. 337-TA-935.

^e There are two outstanding exclusion orders in inv. no. 337-TA-959.

Table A.17 U.S. imports for consumption under GSP, by source, 2015–17

Source	2015	2016	2017	2016–17
	Million \$			% change
India	4,618	4,710	5,635	19.6
Thailand	3,610	4,038	4,151	2.8
Brazil	1,941	2,181	2,473	13.4
Indonesia	1,682	1,793	1,947	8.6
Turkey	1,231	1,437	1,651	14.9
Philippines	1,380	1,473	1,492	1.3
South Africa	1,129	985	1,115	13.2
Ecuador	317	390	435	11.5
Cambodia	78	179	397	121.9
Pakistan	180	247	328	32.6
Sri Lanka	178	173	193	11.5
Kazakhstan	105	89	145	62.0
Bolivia	101	115	109	-5.0
Tunisia	217	115	102	-10.7
Georgia	89	58	93	60.3
Burma	0	3	91	2,736
Serbia	52	80	90	12.6
Egypt	71	75	88	16.9
Paraguay	66	69	82	20.1
Lebanon	43	65	74	13.7
Côte d'Ivoire	58	71	66	-7.1
Ukraine	41	54	55	2.4
Congo (DROC)	111	99	47	-52.9
Zimbabwe	46	16	46	193.1
Armenia	46	25	46	84.8
Subtotal, top 25 GSP beneficiaries in 2017	17,388	18,539	20,952	13.0
All other beneficiaries	370	414	263	-36.5
Total U.S. imports for consumption under GSP	17,759	18,953	21,215	11.9

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.18 Value of U.S. imports for consumption under GSP, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	2,952	3,199	3,304	3.3
2	Forest products	681	572	666	16.5
3	Chemicals and related products	3,380	3,825	4,545	18.8
4	Energy-related products	(^a)	2	15	505.7
5	Textiles and apparel	586	629	689	9.6
6	Footwear	7	11	8	-25.5
7	Minerals and metals	3,519	3,363	4,158	23.6
8	Machinery	2,090	2,160	2,119	-1.9
9	Transportation equipment	2,187	2,422	2,501	3.3
10	Electronic products	1,073	1,129	1,118	-1.0
11	Miscellaneous manufactures	1,284	1,643	2,092	27.3
Total U.S. imports for consumption under GSP		17,759	18,953	21,215	11.9

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a Less than \$500,000.

Table A.19 Share of U.S. imports for consumption under GSP, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017
		% of eligible imports		
1	Agricultural products	16.6	16.9	15.6
2	Forest products	3.8	3.0	3.1
3	Chemicals and related products	19.0	20.2	21.4
4	Energy-related products	0.0	0.0	0.1
5	Textiles and apparel	3.3	3.3	3.2
6	Footwear	0.0	0.1	0.0
7	Minerals and metals	19.8	17.7	19.6
8	Machinery	11.8	11.4	10.0
9	Transportation equipment	12.3	12.8	11.8
10	Electronic products	6.0	6.0	5.3
11	Miscellaneous manufactures	7.2	8.7	9.9
Total for consumption under GSP		100.0	100.0	100.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.20 Leading U.S. imports for consumption under GSP, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
7113.19	Jewelry and parts thereof, of precious metal other than silver	338	555	660	18.9
7202.41	Ferrochromium, containing more than 4% (wt.) carbon	259	263	480	82.4
2202.99	Nonalcoholic beverages, n.e.s.o.i. (including milk-based drinks)	^(a)	^(a)	347	^(b)
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	218	251	294	16.8
4015.19	Gloves, except surgical and medical gloves, of vulcanized rubber, n.e.s.o.i.	249	240	278	15.6
6802.99	Worked monumental or building stone n.e.s.o.i., of stone n.e.s.o.i.	187	233	273	17.0
2106.90	Food preparations n.e.s.o.i.	199	204	237	16.1
7606.12	Aluminum alloy rectangular (including square) plates, sheets and strip, over 0.2 mm thick	222	224	231	2.9
1701.14	Cane sugar in solid form, raw, not containing added flavoring or coloring matter, n.e.s.o.i.	100	173	229	32.2
8708.94	Steering wheels, steering columns and steering boxes for motor vehicles	216	213	228	7.0
8415.90	Parts, n.e.s.o.i., of air conditioning machines	262	262	224	-14.4
6802.91	Worked monumental or building stone n.e.s.o.i., of marble, travertine and alabaster	175	189	223	17.8
7801.10	Refined lead, unwrought	131	89	220	148.0
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks	88	180	190	5.1
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	81	158	189	19.6
	Total of items shown	2,725	3,235	4,301	33.0
	All other HTS products	15,034	15,718	16,913	7.6
	Total of all commodities	17,759	18,953	21,215	11.9

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS subheading 2202.90.

^b Undefined.

Table A.21 Leading U.S. imports for consumption under AGOA (excluding GSP), by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
2709.00	Petroleum oils and oils from bituminous minerals, crude	4,814	6,210	9,162	47.5
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	1,349	1,493	1,178	-21.1
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	278	225	263	17.1
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	179	193	201	4.2
6110.30	Sweaters, pullovers, sweatshirts, vests and similar articles of manmade fibers, knitted or crocheted	102	109	123	12.8
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	148	143	119	-16.2
0802.62	Macadamia nuts, shelled, fresh or dried	103	86	108	26.5
6104.63	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibers, knitted or crocheted	98	91	94	2.7
7606.12	Aluminum alloy rectangular (including square) plates, sheets and strip, over 0.2 mm thick	0	23	93	295.7
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	55	29	90	209.7
7202.11	Ferromanganese, containing more than 2% (wt.) carbon	87	33	85	154.1
6204.62	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	88	98	85	-13.5
6105.20	Men's or boys' shirts of manmade fibers, knitted or crocheted	60	78	77	-1.4
3823.70	Industrial fatty alcohols	42	47	62	31.8
6109.90	T-shirts, singlets, tank tops and similar garments, of textile materials n.e.s.o.i., knitted or crocheted	47	52	54	3.9
	Total of items shown	7,450	8,910	11,794	32.4
	All other HTS products	534	541	718	32.7
	Total of all commodities	7,984	9,451	12,512	32.4

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

Table A.22 Leading U.S. imports for consumption under AGOA (excluding GSP), by source, 2015–17

Source	2015	2016	2017	2016–17
	Thousand \$			% change
Nigeria	1,403,195	3,482,333	6,089,946	74.9
Angola	1,830,054	1,998,268	2,270,554	13.6
South Africa	1,730,100	1,858,388	1,817,607	-2.2
Chad	1,478,697	775,178	590,244	-23.9
Kenya	428,224	390,746	403,258	3.2
Ghana	9,626	29,691	312,479	952.5
Lesotho	299,314	295,164	289,013	-2.1
Madagascar	39,831	93,734	148,028	57.9
Mauritius	207,083	188,039	140,199	-25.4
Gabon	167,003	60,050	99,913	66.4
Ethiopia	40,897	61,490	86,453	40.6
Congo (ROC)	254,572	61,681	79,464	28.8
Mauritania	0	47,711	54,854	15.0
Tanzania	28,166	36,952	40,545	9.7
Côte d'Ivoire	530	120	37,717	31295.2
Malawi	40,952	45,085	35,503	-21.3
Senegal	15,544	87	5,133	5784.1
Mozambique	284	1,470	2,845	93.5
Rwanda	435	1,220	2,164	77.4
Djibouti	464	11	1,304	11758.2
Botswana	8,251	4,766	991	-79.2
Zambia	265	32	907	2725.3
Burkina Faso	3	167	720	331.6
Cabo Verde	523	586	720	22.8
Uganda	144	288	713	147.5
Cameroon	53	16,758	393	-97.7
Sierra Leone	0	523	92	-82.3
Togo	11	20	80	306.9
Guinea	4	7	32	359.4
Namibia	0	0	31	^(a)
Mali	14	13	20	52.6
Benin	0	15	9	-39.9
Niger	0	3	2	-48.8
Liberia	0	17	0	-100.0
Seychelles	0	34	0	-100.0
Total U.S. imports for consumption under AGOA (excluding GSP)	7,984,240	9,450,648	12,511,932	32.4

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included. Because of rounding, figures may not add up to totals shown.

^a Undefined.

Table A.23 Leading U.S. imports for consumption under CBERA, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Thousand \$			% change
2905.11	Methanol (methyl alcohol)	650,812	253,213	378,273	49.4
6109.10	T-shirts, singlets, tank tops and similar garments of cotton, knitted or crocheted	271,502	206,745	192,440	-6.9
3903.11	Polystyrene, expandable, in primary forms	86,880	66,625	78,149	17.3
6110.20	Sweaters, pullovers, sweatshirts, vests and similar articles of cotton, knitted or crocheted	120,972	84,342	73,278	-13.1
2709.00	Petroleum oils and oils from bituminous minerals, crude	144,871	86,200	53,648	-37.8
0714.30	Yams, fresh, chilled, frozen or dried	20,408	21,119	23,281	10.2
2933.61	Melamine	4,236	12,257	16,681	36.1
2106.90	Food preparations n.e.s.o.i.	13,468	15,920	14,893	-6.4
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	225	298	12,441	4,068.8
2103.90	Sauces and preparations therefor, n.e.s.o.i.; mixed condiments and mixed seasonings	12,888	11,452	12,283	7.3
6109.90	T-shirts, singlets, tank tops and similar garments, of textile materials n.e.s.o.i., knitted or crocheted	17,536	11,853	11,981	1.1
0804.50	Guavas, mangoes and mangosteens, fresh or dried	13,804	8,421	11,942	41.8
2009.19	Orange juice, other than frozen, whether or not sweetened	7,912	6,476	4,709	-27.3
2008.99	Fruit and other edible parts of plants, n.e.s.o.i., prepared or preserved, whether or not containing added sweetening or spirit, n.e.s.o.i.	5,254	6,009	4,696	-21.8
2208.40	Rum and tafia	2,862	3,174	4,353	37.2
	Total of items shown	1,373,632	794,103	893,047	12.5
	All other HTS provisions	168,190	76,793	67,941	-11.5
	Total of all commodities	1,541,822	870,896	960,989	10.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.24 U.S. imports for consumption under CBERA, by source, 2015–17

Source	2015	2016	2017	2016–17
	Thousand \$			% change
Trinidad and Tobago	830,291	378,983	488,160	28.8
Haiti	433,402	317,860	295,323	-7.1
Bahamas	88,389	68,403	79,826	16.7
Jamaica	81,583	74,847	72,676	-2.9
Belize	36,881	17,136	12,398	-27.7
St. Kitts-Nevis	10,481	7,210	5,122	-29.0
Barbados	22,570	2,254	3,558	57.8
Grenada	1,728	1,809	2,405	32.9
Guyana	34,918	1,551	707	-54.5
St. Lucia	1,301	627	342	-45.4
Antigua Barbuda	82	37	161	330.7
Curaçao	3	85	124	45.6
St. Vincent and the Grenadines	16	45	102	125.8
Dominica	77	22	48	116.5
Aruba	93	15	36	145.1
British Virgin Islands	9	9	0	-100.0
Montserrat	0	0	0	(^a)
Total U.S. imports for consumption under CBERA	1,541,822	870,896	960,989	10.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a Undefined.

