



United States
International Trade Commission

The Year in Trade 2021

Operation of the Trade Agreements
Program
73rd Report

Commissioners

David S. Johanson, Chairman

Rhonda K. Schmidlein

Jason E. Kearns

Randolph J. Stayin

Amy A. Karpel

Catherine DeFilippo

Director, Office of Operations

William Powers

Director, Office of Economics

Address all communications to

Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

The Year in Trade 2021

Operation of the Trade Agreements Program

73rd Report

August 2022
Publication Number: 5349

This report was prepared principally by:

Project Leader

Erika Bethmann, Office of Economics

Deputy Project Leader

Chang Hong, Office of Economics

Office of Economics

Justino De La Cruz, Lin Jones, Stephanie Fortune-Taylor,
Chris Montgomery, Huyen Khanh Nguyen, Karen Thome, Wen Jin “Jean” Yuan

Office of Industries

Sarah Oliver

Office of Investigations

Salvatore Mineo, Kelly Carley

Office of Analysis and Research Services

Mara Alexander, Ann Marie Carton, Lita David-Harris, Onslow Hall,
Conor Hargrove, Christine Lee, Maureen Letostak, Cynthia Payne,
Mayedana Saguintaah, Laura Thayn, Aaron Woodward

Office of Tariff Affairs and Trade Agreements

Eric Heath, Ryan Kane

Office of Unfair Import Investigations

David Lloyd

Office of the General Counsel

William W. Gearhart

Content Review

David Guberman

Editorial Review

Judy Edelhoff

Statistical Review

Russell Duncan, Maureen Letostak

Production Support

Justin Holbein

Special Assistance

Carrin Brown, Vamsi Motaparthy

Under the direction of

Arona Butcher, Chief,
Country and Regional Analysis Division, Office of Economics

Preface

This report is the 73rd 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)), under predecessor legislation, and pursuant to request. 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 the operation of the U.S. trade agreements program for 2021. 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	5
Abbreviations and Acronyms	13
Executive Summary	17
Chapter 1 Global Trade Environment in 2021	37
Introduction	37
Scope and Approach of the Report.....	37
Sources	37
Organization of the Report	38
Global Trade Environment in 2021.....	38
Global Macroeconomic Trends in 2021	39
Global Trade Trends in 2021.....	47
Global Supply Chain Disruptions.....	55
Chapter 2 Administration of U.S. Trade Laws and Regulations	61
Import Relief Laws	61
Safeguard Investigations.....	61
Laws against Unfair Trade Practices	64
Section 301 Investigations	64
Special 301 Investigations.....	71
Antidumping and Countervailing Duty Investigations and Reviews.....	73
Section 129 Determinations	78
Section 337 Investigations	78
National Security Investigations	81
Background	81
Developments in 2021	82
American Manufacturing Competitiveness Act of 2016	87
World Customs Organization Harmonized System Amendments.....	88
Background	88
Implementation of 2022 Amendments	89
Trade Adjustment Assistance	89
Assistance for Workers	90
Assistance for Firms	93
Trade Preference Programs.....	94
Generalized System of Preferences.....	96
Nepal Trade Preference Program	100
African Growth and Opportunity Act.....	101
Caribbean Basin Economic Recovery Act.....	105

Chapter 3	The World Trade Organization	111
	Background	111
	WTO Developments in 2021.....	112
	Ministerial Conference.....	112
	General Council.....	112
	Selected Plurilateral Agreements under Discussion	113
	Waiver Proposal for Certain Agreement on Trade-Related Aspects of Intellectual Property Rights Provisions	115
	Dispute Settlement Body.....	116
	Dispute Activities During 2021.....	119
	Panels Established in 2021 that Involve the United States	119
	Panel and Appellate Body Reports Issued and/or Adopted during 2021 that Involve the United States.....	120
	Reports in Which the United States Was the Respondent.....	121
	Developments at the Compliance Level in Two U.S. and EU Disputes on Large Civil Aircraft	124
	U.S. Concerns about WTO Dispute Settlement	124
Chapter 4	Selected Regional and Bilateral Activities.....	127
	Organisation for Economic Co-operation and Development.....	127
	Background	127
	OECD Developments in 2021	128
	Asia-Pacific Economic Cooperation	130
	Background	130
	APEC Developments in 2021.....	130
	Trade and Investment Framework Agreements.....	133
Chapter 5	U.S. Free Trade Agreements.....	137
	U.S. Imports Entered under FTAs in 2021.....	138
	Developments in U.S. FTAs Already in Force During 2021	139
	The United States-Mexico-Canada Agreement	140
	The North American Free Trade Agreement	153
	Other U.S. FTAs in Force	154
	Developments in FTA Negotiations during 2021	160
Chapter 6	U.S. Trade in 2021	161
	U.S. Merchandise Trade.....	161
	Overview	161
	U.S. Merchandise Trade by Trading Partner.....	164
	U.S. Merchandise Trade by Product Category.....	167
	U.S. Services Trade.....	169
	Overview	169

U.S. Service Trade by Trading Partner	172
U.S. Services Trade by Product Category.....	173
Developments with Selected Major Trading Partners	176
European Union	176
Canada.....	180
Mexico.....	184
China	189
Japan	193
United Kingdom	198
India.....	202
Bibliography	207
Appendix A Preparation of U.S. Trade Data for Special Import Preference Programs	245
Appendix B Tables for Figures.....	247
 Figures	
Figure ES.1 U.S. trade balance in goods and services, 2007–21.....	31
Figure ES.2 U.S. merchandise trade with selected major trading partners, 2021.....	32
Figure ES.3 U.S. total services trade with selected major trading partners, 2021	33
Figure 1.1 Change in real GDP of the world and selected major economies, 2019–21	40
Figure 1.2 Manufacturing output growth for the United States and selected major trading partners, annual, 2019–21.....	42
Figure 1.3 Percent change in global manufacturing output, by ISIC industry, annual, 2020–21	43
Figure 1.4 Change in hours worked by country and world relative to pre-pandemic baseline, 2021	44
Figure 1.5 FDI inflows, by selected major economies, annual, 2019–21	45
Figure 1.6 Index of U.S. dollar exchange rate, by selected major foreign currencies, daily, 2021	46
Figure 1.7 Global merchandise trade, annual, 2019–21.....	47
Figure 1.8 Global merchandise trade, quarterly (Q), 2007 Q1–2021 Q4	49
Figure 1.9 Merchandise exports, by top five global exporters, annual, 2020–21	50
Figure 1.10 Merchandise imports, by top five global importers, annual, 2020–21	51
Figure 1.11 Commercial services exports, by services trade category, annual, 2019–21	52
Figure 1.12 Services exports by top five global exporters, annual, 2020–2021.....	54
Figure 1.13 Services imports by top five global importers, annual, 2020–21	55
Figure 2.1 Share of Trade Adjustment Assistance (TAA) petitions certified by USDOL, by industry, FY 2021.....	93
Figure 3.1 Timeline for a typical WTO dispute settlement process	118
Figure 6.1 U.S. merchandise trade with the world, annual, 2017–21.....	162
Figure 6.2 U.S. merchandise exports, quarterly (Q), 2020–21	163
Figure 6.3 U.S. merchandise imports, quarterly (Q), 2020–21.....	163
Figure 6.4 Leading markets for U.S. merchandise total exports, by share, 2021.....	164
Figure 6.5 Leading sources for U.S. merchandise general imports, by share, 2021.....	165

Figure 6.6 U.S. total services trade, annual, 2019–21	170
Figure 6.7 U.S. total services exports, quarterly (Q), 2020–21	171
Figure 6.8 U.S. total services imports, quarterly (Q), 2020–21	171
Figure 6.9 Leading markets for U.S. total services exports, by share, 2021	172
Figure 6.10 Leading markets for U.S. total services imports, by share, 2021	173
Figure 6.11 U.S. merchandise trade with the EU, annual, 2017–21	177
Figure 6.12 U.S. total services trade with the EU, annual, 2017–21	178
Figure 6.13 U.S. merchandise trade with Canada, annual, 2017–21	181
Figure 6.14 U.S. services trade with Canada, annual, 2017–21	182
Figure 6.15 U.S. merchandise trade with Mexico, annual, 2017–21	185
Figure 6.16 U.S. total services trade with Mexico, annual, 2017–21	186
Figure 6.17 U.S. merchandise trade with China, annual, 2017–21	190
Figure 6.18 U.S. total services trade with China, annual, 2017–21	190
Figure 6.19 U.S. merchandise trade with Japan, annual, 2017–21	194
Figure 6.20 U.S. services trade with Japan, annual, 2017–21	195
Figure 6.21 U.S. merchandise trade with the UK, annual, 2017–21	199
Figure 6.22 U.S. total services trade with the UK, annual, 2017–21	199
Figure 6.23 U.S. merchandise trade with the India, annual, 2017–21	202
Figure 6.24 U.S. services trade with the India, annual, 2017–21	203

Tables

Table ES.1 U.S. free trade agreements (FTAs) in force as of December 31, 2021	26
Table 1.1 Percentage change of merchandise trade, by region and the World, annual 2020–21	50
Table 2.1 Antidumping duty orders that became effective during 2021 (alphabetical by trade partner)	74
Table 2.2 Countervailing duty orders that became effective during 2021 (alphabetical by trade partner)	77
Table 2.3 Share of products in active section 337 investigation proceedings, 2021	81
Table 2.4 National security investigations during 2021 (chronological by date instituted)	82
Table 2.5 Funding by the Trade Adjustment Assistance (TAA) Program, annual, FY 2017–21	90
Table 2.6 Trade Adjustment Assistance (TAA) certifications, by region, FY 2021	92
Table 2.7 Imports for consumption under specified tariff preference programs, annual, 2019–21	95
Table 2.8 The utilization rate of specific tariff preference programs, annual, 2019–21	95
Table 2.9 U.S. imports for consumption from GSP beneficiaries, annual, 2019–21	98
Table 2.10 Share of U.S. imports for consumption from GSP beneficiaries, annual, 2019–21	99
Table 2.11 U.S. imports for consumption from Nepal, annual, 2019–21	101
Table 2.12 Share of U.S. imports for consumption from Nepal, annual, 2019–21	101
Table 2.13 U.S. imports for consumption from AGOA beneficiaries, annual, 2019–21	103
Table 2.14 Share of U.S. imports for consumption from AGOA beneficiaries, annual, 2019–21	104

Table 2.15 U.S. imports from CBTPA/CBERA beneficiaries, by duty preference status and by period	106
Table 2.16 Share of U.S. imports for consumption from CBERA/CBTPA beneficiaries, annual, 2019–21	107
Table 2.17 U.S. imports of textiles and apparel from Haiti, annual, 2019–21	108
Table 2.18 Share of U.S. imports of textiles and apparel from Haiti, annual, 2019–21	109
Table 2.19 U.S. general imports of textiles and apparels from Haiti, by duty treatment, annual, 2019–21	110
Table 3.1 WTO dispute settlement panels established during 2021 in which the United States was a party	120
Table 3.2 WTO dispute settlement panel and Appellate Body (AB) reports circulated and/or adopted in 2021 in which the United States was a party	120
Table 4.1 U.S. trade and investment framework agreements (TIFAs) developments in 2021	134
Table 5.1 U.S. free trade agreements (FTAs) in force as of December 31, 2021	137
Table 5.2 U.S. imports entered under FTA provisions, by FTA country/country group, annual, 2019–21	138
Table 5.3 Shares of U.S. merchandise imports entered under FTA provisions, by FTA country/country group, annual, 2019–21	139
Table 5.4 Active panel reviews under USMCA Chapter 10 during 2021 and their statuses as of December 31, 2021	148
Table 5.5 Active panel reviews under USMCA Chapter 31 during 2021 and their statuses as of December 31, 2021	149
Table 5.6 Active panel reviews under NAFTA Chapter 19 during 2021 and their statuses as of December 31, 2021	154
Table 6.1 U.S. total merchandise trade with top five trading partners, 2021.....	164
Table 6.2 U.S. merchandise exports, by leading trading partners, annual, 2020–21.....	166
Table 6.3 U.S. merchandise imports, by leading trading partners, annual, 2020–21	167
Table 6.4 U.S. merchandise exports, by USITC digest sector, 2020–21	168
Table 6.5 U.S. merchandise imports, by USITC digest sector, 2020–21	169
Table 6.6 U.S. total services trade with top five trading partners, 2021.....	172
Table 6.7 U.S. total services exports, by major category, annual, 2020–21.....	175
Table 6.8 U.S. total services imports, by major category, annual, 2020–21	175
Table B.1 U.S. goods and services trade balance, annual, 2007–21	248
Table B.2 U.S. total merchandise trade with selected major trading partners, 2021.....	248
Table B.3 U.S. total services trade with selected major trading partners, 2021.....	248
Table B.4 Change in real GDP of the world and selected major economies, 2019–21	248
Table B.5 Manufacturing output growth for the United States and selected major trading partners, annual, 2019–21.....	249
Table B.6 Percentage change in global manufacturing output, by ISIC industry, annual, 2020–21	249
Table B.7 Change in hours worked by country and world relative to pre-pandemic baseline, 2021	250
Table B.8 FDI inflows, by the world and selected major economies, 2019–20.....	250
Table B.9 Global merchandise trade, annual, 2019–21	250

Table B.10 Global merchandise trade, quarterly (Q), 2007 Q1–2021 Q4	251
Table B.11 Merchandise exports, by top five global exporters, annual, 2020–21	251
Table B.12 Merchandise imports, by top five global importers, annual, 2020–21	251
Table B.13 Commercial services exports, by services trade category, annual, 2019–21	251
Table B.14 Services exports by top five global exporters, annual, 2020–21	252
Table B.15 Services imports by top five global importers, annual, 2020–21	252
Table B.16 Share of Trade Adjustment Assistance (TAA) petitions certified by USDOL, by industry in FY 2021.....	252
Table B.17 U.S. merchandise trade with major trading partners and the world, annual, 2017–21	253
Table B.18 U.S. merchandise exports, quarterly (Q), 2020–21	253
Table B.19 U.S. merchandise imports, quarterly (Q), 2020–21.....	253
Table B.20 Leading markets for U.S. merchandise total exports, by share, 2021.....	254
Table B.21 Leading markets for U.S. merchandise general imports, by share, 2021.....	254
Table B.22 U.S. total services trade with major trading partners and the world, annual, 2017–21.....	255
Table B.23 U.S. total services exports, quarterly (Q), 2020–21.....	255
Table B.24 U.S. total services imports, quarterly (Q), 2020–21	255
Table B.25 Leading markets for U.S. total services exports, by share, 2021.....	256
Table B.26 Leading markets for U.S. total services imports, by share, 2021	256

Abbreviations and Acronyms

Acronyms	Term
AB	Appellate Body
AD	antidumping
AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
ALJ	administrative law judge
AMCA	American Manufacturing Competitiveness Act of 2016
AMS	Agricultural Marketing Service (USDA)
APEC	Asia-Pacific Economic Cooperation
ATEC	Agreement on Trade and Economic Cooperation
BDCs	beneficiary developing countries
BEA	Bureau of Economic Analysis (USDOC)
BEPS	Base Erosion and Profit Shifting Project (OECD/G20)
BIS	Bureau of Industry and Security (USDOC)
Brexit	The UK's withdrawal from the European Union
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CBERA	Caribbean Basin Economic Recovery Act
CBP	U.S. Customs and Border Protection (USDHS)
CBTPA	Caribbean Basin Trade Partnership Act
CEC	Commission for Environmental Cooperation
CEIC	Census and Economic Information Center
CETA	Comprehensive Economic and Trade Agreement
CETR	U.S.-Brazil Commission on Economic and Trade Relations (ATEC)
CFR	Code of Federal Regulations
CJEU	Court of Justice of the European Union
CLDP	Commercial Law Development Program (USDOC)
CNL	competitive need limitation
CP-TPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRS	Congressional Research Service
CTG	Council for Trade in Goods (WTO)
CTPA	U.S.-Colombia Trade Promotion Agreement
CVD	countervailing duty
DIT	Department for International Trade (UK)
DRC	Democratic Republic of the Congo
DS	Dispute Settlement (WTO)
DSB	Dispute Settlement Body (WTO)
DST	digital services tax
DSU	Dispute Settlement Understanding (WTO)
e-commerce	electronic commerce
EAC	East African Community
EC	European Commission
ECA	Environmental Cooperation Agreement
EIA	Energy Information Administration (USDOE)
EIAP	Earned Import Allowance Programs
ETA	Employment and Training Administration (USDOL)
EU	European Union
Fed. Reg. or FR	<i>Federal Register</i>
FDI	foreign direct investment
U.S.-UK FIP	U.S.-UK Financial Innovation Partnership
FIPS	Federal Information Processing Standards

