

U.S. INTERNATIONAL TRADE COMMISSION

FY 2011 AT A GLANCE



OPERATION 3: Industry and Economic Analysis

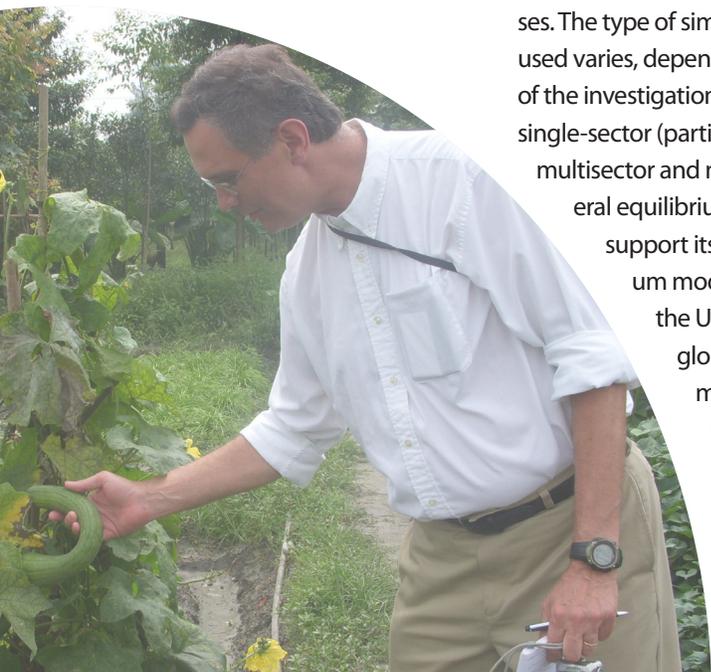
WHAT WE DO

The USITC conducts research and analysis to support trade negotiators and policy decisionmakers. By maintaining the highest level of industry, economic, and regional trade expertise, the USITC has become a recognized leader in independent research and analysis through objective and timely studies. While most of the USITC's formal research is conducted through its general factfinding investigations under section 332 of the Tariff Act of 1930, the agency's work in this area also includes probable economic effect investigations under the Trade Act of 1974 as well as other research initiatives.

HOW WE DO IT

Investigative teams for general factfinding and probable economic effect investigations typically include trade analysts, economists, and attorneys; nomenclature experts are also sometimes part of these teams. Fact-gathering methods in USITC general factfinding investigations may include public hearings; written or phone surveys of U.S. producers, importers, and consumers; domestic and foreign fieldwork; interviews with industry, government,

and academic experts; extensive literature reviews; data compilation and analysis; and the development and application of new and insightful analytical techniques. Members of Congress often testify at Commission hearings in general factfinding investigations to share the views and concerns of their constituents. USITC Industry and Economic Analysis work incorporates numerous analytical approaches, including statistical (econometric) and simulation analyses. The type of simulation analysis used varies, depending on the nature of the investigation, and ranges from single-sector (partial equilibrium) to multisector and multicountry (general equilibrium). In order to support its general equilibrium modeling capabilities, the USITC uses both a global database and a more detailed (500 sector) database of the U.S. economy.



USITC analyst John Giamalva conducts field work for the Commission's report on *China's Agricultural Trade: Competitive Conditions and Effects on U.S. Exports*.

KEY REPORTS RELEASED IN FY 2011

- *China: Effects of Intellectual Property Infringement and Indigenous Innovation Policies on the U.S. Economy*, Inv. No. 332-519, USITC Publication 4226, May 2011 (conducted at the request of the Committee on Finance, U.S. Senate)
- *China: Intellectual Property Infringement, Indigenous Innovation Policies, and Frameworks for Measuring the Effects on the U.S. Economy*, Inv. No. 332-514, USITC Publication 4199, November 2010 (conducted at the request of the Committee on Finance, U.S. Senate)
- *China's Agricultural Trade: Competitive Conditions and Effects on U.S. Exports*, Inv. No. 332-518, USITC Publication 4219, March 2011 (conducted at the request of the Committee on Finance, U.S. Senate)
- *U.S.-Korea Free Trade Agreement: Passenger Vehicle Sector Update*, Inv. No. 332-523, USITC Publication 4220, March 2011 (conducted at the request of the Committee on Ways and Means, U.S. House of Representatives)
- *Small and Medium-Sized Enterprises: Characteristics and Performance*, Inv. No. 332-510, USITC Publication 4189, November 2010 (conducted at the request of the U.S. Trade Representative)
- *The Economic Effects of Significant U.S. Import Restraints: Seventh Update; Special Topic: Global Supply Chains*, Inv. No. 332-325, USITC Publication 4253, August 2011 (conducted at the request of the U.S. Trade Representative)
- *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, Twentieth Report, 2009-2010*, Inv. No. 332-227, USITC Publication 4271, September 2011
- *The Year in Trade 2010*, USITC Publication 4247, July 2011
- *Recent Trends in U.S. Services Trade, 2011 Annual Report*, Inv. No. 332-345, USITC Publication 4243, July 2011
- *Shifts in U.S. Merchandise Trade 2010*, Inv. No. 332-345, USITC Publication 4245, August 2011