Table A.25 WTO dispute settlement cases to which the United States was a party, developments in 2017

Case no.	Title	Complainant	Action (month/day/year)
DS217	United States—Continued Dumping and Subsidy Offset Act of 2000 (CDSOA or Byrd Amendment)	Australia, Brazil, Chile, European Communities (EC), India, Indonesia, Japan, South Korea, Thailand	<p>Complaining parties request consultations (12/21/00). Panel is established (08/23/01) and composed (10/25/01). Panel report is circulated (09/16/02).</p> <p>U.S. notifies Dispute Settlement Body (DSB) it will appeal panel decision (10/18/02).</p> <p>Appellate Body report is circulated (01/16/03).</p> <p>Brazil, Chile, the EC, India, Japan, South Korea, Canada, and Mexico request DSB authorization to suspend concessions (01/15/04); U.S. objects and DSB refers the matter arbitration (01/24/04).</p> <p>Arbitrator circulates decisions and rejects position of Brazil, Canada, Chile, the EC, India, Japan, South Korea, and Mexico, and finds it appropriate to rely on the economic effect of the measure (08/31/04).</p> <p>Authority to retaliate granted (11/26/04, 12/17/04).</p> <p>DSB authorizes or takes note of various requests or agreements to suspend concessions (2004–05).</p> <p>U.S. states at DSB meeting that recent changes bring U.S. law into conformity with its WTO obligations (02/17/06).</p> <p>Japan (2006-2013) and EC (2006-2018) notify DSB annually of the new list of products on which the additional import duty would be imposed further to the authorized suspension of concessions.</p> <p>Japan notifies DSB that, because the level of authorization was marginal, no suspension of concessions would be applied for the 10th year starting September 1, 2014 (08/18/14) and similarly notifies the same for 2015, 2016, and 2017.</p>

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 is established (07/20/05) and composed (10/17/05). Panel report is circulated (06/30/10). European Union (EU) notifies DSB it will appeal decision to Appellate Body (07/21/10); U.S. does the same (08/19/10). Appellate Body report is circulated (05/18/11). DSB adopts Appellate Body and panel reports (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). U.S. requests establishment of an Article 21.5 compliance panel (03/30/12); panel established (04/13/12). Compliance panel issues report, finding that the EU has largely failed to comply (09/22/16). EU notifies the Appellate Body of its decision to appeal certain issues of law and interpretation in the panel report (10/13/16). U.S. notifies the Appellate Body it will appeal certain issues of law and interpretation in the panel report (11/10/16). Appellate Body circulates its report to members, largely upholding the panel report (05/18/18).</p>

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 is 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 is circulated (03/31/11). EU notifies DSB that it will appeal the decision to the Appellate Body (04/01/11); U.S. also notifies its decision to appeal (04/28/11). Appellate Body report is circulated (03/12/12); DSB adopts Appellate Body and panel reports (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 Agreement on Subsidies and Countervailing Measures (SCM Agreement) (04/24/12). U.S. notifies DSB of withdrawal of subsidies and removal of adverse effects in this dispute, and that it fully complies with DSB recommendations and rulings (09/23/12). Compliance proceedings: EU requests consultations under Article 21.5 (09/25/12), and then requests establishment of a compliance panel (10/11/12). A compliance panel is established and composed (10/30/12). The panel chair subsequently informs the DSB several times of delays in circulating its report due to scale and complexity of the dispute. Compliance report circulates to members, upholding certain EU claims and rejecting others (06/09/17). EU notifies DSB of its decision to appeal certain issues of law and legal interpretations (06/29/17); and the U.S. notifies the DSB of its decision to cross-appeal (08/10/17). <i>Countermeasures:</i> EU requests authority to take countermeasures under Article 22 of the DSU (remedies) and Articles 4, 10, and 7.9 of the SCM Agreement (09/27/12). U.S. objects to the level of suspension of concessions and other obligations, and refers the matter to arbitration under Article 22.6 of the DSU (10/22/12). At the DSB meeting the two parties agree to refer the matter to arbitration (10/23/10). U.S. and EU later ask the arbitrator to suspend arbitration proceedings (11/27/12), and the arbitrator suspends proceedings (11/28/12).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS381	United States— Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Mexico	<p>Mexico requests consultations with U.S. (10/24/08). Panel is established (04/20/09) and composed (12/14/09). Panel chairman informs DSB that the 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 is circulated (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 (05/16/12); DSB adopts the Appellate Body and panel reports (06/13/12). U.S. states that it intends to implement DSB recommendations and rulings (06/25/12), and U.S. and Mexico inform DSB that they have agreed that a reasonable period of time to do so is by July 13, 2013 (09/17/12). U.S. advises DSB that it has made effective a final rule amending dolphin-safe labeling requirements for tuna and tuna products, bringing its requirements into compliance (07/23/13). Mexico and U.S. inform DSB of agreed procedures under Articles 21 and 22 of the DSU (08/02/13). Compliance proceedings. Mexico requests establishment of a compliance panel (11/14/13); DSB agrees to refer to the original panel (01/22/14); panel is composed (01/27/14). Compliance panel report circulated to members (04/14/15). U.S. notifies DSB of its decision to appeal certain issues of law covered in the compliance panel report (06/05/15); Mexico files an appeal in the same dispute (06/10/15). Appellate Body report is circulated to members (11/20/15). DSB adopts Article 21.5 Appellate Body reports and panel reports, as modified by Appellate Body reports (12/03/15). Mexico requests Article 22.2 authorization to suspend concessions (03/10/16). U.S. requests Article 22.6 arbitration of Mexico's request to suspend concessions (03/22/16) and requests establishment of an Article 21.5 panel to resolve disagreement over U.S. compliance measures (04/11/16). Panels established and composed (04/22/16, 05/27/16). Mexico requests Article 21.5 (second recourse) consultations with U.S. (05/13/16); consultations held (06/02/16). Mexico requests establishment of an Article 21.5 compliance panel to resolve disagreement over the U.S. final rule as amended in 2016 (06/09/16). Compliance panel composed (07/11/16). Compliance panel report circulated to members; panel finds U.S. measures consistent with Article 2.1 of TBT Agreement and justified under Article XX of GATT 1994 (10/26/17). Mexico notifies DSB of decision to appeal certain issues of law and legal interpretation in the compliance panel report (12/01/17).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS427	China—Anti-dumping and Countervailing Duty Measures on Broiler Products from the United States	United States	<p>U.S. requests consultations (09/20/11). Panel established (01/20/12) and composed (05/24/12). Panel report circulated (08/02/13) and is adopted by DSB (09/25/13). China informs DSB it intends to implement DSB recommendations and rulings (10/22/13). China and U.S. inform DSB that they have agreed that a reasonable period of time to implement is by July 9, 2014 (12/19/13). China informs DSB that it has fully implemented DSB recommendations and rulings, but U.S. disagrees that China has fully complied (07/22/14). China and U.S. inform DSB of agreed procedures under Articles 21 and 22 of the DSU (07/15/14). U.S. requests Article 21.5 consultations for China's failure to comply with DSB recommendations (05/10/16). U.S. requests establishment of a compliance panel (05/27/16); and panel composed ((07/18/16). Compliance report circulated; panel upheld most of U.S. claims in its report (01/18/18). DSB adopts compliance panel report (02/28/18).</p>
DS430	India—Measures Concerning the Importation of Certain Agricultural Products from the United States	United States	<p>U.S. requests consultations (03/06/12). Panel is established (06/25/12). Director-General composes a panel (02/18/13). Panel report is circulated (10/14/14). India, after receiving an extension, notifies DSB it will appeal the decision to the Appellate Body (01/26/15). Appellate Body issues its report (06/04/15). DSB adopts the Appellate Body report and the panel report, as modified by the Appellate Body report (06/19/15). India informs DSB it intends to implement DSB's recommendations and rulings and will need a reasonable period of time to do so (07/13/15). India and U.S. inform DSB that they have agreed that the reasonable period of time is 12 months, expiring on June 19, 2016 (12/08/15). U.S. requests authorization to suspend concessions for India's failure to comply with recommendations and rulings of DSB (07/07/16). India objects to level of suspension of concessions/ obligations, requests Article 22.6 arbitration, and informs DSB it has adopted necessary measures to comply with DSB recommendations and rulings (07/18/16 and 09/22/16). India informs DSB of subsequent amendments to its measures to comply with DSB's rulings and recommendations (03/02/17). India requests establishment of a compliance panel (04/06/17) and DSB agrees (05/22/17). Compliance panel chair informs DSB that it expects to issue its final report by the end of May 2018 (11/23/17).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS436	United States— Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India	India	<p>India requests consultations (04/12/12). Panel is established (08/31/12). Director-General composes the panel (02/18/13). Panel report is circulated (07/14/14). India notifies DSB that it will appeal certain issues of law and legal interpretation in the panel report (08/08/14). U.S. files an appeal (08/13/14). Appellate Body circulates its report (12/08/14). DSB adopts the Appellate Body report and panel report as modified (12/19/14). U.S. informs DSB that it intends to implement DSB’s recommendations and will need a reasonable period of time to do so (01/16/15). India and U.S. inform DSB that they agree that a reasonable period of time is 15 months, expiring on March 19, 2016 (03/24/15). India and U.S. inform DSB they have agreed to modify the reasonable period of time, to expire April 18, 2016 (03/09/16). U.S. informs DSB that USITC and USDOC have issued new final determinations making findings consistent with DSB recommendations and rulings (04/22/16). India and U.S. inform DSB of agreed procedures under DSU Articles 21 and 22 (05/06/16). India requests consultations with U.S. concerning U.S. compliance measures (06/05/17). India requests establishment of a compliance panel (03/29/18).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS437	United States— Countervailing Duty Measures on Certain Products from China	China	<p>China requests consultations (05/25/12). Panel is established (09/28/12). Director-General composes the panel (11/26/12). Panel report is circulated (07/14/14). China appeals the panel decision to the Appellate Body (08/22/14). U.S. files a cross-appeal of a preliminary determination by the panel (08/27/14). Appellate Body issues its report (12/18/14). DSB adopts Appellate Body and panel reports (01/16/15). U.S. informs DSB that it intends to implement DSB’s recommendations and rulings and that it will need a reasonable period of time to do so (02/13/15). China requests that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) of the DSU (06/26/15). An arbitrator determines that the reasonable period of time expires on April 1, 2016 (10/09/15). China and U.S. inform DSB of agreed procedures under Articles 21 and 22 of the DSU (04/15/16). China requests DSU Article 21.5 consultations (05/13/16) and subsequently establishment of a compliance panel (07/08/16). A compliance panel is established (07/21/16) and composed (10/05/16). Compliance panel report is circulated (03/21/18). U.S. notifies DSB it will appeal to the Appellate Body certain issues of law and legal interpretations in the compliance panel report (04/27/18).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS456	India—Certain Measures Relating to Solar Cells and Solar Modules	United States	<p>U.S. requests consultations (02/06/13); U.S. requests supplementary consultations (02/10/14). Panel is established (05/23/14). Parties agree on composition of panel (09/24/14). Panel report is circulated to members (02/24/16). India notifies DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretation in the panel report (04/20/16). Appellate Body report circulated (09/16/16). DSB adopts the panel and Appellate Body reports (10/26/16). India informs DSB it intends to implement DSB's recommendations and rulings (11/08/16). U.S. and India inform DSB they have agreed that a reasonable time to implement would be 14 months, expiring on Dec. 14, 2017 (06/16/17). India informs DSB it has ceased to apply measures found to be inconsistent (12/14/17). U.S. requests authorization from DSB to suspend concessions/obligations on grounds India has failed to comply within a reasonable time (12/19/17). India objects and disagrees it has failed to comply (01/02/18). Matter is referred to arbitration (01/12/18).</p>
DS464	United States—Anti-dumping and Countervailing Measures on Large Residential Washers from South Korea	Republic of Korea (South Korea)	<p>South Korea requests consultations (08/29/13). Panel is established (01/22/14). Director-General composes the panel (06/20/14). Panel report is circulated to members (03/11/16). U.S. notifies DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretation in the panel report (04/19/16). Appellate Body report is circulated (09/07/16). DSB adopts Appellate Body and panel reports (09/26/16). U.S. states that it intends to implement the DSB's recommendations and rulings and will need a reasonable period of time (10/26/16). South Korea requests that the reasonable period of time be determined through arbitration (12/9/16). Arbitrator determines that the reasonable period of time is 15 months, expiring on Dec. 26, 2017 (04/13/17).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS471	United States—Certain Methodologies and Their Application to Anti-dumping Proceedings Involving China	China	<p>China requests consultations (12/3/13). Panel is established (03/26/14). Director-General composes the panel (08/28/14). Panel report is circulated (10/19/16). China notifies DSB it will appeal certain issues of law and legal interpretation in the panel report (11/18/16). Appellate Body report is circulated and upholds in part and reverses in part certain panel findings regarding U.S. Department of Commerce antidumping methodologies (05/11/17). U.S. states that it intends to implement the DSB's recommendations and rulings and will need a reasonable period of time (06/19/17). China requests that reasonable period of time be determined through arbitration (10/17/17). Arbitrator determines that the reasonable period of time is 15 months, expiring on Aug. 22, 2018 (01/19/18).</p>
DS478	Indonesia—Importation of Horticultural Products, Animals and Animal Products	United States	<p>U.S. requests consultations (05/08/14). Single panel established to consider this dispute and DS477 brought by New Zealand (05/20/15). Director-General composes the panel (10/08/15). Panel report is circulated (12/22/16). Indonesia notifies DSB it will appeal certain issues of law and legal interpretation in the panel report (02/17/17). Appellate Body report is circulated and upholds panel findings that 18 import measures imposed by Indonesia are inconsistent with Indonesia's obligations (11/09/17). DSB adopts Appellate Body report and panel report as modified by Appellate Body (11/22/17). Indonesia informs the DSB it will require a reasonable period of time to comply (12/15/17).</p>
DS487	United States—Conditional Tax Incentives for Large Civil Aircraft	European Union	<p>EU requests consultations (12/19/14). EU requests establishment of a panel (02/12/15); panel established (02/23/15); panel composed (04/13/15). Panel circulates its report (11/28/16). U.S. notifies DSB of its decision to appeal certain issues of law and legal interpretation in the panel report (12/16/16). EU notifies DSB it will cross-appeal (01/17/17). Appellate Body circulates its report, affirming the panel's rejection of six of seven EU claims alleging that certain Washington State tax incentives were inconsistent with U.S. obligations and reversing the panel finding of U.S. inconsistency on the seventh claim (09/04/17). DSB adopts Appellate Body report and panel report as modified by the Appellate Body (09/22/17).</p>