Acronyms	Term
FSIS	Food Safety and Inspection Service (USDA)
FTA	free trade agreement
FY	fiscal year
G7	Group of Seven
G20	Group of Twenty
GACC	General Administration of Customs of China
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GC	General Council (WTO)
GDP	gross domestic product
GDPR	General Data Protection Regulation (EU)
GE	genetically engineered
GI	geographical indication
GloBE	Global Anti-Base Erosion proposal (OECD/G20)
GOES	grain-oriented electrical steel
GOS	group of services
GSP	U.S. Generalized System of Preferences
GSP-LDBC	U.S. Generalized System of Preferences for least developed beneficiary developing countries
HELP	Haitian Economic Lift Program
HLED	U.S.-Mexico High-Level Economic Dialogue
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act
HS	Harmonized Commodity Description and Coding System (Harmonized System)
HTS	Harmonized Tariff Schedule of the United States
IATA	International Air Transport Association
IEA	International Energy Agency (intergovernmental)
IIP	Index of Industrial Production (UNIDO)
ILAB	Bureau of International Labor Affairs (USDOL)
ILO	International Labour Organization
IMF	International Monetary Fund
IP	intellectual property
IPR	intellectual property right
ISIC	International Standard Industrial Classification
ITA	International Trade Administration (USDOC)
IUU	illegal, unreported, and unregulated (fishing)
KFTC	Korea Free Trade Commission
KORUS	U.S.-Korea FTA
LDBC	least-developed beneficiary country
LDBDCs	least-developed beneficiary developing countries
LDCs	least-developed countries
LPO	Organic Products Law (Mexico)
LTFV	less than fair value
M&As	mergers and acquisitions
MAP	monitoring and action plan
MC11	11th Ministerial Conference (WTO)
METI	Ministry of Economy, Trade, and Industry (Japan)
MFN	most-favored-nation status (trade status; = “permanent normal trade relations” status in the United States)
MNE	multinational enterprise
MTB	Miscellaneous Tariff Bill Act of 2018
NAALC	North American Agreement on Labor Cooperation
NAFTA	North American Free Trade Agreement

Acronyms	Term
n.i.e.	not included elsewhere
NTPP	Nepal Trade Preference Program
NTPA	Nepal Trade Preferences Act
NTR	normal trade relations
OECD	Organisation for Economic Co-operation and Development
OICA	International Organization of Motor Vehicle Manufacturers
OJEU	<i>Official Journal of the European Union</i>
OTE	Office of Technology Evaluation (BIS, USDOC)
OTEXA	Office of Textiles and Apparel (ITA, USDOC)
OxCGRT	Oxford COVID-19 Government Response Tracker
PPE	personal protective equipment
PTPA	U.S.-Peru Trade Promotion Agreement
QCO	quality control order
REACH and UK REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals (EU regulation) adopted by UK as UK REACH
ROO	rule of origin
RRM	U.S.-Mexico Facility-Specific Rapid Response Labor Mechanism
S&P	Standard and Poor's
SADER	Ministry of Agriculture and Rural Development (Mexico)
SCM Agreement	Agreement on Subsidies and Countervailing Measures
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 of 2011
TAARA	Trade Adjustment Assistance Reauthorization Act of 2015
TBT	Technical Barriers to Trade Agreement (WTO)
TIC	Trade and Investment Council
TICA	Trade and Investment Cooperation Agreement
TICFA	Trade and Investment Cooperation Forum Agreement
TIFA	Trade and Investment Framework Agreement
TIWG	U.S.-Kenya Trade and Investment Working Group
TPA	trade promotion agreement
TPEA	Trade Preferences Extension Act
TRA	Trade Readjustment Allowance
TRIPS	Trade-Related Aspects of Intellectual Property Rights agreement (WTO)
TRQ	tariff-rate quota
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
UNWTO	United Nations World Tourism Organization
USAID	U.S. Agency for International Development
U.S.C.	U.S. Code
USDA	U.S. Department of Agriculture
USDHS	U.S. Department of Homeland Security
USDOC	U.S. Department of Commerce
USDOE	U.S. Department of Energy
USDOL	U.S. Department of Labor
USDOS	U.S. Department of State
USDOT	U.S. Department of Transportation
USEPA	U.S. Environmental Protection Agency

Acronyms	Term
USITC	U.S. International Trade Commission
USJDTA	U.S.-Japan Digital Trade Agreement
USJTA	U.S.-Japan Trade Agreement
USMCA	United States-Mexico-Canada Agreement
USTR	Office of the U.S. Trade Representative
WHO	World Health Organization
WRC	wheat, rice, and corn
WTO	World Trade Organization

Executive Summary

Global Trade Environment in 2021

In 2021, the international trade community continued to be impacted by the COVID-19 pandemic, which was in its second year. According to aggregate measures of economic performance—GDP growth, manufacturing output, and international trade—the 2021 global economy not only rebounded from 2020 lows but exceeded the pre-pandemic levels of 2019. Yet, as economies adjusted to the medium-term impact of the pandemic, recovery was uneven both over time and geographically. For example, recovery was interrupted or hampered by the emergence of new COVID-19 variants, uneven distribution of and access to vaccines, and the intermittent return of restrictive measures aimed at curbing the spread of the virus. The resurgence of containment measures in 2021 again contributed to supply chain and labor disruptions prevalent in the previous year, compounded further by existing material shortages, increases in input pricing, and bottlenecks in transportation and logistics. As these challenges persisted and intensified in the latter half of 2021, indicators of economic recovery began to slow.

Although demand trends remained responsive to pandemic-related needs, 2021 also showed signs of normalization toward pre-pandemic preferences. For example, trade in textiles and apparel, as well as communications and office equipment remained above average in the first half of 2021, driven by continued demand for personal protective equipment and work-from-home technology. However, in the second half of 2021, renewed worldwide demand for energy-related products, minerals, and metals outpaced all other merchandise sectors. Demand for services—particularly those related to transportation and travel—remained below pre-pandemic levels, while services related to remote work and mobile finance experienced continued high demand in 2021.

Global Macroeconomic Trends

Global gross domestic product (GDP): Global economic growth experienced a strong recovery in 2021, growing by an estimated 6.1 percent following a 3.1 percent contraction in 2020. Emerging market and developing economies grew fastest, by 6.8 percent, followed by advanced economies, which grew by 5.2 percent. The real GDP of the United States grew by 5.7 percent, greater than the average of advanced economies. China, India, and the United Kingdom (UK) were among the few economies that expanded by more than 7.0 percent in 2021. However, global supply and labor disruptions, resurging COVID-19 infections, and increased price pressures served as significant headwinds during the second half of the year.

Manufacturing output: In the wake of significant contractions in 2020, manufacturing output increased in most countries across the globe in 2021. Global manufacturing production grew by 9.4 percent, showing a strong recovery from the 4.2 percent decline in 2020. Growth in emerging and industrializing economies drove manufacturing expansion, led chiefly by China and India. Electrical equipment, motor vehicles, and “other manufacturing” sectors recorded the largest expansions in output across countries with available data.

Labor: Total hours worked, a proxy for the health of the global labor market, partially recovered from 2020 lows. However, global working hours remained 4.3 percent below pre-pandemic levels, as working hours in high-income and upper-middle-income economies increased faster throughout the year than that of middle- and low-income economies. China was among the few countries for which working hours exceeded pre-pandemic levels.

Foreign direct investment (FDI): Global FDI experienced a strong recovery in 2021, with total FDI inflows having increased 64.3 percent from 2020 and exceeded pre-pandemic 2019 levels by reaching \$1.6 trillion. FDI inflows into developed economies drove the recovery, growing by more than 133.6 percent from 2020. Following a double-digit decline in 2020, announced greenfield projects in electronics and electrical equipment experienced a notable 156 percent increase in 2021. Greenfield investments in construction, pharmaceuticals, and information and communications also recorded significant growth above 20 percent.

Exchange rates: In 2021, the value of the U.S. dollar fluctuated against several major trading partner currencies before a relatively strong end-of-year performance against the Japanese yen and the euro. The dollar appreciation was driven in large part by 11.6 percent and 8.3 percent gains against the yen and euro, respectively. The U.S. dollar increased by as much as 9.6 percent against the Mexican peso in early 2021, before ending the year with a 2.9 percent gain. Conversely, the U.S. dollar fell in value against the Canadian dollar and British pound for most of the year before recovering and eventually modestly appreciating against both currencies near the end of 2021. The U.S. dollar fell by 1.4 percent against the Chinese yuan, countering the broader trend of a U.S. dollar appreciation during the year.

Global Trade Trends

Global merchandise trade: In 2021, global merchandise trade in value terms increased significantly by 26.1 percent from the 2020 level, compared to a decline of 7.6 percent from 2019 to 2020. Based on the limited merchandise trade statistics, global trade of most products experienced increases from the 2020 level. The most notable year-on-year increases were in the sectors of minerals; office and communications equipment; and other manufacturing. Despite significant increases in trade in the first half of 2021, some of these same sectors experienced a significant deceleration in year-on-year growth beginning in June, as demand for goods sectors that surged in response to the COVID-19 pandemic (e.g., durable communications and office equipment and textiles and apparel) waned. Transport equipment continued to lag far behind other manufacturing sector trade in terms of growth, registering persistent declines in global trade throughout the first three quarters of 2021.

Global services trade: Global services trade began to recover from COVID-19 pandemic-related declines in 2021. From 2020 to 2021, global commercial service exports increased by 16.8 percent to \$5.9 trillion. However, overall trade levels still fell short of pre-pandemic 2019 levels. World exports of “other commercial services” grew 14.3 percent, of which computer, financial, and business services represented the main drivers of growth. From 2020 to 2021, other services export categories also grew, increasing by 34.3 percent in transportation, 7.4 percent in travel, and 11.7 percent in goods-related services. Travel and transportation export levels in 2021 still fell short of 2019 levels. Remote work continued to be a significant feature of professional services sectors, and financial services saw strong growth in mobile money services adoption, both demonstrating lasting pandemic-related trends.

Global supply chains: Significant supply chain disruptions in 2021 affected consumers and producers alike. Consumers sometimes faced limited availability of goods, while experiencing unusually long wait times to receive products they ordered. Producers grappled with intermittent shortages of inputs and labor, as well as persistent long lead times. Supply chain disruptions cascaded throughout the economy, leading to rising goods prices, adding to upward inflationary pressure, and hindering the economic recovery from the COVID-19 pandemic-related downturn in 2020. The International Monetary Fund estimated that in 2021, global supply chain disruptions reduced global GDP growth by 0.5–1.0 percentage point, while adding 1.0 percentage point to core inflation. However, according to the World Trade Organization, supply chain issues may have hindered trade but likely had a limited impact on global merchandise trade aggregates, which continued to grow in 2021. Among the top drivers of supply chain disruptions in 2021 were the resurgence of restrictive COVID-19 pandemic-related policies, labor and material shortages, increases in input pricing, transportation and logistics disruptions, port congestion, and container shortages.

Key Developments in 2021

Administration of U.S. Trade Laws and Regulations

Safeguard investigations: During 2021, the United States had two global safeguard measures in effect under the Trade Act of 1974 (Trade Act): one on solar cells and modules, and the other on large residential washers. The measure on large residential washers was extended for two additional years, effective February 8, 2021. In August 2021, the U.S. International Trade Commission (Commission or USITC) instituted an investigation on solar cells and modules, following receipt of two petitions filed by domestic producers of the product seeking extension of the measure. In February 2021, the Commission made a unanimous negative determination under section 202(b) of the Trade Act with respect to imports of fresh, chilled, or frozen blueberries.

Section 301 investigations: Active section 301 investigations in 2021 covered technology transfer, intellectual property, and innovation practices in China; taxes on digital services proposed or adopted by France and other jurisdictions; large civil aircraft subsidies by the European Union (EU) and certain member states; and currency and timber-related activities in Vietnam.¹

Technology transfer, intellectual property, and innovation practices in China: In 2021, the U.S. Trade Representative announced an additional extension of certain existing product exclusions. The Office of the U.S. Trade Representative (USTR) is currently in the process of reviewing the public comments on the potential reinstatement of the 549 previously extended exclusions.

Digital services taxes (DSTs): After previously finding in 2020 that the DST adopted by France was subject to action under section 301, in 2021, USTR found that DSTs adopted by Austria, India, Italy, Spain, Turkey, and the UK were also subject to action under section 301. USTR further found that four jurisdictions with proposed DSTs—Brazil, the Czech Republic, the EU, and Indonesia—had not adopted

¹ The UK formally withdrew from the EU on January 31, 2020. In this report, the EU refers to the remaining 27 member countries (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden), and EU data exclude the UK for the entire time series.

or implemented the DSTs under consideration when the section 301 investigations were initiated and therefore the respective investigations would be terminated without further proceedings. Later in 2021, the United States and 136 other member jurisdictions joined the “Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy” adopted by the Organisation for Economic Co-operation and Development (OECD) and the G20. Afterward, the United States, Austria, France, Italy, Spain, and the UK reached a political compromise, and the United States subsequently terminated the existing section 301 trade actions on goods of those states. The United States also made similar agreements separately with Turkey and India, which also resulted in the United States terminating its existing section 301 actions against each country.

Large civil aircraft subsidies: In 2021, the United States announced similar yet separate cooperative frameworks with the EU and the UK to address the large civil aircraft disputes by suspending the tariffs related to these disputes for five years and agreeing upon a set of principles to guide the cooperation between them in this sector. In line with the framework, the U.S. Trade Representative determined to suspend the action resulting from the section 301 investigation for five years beginning July 4, 2021, with respect to tariffs on goods of the UK, and beginning July 11, 2021, with respect to tariffs on goods of EU member states.

Vietnam currency: In 2021, the U.S. Trade Representative determined that Vietnam’s acts, policies, and practices related to the undervaluation of its currency were unreasonable under U.S. and international norms. The U.S. Trade Representative further determined that these activities constitute a burden or restriction on U.S. commerce and, accordingly, are actionable under section 301(b) of the Trade Act. The U.S. Trade Representative ultimately determined that no action under the section 301 investigation was warranted at the time in light of an agreement between U.S. Treasury and the State Bank of Vietnam regarding currency practices.

Vietnam timber: In 2021, the U.S. Trade Representative announced that the United States and Vietnam had reached an agreement addressing U.S. concerns about Vietnamese timber, which related to Vietnam’s import and use of alleged illegally harvested and traded timber. USTR will monitor Vietnam’s implementation of the commitments it made in the agreement.

Special 301 investigations: USTR conducts an annual review of the state of intellectual property rights (IPRs) enforcement and protection among U.S. trading partners pursuant to section 182 of the Trade Act (also known as “special 301”). To aid in the administration of the statute, USTR publishes a watch list and a priority watch list identifying countries with particular IPR-related problems. In its 2021 *Special 301 Report*, USTR placed nine countries on its priority watch list: Argentina, Chile, China, India, Indonesia, Russia, Saudi Arabia, Ukraine, and Venezuela. USTR removed one country, Algeria, from the previous year’s list of priority watch countries based on the country’s efforts to increase engagement and cooperation with stakeholders, improve enforcement efforts, and reduce IP-related market access barriers.

Antidumping duty (AD) investigations: The Commission instituted 30 new antidumping investigations under Title VII of the Tariff Act of 1930 and made 21 preliminary determinations and 83 final determinations in 2021. As a result of the affirmative final U.S. Department of Commerce (USDOC) and Commission determinations, the USDOC issued 82 antidumping duty orders on 24 products from 37 countries in 2021.

Countervailing duty (CVD) investigations: The Commission instituted 16 new countervailing duty investigations under Title VII of the Tariff Act of 1930, and made 11 preliminary determinations and 30 final determinations in 2021. The USDOC issued 30 countervailing duty orders on 21 products from 14 countries in 2021 as a result of the affirmative USDOC and Commission determinations.

AD/CVD Reviews: The USDOC initiated, and the Commission instituted 114 reviews of existing AD/CVD orders or suspended investigations, as required by law, either five years after initial publication or five years after publication of a subsequent determination to continue them. The Commission completed 56 reviews, resulting in the continuation of all 56 AD/CVD orders.

Section 129 determinations: Neither the USDOC nor the Commission made any determinations during 2021 under section 129 of the Uruguay Round Agreements Act, nor were any proceedings in process.

Section 337 investigations: During calendar year 2021, there were 127 active section 337 investigations and ancillary proceedings alleging unfair practices in the import trade, such as the importation of products that infringe valid and enforceable U.S. patents. Seventy-three of these proceedings were instituted in 2021: 52 were new section 337 investigations and 21 were new ancillary (secondary) proceedings relating to previously concluded investigations. The Commission completed a total of 67 investigations and ancillary proceedings under section 337 in 2021, and issued 5 general exclusion orders, 8 limited exclusion orders, and 24 cease and desist orders.