General Factfinding Investigations

Under section 332 of the Tariff Act of 1930, the USITC conducts general investigations on any matter involving tariffs or international trade.

USITC general factfinding investigations are generally conducted at the request of the U.S. Trade Representative, the U.S. House of Representatives' Committee on Ways and Means, or the U.S. Senate's Committee on Finance. The resulting reports convey the Commission's objective findings and independent analyses on the subjects investigated. The Commission makes no recommendations on policy or other matters in its general factfinding reports. Upon completion of each investigation, the USITC submits its findings and analyses to the requester. General factfinding investigation reports are subsequently released to the public, unless they are classified by the requester for national security reasons.

Probable Economic Effect Investigations

Under section 131 of the Trade Act of 1974, at the request of the President, the USITC investigates the effects on U.S. industries and consumers of possible tariff modifications resulting from trade agreements and of duty-free entry of specific products from developing countries under the Generalized System of Preferences.

Under section 2104(b) of the Trade Act of 2002, at the request of the USTR, the USITC assesses the probable economic effect on the U.S. industry producing the product concerned and on the U.S. economy as a whole of a tariff reduction on import-sensitive agricultural products.

Under section 2104(f) of the Trade Act of 2002, the USITC provides the President and the Congress with a report that assesses the likely impact on the U.S. economy as a whole and on specific industry sectors and the interests of U.S. consumers of proposed free trade agreements with foreign countries. Although the authority under section 2104(f) of the Trade Act of 2002 has expired, if trade promotion authority is renewed, the Commission anticipates it would continue to provide analysis of any negotiated trade agreements.

Other Research Initiatives

Under section 1205 of the Omnibus Trade and Competitiveness Act of 1988, the USITC is responsible for reviewing the Harmonized Tariff Schedule of the United States (HTS) and for recommending to the President modifications that it considers necessary or appropriate to conform the HTS with amendments to the global Harmonized System Convention.

KEY CONFIDENTIAL REPORTS SUBMITTED TO THE U.S. TRADE REPRESENTATIVE IN FY 2011

- *U.S.-Trans-Pacific Partnership Free Trade Agreement Including Malaysia: Advice on the Probable Economic Effect of Providing Duty-Free Treatment for Imports*, Inv. Nos. TA-131-035 and TA-2104-027, submitted in January 2011
- *Actual Effects of the Free Trade Agreements with Chile, Australia, and Singapore*, Inv. No. 332-515, submitted in December 2010
- *Certain Environmental Goods: U.S. International Trade and Competitive Conditions*, Inv. No. 332-517, submitted in February 2011
- *Certain Environmental Goods: Probable Effect of Duty-Free Treatment for U.S. Imports*, Inv. No. 332-516, submitted in October 2010

Staff Products

USITC staff produce a variety of staff products that are intended to keep the Commission and trade policymakers in Congress and the executive branch informed of the latest developments in the international trade arena. These staff publications represent the views of the individual staff authors and are not the views of the Commission or of any individual Commissioner. Items of this genre include staff research papers and short briefing papers known as Executive Briefings on Trade.

In addition, USITC staff in the Offices of Economics and Industries produce working papers and USITC economists publish research notes, which are available to their peers and the public through the USITC's Internet site. Staff also occasionally prepare Industry and Trade Summary reports on select products, which include information on product uses, U.S. and foreign producers, and customs treatments of the products being studied; they also analyze the basic factors bearing on the competitiveness of the U.S. industry in domestic and foreign markets. Staff also author articles on matters related to international trade that appear in *The Journal of International Commerce & Economics*, a web-based journal.