Case no.	Title	Complainant	Action (month/day/year)
DS488	United States—Anti-dumping Measures on Certain Oil Country Tubular Goods from South Korea	South Korea	South Korea requests consultations (12/22/14). DSB establishes a panel (03/25/15). Parties agree on composition of panel (07/13/15). Panel circulates its report; panel finds the U.S. acted inconsistently with its obligations in several respects and rejects other claims of South Korea (11/14/17). The DSB adopts the panel report (01/12/18). U.S. and South Korea agree that a reasonable time for U.S. to implement the panel's recommendations and rulings is by January 19, 2019 (01/12/18).
DS491	United States—Anti-dumping Measures and Countervailing Measures on Certain Coated Paper from Indonesia	Indonesia	Indonesia requests consultations (03/13/15). DSB establishes a panel (09/28/15). Director-General composes the panel (02/04/16). Panel report rejecting all of Indonesia's claims is circulated to members (12/06/17). DSB adopts the panel report (01/12/18).
DS501	China—Tax Measures Concerning Certain Domestically Produced Aircraft	United States	U.S. requests consultations (12/08/15).
DS503	United States—Measures Concerning Non-Immigrant Visas	India	India requests consultations (03/03/16).
DS505	United States—Countervailing Measures on Supercalendered Paper from Canada	Canada	Canada requests consultations (03/30/16). DSB establishes a panel (07/21/16). Director-General composes the panel (08/31/16). Panel chair informs DSB panel expects to issue final report before the end of 2017 (01/27/17).
DS508	China—Export Duties on Certain Raw Materials	United States	U.S. requests consultations (07/13/16). DSB establishes a panel (11/08/16).
DS510	U.S.—Certain Measures Relating to the Renewable Energy Sector	India	India requests consultations (09/09/16). DSB establishes a panel (03/21/17). Director-General composes the panel (04/24/18).
DS511	China—Domestic Support for Agricultural Producers	United States	U.S. requests consultations (09/13/16). DSB establishes a panel (01/25/17). Parties agree on panel composition (06/24/17). Panel chair informs DSB panel expects to issue final report no earlier than third quarter 2018 (02/22/18).
DS514	United States—Countervailing Measures on Cold- and Hot-Rolled Steel Flat Products from Brazil	Brazil	Brazil requests consultations (11/11/16).
DS515	United States—Measures Related to Price Comparison Methodologies	China	China requests consultations (12/12/16).

Case no.	Title	Complainant	Action (month/day/year)
DS517	China—Tariff Rate Quotas for Certain Agricultural Products	United States	U.S. requests consultations (12/15/16). DSB establishes a panel (09/22/17). Director-General composes the panel (02/12/18).
DS519	China—Subsidies to Producers of Primary Aluminum	United States	U.S. requests consultations (01/12/17).
DS520	Canada—Measures Governing the Sale of Wine in Grocery Stores	United States	U.S. requests consultations (01/18/17).
DS523	United States—Countervailing Measures on Certain Pipe and Tube Products (Turkey)	Turkey	Turkey requests consultations (03/08/17). DSB establishes a panel (06/19/17). Director-General composes the panel (09/14/17). Panel chair informs DSB it expects to issue final report in second half of 2018 (03/06/18).
DS531	Canada—Measures Governing the Sale of Wine in Grocery Stores (second complaint)	United States	U.S. requests consultations (09/28/17).
DS533	United States—Countervailing Measures on Softwood Lumber from Canada	Canada	Canada requests consultations (11/28/17). DSB establishes a panel (04/09/18).
DS534	United States—Anti-Dumping Measures Applying Differential Pricing Methodology to Softwood Lumber from Canada	Canada	Canada requests consultations (11/28/17). DSB establishes a panel (04/09/18).
DS535	United States—Certain Systemic Trade Remedies Measures	Canada	Canada requests consultations (12/20/17).

Source: WTO, "[Chronological List of Dispute Cases](#)" (accessed May 23, 2018).