Section 337 proceedings active in 2021 involved a broad spectrum of products. Technology products remained the largest category, with about 28 percent of the active proceedings involving computer and telecommunications equipment, and about 14 percent involving consumer electronics. Pharmaceuticals and medical devices were also at issue in about 14 percent of the active proceedings, and automotive, manufacturing, and transportation products were at issue in about 9 percent of the active proceedings. Other products at issue varied widely, ranging from wood-pellet grills to toner cartridges, landscape lights, and baseball bats.

National security investigations: During 2021, the USDOC instituted one new investigation under the national security provisions in section 232 of the Trade Expansion Act of 1962. The new investigation assessed the national security implications of imports of neodymium magnets. The investigation relating to vanadium, initiated in 2020, was concluded in 2021 with a negative determination. The previously completed reports pertaining to the investigations on uranium, titanium sponge, grain-oriented electric steel, and automobiles and automobile parts were released to the public. No new section 232 measures were imposed by the President during 2021. Tariff increases imposed in 2017 under section 232 on certain steel and aluminum imports remained in place throughout 2021, though the duties were subject to numerous exclusions and modifications.

American Manufacturing Competitiveness Act of 2016 (AMCA): As of the end of 2021, legislation that would extend the AMCA procedures was pending in Congress. Now expired, AMCA set out a procedure for two cycles under which members of the public could submit petitions for temporary duty suspensions or reductions to the Commission, demonstrating that they were likely beneficiaries of the requested duty suspension or reduction. Following receipt of petitions, the Commission evaluated and categorized the petitions in accordance with certain statutory criteria, sought public comment, and then filed preliminary and final reports with the U.S. House of Representatives Committee on Ways and Means and the U.S. Senate Committee on Finance, which made the ultimate decision over whether such

duties were suspended or eliminated. Duty suspensions and reductions from the last cycle were enacted under the Miscellaneous Tariff Bill Act of 2018, following the Commission's 2017 final report under the AMCA, and expired at the end of 2020.

Section 1205 Updates to the Harmonized Tariff Schedule of the United States (HTS): In January 2020, the World Customs Organization (WCO) accepted the 2022 Edition of the Harmonized System, which contained about 350 separate amendments relating to a wide range of products and product groups. As part of the process of incorporating these amendments into the HTS, the Commission published a draft recommendations report, on which the public was asked to comment, in November 2020, and a final recommendation report in April 2021. As required by section 1205 of the Omnibus Trade and Competitiveness Act of 1988, the Commission transmitted its recommendations to the U.S. Trade Representative, who then transmitted the report to the Committee on Ways and Means of the U.S. House of Representatives and the U.S. Senate Committee on Finance. After the statutorily prescribed layover period, the President issued Proclamation No. 10326 on December 23, 2021, which incorporated by reference the Commission publication *Modifications to the Harmonized Tariff Schedule of the United States under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988 and for Other Purposes*. That publication modified the HTS to implement the 2022 Harmonized System Mandates. Those modifications became effective per Proclamation No. 10326 on January 27, 2022.

Trade Adjustment Assistance (TAA): The U.S. Department of Labor (USDOL) administers the TAA for Workers Program, while the USDOC administers the TAA for Firms Program. Effective July 1, 2021, the TAA Program, as amended by the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA) reverted to a previous version of the program, referred to as Reversion 2021. In fiscal year (FY) 2021, the USDOL received 731 petitions from groups of workers seeking benefits, a decline from 1,245 petitions filed in FY 2020. The USDOL certified 801 petitions covering 107,454 workers as eligible to apply for benefits and services under the TAA for Worker Program and denied 217 petitions covering 31,573 workers. In FY 2021, the USDOC certified 117 petitions as eligible for assistance under the TAA for Firms Program and approved 102 adjustment protocols.

Trade Preference Programs

Following a 27.6 percent decline in 2020 compared to pre-pandemic 2019, the value of total U.S. imports entered under all preference programs rose by 22.0 percent from 2020 to 2021. However, the value of total U.S. imports entered under all preference programs remained lower than in 2019. U.S. imports entered under the African Growth and Opportunity Act (AGOA) and the Nepal Trade Preference Program (NTPP) had the largest increases in value from 2020 to 2021. Only the NTPP and the Caribbean Basin Economic Recovery Act had a greater U.S. import value compared to 2019 U.S. imports. The utilization rate of trade preference programs, measured by imports entered under specified tariff preference programs as a share of total imports under program-eligible HTS subheadings, decreased from 74.9 percent in 2020 to 61.0 percent in 2021. The utilization rates of all trade preference programs declined in 2021, except for those entered under AGOA (excluding imports under GSP).

Generalized System of Preferences (GSP): With the program's authorization lapsed for the entirety of 2021, U.S. imports that claimed, but to-date have not received, duty-free treatment under GSP rose by 10.4 percent to \$18.7 billion in 2021. These imports accounted for 9.2 percent of total U.S. imports from all GSP beneficiary countries. Indonesia, Thailand, and Cambodia were the top three sources of imports

entered under the GSP program in 2021. USTR monitored and engaged with the seven beneficiary developing countries which had ongoing country practices reviews, but USTR took no new actions. In 2021, legislation was introduced in Congress that would make certain changes to the program and reinstate the President's authority to provide duty-free treatment to eligible goods from eligible countries, but the legislation was still pending at the end of 2021.

Nepal Trade Preferences Program (NTPP): In 2021, imports under NTPP were nearly \$4 million, an increase of almost 60 percent from 2020. These imports represented 3.6 percent of total U.S. imports from Nepal and an increase of 0.8 percentage points from 2020, about equal to the share in 2019.

African Growth and Opportunity Act (AGOA): In 2021, 39 sub-Saharan African (SSA) countries were eligible for AGOA preferential benefits. Of these countries, 27 were eligible for AGOA textile and apparel benefits for all or part of 2021. As a result of the 2021 annual AGOA eligibility review, AGOA eligibility was terminated for Ethiopia, Guinea, and Mali, effective January 1, 2022. In 2021, the value of U.S. imports that entered free of duty from beneficiary countries under AGOA (including imports under GSP) was \$6.7 billion, an increase of 61.9 percent from 2020. These imports accounted for 24.5 percent of total imports from AGOA countries in 2021. In 2021, imports entering the United States exclusively under AGOA (excluding those entered under GSP) were valued at \$6.0 billion, accounting for about 22 percent of U.S. imports from AGOA countries.

Caribbean Basin Economic Recovery Act (CBERA): In 2021, 17 countries and dependent territories were eligible for CBERA preferences, among which 8 were eligible for expanded preferences under the Caribbean Basin Trade Partnership Act (CBTPA). In 2021, the total value of U.S. imports entered under CBERA preferences increased 18.7 percent to \$2.2 billion. Haiti and Trinidad and Tobago were the top suppliers of U.S. imports under CBERA; methanol, crude petroleum, and apparel were the top imported products. Imports entered under CBERA accounted for 25.0 percent of all imports from CBERA beneficiary countries in 2021.

Haiti Initiatives: The Haitian Hemispheric Opportunity through Partnership Encouragements Acts of 2006 and 2008 (HOPE Acts) and the Haiti Economic Lift Program Act of 2010 (HELP Act) amended CBERA to provide additional benefits only to Haiti. Significantly, these benefits give Haitian producers more flexibility in sourcing yarns and fabrics beyond the preferences available under CBTPA. Apparel is the primary U.S. import from Haiti under CBERA. Most U.S. textiles imports from Haiti (74.0 percent) entered under the more liberal HOPE/HELP preference rules, and 99.0 percent of all U.S. textiles and apparel imports from Haiti in 2021 entered under one of the CBERA-related programs.

The World Trade Organization

WTO developments in 2021: Due to the ongoing COVID-19 pandemic, the Twelfth WTO Ministerial Conference was again postponed, from November 2021 to June 2022. During 2021, members of the General Council selected Dr. Ngozi Okonjo-Iweala of Nigeria as the seventh WTO Director-General. Negotiations continued on selected plurilateral agreements, such as electronic commerce, fisheries subsidies, and services. Throughout the year, meetings continued between the cosigners of a proposed waiver for all WTO members of certain provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights in relation to the prevention, containment, and treatment of COVID-19.

U.S. concerns about WTO dispute settlement: In 2021, USTR reaffirmed the finding of its February 2020, Report on the Appellate Body of the World Trade Organization, which set out U.S. concerns about the operation of the WTO dispute settlement, particularly at the Appellate Body level. The February 2020 Report identified seven areas of concerns in which the Appellate Body had exceeded its authority, stating the Appellate Body had “taken away rights and imposed new obligations through erroneous interpretations of WTO agreements.” The United States continued to express such concerns at DSB meetings during 2021 about the Appellate Body’s disregard for the rules set by WTO members, adding to or diminishing rights or obligations under the WTO Agreement. The United States also expressed concern about appellate reports going far beyond the text of the WTO agreements setting out WTO rules in areas as varied as subsidies, antidumping and countervailing duties, standards under the Technical Barriers to Trade (TBT) Agreement, and safeguards. The United States stated that, as a result, the United States was not prepared to agree to launch the process to fill vacancies on the Appellate Body without WTO members engaging with and addressing these critical issues. Consequently, there are no Appellate Body members to hear appeals.

WTO dispute settlement: During 2021, WTO members filed nine new requests for dispute settlement consultations. This number was the second-lowest number for any year since the establishment of the WTO in 1995, and sharply lower than the 20 requests filed during 2019 and 38 filed during 2018. It was also the first year since the establishment of the WTO that the United States was not named either a complaining or a respondent party in a request for consultations initiating a new dispute. Eight countries—Costa Rica, Malaysia, Japan, Australia, China, the EU, Saudi Arabia, and Brazil—filed new requests for consultations, and only Costa Rica filed more than one new request. One new dispute settlement panel was established during 2021 in which Hong Kong alleged that certain U.S. measures concerning the origin marking requirement applicable to goods produced in Hong Kong appear to be inconsistent with certain articles of the General Agreement on Tariffs and Trade (GATT) 1994, the Agreement on Rules of Origin, and the TBT Agreement.

During 2020, the WTO dispute settlement panels issued reports in three disputes to which the United States was a party (DS539: United States—Anti-Dumping and Countervailing Duties on Certain Products and the Use of Facts Available; DS562: United States—Safeguard Measure on Imports of Crystalline Silicon Photovoltaic Products; and DS577: United States—Anti-dumping and Countervailing Duties on Ripe Olives from Spain). With respect to case DS539, the United States notified the DSB on March 19, 2021, of its decision to appeal certain issues of law covered in the panel report. With respect to case DS562, the panel rejected all of China’s claims and made no recommendation to the WTO Dispute Settlement Body (DSB) pursuant to Article 19.1 of the WTO Dispute Settlement Understanding. China subsequently notified the DSB on September 16, 2021, of its decision to appeal to the Appellate Body certain issues of law and legal interpretations in the panel report. With respect to case DS577, the panel found that the USDOC acted inconsistently with the SCM Agreement and GATT 1994, but rejected the EU’s claims concerning the Commission’s injury determination. The DSB adopted the panel report on December 20, 2021.

Developments at the Compliance Level in Two U.S. and EU Disputes on Large Civil Aircraft: In March 2021, the EU and the UK, and the United States, each agreed to suspend countermeasures imposed following arbitration awards won in 2020. These awards at the compliance level were in response to disputes filed years earlier relating to subsidies provided to domestic producers of large civil aircraft—subsidies provided by the EU to Airbus and by Washington State to Boeing. In June 2021, the United

States reached understandings on cooperative frameworks with the EU and the UK, respectively, announcing that each party intends not to impose the WTO-authorized countermeasures for a period of five years starting from July 2021. The frameworks also addressed issues such as the establishment of respective U.S.-EU and U.S.-UK working groups on large civil aircraft, the provision of financing to respective large civil aircraft producers on market terms, and the provision of R&D funding for respective large civil aircraft producers through open and transparent processes that do not cause negative effects to the other side.

Selected Regional and Bilateral Activities

Organisation for Economic Co-operation and Development (OECD): Chaired by the United States, the OECD Ministerial Council Meeting convened in 2021 under the theme of “Shared Values: Building a Green and Inclusive Future.” Ministers discussed near-term issues such as the lessons learned from the COVID-19 pandemic, and the priorities for the near-term recovery, as well as medium- and long-term issues, such as international trade, climate change, digital transformation, inclusive growth, gender equality, anti-bribery, and international tax. In 2021, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) made notable progress toward building consensus on addressing international taxation issues. As of November 4, 2021, 137 countries and jurisdictions had joined an political agreement consisting of two pillars. Pillar One suggests that some taxing rights over multinational enterprises would be reallocated to the markets where their business activities take place, regardless of whether firms have a physical presence there. Pillar Two stipulates agreement on a minimum 15 percent tax rate, starting in 2023, for multinational enterprises with revenue above €750 million (equivalent to about \$887 million in 2021).

Asia-Pacific Economic Cooperation (APEC): In 2021, under New Zealand’s leadership, APEC adopted the theme “Join, Work, Grow. Together,” with the following policy priorities: (1) “economic and trade policies that strengthen recovery, with a focus on the right macroeconomic, microeconomic and trade policy choices”; (2) “increasing inclusion and sustainability for recovery by building a better society for all people and generating a green recovery;” and (3) “pursuing innovation and a digitally enabled recovery by accelerating the APEC region’s work in these areas.” Among the top APEC 2021 agenda items were the responses to the COVID-19 pandemic and the improvement of supply chain performance.

Trade and Investment Framework Agreements (TIFAs): By year end 2021, the United States had entered 60 TIFAs. The U.S.-Paraguay TIFA, originally signed in 2017, entered into force in March 2021. A number of developments and TIFA Council meetings took place in 2021, including those with Argentina, the Association of Southeast Asian Nations, Brazil, Burma, Central Asia, Ecuador, Fiji, Nigeria, Paraguay, Philippines, Taiwan, Tunisia, Ukraine, United Arab Emirates, and Uruguay.

Trade Partnerships: In 2021, the United States launched two significant trade partnerships with major partners; the EU and India. During the inaugural meeting of the U.S.-EU Trade and Technology Council, leaders from both economies outlined their major areas of focus: (1) nonmarket economy policies and practices, (2) barriers to trade in emerging technology products and services, (3) labor rights and “decent work,” (4) child and forced labor, (5) resilient and sustainable global supply chains, and (6) trade and environment. The U.S.-India Trade Policy Forum and its four working groups on agriculture, non-agriculture goods, services and investment, and IP were successfully relaunched in 2021. At its first

ministerial-level meeting in November 2021, senior government representatives of each country committed to finalizing work on market access facilitation for various agriculture products, among other issues. For more information, see [chapter 6](#).

U.S. Free Trade Agreements

As of December 31, 2021, the United States was party to 14 free trade agreements (FTAs) involving a total of 20 countries (table ES.1).

Table ES.1 U.S. free trade agreements (FTAs) in force as of December 31, 2021

FTA = free trade agreement; TPA = trade promotion agreement.

FTA	Date of signature	Date of entry into force
U.S.-Israel FTA	April 22, 1985	August 19, 1985
U.S.-Jordan FTA	October 24, 2000	December 17, 2001
U.S.-Chile FTA	June 6, 2003	January 1, 2004
U.S. Singapore FTA	May 6, 2003	January 1, 2004
U.S.-Australia FTA	May 18, 2004	January 1, 2005
U.S.-Morocco FTA	June 15, 2004	January 1, 2006
U.S.-Bahrain FTA	September 14, 2004	August 1, 2006
Dominican Republic-Central America FTA (CAFTA-DR)	May 28, 2004; August 5, 2004	March 1, 2006–January 1, 2009 (various dates)
U.S.-Oman FTA	January 19, 2006	January 1, 2009
U.S.-Peru TPA	April 12, 2006	February 1, 2009
U.S.-Korea FTA (KORUS)	June 30, 2007	March 15, 2012
U.S.-Colombia TPA	November 22, 2006	May 15, 2012
U.S.-Panama TPA	June 28, 2007	October 31, 2012
United States-Mexico-Canada Agreement (USMCA)	November 30, 2018	July 1, 2020

Source: USTR, “Free Trade Agreements,” accessed April 14, 2021.

Note: The U.S.-Jordan FTA was fully implemented on January 1, 2010. CAFTA-DR is an FTA between the United States and six countries in Central America and the Caribbean, and is composed of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. The Central American parties and the United States first signed the agreement on May 28, 2004, and all parties including the Dominican Republic signed on August 5, 2004. CAFTA-DR entered into force between the United States and Costa Rica on January 1, 2009; between the United States and the Dominican Republic on March 1, 2007; between the United States and Guatemala on July 1, 2006; between the United States and Honduras and Nicaragua on April 1, 2006; and between the United States and El Salvador on March 1, 2006. On July 1, 2020, the USMCA replaced NAFTA which had entered into force on January 1, 1994.

U.S. imports under FTAs: The value of U.S. merchandise imports entered under FTA provisions (hereafter FTA imports) increased 18.7 percent compared to 2020, totaling \$417.0 billion in 2021. FTA imports accounted for 43 percent of total U.S. imports from FTA partners and 14.8 percent of U.S. imports from the world. FTA imports from all partners increased in 2021, except for those from Panama, which fell by 2.0 percent. Of the 14 FTAs, FTA imports under the United States-Mexico-Canada Agreement (USMCA) accounted for more than three-quarters of total FTA imports. U.S. imports entered under the USMCA increased by 17.1 percent, while U.S. imports entered under all 13 remaining other FTAs combined increased by 24.5 percent.

U.S.-Mexico-Canada Trade Agreement (USMCA) Implementation: The USMCA entered into force on July 1, 2020, superseding the North American Free Trade Agreement (NAFTA). The USMCA maintains tariff preferences at zero duty rates that were in place under NAFTA, modifies the investor-state dispute

settlement mechanism with respect to Mexico, and includes additional obligations covering, for example, labor rights, environmental protection, good regulatory practices and digital trade. In contrast to NAFTA, the USMCA's labor and environment obligations are fully enforceable under the agreement.

Free Trade Commission: During the first Free Trade Commission meeting, the Ministers of the three countries reviewed the work of the committees established by the USMCA, which have convened virtual meetings since July 1, 2020. The committees include Rules of Origin and Origin Procedures; Textiles and Apparel Trade Matters; Trade Facilitation; Sanitary and Phytosanitary Measures; Technical Barriers to Trade; Transportation Services; Financial Services; Intellectual Property Rights; State-Owned Enterprises and Designated Monopolies; Small and Medium-Sized Enterprises (SMEs); Competitiveness; Good Regulatory Practices; Agricultural Trade; Working Group for Cooperation on Agricultural Biotechnology; Labor Council; Environment Committee; and Temporary Entry. The United States, Mexico, and Canada also held ministerial-level discussions on the USMCA's labor and environment obligations.

Labor: The Labor Council convened its first meeting on June 29, 2021, via videoconference and hosted by the United States. During the meeting, the Council discussed several topics, including (1) the ongoing implementation of Mexico's recent labor law reform; (2) the Agreement's requirement that each party prohibit the importation, into its territory, of goods produced in whole or in part by forced or compulsory labor; (3) key labor policies for migrant workers; and (4) areas for ongoing and future cooperation and technical capacity building. The Council also held a virtual public session where workers, employers, civil society organizations, and the public contributed to a discussion related to the implementation of the Labor Chapter of the USMCA. Also, the Independent Mexico Labor Expert Board delivered its second report to the Interagency Labor Committee and the U.S. Congress on July 7, 2021, indicating that while Mexico has made significant progress in the implementation of its Labor Law Reform, the Board identified a "number of serious concerns with Mexico's labor law enforcement process and implementation of its labor reform." Finally, in 2021, the United States requested reviews under the Rapid Response Mechanism against two facilities operating in Mexico: one concerning a General Motors facility in Silao, Mexico, and another concerning Tridonex, an automotive parts facility in Matamoros, Mexico. A resolution to these two requests for review was reached expeditiously (further information is under the Dispute Settlement section below).

Environment: The Environment Committee, chaired by Canada, held its inaugural meeting on June 17, 2021. At the inaugural meeting parties provided updates on their efforts in implementing the USMCA environment commitments and held a discussion on law enforcement cooperation to stem wildlife trafficking and trade in illegally harvested timber. Also, the Council for the Commission for Environmental Cooperation (CEC) met virtually on September 9–10, 2021, for its first regular session under the USMCA and the Agreement on Environmental Cooperation Among the Governments of the United States of America, United Mexican States, and Canada (ECA) to affirm the obligation to support the implementation of the USMCA Environment Chapter, recognize the importance of cooperation to achieve shared environmental goals, and promote sustainable development with strengthened trade and investment relations that will benefit communities across North America. In 2021, the CEC continued the practice of reporting on actions taken on public submissions on enforcement matters. At

the end of 2021, six submissions remained open: one involving the United States and five involving Mexico.

Small and Medium-Sized Enterprises (SMEs): In July 2021, the SME Committee organized a trilateral webinar on the topic “Accessing USMCA Markets with E-Commerce: Tools for SMEs” to increase online international sales. During the webinar, attended by over 600 SMEs from the three countries, women-owned SMEs shared best practices in expanding export sales into the North American markets, including through the use of electronic commerce. Webinar participants also received information about government resources. In addition, in 2021, the SME Committee launched a pilot network of small business development center/SME counselors among the United States, Mexico, and Canada to share best practices and help SME clients prepare for new trade opportunities under the USMCA. The SME Dialogue organized an online webinar scheduled to take place on April 22, 2022. It was convened by USTR, the USDOC, and the U.S. Small Business Administration (SBA), together with the Global Affairs Canada and Canada’s Trade Commissioner Service, and the Ministry of the Economy of Mexico.

Rules of Origin: The Interagency Committee on Trade in Automotive Goods (Interagency Autos Committee) met in 2021 to monitor the implementation of the USMCA’s automotive rules of origin, including the alternative staging regime and implementation of the Uniform Regulations. In June 2020, the Interagency Autos Committee published the Uniform Regulations, which included provisions related to the rules of origin for automotive goods. The Uniform Regulations are intended to assist North American automotive producers, exporters, and importers in ensuring that all USMCA countries share the same interpretation, application, and administration of the automotive rules contained in the USMCA. In August 2021, Mexico and Canada requested consultations with the United States regarding its interpretation and application of the rules of origin for automotive goods under the Agreement. Although consultations took place in September 2021, they did not resolve the dispute as of December 31, 2021.

USMCA Dispute Settlement: The principal dispute settlement mechanisms of the USMCA are included in Chapter 10 (Trade Remedies), Chapter 14 (Investment), and Chapter 31 (Dispute Settlement). At the end of 2021, there were seven active cases under review by binational panels established under Chapter 10, Article 10.12. Four cases challenge the USDOC’s antidumping and countervailing duty orders on softwood lumber from Canada, one challenges the Canadian investigating authority’s final antidumping determination on gypsum board, and two challenge the Mexican investigating authority’s final antidumping determination on carbon and certain alloy steel wire rod and steel concrete reinforcing bar.

On May 25, 2021, the United States requested and established a USMCA dispute settlement panel under USMCA’s Chapter 31, to review Canada’s dairy TRQ allocation measures. The panel released its final report on December 20, 2021, and to the public on January 4, 2022. The panel agreed with the United States that Canada’s allocation of dairy tariff-rate quotas (TRQs), specifically the setting aside of a percentage of each dairy TRQ exclusively for Canadian processors, is inconsistent with Canada’s commitment in Article 3.A.2.11(b) of the USMCA not to “limit access to an allocation to processors.” On June 18, 2021, Canada requested the establishment of a USMCA Chapter 31 dispute settlement panel with respect to the U.S. safeguard measures on crystalline silicon photovoltaic cells. In its panel request and subsequent written submissions, Canada alleged that the U.S. President’s decision in 2018 not to exclude Canadian products from the safeguard measure was inconsistent with USMCA Articles 10.2.1,

10.2.2, 10.2.5(b), 10.3, and 2.4.2. As of December 2021, panel proceedings were ongoing, but a resolution was ultimately reached in July 2022.

In 2021, the United States twice invoked the United States-Mexico Facility-Specific Rapid Response Labor Mechanism against two facilities operating in Mexico: General Motors, in Silao, Mexico, and Tridonex, S. de R.L. de C.V., a subsidiary of Cardone Industries, a Philadelphia-based auto parts manufacturer that supplies the U.S. market, located in Matamoros, Tamaulipas, Mexico. On May 10, 2021, the United States requested that Mexico conduct a review of whether a Denial of Rights was occurring to workers at the General Motors de México facility in Silao, State of Guanajuato, Mexico. On July 8, 2021, the U.S. Trade Representative announced a remediation agreement reached with Mexico that addressed a denial of workers' right of free association and collective bargaining that Mexico found to have occurred for workers at the General Motors facility. On May 10, 2021, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) and other organizations filed a petition under the Rapid Response Mechanism with the Interagency Labor Committee against Tridonex. The submission alleged that workers at the Tridonex automotive parts facility were being denied the right of free association and collective bargaining. On August 10, 2021, USTR announced the United States had reached an agreement with Tridonex on a reparation course including severance pay, backpay, and a commitment to neutrality in future union elections.

NAFTA Dispute Settlement: The dispute settlement provisions of NAFTA are found in NAFTA's Chapter 11 (Investment), Chapter 19 (Review and Dispute Settlement in Antidumping/Countervailing Duty Matters), and Chapter 20 (State-to-State Dispute Settlement). During 2021, there were a total of nine pending cases filed under Chapter 11, including three cases against Canada by U.S. investors; four cases filed against Mexico (three filed by U.S. investors and one by Canadian investors); and two cases filed against the United States (one filed by Canadian and Mexican investors, and one filed by Canadian investors). Pursuant to the USMCA Annex 14-C, which addresses the transition between NAFTA and the USMCA for investor-state disputes, these cases may proceed to their conclusion in accordance with Chapter 11 of NAFTA. There were no pending disputes under Chapter 20 (State-to-State Dispute Settlement) in 2021.

As of December 31, 2021, there were seven active binational panels remaining under NAFTA Chapter 19. Two were concerning the USITC's determinations regarding fabricated structural steel from Canada and Mexico. Other active Chapter 19 cases include challenges to USDOC's antidumping determinations on fabricated structural steel from Canada, light-walled rectangular pipe and tube from Mexico, and softwood lumber from Canada; a challenge to the USDOC's antidumping and countervailing duty order on softwood lumber from Canada; and a challenge to the Mexican investigating authority's final antidumping determination on ammonium sulphate from the United States. Pursuant to the USMCA Chapter 34, which provides the transitional provisions from NAFTA, these panel reviews may proceed to their completion in accordance with Chapter 19 of NAFTA.

Developments with other FTAs already in force: U.S. officials engaged with a number of FTA partners of the other 13 U.S. FTAs in force during 2021. Discussions covered a range of trade- and investment-related issues, including with respect to the labor and environmental provisions included in most of these agreements. A new U.S.-Chile work program on environmental cooperation was negotiated for

the period 2021–24. The United States and Singapore also negotiated a new Plan of Action for Environmental Cooperation under their Memorandum of Intent on Environmental Cooperation.

In January 2021, Guatemala published a single customs schedule, which resolved longstanding challenges concerning tariff classification and U.S. preferential access in Guatemala. In February 2021, the United States and Morocco agreed to the use of self-attestations to meet requests made earlier in 2021 by the Moroccan government regarding additional documentation of U.S. beef and beef product exports. Following engagement under multiple U.S.-Colombia TPA committees, the Colombian government announced in December 2021 that its investigation into imports of dairy products from the United States did not find evidence justifying any safeguard measures. The two governments also exchanged letters in July 2021 which further clarified commitments under the U.S.-Colombia TPA by eliminating bureaucratic requirements for U.S. corn exporters.

U.S. Trade in 2021

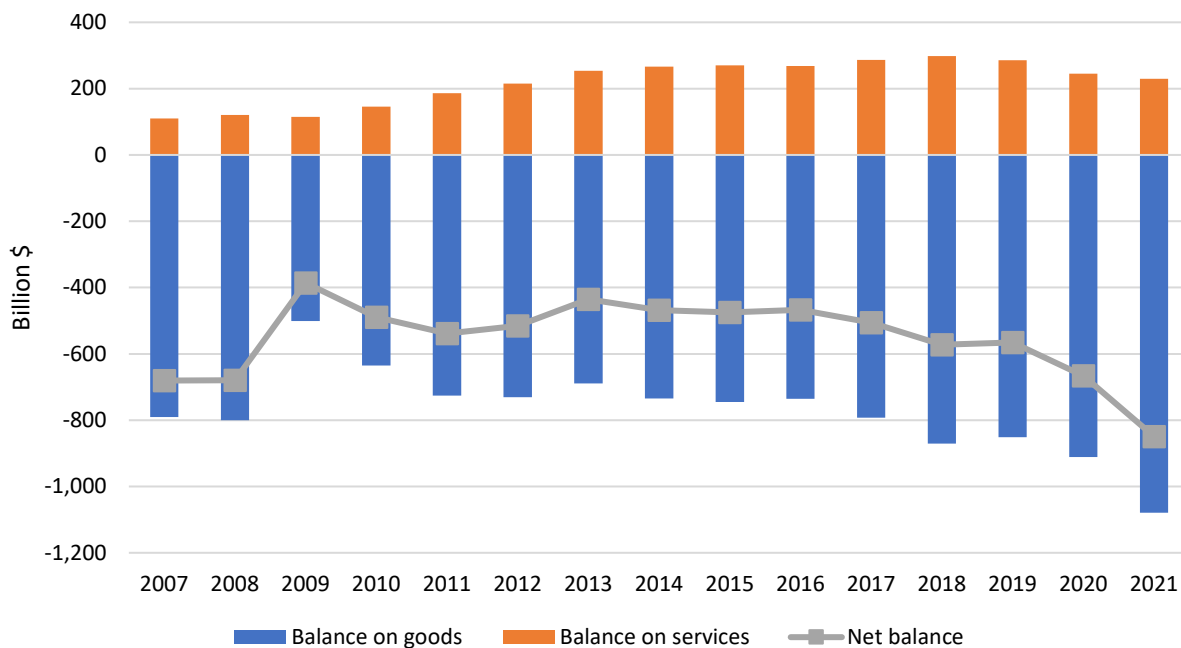
U.S. Trade Overview

U.S. merchandise trade: U.S. two-way merchandise trade increased by 22.0 percent between 2020 and 2021. U.S. merchandise exports increased by 23.1 percent to \$1.8 trillion in 2021, while U.S. merchandise imports increased by 21.3 percent to \$2.8 trillion in 2021. As a result, the U.S. merchandise trade deficit increased by almost 18.4 percent to \$1.1 trillion in 2021 (figure ES.1). The top destinations for merchandise exports included the EU, Canada, Mexico, China, and Japan, while the top sources of merchandise imports were China, Canada, Mexico, and the EU. U.S. total trade of energy-related products and chemicals and related products experienced the largest increases. Eleven of the 12 sectors that make up U.S. merchandise trade had a trade deficit in 2021. Energy-related products was the only merchandise sector with a trade surplus. For more information on the merchandise sectors referred to in this report, see [chapter 6](#).

U.S. services trade: U.S. cross-border trade increased by 12.6 percent to \$1.3 trillion in 2021. However, this value still fell short of 2019 U.S. services trade. The top destinations for services exports included the EU, the UK, Canada, Japan, and China, while the top sources of services imports were the EU, the UK, Japan, Canada, and India. Other business services remained the largest category of both services imports and exports. The strongest services export growth in 2021 was in construction, transportation services and financial services, while the strongest sources of import growth were travel services and transportation services.

Figure ES.1 U.S. trade balance in goods and services, 2007–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.1](#).



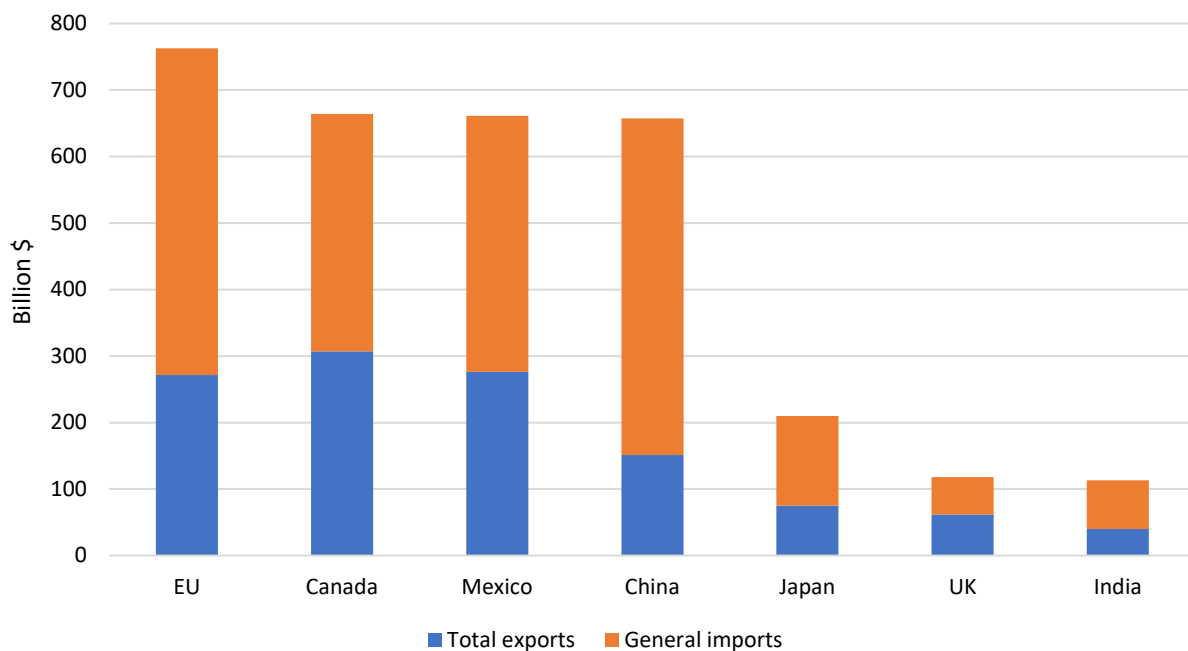
Source: USITC DataWeb/Census, accessed February 25, 2022; USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.2; U.S. Trade in Services, by Type of Service and by Country or Affiliation, March 25, 2022.