Table A.26 NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2017

Panel review no.	Dispute	Action (month/day/year)
MEX-USA-2012-1904-01	Chicken thighs and legs from the United States (AD) (Investigating authority: Secretaría de Economía)	Request for panel review (09/03/12). Oral argument hearing date (08/25/15). Decision date 1 (04/21/17). Decision date 2 (12/20/17) Status: Completed.
MEX-USA-2015-1904-01	Ammonium sulfate from U.S. and China (AD) (Investigating authority: Secretaría de Economía)	Request for panel review (11/06/15). Oral argument hearing date (06/25/18) Status: Active.
USA-CDA-2015-1904-01	Supercalendered paper from Canada (AD) (Investigating authority: International Trade Administration)	Request for panel review (11/18/15). Oral argument hearing date (10/25/16); Decision date (04/13/17). Consent Motion to Stay Proceedings for 60 days affirmed by panel (04/06/18). Status: Suspended/stayed.
MEX-USA-2016-1904-01	Ethylene glycol monobutyl ether (AD) (Investigating authority: Secretaría de Economía)	Request for panel review (06/24/2016). Status: Active.
CDA-USA-2017-1904-01	Certain gypsum board originating in or exported from the United States (Investigating Authority: Canadian International Trade Tribunal)	Request for panel review (02/06/17). Decision: panel review was terminated by joint consent of the participants. Status: Terminated.
USA-MEX-2017-1904-01	Certain circular welded non-alloy steel pipe from Mexico (AR) (Investigating authority: International Trade Administration)	Request for panel review (07/12/17). Status: Active.
USA-CDA-2017-1904-02	Certain softwood lumber products from Canada (CVD) (Investigating authority: International Trade Administration)	Request for panel review (11/14/17). Status: Active.
USA-CDA-2017-1904-03	Certain softwood lumber products from Canada (AD) (Investigating authority: International Trade Administration)	Request for panel review (12/05/17). Status: Active.

Source: NAFTA Secretariat, "[Status Report: NAFTA and FTA Dispute Settlement Proceedings](#)" (accessed May 16, 2017).

Note: This list includes active cases during 2017, including those in which little if any formal action occurred during 2017. AD means "antidumping duty," CVD means "countervailing duty," and AR means "administrative review."

Table A.27 U.S. total exports to the EU, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	14,146	13,344	13,475	1.0
2	Forest products	5,339	5,070	5,210	2.8
3	Chemicals and related products	62,883	60,644	59,603	-1.7
4	Energy-related products	16,664	13,916	20,164	44.9
5	Textiles and apparel	2,613	2,563	2,583	0.8
6	Footwear	89	88	104	19.2
7	Minerals and metals	22,405	21,970	24,552	11.8
8	Machinery	20,779	20,028	21,497	7.3
9	Transportation equipment	59,713	63,851	64,967	1.7
10	Electronic products	48,388	47,848	50,897	6.4
11	Miscellaneous manufactures	10,443	12,034	11,663	-3.1
12	Special provisions	8,417	8,261	8,802	6.6
	Total	271,879	269,617	283,517	5.2

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.28 U.S. general imports from the EU, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	23,522	24,671	26,233	6.3
2	Forest products	5,122	5,323	5,814	9.2
3	Chemicals and related products	105,972	106,679	107,114	0.4
4	Energy-related products	14,271	12,049	12,975	7.7
5	Textiles and apparel	6,066	5,680	5,865	3.3
6	Footwear	2,055	2,053	2,099	2.2
7	Minerals and metals	30,019	27,187	29,614	8.9
8	Machinery	46,112	44,193	48,502	9.8
9	Transportation equipment	105,950	95,760	99,795	4.2
10	Electronic products	44,945	48,518	50,124	3.3
11	Miscellaneous manufactures	19,200	18,760	19,965	6.4
12	Special provisions	24,304	25,503	26,835	5.2
	Total	427,537	416,377	434,933	4.5

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.29 Leading U.S. total exports to the EU, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8800.00	Civilian aircraft, engines, and parts	32,876	36,531	36,945	1.1
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	11,277	10,343	8,861	-14.3
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	10,394	7,161	7,027	-1.9
2709.00	Petroleum oils and oils from bituminous minerals, crude	306	1,566	5,701	264.1
3002.15	Immunological products, put up in measured doses or in forms or packings for retail sale	^(a)	^(a)	5,223	^(b)
9701.10	Paintings, drawings and pastels, hand executed works of art, framed or not framed	3,593	4,908	5,051	2.9
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	3,670	3,983	4,985	25.2
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	3,692	3,963	4,542	14.6
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	4,395	4,369	4,321	-1.1
3002.12	Antisera and other blood fractions	^(a)	^(a)	4,087	^(b)
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	2,464	1,614	3,381	109.5
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	3,855	3,890	3,349	-13.9
3822.00	Composite diagnostic or laboratory reagents, other than pharmaceutical preparations of heading 3002 or 3006	2,729	2,856	3,082	7.9
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	3,535	3,692	3,062	-17.1
9018.39	Medical etc., needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	2,870	2,899	2,799	-3.5
	Total of items shown	85,655	87,775	102,415	16.7
	All other products	186,224	181,842	181,103	-0.4
	Total of all commodities	271,879	269,617	283,517	5.2

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS subheading 3002.10.

^b Undefined.

Table A.30 Leading U.S. total imports from the EU, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
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	24,217	26,686	29,780	11.6
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	23,432	25,123	25,652	2.1
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	17,934	13,496	10,186	-24.5
8411.91	Parts of turbojets or turbopropellers	7,564	6,945	8,008	15.3
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	9,023	7,644	7,953	4.0
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	7,259	5,476	6,363	16.2
9701.10	Paintings, drawings and pastels, hand executed works of art, framed or not framed	6,695	5,251	5,823	10.9
3002.15	Immunological products, put up in measured doses or in forms or packings for retail sale	^(a)	^(a)	5,741	^(b)
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	4,344	4,641	5,093	9.7
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.	4,535	5,370	5,060	-5.8
3002.20	Vaccines for human medicine	4,988	3,615	4,483	24.0
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	7,245	4,343	3,425	-21.2
3002.12	Antisera and other blood fractions	^(a)	^(a)	3,282	^(b)
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	4,062	3,672	3,273	-10.9
3002.13	Immunological products, unmixed, not put up in measured doses or in forms or packings for retail sale	^(a)	^(a)	3,121	^(b)
	Total of items shown	121,296	112,262	127,244	13.3
	All other products	306,240	304,115	307,689	1.2
	Total of all commodities	427,537	416,377	434,933	4.5

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

^a Trade in 2015 and 2016 reported under HTS subheading 3002.10.

^b Undefined.

Table A.31 U.S. total exports to China, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	21,664	22,929	21,091	-8.0
2	Forest products	6,431	6,796	7,532	10.8
3	Chemicals and related products	14,248	14,372	16,681	16.1
4	Energy-related products	2,628	3,010	9,000	199.0
5	Textiles and apparel	1,010	892	932	4.5
6	Footwear	81	90	109	21.0
7	Minerals and metals	7,999	7,342	9,046	23.2
8	Machinery	10,025	9,602	10,417	8.5
9	Transportation equipment	28,767	27,700	31,963	15.4
10	Electronic products	21,167	20,972	21,529	2.7
11	Miscellaneous manufactures	956	875	898	2.6
12	Special provisions	955	1,023	1,172	14.6
Total		115,932	115,602	130,370	12.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.32 U.S. general imports from China, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	6,802	6,719	7,072	5.3
2	Forest products	9,517	9,562	9,819	2.7
3	Chemicals and related products	30,995	29,810	33,581	12.7
4	Energy-related products	538	717	686	-4.3
5	Textiles and apparel	48,887	45,204	45,029	-0.4
6	Footwear	17,276	14,821	14,255	-3.8
7	Minerals and metals	32,057	30,242	32,958	9.0
8	Machinery	50,524	48,427	53,018	9.5
9	Transportation equipment	23,920	24,235	26,357	8.8
10	Electronic products	189,217	180,404	205,606	14.0
11	Miscellaneous manufactures	67,899	67,044	71,062	6.0
12	Special provisions	5,558	5,432	6,152	13.3
Total		483,189	462,618	505,597	9.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.33 Leading U.S. total exports to China, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8800.00	Civilian aircraft, engines, and parts	15,440	14,576	16,266	11.6
1201.90	Soybeans, other than seed	10,501	14,182	12,356	-12.9
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	6,606	6,957	6,524	-6.2
2709.00	Petroleum oils and oils from bituminous minerals, crude	15	361	4,434	1,129.7
8542.31	Processors and controllers, electronic integrated circuits	3,474	3,847	3,107	-19.2
8486.20	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrates circuits	1,423	1,741	2,003	15.0
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,966	792	1,983	150.4
7404.00	Copper waste and scrap	1,681	1,359	1,712	26.0
2711.12	Propane, liquefied	912	817	1,650	102.0
8703.80	Motor vehicles with only electric motor, n.e.s.o.i.	^(a)	^(a)	1,526	^(b)
8542.39	Electronic integrated circuits, n.e.s.o.i.	737	777	1,209	55.5
7602.00	Aluminum waste and scrap	1,306	918	1,173	27.8
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous	850	954	1,127	18.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	720	883	1,008	14.2
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	746	721	972	34.9
	Total of items shown	46,377	48,884	57,052	16.7
	All other products	69,555	66,718	73,318	9.9
	Total of all commodities	115,932	115,602	130,370	12.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapter 1-97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS subheading 8703.90.

^b Undefined.