Developments with Selected Major Trading Partners

This report covers U.S. trade development in 2021 with its top five trading partners (the EU, China, Mexico, Canada, and Japan), and two other major trading partners (the UK and India) based on their recent trade policy activities. Two-way merchandise trade and cross-border total services trade with each trading partner are presented in figures ES.2 and ES.3, respectively.

Figure ES.1 U.S. merchandise trade with selected major trading partners, 2021

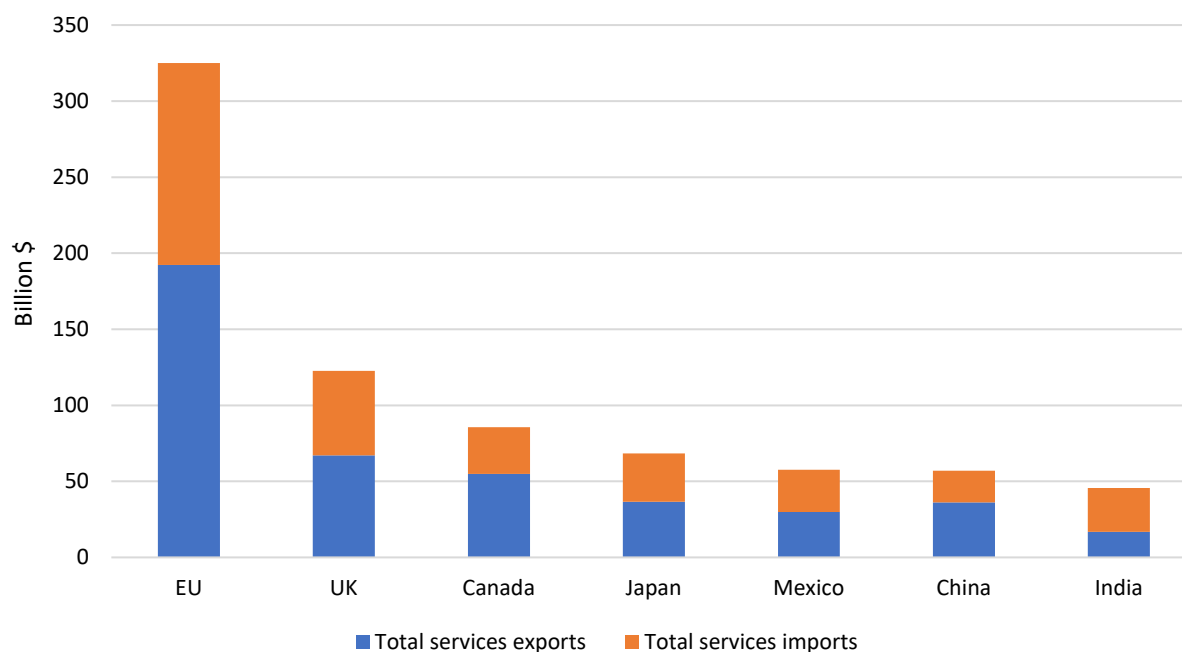
In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.2](#).



Source: USITC DataWeb/Census, accessed February 25, 2022.

Figure ES.2 U.S. total services trade with selected major trading partners, 2021

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.3](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3; U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

EU: The EU, viewed as a single market, was the United States' largest merchandise trading partner in total trade in 2021. Total U.S. merchandise trade with the EU increased by 18.0 percent to \$762.9 billion in 2021, representing 16.6 percent of U.S. total merchandise trade with the world. The EU remained the top U.S. services trading partner in 2021. U.S. total services trade with the EU increased by 14.4 percent to \$325.1 billion in 2021, representing 24.8 percent of U.S. total services trade with the world. Among the major developments in U.S.-EU trade relations in 2021 were the successful negotiation of agreements on post-Brexit TRQs and U.S. imports of steel and aluminum, and the establishment of the U.S.-EU Trade and Technology Council.

Canada: Canada was the United States' second-largest merchandise trading partner in total trade in 2021. Total U.S. merchandise trade with Canada increased by 26.3 percent to \$664.2 billion in 2021, representing 14.5 percent of U.S. total merchandise trade with the world. Canada was the United States' third-largest services trading partner in 2021. U.S. total services trade with Canada increased by 3.2 percent to \$85.6 billion in 2021, representing 6.5 percent of U.S. total services trade with the world. Among the major developments in the U.S.-Canada trade relations in 2021 were the developments in two disputes under Chapter 31 of the USMCA regarding dairy TRQs and solar cells, and changes to Canada's sanitary and phytosanitary measures and digital services taxes.

Mexico: Mexico was the United States' third-largest merchandise trading partner in total trade in 2021. Total U.S. merchandise trade with Mexico increased by 23.2 percent to \$661.2 billion in 2021, representing 14.4 percent of U.S. total merchandise trade with the world. Mexico was the United States' fifth-largest services trading partner in 2021. U.S. total services trade with Mexico increased by 41.6

percent to \$57.6 billion in 2021, representing 4.4 percent of U.S. total services trade. Among the major developments in the U.S.-Mexico trade relations in 2021 were the re-establishment of the U.S.-Mexico High-Level Economic Dialogue, and engagement regarding Mexico's recent energy reforms. Regarding labor, two cases were filed by the United States against Mexico under the U.S.-Mexico Facility-Specific Rapid Response Mechanism of the USMCA, resolutions for which were reached as discussed in [chapter 5](#).

China: In 2021, China was the fourth-largest U.S. merchandise trading partner in total trade. Total U.S. merchandise trade with China grew by 17.6 percent to \$657.4 billion in 2021, representing 14.3 percent of U.S. total merchandise trade with the world. In 2021, China was the sixth-largest U.S. services trading partner. U.S. total services trade with China grew by 1.8 percent to \$57.0 billion in 2021, representing 4.3 percent of U.S. total services trade with the world. During 2021, two major focuses of U.S.-China trade relations were continued efforts to achieve implementation of the U.S.-China "Phase One" Agreement, as well as the various measures taken by the U.S. government to prohibit the importation of goods produced by forced or convict labor in China's Xinjiang region.

Japan: Japan was the fifth-largest U.S. merchandise trading partner in total trade in 2021. Total U.S. merchandise trade with Japan increased 14.7 percent to \$210.1 billion in 2021, representing 4.6 percent of U.S. total merchandise trade with the world. In 2021, Japan was the fourth-largest trading partner in total U.S. cross-border services trade. U.S. total services trade with Japan decreased by less than 1 percent to \$68.3 billion in 2021, representing 5.2 percent of U.S. total services trade with the world. Major developments in U.S.-Japan trade relations in 2021 included the launch of the U.S.-Japan Partnership on Trade and continuation of trilateral meetings among the United States, Japan, and the EU on cooperation on issues arising from nonmarket practices.

UK: The UK was the United States' seventh-largest merchandise trading partner in total trade in 2021. Total U.S. merchandise trade with the UK increased 8.4 percent to \$117.8 billion in 2021, representing 2.6 percent of U.S. total merchandise trade with the world. The UK remained the United States' second-largest services trading partner in 2021. U.S. total services trade with the UK increased by 6.4 percent to \$122.5 billion in 2021, representing 9.3 percent of U.S. total services trade with the world. Among the major developments in U.S.-UK trade relations in 2021 were the successful negotiation of an agreement on post-Brexit TRQs, and implementation activities under several agreements preserving the terms of existing U.S.-EU agreements in future trade between the United States and the UK.

India: In 2021, India was the United States' ninth-largest trading partner in total merchandise trade. Total U.S. merchandise trade with India increased by 44.8 percent to \$113.4 billion in 2021, representing 2.5 percent of U.S. total merchandise trade with the world. In 2021, India was the United States' seventh-largest partner in cross-border services trade. U.S. total services trade with India increased 8.2 percent to \$45.7 billion in 2021, representing 3.5 percent of U.S. total services trade with the world. Major developments in U.S.-India trade relations in 2021 included the relaunched U.S.-India Trade Policy Forum, the newly launched U.S.-India Climate and Clean Energy Agenda 2030 Partnership, and an agreement on digital services taxes.

Chapter 1

Global Trade Environment in 2021

Introduction

Scope and Approach of the Report

This report provides information on the operation of the U.S. trade agreements program for calendar year 2021. 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,” and section 163(a) of the Trade Act of 1974 sets out the types of information that the President is to include in their annual report to the Congress on the operation of the trade agreements program.

This report provides information on the activities defined in the Executive Order and, the elements set out in section 163(a), to the extent appropriate, where information is publicly available. This year marks the 73rd edition of the report prepared by the U.S. International Trade Commission.

Sources

This report is based on primary-source materials about U.S. trade programs and administrative actions pertaining to them. These materials chiefly reflect U.S. government reports, *Federal Register* notices, and news releases, including publications and news releases by the Commission and the Office of the U.S. Trade Representative (USTR).² Other primary sources of information include publications of international institutions, such as the International Monetary Fund (IMF), World Bank, Organisation for Economic Co-operation and Development (OECD), World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), United Nations, and foreign governments. When primary-source information is unavailable, the report draws on professional journals, trade publications, and news reports for supplemental information.

Like past reports, *The Year in Trade 2021: Operation of the Trade Agreements Program* uses data from the U.S. Census Bureau (U.S. Census) of the U.S. Department of Commerce (USDOC) for U.S. merchandise trade statistics presented in chapters 2 through 6. Most tables in the report present U.S. merchandise trade statistics using “total exports” and “general imports” as measures, except for data on imports that have entered the United States with a claim of eligibility under trade preference programs

² USTR’s 2022 *Trade Policy Agenda and 2021 Annual Report* includes duplicate page numbers, so to ensure citation accessibility for readers, all page references to this USTR report are the PDF-generated page numbers starting at one and proceeding consecutively.

and free trade agreements (FTAs), as in chapters 2 and 5.³ Such data require an analysis of U.S. “imports for consumption”—the total of all goods that have been cleared by U.S. Customs and Border Protection (U.S. Customs or CBP) to enter the customs territory of the United States with required duties paid.

Chapter 6 also offers data on U.S. services trade. The information on U.S. cross-border total services trade is based on official statistics for 11 broad categories that are published by U.S. Bureau of Economic Analysis (BEA) under the USDOC.⁴

Also, much of the trade data used in the report, including U.S. merchandise and services trade data, are revised over time, so the trade statistics for earlier years in this report may not always match the data presented in previous reports.

Organization of the Report

This first chapter gives an overview of the global trade environment within which U.S. trade policy was conducted in 2021. Chapter 2 covers the administration of U.S. trade laws and regulations in 2021, including trade preference programs. Chapter 3 reviews U.S. participation in the WTO, including developments in major WTO dispute settlement cases during 2021. Chapter 4 focuses on 2021 developments at the OECD and APEC, as well as developments involving trade and investment framework agreements (TIFAs). Chapter 5 summarizes U.S. negotiation of and participation in FTAs in 2021, and highlights developments in the implementation of the United States-Mexico-Canada Agreement (USMCA). Chapter 6 reviews trade patterns and trade relations with selected major U.S. trading partners.

Global Trade Environment in 2021

This section presents an overview of the global trade environment in 2021—the second year of the COVID-19 pandemic—highlighting global macroeconomic and trade trends, and the impact of continuing global supply chain disruptions.⁵

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 and Border Protection (U.S. Customs or CBP) bonded warehouse or a U.S. foreign-trade zone. The total exports measure 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 foreign-trade zones under U.S. Customs custody. These two measures—total exports and general imports—are the broadest measures of U.S. merchandise trade reported by the U.S. Census Bureau, and they are used by the U.S. Department of Commerce’s 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. USITC, “A Note on Trade Statistics,” August 22, 2014; USITC, *Shifts in U.S. Merchandise Trade, 2014*, June 2015, chap. Trade Metrics.

⁴ These 11 broad services categories are: maintenance and repair services not included elsewhere (n.i.e.); transport; travel; construction; insurance services; financial services; charges for the use of intellectual property; telecommunications, computer, and information services; other business services; personal, cultural, and recreational services; and government goods and services.

⁵ For more information on the impact of the COVID-19 pandemic on trade in 2020, see USITC, *Year in Trade 2020*, September 2021, 31–34.

According to gross measures of economic performance—gross domestic product (GDP) growth, manufacturing output, and international trade—the 2021 global economy not only rebounded from 2020 lows, but exceeded the pre-pandemic levels of 2019.⁶ Yet, as economies adjusted to the medium-term impact of the pandemic, recovery was uneven both over time and geographically. For example, recovery was interrupted or hampered by the emergence of new COVID-19 variants, uneven distribution of and access to vaccines, and intermittent return of restrictive measures aimed at curbing the spread of the virus.⁷ The resurgence of containment measures in 2021 again contributed to supply chain disruptions prevalent in the previous year, compounded further by existing material shortages, increases in input pricing, and transportation and logistics bottlenecks.⁸ As these challenges persisted and intensified in the latter half of 2021, indicators of economic recovery began to slow.⁹

Although demand trends remained responsive to pandemic-related needs, 2021 also showed signs of normalization toward pre-pandemic preferences. For example, trade in textiles and apparel, as well as communications and office equipment remained above average in the first half of 2021, driven by continued demand for personal protective equipment and work-from-home technology.¹⁰ However, in the second half of 2021, renewed worldwide demand for energy-related products outpaced all other merchandise sectors.¹¹ Demand for services—particularly those related to transportation and travel—remained below pre-pandemic levels, while services related to remote work and mobile finance experienced continued high demand in 2021.¹²

Global Macroeconomic Trends in 2021

This section presents an overview of macroeconomic conditions in 2021 by describing a series of macroeconomic indicators that provide insight into the overall health of U.S. and global economies. In general, the data show that U.S. and global macroeconomic conditions have continued to improve since reaching lows in the first half of 2020. In 2021, U.S. and global GDP increased by more than 5 percent; the U.S. dollar appreciated vis-à-vis many major trading partner currencies; manufacturing output and employment outcomes also improved for the United States and many economies across the globe. However, lingering production and supply chain disruptions along with increased inflation pressures served as notable headwinds hindering continued recovery during the second half of the year.

⁶ WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed March 24, 2022; WTO, WTO Stats, International Trade in Commercial Services, by Main Sector, Preliminary Annual Estimates, accessed April 12, 2022; IMF, *World Economic Outlook Update, January 2022*, January 25, 2022, 137; UNIDO, *World Manufacturing Production, Quarter IV 2021*, March 8, 2022, 12; UNIDO, *World Manufacturing Production, Quarter IV 2019*, March 2020, 4.

⁷ UNCTAD, *Trade and Development Report 2021*, 2021, I–III, 2–5, 24–38.

⁸ Hubs, *Supply Chain Resilience Report 2021 Update*, 2021, 14.

⁹ WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed March 24, 2022; WTO, WTO Stats, International Trade in Commercial Services, by Main Sector, Preliminary Annual Estimates, accessed April 12, 2022; IMF, *World Economic Outlook Update, January 2022*, January 25, 2022, 137; UNIDO, *World Manufacturing Production, Quarter IV 2021*, March 8, 2022, 12; UNIDO, *World Manufacturing Production, Quarter IV 2019*, March 2020, 4.

¹⁰ UNCTAD, *Global Trade Update: Q1 2021*, May 2021, 6.

¹¹ UNCTAD, *Global Trade Update: Q3 2021*, November 2021, 6.