Table A.34 Leading U.S. general imports from China, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8517.12	Telephones for cellular networks or for other wireless networks	40,410	37,051	44,566	20.3
8471.30	Portable automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	36,664	33,612	37,306	11.0
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	16,834	18,993	022,692	19.5
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.	10,819	10,209	15,008	47.0
9503.00	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; etc.	11,535	12,003	12,239	2.0
8504.40	Electrical static converters; power supplies for automatic data processing machines or units of 8471	4,748	4,421	4,614	4.3
8528.52	Other monitors capable of directly connecting to and designed for use with machines of heading 8471	(^a)	(^a)	4,532	(^b)
9504.50	Video game consoles and machines, other than those of subheading 9504.30	4,690	3,548	4,500	26.8
8523.51	Solid-state nonvolatile semiconductor storage devices	2,702	3,014	4,459	47.9
8471.50	Digital processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	3,230	3,255	4,416	35.7
8528.72	Reception apparatus for television, color, n.e.s.o.i.	4,362	3,345	4,036	20.7
9401.61	Seats with wooden frames, upholstered, n.e.s.o.i.	3,355	3,452	3,774	9.3
9403.20	Metal furniture, n.e.s.o.i.	3,113	3,192	3,531	10.6
9405.40	Electric lamps and lighting fittings, n.e.s.o.i.	2,614	2,944	3,115	5.8
4202.92	Container bags, boxes, cases and satchels n.e.s.o.i., with outer surface of sheeting of plastics or of textile materials	3,159	2,915	3,003	3.0
	Total of items shown	148,236	141,955	171,791	21.0
	All other products	334,952	320,663	333,806	4.1
	Total of all commodities	483,189	462,618	505,597	9.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1-97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS subheading 8528.51.

^b Undefined.

Table A.35 U.S. total exports to Canada, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	26,124	25,884	26,196	1.2
2	Forest products	10,199	9,710	9,890	1.9
3	Chemicals and related products	38,198	36,511	38,342	5.0
4	Energy-related products	22,256	17,462	19,664	12.6
5	Textiles and apparel	5,205	5,076	5,215	2.7
6	Footwear	500	509	498	-2.2
7	Minerals and metals	26,459	24,907	26,274	5.5
8	Machinery	29,164	26,254	27,468	4.6
9	Transportation equipment	74,345	73,560	78,092	6.2
10	Electronic products	32,447	31,451	32,542	3.5
11	Miscellaneous manufactures	8,847	8,454	8,806	4.2
12	Special provisions	7,110	7,020	9,483	35.1
	Total	280,855	266,797	282,472	5.9

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.36 U.S. general imports from Canada, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	25,286	25,246	26,106	3.4
2	Forest products	18,069	18,704	19,116	2.2
3	Chemicals and related products	32,211	29,680	29,449	-0.8
4	Energy-related products	70,837	54,755	74,241	35.6
5	Textiles and apparel	2,243	2,181	2,231	2.3
6	Footwear	73	50	52	4.1
7	Minerals and metals	29,762	28,778	31,585	9.8
8	Machinery	12,918	12,164	13,535	11.3
9	Transportation equipment	73,911	73,639	71,873	-2.4
10	Electronic products	8,932	8,929	9,342	4.6
11	Miscellaneous manufactures	5,250	5,537	5,250	-5.2
12	Special provisions	16,738	18,095	17,195	-5.0
	Total	296,230	277,756	299,975	8.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.37 Leading U.S. total exports to Canada, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	6,653	7,446	8,569	15.1
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	6,243	7,420	8,458	14.0
8800.00	Civilian aircraft, engines, and parts	8,318	7,550	8,274	9.6
2709.00	Petroleum oils and oils from bituminous minerals, crude	8,159	5,648	6,137	8.6
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	5,044	5,209	5,500	5.6
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	4,753	5,187	4,931	-4.9
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	6,273	5,661	4,199	-25.8
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	3,005	3,922	3,837	-2.2
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	4,032	2,784	2,954	6.1
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,757	2,820	2,802	-0.6
2711.21	Natural gas, gaseous	2,229	1,593	2,532	59.0
8708.40	Gear boxes for motor vehicles	1,928	2,015	2,302	14.2
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	1,971	1,949	2,251	15.5
8471.30	Portable automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	2,053	2,034	2,144	5.4
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	2,188	2,050	1,876	-8.5
	Total of items shown	65,608	63,286	66,766	5.5
	All other products	215,247	203,511	215,706	6.0
	Total of all commodities	280,855	266,797	282,472	5.9

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included; gvw = gross vehicle weight.

Table A.38 Leading U.S. general imports from Canada, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
2709.00	Petroleum oils and oils from bituminous minerals, crude	46,982	36,186	50,122	38.5
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	21,072	21,848	21,360	-2.2
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	21,044	21,521	15,062	-30.0
2711.21	Natural gas, gaseous	6,893	5,666	7,302	28.9
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, etc., over 6 mm (.236 in.) thick	4,425	5,549	5,793	4.4
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	90	1,317	5,494	317.1
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	5,862	3,443	4,937	43.4
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	4,749	3,755	4,818	28.3
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	3,703	3,452	3,353	-2.8
7601.10	Aluminum, not alloyed, unwrought	2,141	2,321	3,233	39.3
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	2,618	3,057	2,495	-18.4
2716.00	Electrical energy	2,462	2,192	2,375	8.4
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	3,722	3,421	2,314	-32.4
7601.20	Aluminum alloys, unwrought	2,484	1,903	2,240	17.7
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	2,403	2,436	2,235	-8.3
	Total of items shown	130,649	118,067	133,133	12.8
	All other products	165,581	159,688	166,842	4.5
	Total of all commodities	296,230	277,756	299,975	8.0

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

Table A.39 U.S. total exports to Mexico, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	18,296	18,503	19,276	4.2
2	Forest products	5,858	5,754	6,066	5.4
3	Chemicals and related products	34,113	32,932	35,126	6.7
4	Energy-related products	18,944	19,577	26,585	35.8
5	Textiles and apparel	5,996	5,442	5,554	2.0
6	Footwear	134	97	95	-1.8
7	Minerals and metals	22,748	20,981	21,995	4.8
8	Machinery	23,472	23,108	24,070	4.2
9	Transportation equipment	42,254	39,951	41,148	3.0
10	Electronic products	54,174	53,554	53,051	-0.9
11	Miscellaneous manufactures	3,080	3,041	2,973	-2.2
12	Special provisions	7,134	6,761	7,048	4.2
	Total	236,204	229,702	242,989	5.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.40 U.S. general imports from Mexico, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	23,008	24,887	26,703	7.3
2	Forest products	1,950	1,910	1,981	3.7
3	Chemicals and related products	10,759	10,608	11,534	8.7
4	Energy-related products	13,674	8,724	11,128	27.6
5	Textiles and apparel	5,902	5,804	6,104	5.2
6	Footwear	493	413	427	3.5
7	Minerals and metals	18,104	18,099	19,377	7.1
8	Machinery	30,098	29,918	31,408	5.0
9	Transportation equipment	104,402	105,192	114,156	8.5
10	Electronic products	72,485	73,558	75,772	3.0
11	Miscellaneous manufactures	6,547	6,782	6,699	-1.2
12	Special provisions	8,980	8,161	8,756	7.3
	Total	296,401	294,056	314,045	6.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.41 Leading U.S. total exports to Mexico, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	9,090	9,432	11,914	26.3
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.	10,661	10,856	10,441	-3.8
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	5,687	5,830	8,731	49.8
8542.31	Processors and controllers, electronic integrated circuits	2,773	3,310	3,618	9.3
8408.20	Compression-ignition internal combustion piston engines (diesel or semi-diesel), for the propulsion of vehicles except railway or tramway stock	2,666	2,507	3,582	42.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	3,238	3,119	3,279	5.1
8800.00	Civilian aircraft, engines, and parts	3,123	2,673	3,229	20.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	4,993	3,666	3,028	-17.4
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	3,457	3,046	2,932	-3.7
8471.70	Automatic data processing storage units, n.e.s.o.i.	2,306	2,810	2,882	2.6
8708.40	Gear boxes for motor vehicles	2,371	2,546	2,834	11.3
1005.90	Corn (maize), other than seed corn	2,325	2,575	2,666	3.5
8538.90	Parts for electrical apparatus for electrical circuits, boards, panels etc. for electric control or distribution of electricity, n.e.s.o.i.	2,443	2,455	2,610	6.3
3926.90	Articles of plastics, n.e.s.o.i.	2,406	2,376	2,507	5.5
8528.71	Reception apparatus for television, not designed to incorporate a video display or screen	1,588	1,788	2,015	12.7
	Total of items shown	59,126	58,990	66,268	12.3
	All other products	177,078	170,712	176,721	3.5
	Total of all commodities	236,204	229,702	242,989	5.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

Table A.42 Leading U.S. general imports from Mexico, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
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	16,388	17,964	20,349	13.3
8471.50	Digital processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	13,445	15,165	17,488	15.3
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	12,816	15,400	15,378	-0.1
2709.00	Petroleum oils and oils from bituminous minerals, crude	12,487	7,583	9,780	29.0
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	10,178	11,068	9,515	-14.0
8528.72	Reception apparatus for television, color, n.e.s.o.i.	11,053	8,720	8,404	-3.6
8544.30	Insulated ignition wiring sets and other wiring sets for vehicles, aircraft and ships	7,243	7,060	6,879	-2.6
9401.90	Parts of seats (except parts of medical, dentist, barber, and similar seats), n.e.s.o.i.	6,388	6,613	6,207	-6.1
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	2,264	3,613	5,934	64.2
8701.20	Road tractors for semi-trailers	7,997	4,756	5,750	20.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	4,744	4,991	4,878	-2.3
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	3,789	3,841	4,296	11.8
8537.10	Boards, panels, consoles, etc. with electrical apparatus, for electric control or distribution of electricity, for a voltage not exceeding 1,000 v	3,871	4,095	4,227	3.2
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	3,394	3,070	3,791	23.5
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	3,159	3,408	3,450	1.2
	Total of items shown	119,216	117,346	126,326	7.7
	All other products	177,185	176,710	187,719	6.2
	Total of all commodities	296,401	294,056	314,045	6.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included; gvw = gross vehicle weight.

Table A.43 U.S. total exports to Japan, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	12,421	12,107	12,953	7.0
2	Forest products	2,000	1,887	1,936	2.6
3	Chemicals and related products	11,131	11,537	11,859	2.8
4	Energy-related products	2,032	2,653	5,780	117.9
5	Textiles and apparel	569	522	513	-1.7
6	Footwear	75	56	50	-11.5
7	Minerals and metals	3,587	3,414	3,654	7.0
8	Machinery	4,794	4,314	5,776	33.9
9	Transportation equipment	10,409	11,119	9,698	-12.8
10	Electronic products	12,380	12,303	12,189	-0.9
11	Miscellaneous manufactures	1,839	2,172	2,077	-4.4
12	Special provisions	1,155	1,152	1,211	5.1
	Total	62,393	63,236	67,696	7.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.44 U.S. general imports from Japan, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	828	916	919	0.3
2	Forest products	460	446	441	-1.2
3	Chemicals and related products	11,710	11,505	11,965	4.0
4	Energy-related products	656	506	594	17.3
5	Textiles and apparel	767	737	745	1.1
6	Footwear	5	9	3	-68.7
7	Minerals and metals	6,743	6,234	6,348	1.8
8	Machinery	17,376	17,321	18,718	8.1
9	Transportation equipment	66,104	68,642	70,615	2.9
10	Electronic products	21,665	21,213	21,522	1.5
11	Miscellaneous manufactures	1,292	1,196	1,286	7.5
12	Special provisions	3,776	3,320	3,389	2.1
	Total	131,383	132,046	136,544	3.4

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.45 Leading U.S. total exports to Japan, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8800.00	Civilian aircraft, engines, and parts	6,385	6,877	5,752	-16.4
2711.12	Propane, liquefied	624	1,335	2,814	110.8
1005.90	Corn (maize), other than seed corn	2,034	2,098	2,159	2.9
8486.20	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrates circuits	1,204	848	1,731	104.1
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	1,947	2,095	1,660	-20.8
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, n.e.s.o.i., and parts and accessories thereof	1,169	1,211	1,234	1.9
2909.19	Acyclic ethers (excluding diethyl ether) and their halogenated, sulfonated, nitrated or nitrosated derivatives	720	912	1,133	24.2
3002.15	Immunological products, put up in measured doses or in forms or packings for retail sale	^(a)	^(a)	1,132	^(b)
0201.30	Meat of bovine animals, boneless, fresh or chilled	601	796	1,091	37.1
0203.19	Meat of swine, n.e.s.o.i., fresh or chilled	898	968	1,002	3.5
1201.90	Soybeans, other than seed	1,048	1,000	976	-2.5
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	334	395	830	110.3
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	677	692	814	17.6
2804.61	Silicon, containing by weight not less than 99.99% of silicon	559	948	812	-14.3
1001.99	Wheat and meslin, ^c not durum wheat, other than seed	746	610	724	18.7
Total of items shown		18,947	20,785	23,864	14.8
All other products		43,446	42,451	43,832	3.3
Total of all commodities		62,393	63,236	67,696	7.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS subheading 3002.10.

^b Undefined.

^c Mixture of wheat and rye flour.

Table A.46 Leading U.S. total imports from Japan, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
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	22,457	26,339	24,302	-7.7
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	11,912	10,555	10,800	2.3
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	4,737	4,470	3,983	-10.9
8708.40	Gear boxes for motor vehicles	2,294	2,688	3,342	24.4
8703.40	Passenger motor vehicles, with both spark-ignition combust and electric motor, other than those charges by plug in to external electric power	(^a)	(^a)	3,151	(^b)
8443.99	Parts and accessories of printers, copying machines and facsimile machines, n.e.s.o.i.	2,874	2,597	2,556	-1.6
8429.52	Mechanical shovels, excavators and shovel loaders with 360° revolving superstructure, self-propelled	2,032	1,942	2,003	3.2
8411.91	Parts of turbojets or turbopropellers	1,912	1,815	1,927	6.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,171	2,090	1,896	-9.3
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines), n.e.s.o.i.	1,222	1,287	1,384	7.6
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	926	1,391	1,356	-2.5
8486.20	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrates circuits	899	1,198	1,258	5.0
8507.90	Parts of electric storage batteries, including separators therefor	444	549	1,212	120.9
8486.90	Machines and apparatus of a kind used for the manufacture of semiconductor boules or wafers, etc., parts and accessories	838	886	1,177	32.8
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	509	743	993	33.7
	Total of items shown	55,226	58,549	61,341	4.8
	All other products	76,157	73,497	75,203	2.3
	Total of all commodities	131,383	132,046	136,544	3.4

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS statistical reporting numbers 8703.23.0022, 8703.23.0024, 8703.23.0026, 8703.23.0028, 8703.23.0032, 8703.23.0034, 8703.23.0036, 8703.23.0038, 8703.23.0042, 8703.23.0044, 8703.23.0046, 8703.23.0048, 8703.23.0052, 8703.23.0062, 8703.23.0064, 8703.23.0066, 8703.23.0068, 8703.23.0072, 8703.23.0074, 8703.23.0076, 8703.23.0090, 8703.24.0010, 8703.24.0030, 8703.24.0032, 8703.24.0034, 8703.24.0036, 8703.24.0038, 8703.24.0042, 8703.24.0052, 8703.24.0054, 8703.24.0056, 8703.24.0058, 8703.24.0062, 8703.24.0064, 8703.24.0066, 8703.24.0068, 8703.24.0090.

^b Undefined.

Table A.47 U.S. total exports to South Korea, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	6,747	6,842	7,473	9.2
2	Forest products	826	791	788	-0.4
3	Chemicals and related products	6,905	6,532	7,155	9.5
4	Energy-related products	1,392	1,733	4,211	142.9
5	Textiles and apparel	380	316	310	-2.0
6	Footwear	74	53	45	-14.5
7	Minerals and metals	3,214	2,556	2,603	1.9
8	Machinery	6,231	5,622	8,700	54.8
9	Transportation equipment	7,847	8,584	6,308	-26.5
10	Electronic products	8,388	7,653	9,110	19.0
11	Miscellaneous manufactures	823	989	863	-12.8
12	Special provisions	656	638	711	11.5
	Total	43,484	42,309	48,277	14.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.48 U.S. general imports from South Korea, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	739	810	844	4.2
2	Forest products	578	544	537	-1.2
3	Chemicals and related products	6,225	8,511	7,544	-11.4
4	Energy-related products	2,922	2,266	2,874	26.9
5	Textiles and apparel	1,326	1,271	1,234	-2.9
6	Footwear	22	27	45	63.7
7	Minerals and metals	6,908	5,309	5,819	9.6
8	Machinery	7,579	7,068	7,895	11.7
9	Transportation equipment	27,015	25,314	25,304	0.0
10	Electronic products	16,167	16,550	16,813	1.6
11	Miscellaneous manufactures	895	968	888	-8.2
12	Special provisions	1,380	1,243	1,366	9.9
	Total imports	71,758	69,881	71,164	1.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.49 Leading U.S. total exports to South Korea, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8486.20	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrates circuits	1,928	1,911	4,731	147.5
8800.00	Civilian aircraft, engines, and parts	3,946	3,505	2,863	-18.3
8542.31	Processors and controllers, electronic integrated circuits	2,750	2,094	2,513	20.0
2709.00	Petroleum oils and oils from bituminous minerals, crude	58	181	1,122	520.8
2711.12	Propane, liquefied	227	556	947	70.3
8517.12	Telephones for cellular networks or for other wireless networks	4	147	946	542.7
8486.90	Machines and apparatus of a kind used for the manufacture of semiconductor boules or wafers, etc., parts and accessories	578	663	838	26.4
1005.90	Corn (maize), other than seed corn	655	870	711	-18.2
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	602	741	686	-7.5
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	238	287	600	108.9
2711.11	Natural gas, liquefied	38	22	596	2,596.5
0202.20	Meat of bovine animals, cuts with bone in (other than half or whole carcasses), frozen	291	368	408	10.7
0203.29	Meat of swine, n.e.s.o.i., frozen	390	298	403	35.3
0201.30	Meat of bovine animals, boneless, fresh or chilled	133	200	371	84.9
8542.39	Electronic integrated circuits, n.e.s.o.i.	313	356	339	-5.0
	Total of items shown	12,150	12,199	18,072	48.1
	All other products	31,334	30,110	30,204	0.3
	Total of all commodities	43,484	42,309	48,277	14.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

Table A.50 Leading U.S. general imports from South Korea, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
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	11,552	10,808	8,547	-20.9
8517.12	Telephones for cellular networks or for other wireless networks	6,394	6,287	5,557	-11.6
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	3,517	2,647	3,714	40.3
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.	1,846	1,325	2,661	100.9
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	2,606	2,073	2,581	24.5
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	2,077	2,443	2,032	-16.8
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,305	1,278	1,383	8.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,296	1,302	1,166	-10.4
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	641	1,355	1,107	-18.3
8418.10	Combined refrigerator-freezers fitted with separate external doors	1,031	1,045	1,012	-3.2
8523.51	Solid-state nonvolatile semiconductor storage devices	692	1,034	978	-5.4
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	1,109	1,068	952	-10.9
8703.40	Passenger motor vehicles, with both spark-ignition combust and electric motor, other than those charges by plugging to external electric power	^(a)	^(a)	921	^(b)
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	898	937	809	-13.6
7306.29	Casing or tubing for oil or gas drilling, of iron or steel, n.e.s.o.i.	502	183	717	292.6
	Total of items shown	35,466	33,784	34,137	1.0
	All other products	36,292	36,098	37,027	2.6
	Total all commodities	71,758	69,881	71,164	1.8

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Trade in 2015 and 2016 reported under HTS statistical reporting numbers 8703.23.0022, 8703.23.0024, 8703.23.0026, 8703.23.0028, 8703.23.0032, 8703.23.0034, 8703.23.0036, 8703.23.0038, 8703.23.0042, 8703.23.0044, 8703.23.0046, 8703.23.0048, 8703.23.0052, 8703.23.0062, 8703.23.0064, 8703.23.0066, 8703.23.0068, 8703.23.0072, 8703.23.0074, 8703.23.0076, 8703.23.0090, 8703.24.0010, 8703.24.0030, 8703.24.0032, 8703.24.0034, 8703.24.0036, 8703.24.0038, 8703.24.0042, 8703.24.0052, 8703.24.0054, 8703.24.0056, 8703.24.0058, 8703.24.0062, 8703.24.0064, 8703.24.0066, 8703.24.0068, 8703.24.0090.

^b Undefined.