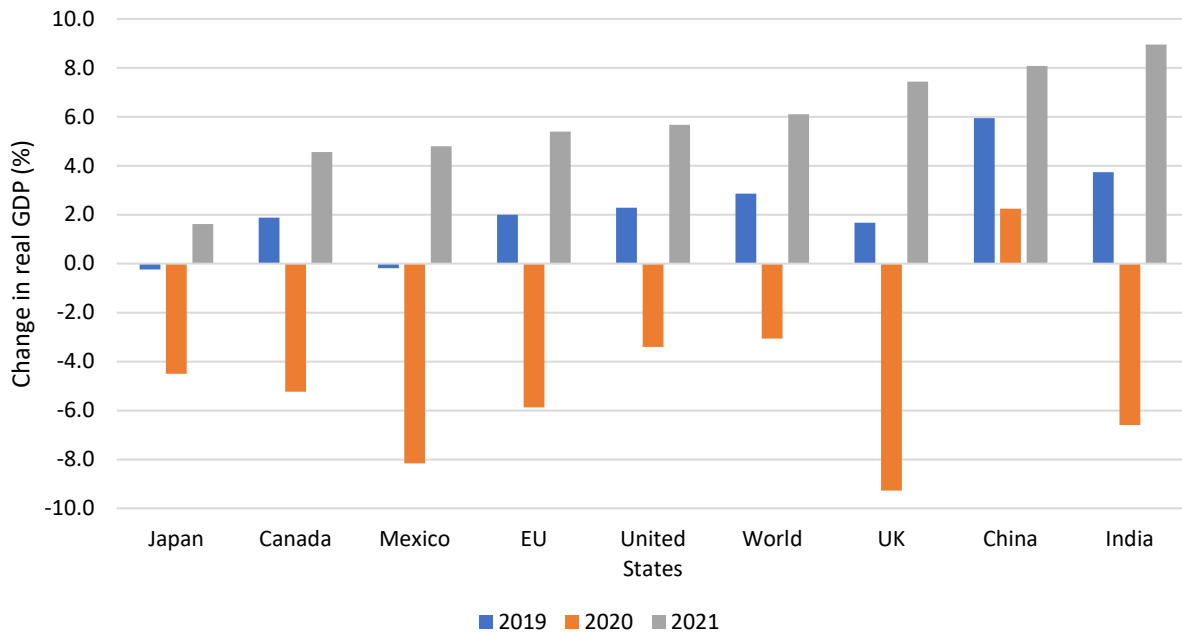
¹² Gartner, “Gartner Forecasts 51% of Global Knowledge Workers Will Be Remote by the End of 2021,” June 22, 2021; Awanis et al., *State of the Industry Report on Mobile Money-2022*, 2022, 9–10.

Gross Domestic Product

Global GDP grew by an estimated 6.1 percent in 2021.¹³ The global expansion in economic output marks a notable recovery from the 3.1 percent contraction experienced in 2020 and more than double the 2.8 percent growth experienced in 2019.¹⁴ Economic growth during the year was strong with increased GDP for both advanced economies (5.2 percent) and emerging market and developing economies (6.8 percent).¹⁵ China, India, and the United Kingdom (UK) were among the United States’ fastest-growing major trading partners, each experiencing GDP growth rates at or above 7.0 percent. GDP growth in the EU, Canada, and Mexico, while positive, was below the global average during the year (figure 1.1). U.S. real GDP expanded by 5.7 percent in 2021, marking a significant recovery from the 3.5 percent contraction experienced in 2020.

Figure 1.1 Change in real GDP of the world and selected major economies, 2019–21

In percentage change. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.4](#).



Source: IMF, *World Economic Outlook, April 2022*, April 19, 2022, 137–39.

Although most economies experienced a strong rebound in GDP during the full year, the IMF noted several “downside surprises” that impacted the global economy in the second half of 2021.¹⁶ Supply disruptions continued throughout the rest of the year, especially impacting production in Europe and

¹³ IMF, *World Economic Outlook, April 2022*, April 19, 2022, 137–38.

¹⁴ IMF, *World Economic Outlook, April 2022*, April 19, 2022, 137.

¹⁵ For additional details on how the IMF classifies economies by level of development, see IMF, “World Economic Outlook Database, April 2022 Groups and Aggregates,” April 2022.

¹⁶ IMF, *World Economic Outlook Update, January 2022*, January 25, 2022, 2.

the United States.¹⁷ Many parts of the globe also experienced a resurgence in COVID-19 cases leading to further disruptions.¹⁸ Throughout 2021, global fuel and commodity inflation led to increased prices for energy-related products and food across many parts of the globe.¹⁹

Manufacturing Output

Global manufacturing production grew by 9.4 percent in 2021.²⁰ The manufacturing expansion represented a strong recovery from the 4.2 percent decline recorded in 2020 and the near 1 percent pre-pandemic growth rate in 2019.²¹ Global manufacturing production growth during the year 2021 was led by emerging and industrializing economies.²² Manufacturing output grew by 12.3 percent in China, and India also experienced double-digit growth. Industrialized economies experienced slightly lower levels of manufacturing production growth. Among industrialized economies with high levels of manufacturing value added per capita, the EU experienced the strongest expansion in manufacturing output, increasing by 9.1 percent. The UK, United States, and Japan each also experienced manufacturing output expansions of more than 5 percent during 2021 (figure 1.2).²³

¹⁷ IMF, *World Economic Outlook Update, January 2022*, January 25, 2022, 2. For more information on the impact of these new COVID-19 variants, see the overview of [global supply chain disruptions](#) later in this chapter.

¹⁸ For more information on the impact of further disruptions of these new COVID-19 variants, see the overview of [global supply chain disruptions](#) later in this chapter.

¹⁹ IMF, *World Economic Outlook Update, January 2022*, January 25, 2022, 2; UNCTAD, *Trade and Development Report 2021*, 2021, 28.

²⁰ UNIDO, *World Manufacturing Production, Quarter IV 2021*, March 8, 2022, 12.

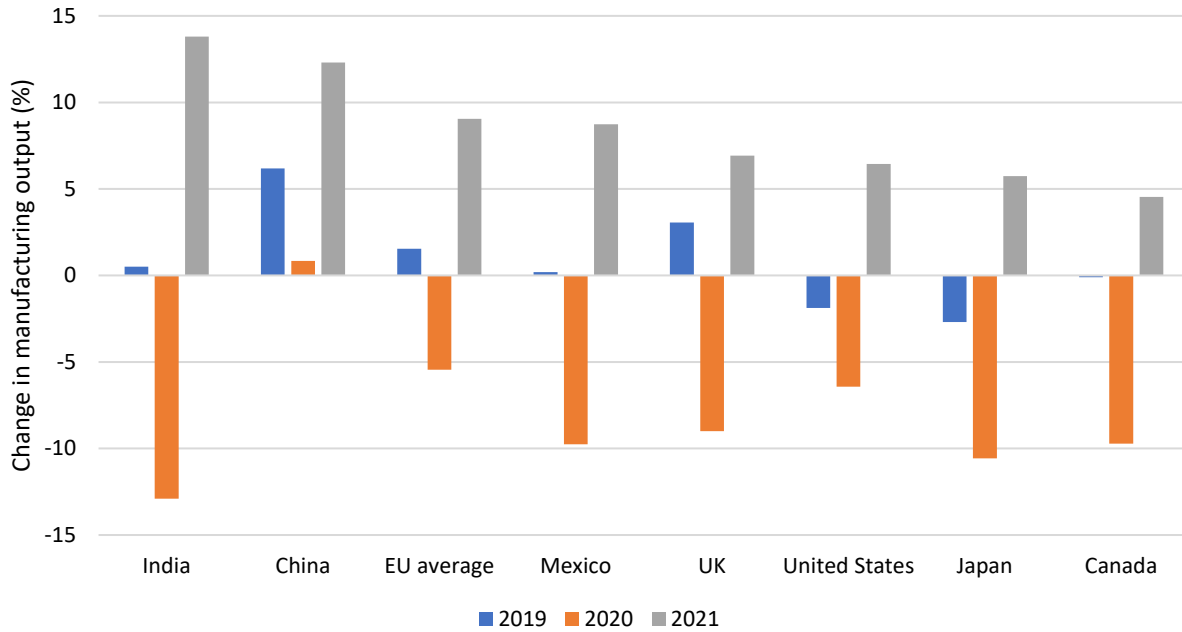
²¹ UNIDO, *World Manufacturing Production, Quarter IV 2021*, March 8, 2022, 12; UNIDO, *World Manufacturing Production, Quarter IV 2019*, March 2020, 4.

²² For more details on how UNIDO groups countries by stage of development, see UNIDO, “How Does UNIDO Group Countries by Stage of Development?,” accessed May 16, 2022.

²³ UNIDO, UNIDO database, *Seasonally Adjusted Quarterly Index of Industrial Production Database*, March 17, 2022.

Figure 1.2 Manufacturing output growth for the United States and selected major trading partners, annual, 2019–21

In percentages. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.5](#).



Source: UNIDO, UNIDO database, *Seasonally Adjusted Quarterly Index of Industrial Production Database*, March 17, 2022.

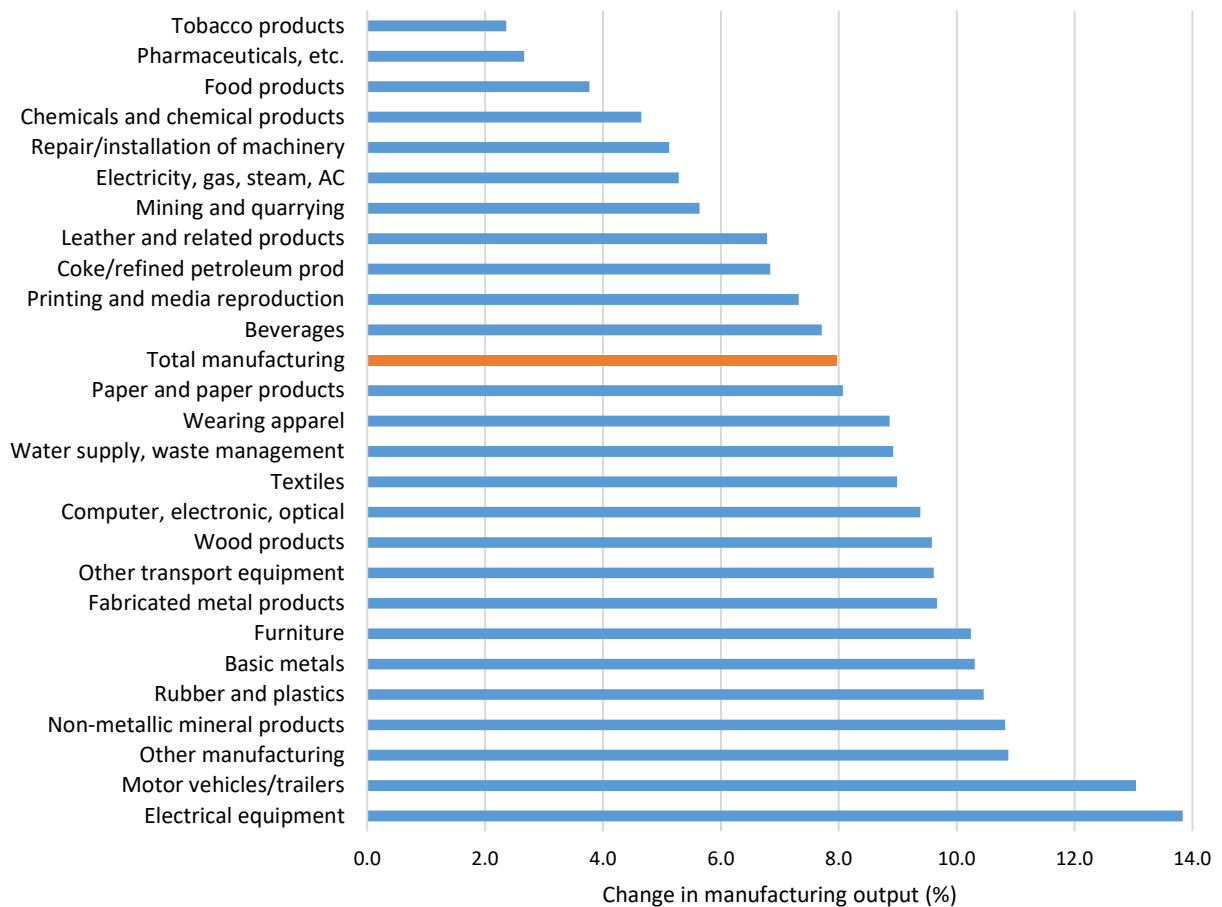
Note: The EU average represents a simple unweighted average of manufacturing output growth across 27 member countries.

The global expansion in manufacturing output recorded in 2021 was driven by broad growth across International Standard Industrial Classification (ISIC) industries (figure 1.3).²⁴ Electrical equipment (ISIC 27; up 13.8 percent), motor vehicles (ISIC 29; up 13.0 percent), and other manufacturing (ISIC 32; up 10.9 percent) industries experienced the largest cross-country expansion in manufacturing output. Across countries with available data, tobacco products (ISIC 12), pharmaceuticals (ISIC 21), and food products (ISIC 10) experienced the smallest expansions with output from each industry growing by less than 4.0 percent.

²⁴ ISIC represents an internationally recognized standard for classifying production activities and is maintained by the United Nations Statistics Division. Figure 1.3 depicts a simple, unweighted average of industry-level manufacturing output growth in 2021 across countries with available data. The minimum number of countries with available industry-level data to construct the averages featured in figure 1.3 range from 51 countries for “repair and installation of equipment/machinery” (ISIC 33) to 113 countries for total manufacturing output. UNIDO, UNIDO database, *Seasonally Adjusted Quarterly Index of Industrial Production Database*, March 17, 2022.

Figure 1.3 Percent change in global manufacturing output, by ISIC industry, annual, 2020–21

ISIC = International Standard Industrial Classification; underlying data for this figure can be found in appendix table [B.6](#).



Source: USITC calculations from UNIDO, UNIDO database, *Seasonally Adjusted Quarterly Index of Industrial Production Database*, March 17, 2022.

Labor Market

Estimates of working hours in 2021 show a partial recovery of the global labor market from pandemic lows recorded in 2020, according to the International Labour Organization. However, global working hours remained 4.3 percent below pre-pandemic levels.²⁵ Working hours in high-income and upper-middle-income economies increased faster throughout the year than that of middle- and low-income economies.²⁶ By the end of 2021, working hours in high-income and upper-middle-income economies remained 3.9 and 1.7 percent below pre-pandemic levels, respectively—notable improvements from the 7.8 and 7.3 percent deficits recorded in 2020.²⁷ Lower-middle- and low-income economy working hours

²⁵ ILO, ILOSTAT, “Working Hours Lost Due to the COVID-19 Crisis, Annual,” accessed April 8, 2022.

²⁶ ILO, *ILO Monitor: COVID-19 and the World of Work*, October 27, 2021. For a list of countries included in these groupings, see <https://ilostat.ilo.org/resources/concepts-and-definitions/classification-country-groupings/>.

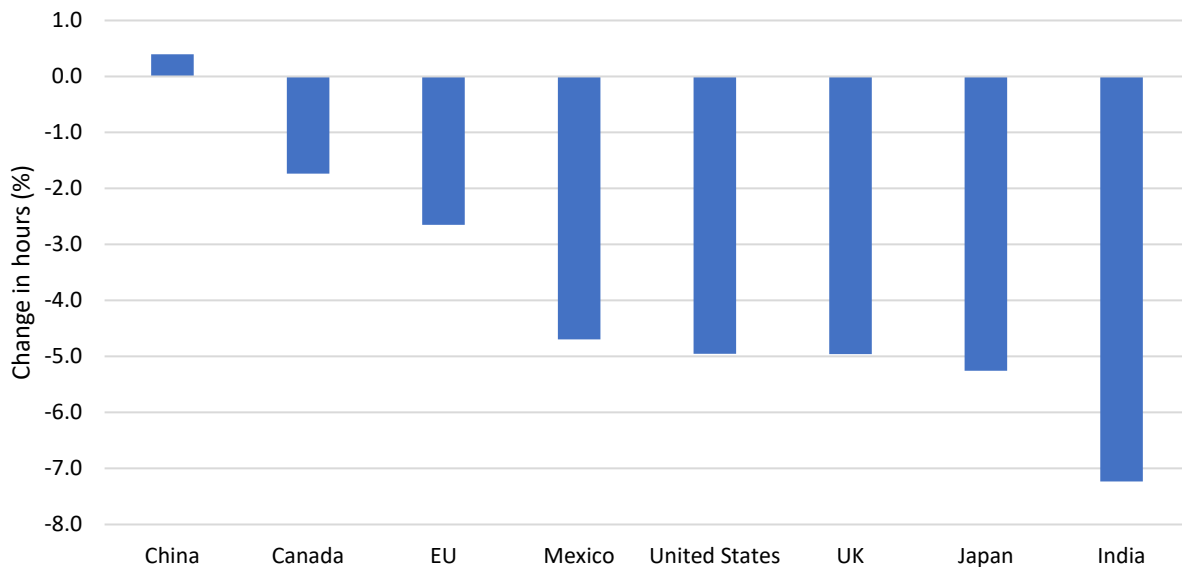
²⁷ ILO, ILOSTAT, “Working Hours Lost Due to the COVID-19 Crisis, Annual,” accessed April 8, 2022.

remained 6.9 and 4.9 percent below pre-pandemic levels, respectively, compared to 11.2 and 6.7 percent working hour deficits in 2020.