^c Trade in 2015 and 2016 reported under HTS subheading 3002.10.

Table A.51 U.S. total exports to India, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	1,271	1,450	1,895	30.7
2	Forest products	713	693	817	17.8
3	Chemicals and related products	3,304	3,361	3,370	0.3
4	Energy-related products	1,157	1,261	3,134	148.4
5	Textiles and apparel	183	206	172	-16.4
6	Footwear	3	2	2	43.1
7	Minerals and metals	7,610	7,838	7,896	0.7
8	Machinery	1,496	1,278	1,308	2.3
9	Transportation equipment	2,152	1,994	3,200	60.5
10	Electronic products	2,767	2,641	2,946	11.5
11	Miscellaneous manufactures	414	555	484	-12.7
12	Special provisions	382	374	476	27.2
	Total	21,453	21,652	25,700	18.7

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.52 U.S. general imports from India, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	3,847	3,512	4,651	32.4
2	Forest products	223	251	282	12.3
3	Chemicals and related products	9,714	11,168	10,385	-7.0
4	Energy-related products	2,672	2,402	2,669	11.1
5	Textiles and apparel	7,951	7,949	8,200	3.2
6	Footwear	468	503	448	-10.9
7	Minerals and metals	10,858	11,430	12,149	6.3
8	Machinery	2,421	2,065	2,391	15.8
9	Transportation equipment	2,032	1,875	2,283	21.8
10	Electronic products	1,165	1,207	1,249	3.5
11	Miscellaneous manufactures	2,828	3,039	3,103	2.1
12	Special provisions	610	631	819	29.7
	Total	44,790	46,032	48,631	5.6

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.53 Leading U.S. total exports to India, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	3,745	4,802	4,109	-14.4
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	2,294	1,726	2,376	37.7
8800.00	Civilian aircraft, engines, and parts	773	965	1,511	56.6
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	455	324	1,069	229.8
0802.11	Almonds, fresh or dried, in shell	446	446	584	30.8
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	352	0	518	(^a)
2713.11	Petroleum coke, not calcined	273	368	461	25.3
5201.00	Cotton, not carded or combed	115	251	433	72.9
2709.00	Petroleum oils and oils from bituminous minerals, crude	17	0	422	(^a)
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.	208	206	320	55.4
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	371	287	316	9.8
7113.19	Jewelry and parts thereof, of precious metal other than silver	250	286	274	-4.3
2901.10	Acyclic hydrocarbons, saturated	0	10	235	2,292.9
2207.10	Ethyl alcohol, undenatured, of an alcoholic strength by volume of 80% or higher	73	176	213	21.1
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	134	152	209	37.0
	Total of items shown	9,505	9,999	13,048	30.5
	All other products	11,948	11,654	12,652	8.6
	Total of all commodities	21,453	21,652	25,700	18.7

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Undefined.

Table A.54 Leading U.S. general imports from India, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	7,370	8,620	8,193	-5.0
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc., and pharmaceutical goods), n.e.s.o.i.	4,915	6,398	5,130	-19.8
0306.17	Shrimps and prawns, frozen, other than cold-water	1,188	1,394	1,972	41.5
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	1,646	1,501	1,546	3.0
7113.19	Jewelry and parts thereof, of precious metal other than silver	1,310	1,508	1,433	-4.9
2710.19	Petroleum oils, oils from bituminous minerals (other than crude) and products containing by weight 70% or more of these oils, not biodiesel or waste	994	885	963	8.8
6302.31	Bed linen (other than printed) of cotton, not knitted or crocheted	791	789	829	5.1
6302.60	Toilet and kitchen linen of cotton terry toweling or similar cotton terry fabrics	694	699	729	4.4
6110.20	Sweaters, pullovers, sweatshirts, vests and similar articles of cotton, knitted or crocheted	414	406	428	5.6
3004.20	Medicaments, in measured doses, etc., containing antibiotics, n.e.s.o.i.	484	420	384	-8.4
7113.11	Jewelry and parts thereof, of silver	345	320	343	7.0
1302.32	Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	583	178	335	88.0
7305.11	Line pipe for oil or gas pipelines, external diameter over 406.4 mm (16 in.), of iron or steel, longitudinally submerged arc welded	34	18	258	1,317.9
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	239	236	250	5.6
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	171	217	245	12.6
	Total of items shown	21,177	23,589	23,039	-2.3
	All other products	23,613	22,443	25,592	14.0
	Total of all commodities	44,790	46,032	48,631	5.6

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

Table A.55 U.S. total exports to Taiwan, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	3,279	3,319	3,400	2.5
2	Forest products	426	424	417	-1.7
3	Chemicals and related products	3,642	3,556	3,723	4.7
4	Energy-related products	268	135	763	465.6
5	Textiles and apparel	103	101	118	16.5
6	Footwear	10	8	9	10.8
7	Minerals and metals	1,288	1,270	1,367	7.6
8	Machinery	5,101	5,531	5,061	-8.5
9	Transportation equipment	3,501	3,744	3,651	-2.5
10	Electronic products	5,962	6,605	6,355	-3.8
11	Miscellaneous manufactures	1,821	866	363	-58.1
12	Special provisions	422	478	528	10.6
	Total	25,823	26,037	25,754	-1.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.56 U.S. general imports from Taiwan, by USITC digest sector, 2015–17

Sector	Description	2015	2016	2017	2016–17
		Million \$			% change
1	Agricultural products	516	531	587	10.5
2	Forest products	242	243	262	7.8
3	Chemicals and related products	3,673	3,547	4,016	13.2
4	Energy-related products	237	96	143	49.1
5	Textiles and apparel	1,188	1,037	1,005	-3.1
6	Footwear	87	85	55	-35.4
7	Minerals and metals	5,820	5,131	5,862	14.2
8	Machinery	4,442	4,124	4,617	11.9
9	Transportation equipment	3,589	3,393	3,556	4.8
10	Electronic products	16,327	16,442	17,635	7.3
11	Miscellaneous manufactures	3,252	3,057	3,147	3.0
12	Special provisions	1,532	1,563	1,608	2.9
	Total	40,905	39,248	42,492	8.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

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

Table A.57 Leading U.S. total exports to Taiwan, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8800.00	Civilian aircraft, engines, and parts	2,552	2,937	2,510	-14.5
8486.20	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrates circuits	2,500	2,747	2,432	-11.5
8542.31	Processors and controllers, electronic integrated circuits	843	1,557	1,133	-27.2
8542.32	Memories, electronic integrated circuits	1,251	1,047	1,078	2.9
8486.90	Machines and apparatus of a kind used for the manufacture of semiconductor boules or wafers, etc., parts and accessories	611	621	816	31.4
8542.39	Electronic integrated circuits, n.e.s.o.i.	594	658	711	8.2
1201.90	Soybeans, other than seed	578	581	588	1.3
1005.90	Corn (maize), other than seed corn	345	460	397	-13.6
7204.49	Ferrous waste and scrap, n.e.s.o.i.	325	281	352	25.2
2710.12	Light oils and preparations containing 70% by weight petroleum oils or oils from bituminous minerals, not containing biodiesel, not waste oils	97	33	317	867.1
2709.00	Petroleum oils and oils from bituminous minerals, crude	0	0	302	^(a)
1001.99	Wheat and meslin, not durum wheat, other than seed	283	257	296	15.1
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	270	264	285	7.8
2804.61	Silicon, containing by weight not less than 99.99% of silicon	154	254	255	0.6
0201.30	Meat of bovine animals, boneless, fresh or chilled	166	186	218	17.5
	Total of items shown	10,568	11,882	11,690	-1.6
	All other products	15,256	14,155	14,064	-0.6
	Total of all commodities	25,823	26,037	25,754	-1.1

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

^a Undefined.

Table A.58 Leading U.S. general imports from Taiwan, by HTS 6-digit subheading, 2015–17

HTS 6	Description	2015	2016	2017	2016–17
		Million \$			% change
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,390	1,461	1,646	12.7
8517.62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	1,113	1,455	1,582	8.8
8542.31	Processors and controllers, electronic integrated circuits	1,001	1,206	1,418	17.6
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.	1,196	1,248	1,388	11.2
8471.30	Portable digital automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	334	679	1,262	85.8
8523.51	Solid-state nonvolatile semiconductor storage devices	981	1,127	1,222	8.5
8517.12	Telephones for cellular networks or for other wireless networks	1,143	754	732	-2.9
8542.32	Memories, electronic integrated circuits	1,221	689	723	4.9
8512.20	Electrical lighting or visual signaling equipment, for use on cycles or motor vehicles, except for use on bicycles	616	587	633	8.0
7318.14	Self-tapping screws, threaded, of iron or steel	545	504	583	15.5
8525.80	Television cameras, digital cameras and video camera recorders	563	608	523	-14.1
7318.15	Threaded screws and bolts n.e.s.o.i., with or without their nuts or washers, of iron or steel	531	445	498	12.0
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	461	462	476	3.1
9506.91	Articles and equipment for general physical exercise, gymnastics or athletics, n.e.s.o.i.; parts and accessories thereof	366	390	457	17.2
8471.50	Digital processing units other than those of 8471.41 and 8471.49, n.e.s.o.i.	234	210	451	114.3
	Total of items shown	11,696	11,826	13,594	15.0
	All other products	29,209	27,422	28,897	5.4
	Total of all commodities	40,905	39,248	42,492	8.3

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Data reflect shipments under HTS chapters 1–97. Because of rounding, figures may not add up to totals shown. N.e.s.o.i. = not elsewhere specified or included.

Appendix B

Additional Tables Corresponding to Figures in the Report

Table B.1 U.S. trade balance in goods and services, 2003–17 (million dollars)

Year	Services	Goods
2003	47,753	-541,643
2004	54,883	-664,765
2005	68,558	-782,804
2006	75,573	-837,289
2007	115,821	-821,196
2008	123,765	-832,492
2009	125,921	-509,694
2010	154,020	-648,677
2011	192,020	-740,646
2012	204,398	-741,171
2013	240,368	-702,245
2014	261,158	-751,494
2015	261,410	-761,855
2016	247,714	-752,507
2017	242,771	-811,212

Source: USDOC, BEA, U.S. International Transactions, Services, & IIP, "[Table 1.2: U.S. International Transactions, Expanded Detail](#)," March 21, 2018.

Note: Corresponds to figure [ES.1](#). Merchandise trade data are on a balance-of-payments basis.

Table B.2 U.S. goods and services trade with major bilateral trade partners, 2017 (million dollars)

Country/region	Goods			Services		
	Exports	Imports	Total	Exports	Imports	Total
European Union	283,517	434,933	718,451	238,425	188,496	426,921
China	130,370	505,597	635,967	55,585	17,421	73,006
Canada	282,472	299,975	582,447	58,307	32,515	90,822
Mexico	242,989	314,045	557,034	32,795	26,150	58,945
Japan	67,696	136,544	204,239	45,421	28,353	73,774
South Korea	48,277	71,164	119,441	22,835	9,424	32,259
India	25,700	48,631	74,332	22,763	28,562	51,325
Taiwan	25,754	42,492	68,246	9,195	8,053	17,248

Source: USITC DataWeb/USDOC (accessed April 26, 2018); USDOC, BEA, Interactive data, International Transactions, Services, & IIP, International Transactions, Tables 1.2 and 1.3, March 21, 2018.

Note: Corresponds to figure [ES.2](#).

Table B.3 U.S. real gross domestic product, percentage change, 2013–17

Year	Real GDP % change
2013	1.7
2014	2.6
2015	2.9
2016	1.5
2017	2.3

Source: USDOC, BEA, "[Real Gross Domestic Product](#)," March 26, 2018.

Note: Corresponds to figure [1.1](#).

Table B.4 Economic (GDP) growth trends in the world, the United States, and major trading partners 2015–17 (percent)

Countries	2015	2016	2017
World	2.66	2.52	3.34
United States	2.86	1.49	2.18
European Union	2.35	1.98	2.34
China	6.90	6.70	6.77
Canada	0.94	1.47	3.04
Mexico	2.65	2.29	2.15
Japan	1.11	1.03	1.51
South Korea	2.79	2.83	3.02
India	8.01	7.11	6.72
Taiwan	0.72	1.48	1.98

Source: IMF, [World Economic Outlook](#), October 2017, 3.

Note: Based on constant prices. Corresponds to figure [1.2](#).

Table B.5 U.S. merchandise trade with major trading partners and the world, 2013–17

Country/region	Trade flow	2013	2014	2015	2016	2017
Billion \$						
European Union						
	Total exports	262.1	276.3	271.9	269.6	283.5
	General imports	387.5	420.6	427.5	416.4	434.9
	Merchandise trade balance	-125.4	-144.3	-155.7	-146.8	-151.4
China						
	Total exports	121.7	123.7	115.9	115.6	130.4
	General imports	440.4	468.5	483.2	462.6	505.6
	Merchandise trade balance	-318.7	-344.8	-367.3	-347.0	-375.2
Canada						
	Total exports	300.8	312.8	280.9	266.8	282.5
	General imports	332.5	349.3	296.2	277.8	300.0
	Merchandise trade balance	-31.7	-36.5	-15.4	-11.0	-17.5
Mexico						
	Total exports	226.0	241.0	236.2	229.7	243.0
	General imports	280.6	295.7	296.4	294.1	314.0
	Merchandise trade balance	-54.6	-54.7	-60.2	-64.4	-71.1
Japan						
	Total exports	65.2	66.9	62.4	63.2	67.7
	General imports	138.6	134.5	131.4	132.0	136.5
	Merchandise trade balance	-73.3	-67.6	-69.0	-68.8	-68.8
South Korea						
	Total exports	41.6	44.6	43.5	42.3	48.3
	General imports	62.4	69.7	71.8	69.9	71.2
	Merchandise trade balance	-20.7	-25.0	-28.3	-27.6	-22.9
India						
	Total exports	21.8	21.5	21.5	21.7	25.7
	General imports	41.8	45.4	44.8	46.0	48.6
	Merchandise trade balance	-20.0	-23.9	-23.3	-24.4	-22.9
Taiwan						
	Total exports	25.5	26.7	25.8	26.0	25.8
	General imports	37.9	40.8	40.9	39.2	42.5
	Merchandise trade balance	-12.4	-14.2	-15.1	-13.2	-16.7
World						
	Total exports	1,578.5	1,621.9	1,503.1	1,451.0	1,546.7
	General Imports	2,268.0	2,356.4	2,248.2	2,187.8	2,342.9
	Merchandise trade balance	-689.5	-734.5	-745.1	-736.8	-796.2

Source: USITC DataWeb/USDOC (accessed March 14, 2018).

Note: Corresponds to figures [1.4](#), [6.1](#), [6.3](#), [6.5](#), [6.7](#), [6.9](#), [6.11](#), [6.13](#), [6.15](#).

Table B.6 U.S. merchandise trade with major trading partners and the world, 2017

Major trading partner	U.S. total	U.S. general	Share of total	Share of total
	exports	imports	exports	imports
	Million \$		Percent	
European Union	283,517	434,933	18.3	18.6
China	130,370	505,597	8.4	21.6
Canada	282,472	299,975	18.3	12.8
Mexico	242,989	314,045	15.7	13.4
Japan	67,696	136,544	4.4	5.8
South Korea	48,277	71,164	3.1	3.0
India	25,700	48,631	1.7	2.1
Taiwan	25,754	42,492	1.7	1.8
All others	431,795	443,040	27.9	18.9
World	1,546,733	2,342,905		

Source: Official trade statistics of the U.S. Department of Commerce (USDOC), accessible via the USITC DataWeb (accessed March 14, 2018).

Note: Because of rounding, figures may not add up to 100 percent. Corresponds to figures [1.5](#) and [1.6](#).

Appendix B: Additional Tables Corresponding to Figures in the Report

Table B.7 U.S. private cross-border services trade with selected major trading partners and the world

Country/region	Trade flow	2013	2014	2015	2016	2017
Billion \$						
European Union						
	Exports	202.8	220.7	227.1	230.0	238.4
	Imports	151.5	160.7	166.2	168.3	(^a)188.5
	Services trade balance	51.3	59.9	60.9	61.7	49.9
China						
	Exports	37.2	43.9	48.0	53.7	55.6
	Imports	13.8	13.9	15.0	16.0	17.4
	Services trade balance	23.3	29.9	33.0	37.6	38.2
Canada						
	Exports	62.5	60.6	54.2	53.5	58.3
	Imports	30.5	29.8	28.9	29.7	32.5
	Services trade balance	31.9	30.8	25.3	23.8	25.8
Mexico						
	Exports	29.5	29.8	31.2	31.6	32.8
	Imports	17.1	19.8	22.8	24.4	26.2
	Services trade balance	12.3	10.0	8.4	7.1	6.6
Japan						
	Exports	45.2	46.2	44.3	43.6	45.4
	Imports	27.6	28.2	26.3	27.5	28.4
	Services trade balance	17.6	18.0	17.9	16.0	17.1
South Korea						
	Exports	20.7	20.0	20.4	20.8	22.8
	Imports	8.1	8.2	8.8	8.8	9.4
	Services trade balance	12.5	11.7	11.6	12.0	13.4
India						
	Exports	13.1	14.9	18.0	20.3	22.8
	Imports	20.3	22.4	24.6	25.8	28.6
	Services trade balance	-7.3	-7.5	-6.6	-5.5	-5.8
Taiwan						
	Exports	11.4	12.0	11.9	11.3	9.2
	Imports	7.0	7.2	7.6	7.6	8.1
	Services trade balance	4.4	4.7	4.3	3.6	1.1
World						
	Exports	678.6	721.4	732.0	733.6	761.7
	Imports	435.7	456.5	470.1	483.1	516.0
	Services trade balance	242.9	264.9	261.8	250.4	245.7

Source: USDOC, BEA, Interactive data, International Transactions, Services, & IIP, International Transactions, "Table 1.2 U.S. International Trade in Services," and "Table 1.3 U.S. International Transactions," expanded detail by area and country, March 21, 2018.

Note: Data for 2017 are preliminary. Corresponds to figures [1.7](#), [6.2](#), [6.4](#), [6.6](#), [6.8](#), [6.10](#), [6.12](#), [6.14](#), [6.16](#).

^a U.S. imports from the EU in 2017 are overstated because the data include government goods and services n.i.e.

Table B.8 U.S. private cross-border services trade with major trading partners and the world, 2017

Major trading partner	U.S. exports	U.S. imports	Share of total	Share of total
			exports	imports
	Million \$		Percent	
European Union	238,425	(^a)188,496	31.3	36.5
Canada	58,307	32,515	7.7	6.3
China	55,585	17,421	7.3	3.4
Japan	45,421	28,353	6.0	5.5
Mexico	32,795	26,150	4.3	5.1
Brazil	25,132	6,469	3.3	1.3
South Korea	22,835	9,424	3.0	1.8
India	22,763	28,562	3.0	5.5
Australia	21,909	7,192	2.9	1.4
All others	238,557	171,433	31.3	37.7
World	761,729	516,015		

Source: USDOC, BEA, Interactive data, International Transactions, Services, & IIP, International Transactions, "Tables 1.2 and 1.3, U.S. International Trade in Services," March 21, 2018.

Note: Because of rounding, figures may not add to 100 percent. Data are preliminary. Corresponds to figures [1.8](#) and [1.9](#).

^a U.S. imports from the EU in 2017 are overstated because the data include government goods and services n.i.e..

Table B.9 TAA petitions certified, by industry sector, FY 2017

Industry sectors	Petition	Share of petitions
Manufacturing	487	57.7
Professional, scientific, and technical services	98	11.6
Finance and insurance	67	7.9
Wholesale trade	56	6.6
Information	50	5.9
Administrative and support and waste management and remediation services	23	2.7
All other	63	7.5

Source: USDOL, ETA, email message to USITC staff, March 16, 2018.

Note: Other includes all industry sectors where fewer than 20 petitions were certified in FY 2017. Corresponds to figure [2.1](#).