In the United States, total hours worked in 2021 remained 5.0 percent below pre-pandemic levels but marked a recovery from the 9.6 percent deficit experienced in 2020.²⁸ India, Japan, and the UK were among the United States’ largest trading partners whose estimated working hours remained 5.0 percent or more below pre-pandemic levels (figure 1.4). Conversely, the EU, Canada, and China were estimated to have experienced stronger recoveries in hours worked. Hours worked remained below pre-pandemic levels in the EU and Canada in 2021 by 2.7 and 1.7 percent, respectively, while working hours in China exceeded pre-pandemic levels by 0.4 percent.

Figure 1.4 Change in hours worked by country and world relative to pre-pandemic baseline, 2021

In percentages. European Union (EU) data exclude the United Kingdom (UK); the pre-pandemic baseline is based on annualized estimates of global working hours in the fourth quarter of 2019; underlying data for this figure can be found in appendix table [B.7](#).



Source: ILO, ILOSTAT, “Working Hours Lost Due to the COVID-19 Crisis, Annual,” accessed April 8, 2022.

Foreign Direct Investment (FDI)

Global FDI inflows experienced a strong recovery in 2021. Total FDI inflows increased 64.3 percent from 2020, reaching \$1.6 trillion.²⁹ FDI inflows into developed economies drove the recovery, growing by 133.6 percent from 2020.³⁰ Inflows into the United States soared by 143.6 percent, while inflows into the EU fell by 34.4 percent (figure 1.5).³¹ Among developing economies, FDI inflows into China increased by 21.2 percent, reaching a new high of \$181.0 billion.³² Conversely, inflows into India declined by 30.2

²⁸ ILO, ILOSTAT, “Working Hours Lost Due to the COVID-19 Crisis, Annual,” accessed April 8, 2022.

²⁹ UNCTAD, *World Investment Report 2022*, June 9, 2022, 210.

³⁰ UNCTAD, *World Investment Report 2022*, June 9, 2022, 210.

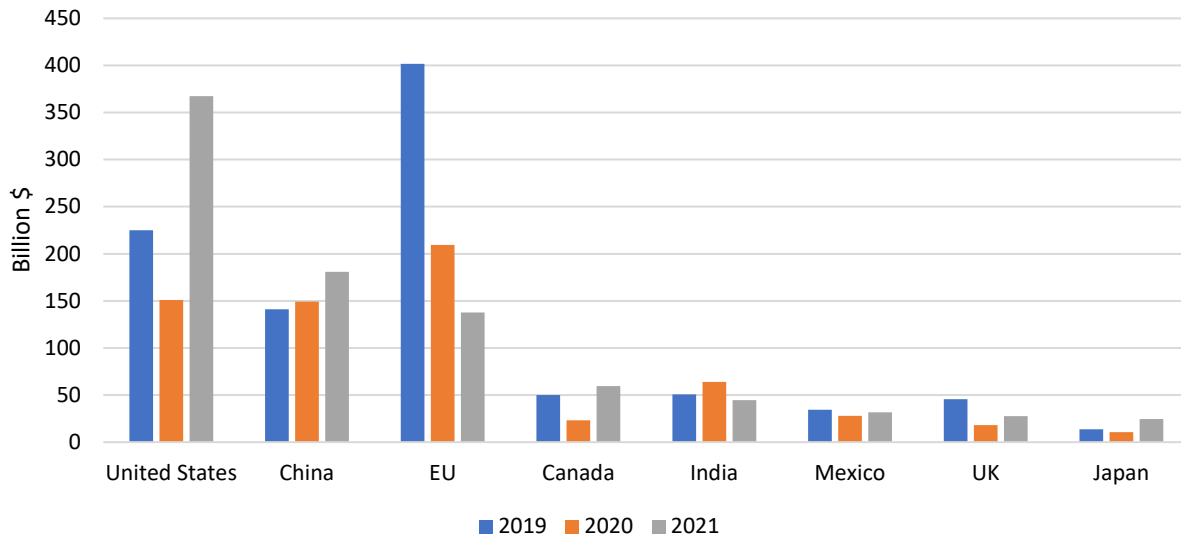
³¹ UNCTAD, *World Investment Report 2022*, June 9, 2022, 210.

³² For a list of UNCTAD economy groupings, see “All groups composition” in UNCTAD, “UNCTADstat Classifications,” accessed May 16, 2022. UNCTAD, *World Investment Report 2022*, June 9, 2022, 211.

percent during the year, a notable decline following the 26.7 percent increase in FDI inflows recorded in 2020.³³

Figure 1.5 FDI inflows, by selected major economies, annual, 2019–21

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK). Underlying data for this figure can be found in appendix table [B.8](#).



Source: UNCTAD, *World Investment Report 2022*, June 9, 2022, 210–11.

During the year, all major industries experienced an increase in the value of announced greenfield projects. The manufacturing sector recorded the largest increase of 23 percent, while the value of announced projects in the primary and services sectors increased by 15 and 8 percent, respectively.³⁴ Greenfield projects in the sector of electronics and electrical equipment experienced a notable 156 percent increase in 2021.³⁵ Greenfield investments in the three sectors of construction, pharmaceuticals, and information and communications also recorded significant growth, each above 20 percent.³⁶ Conversely, FDI inflows into electricity and gas supply and chemicals sectors both experienced double-digit declines.³⁷

³³ UNCTAD, *Investment Trends Monitor, January 2022*, January 2022, 2.

³⁴ For a list of UNCTAD product groupings, see UNCTAD, “UNCTADstat Classifications,” accessed May 16, 2022; UNCTAD, *World Investment Report 2022*, June 9, 2022, 23.

³⁵ UNCTAD, *World Investment Report 2022*, June 9, 2022, 23.

³⁶ UNCTAD, *World Investment Report 2022*, June 9, 2022, 23.

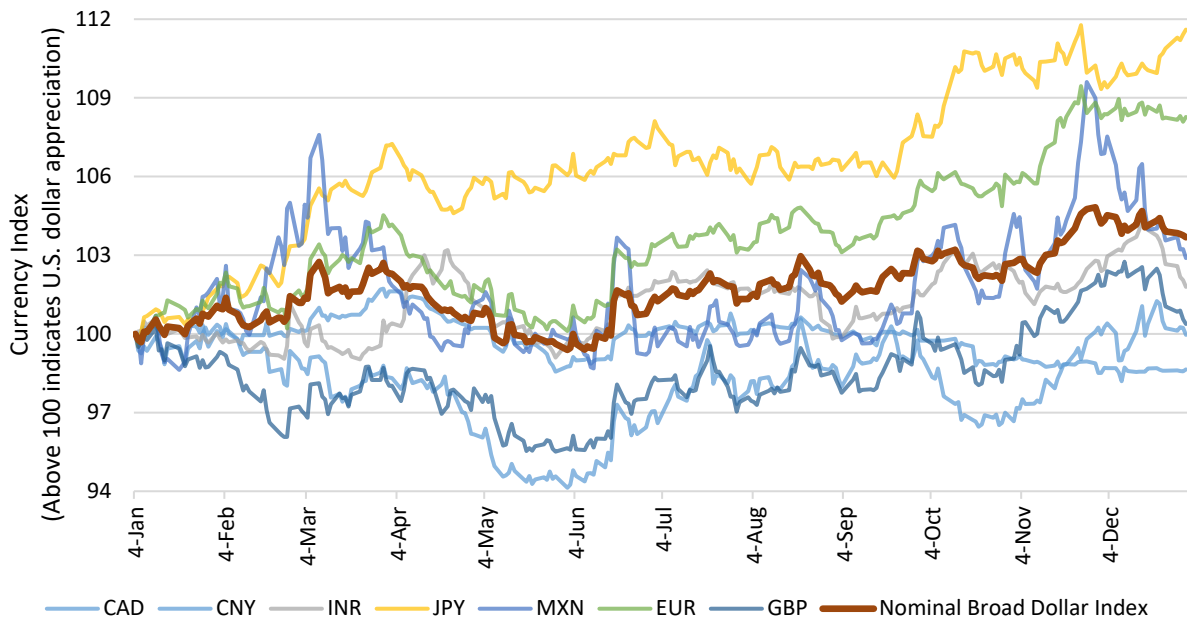
³⁷ UNCTAD, *World Investment Report 2022*, June 9, 2022, 23.

Exchange Rate Trends³⁸

The value of the U.S. dollar largely appreciated throughout 2021, growing 3.7 percent across the Federal Reserve’s broad index of global currencies.³⁹ The dollar appreciation was driven in large part by gains against the Japanese yen and the euro, 11.6 percent and 8.3 percent, respectively (figure 1.6). The dollar also experienced volatility against several currencies of other major trading partners throughout the year. The U.S. dollar increased by as much as 9.6 percent against the Mexican peso in late 2021, before ending the year with a 2.9 percent gain. Conversely, the U.S. dollar fell in value against the Canadian dollar and British pound for most of the year before recovering and eventually modestly appreciating against both currencies near the end of 2021. The U.S. dollar fell by 1.4 percent against the Chinese yuan, countering the broader trend of a U.S. dollar appreciation during the year.

Figure 1.6 Index of U.S. dollar exchange rate, by selected major foreign currencies, daily, 2021

January 4, 2021 = 100. USD = U.S. dollar; CAD = Canadian dollar; CNY = Chinese yuan; EUR = EU euro; INR = Indian rupee; JPY = Japanese yen; MXN = Mexican peso; GBP = British pound. Due to the file size, the underlying data table is available from the USITC’s *Year in Trade* [webpage](#).



Source: Federal Reserve Board of Governors, “Foreign Exchange Rates- H.10,” January 23, 2022.

Note: This figure shows daily data of currency indices of U.S. dollar exchange rates for selected major foreign currencies during 2021.

³⁸ The fluctuation of exchange rates can affect trade flows by changing the price of traded goods in international markets. For instance, when the U.S. dollar appreciates, U.S. exports become more expensive and U.S. imports less expensive. Conversely, when the U.S. dollar depreciates, U.S. exports become less expensive while U.S. imports become more expensive.

³⁹ 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. Federal Reserve Board of Governors, “Foreign Exchange Rates- H.10,” January 23, 2022.

Global Trade Trends in 2021

This section gives an overview of global goods and services trade trends in 2021, highlighting the major importers and exporters, as well as the supply chain disruptions that hindered recovery in 2021 during the COVID-19 pandemic.

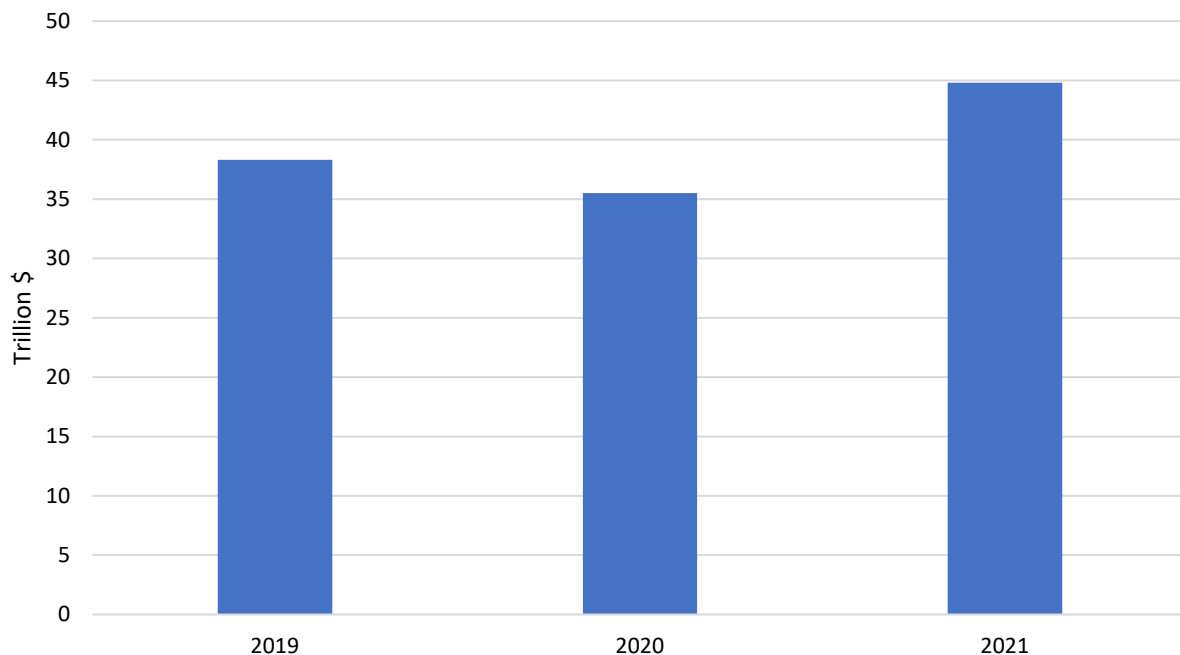
Global Merchandise Trade

Overview of Global Merchandise Trade in 2021

According to the WTO, the value of global merchandise trade for 2021 was the largest in the last five years (\$44.8 trillion), reflecting a significant demand stimulus in advanced economies.⁴⁰ Trade increased by 26.1 percent with respect to 2020, and increased by 16.9 percent compared to 2019 (figure 1.7).⁴¹ However, expectations of continued growth in international trade were tempered by the assumption that consumption habits and demand patterns will eventually normalize to pre-pandemic levels.⁴²

Figure 1.7 Global merchandise trade, annual, 2019–21

In trillions of dollars. This figure represents two-way trade, which is overall total exports and general imports combined. Underlying data for this figure can be found in appendix table [B.9](#).



Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed April 12, 2022.

Global merchandise trade in 2021 showed a strong growth relative to the 2019, pre-pandemic period. Quarterly global merchandise trade experienced the largest year-on-year growth in the second quarter of 2021, increasing by 45.5 percent over the second quarter of 2020, which featured the lowest global

⁴⁰ WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed March 24, 2022.

⁴¹ WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed March 24, 2022.

⁴² UNCTAD, *Trade and Development Report 2021*, 2021, 24.

trade level since 2016 (figure 1.8). Global merchandise trade in 2021 exceeded 2019 pre-pandemic levels in every quarter, yet in the third and fourth quarters of 2021 growth began to decelerate as some countries resumed restrictive policies intended to curb the spread of newly emerging COVID-19 variants.⁴³

Following aggregate trends, most manufacturing sectors experienced increases in trade value in 2021—particularly in the first two quarters, compared to 2020. Among the most notable year-on-year increases in world trade were in the sectors of minerals, office and communications equipment, and other manufacturing.⁴⁴ Despite significant increases in trade in the first half of 2021, some of these same sectors experienced a significant deceleration in year-on-year growth beginning in June, as demand for COVID-19 related goods sectors (durable communications and office equipment, and textiles and apparel) waned.⁴⁵ For the automotive sector, which experienced significant deceleration in export growth in the latter half of 2021 (nearly an 80 percentage point decline), this has been partially attributed to the ongoing shortage of semiconductors.⁴⁶ By comparison, the integrated circuits sector—which includes semiconductors—did not experience a similar decline in trade, suggesting that inputs produced by this sector may have been diverted to other competing downstream industries, such as consumer electronics.⁴⁷ Transport equipment continued to lag far behind other manufacturing sector trade in terms of growth, registering persistent declines in global trade throughout the first three quarters of 2021.⁴⁸

⁴³ Restrictive policies include quarantines, lockdowns, and travel restrictions. UNCTAD, *Trade and Development Report 2021*, 2021, 24; WHO, “Tracking SARS-CoV-2 Variants,” accessed March 30, 2022; WSJ, “Delta Variant Outbreaks Disrupt Production,” August 25, 2021; Supply Chain Dive, “Coronavirus Surge in India,” May 28, 2021; Reuters, “COVID-19 Rattles Major Chinese Manufacturing Province,” December 14, 2021. For more information on the impact of these new variants, see the overview of [global supply chain disruptions](#) later in this chapter.

⁴⁴ UNCTAD, *Global Trade Update: Q1 2021*, May 2021, 6; UNCTAD, *Global Trade Update: Q3 2021*, November 2021, 6.

⁴⁵ UNCTAD, *Global Trade Update: Q1 2021*, May 2021, 6; UNCTAD, *Global Trade Update: Q3 2021*, November 2021, 6; ITC Geneva, “ITC Monthly Briefs on the Global State of Trade, August 2021,” August 2021; ITC Geneva, “ITC Monthly Briefs on the Global State of Trade, October 2021,” October 2021; ITC Geneva, “ITC Monthly Briefs on the Global State of Trade, December 2021,” December 2021.

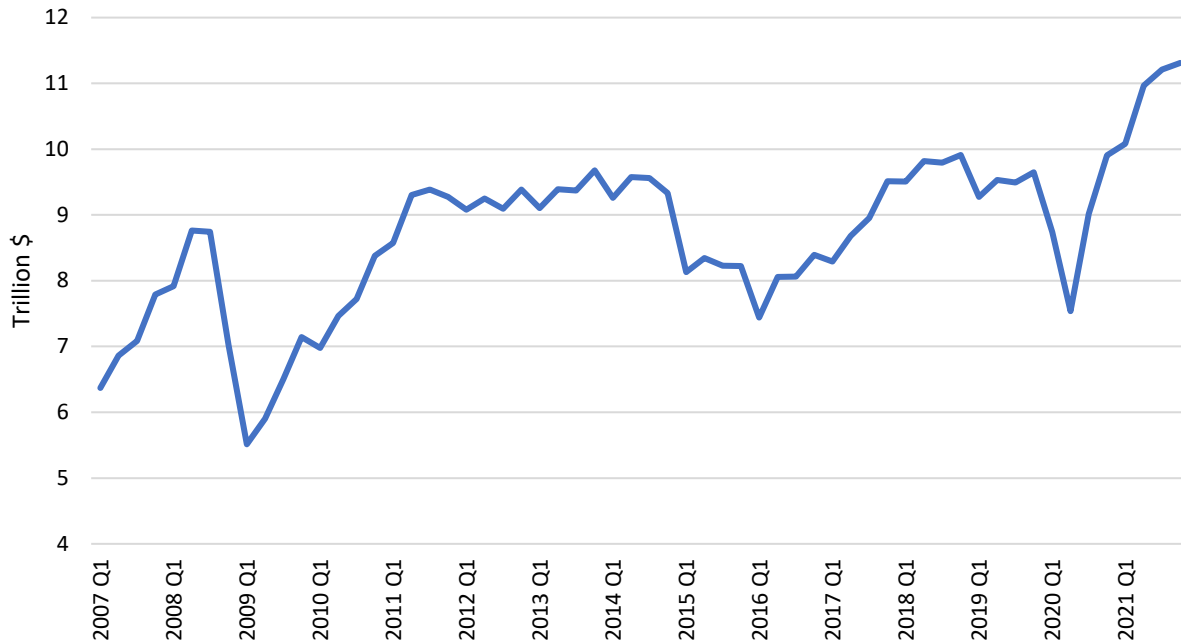
⁴⁶ ITC Geneva, “ITC Monthly Briefs on the Global State of Trade, July 2021,” July 2021; ITC Geneva, “ITC Monthly Briefs on the Global State of Trade, August 2021,” August 2021.

⁴⁷ WTO, “Global Trade Rebound Beats Expectations,” October 4, 2021; Bethmann et al., “Challenges Facing Selected Industries and GVCs During the Pandemic,” 2022-02-C, February 2022, 43.

⁴⁸ UNCTAD, *Global Trade Update: Q1 2021*, May 2021, 6; UNCTAD, *Global Trade Update: Q3 2021*, November 2021, 6. For more discussion on sectors heavily impacted in 2021, see the overview of [global supply chain disruptions](#) later in this chapter.

Figure 1.8 Global merchandise trade, quarterly (Q), 2007 Q1–2021 Q4

In trillions of dollars. Underlying data for this figure can be found in appendix table [B.10](#).



Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Quarterly, accessed April 12, 2022.

Geographically, there was significant divergence in the recovery paths of merchandise trade in 2021. Although annual growth in total trade across regions was somewhat consistent—falling generally within 5 percentage points of the world average—there was more volatility in terms of the timing of such growth (table 1.1). For example, many economies in Asia experienced early rebounds to pre-pandemic levels of merchandise trade by the end of 2020 and first half of 2021, led chiefly by China, Hong Kong, Taiwan, and Vietnam. In comparison, economies in the Middle East and Africa experienced slower recovery, largely due to an April 2020 agreement among OPEC+ countries to cut crude oil production in response to falling prices.⁴⁹ Latin America experienced the largest growth in total trade in 2021 (37.7 percent), partly because it faced some of the largest declines in the previous year (starting from a low base) and partly due its disproportionate benefit from higher commodities prices, given its export specializations.⁵⁰

⁴⁹ OPEC+ countries include Iran, Iraq, Kuwait, Saudi Arabia, Venezuela, Algeria, Angola, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, and the United Arab Emirates. UNCTAD, *Trade and Development Report 2021*, 2021, 26–27. For more information regarding the impact of the COVID-19 pandemic on petroleum products, see *The Year in Trade 2020* report.

⁵⁰ WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed April 12, 2022; ECLAC, “Latin American Trade Will Increase Significantly in 2021,” December 7, 2021.

Table 1.1 Percentage change of merchandise trade, by region and the World, annual 2020–21

In percentages. Two-way trade is defined as exports plus imports.

Region	Imports	Exports	Two-way trade
Africa	24.4	38.7	30.6
Asia	30.1	27.2	28.6
Europe	23.0	22.0	22.5
Latin America	41.7	33.8	37.7
Middle East	21.8	40.5	32.0
North America	23.1	23.3	23.2
World	26.3	26.0	26.1

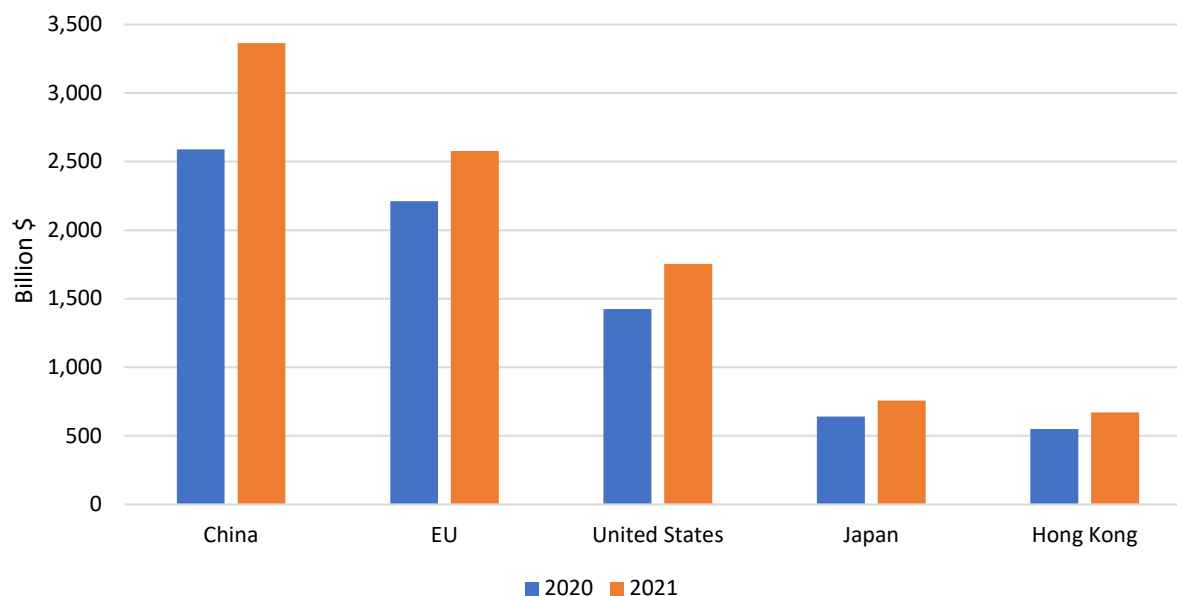
Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed April 12, 2022.

Global Leading Merchandise Exporters and Importers

In 2021, China was the world’s largest merchandise exporter, followed by the EU, the United States, Japan, and Hong Kong (figure 1.9).⁵¹ The exports from all regions increased notably from the 2020 levels. Of the top five exporters, China experienced the largest increase in its exports (29.9 percent), followed by the United States (23.1 percent), and Hong Kong (22.1 percent).⁵²

Figure 1.9 Merchandise exports, by top five global exporters, annual, 2020–21

In billions of dollars. European Union (EU) data exclude intra-EU trade and the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.11](#).



Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed April 12, 2022; USITC DataWeb/Census, accessed February 17, 2022.

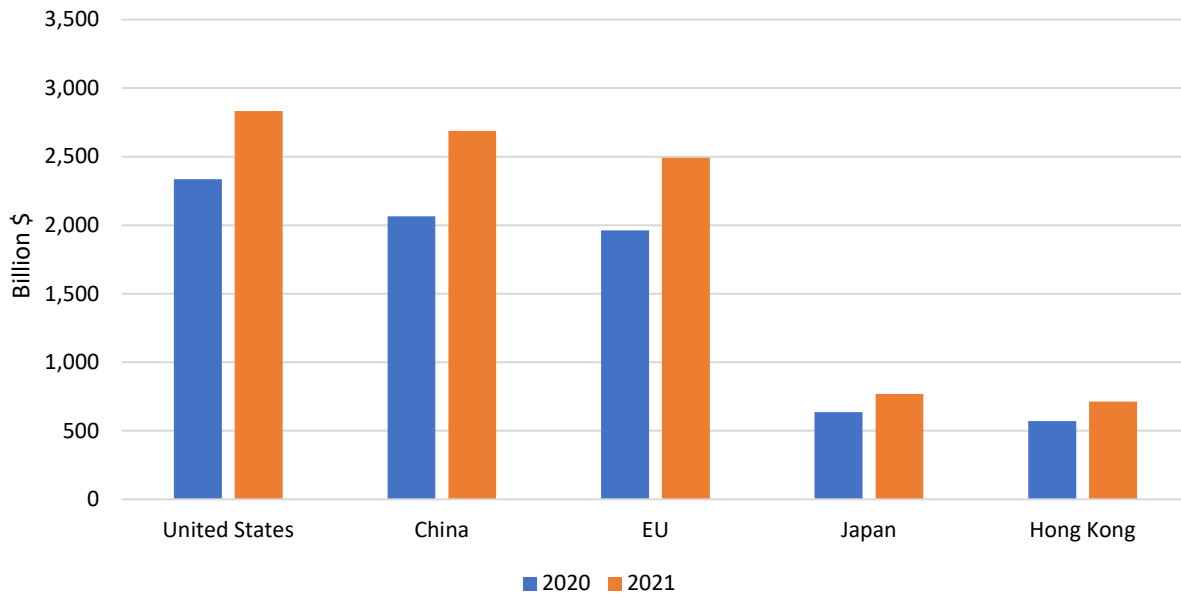
⁵¹ EU trade data exclude intra-EU trade and the UK. Although Hong Kong is a Special Administrative Region of China, it is an independent customs territory and economic entity separate from China, and can separately enter into international agreements in commercial, economic, and certain legal matters, under China’s Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China (Basic Law). USDOS, EAP, “U.S. Relations with Hong Kong,” August 28, 2020.

⁵² WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed March 24, 2022.

In 2021, the United States remained the world’s largest merchandise importer. China was the second-largest merchandise importer, followed by the EU, Japan, and Hong Kong. Imports increased significantly for all regions in 2021 relative to 2020. China’s imports grew by 30.1 percent, followed by the EU’s imports which grew by 27.1 percent (figure 1.10).⁵³

Figure 1.10 Merchandise imports, by top five global importers, annual, 2020–21

In billions of dollars. European Union (EU) data exclude intra-EU trade and the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.12](#).



Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed April 12, 2022; USITC DataWeb/Census, accessed February 17, 2022.

Global Trade in Services

Overview of Global Services Trade in 2021

While commercial services trade has begun to recover from the COVID-19 pandemic-related declines seen in 2020, overall trade levels are still below 2019 levels. From 2020 to 2021, global commercial service exports increased 16.8 percent to \$5.9 trillion.⁵⁴ Within commercial services, the largest category of exports was “other commercial services,” which includes financial, business, and information and communications services (figure 1.11). World exports of “other commercial services” grew 14.3 percent, and computer, financial, and business services represented the main drivers of growth within the category.⁵⁵ Other services export categories also grew from 2020 to 2021, with 34.3 percent growth in transportation, 7.4 percent growth in travel, and 11.7 percent growth in goods-related services. Travel

⁵³ WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed March 24, 2022.

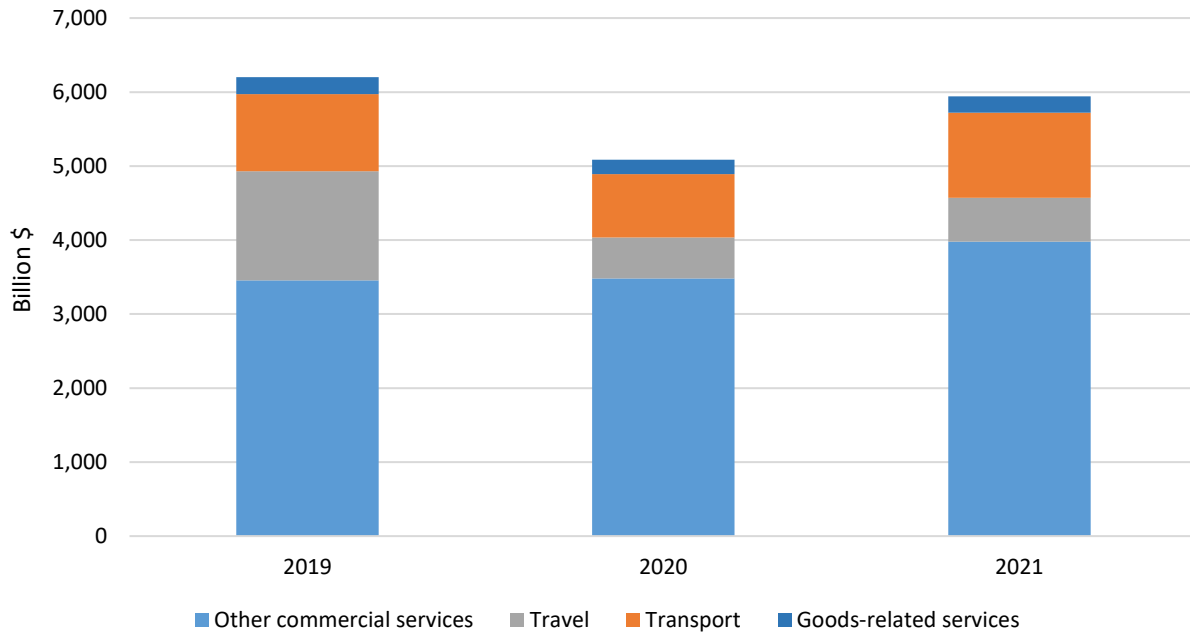
⁵⁴ WTO, WTO Stats, Commercial Service Exports, April 12, 2022.

⁵⁵ WTO, *Third Quarter 2021 Trade in Services*, February 1, 2022; WTO, WTO Stats, Commercial Service Exports, April 12, 2022.

and transportation export levels in 2021 still fell short of 2019 levels. However, “other commercial services” trade experienced growth throughout the 2019–21 period (figure 1.11).

Figure 1.11 Commercial services exports, by services trade category, annual, 2019–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.13](#).



Source: WTO, WTO Stats, International Trade in Commercial Services, by Main Sector, Preliminary Annual Estimates, accessed April 12, 2022.

In 2021, transportation and travel continued to be impacted by the COVID-19 pandemic. As detailed in the supply chain disruption section of this chapter, port-related delays reduced global transportation services trade, including maritime transport, trucking, port, and rail services.⁵⁶ In travel services, the easing of foreign travel restrictions in 2021 led to a 4 percent increase in international tourism compared to 2020, though levels still fell short of 2019 travel by 72.0 percent. The recovery of tourism services was uneven in 2021, with the strongest growth in Europe and the Americas, with some Caribbean countries returning to 2019 tourist levels.⁵⁷ Similarly, in education services, preliminary data suggest that international student enrollment in U.S. universities, which is considered part of U.S. exports of education services, increased as universities returned to in-person instruction. In particular, international student enrollment at U.S. universities in fall 2021 was up 4 percent compared to 2020, with a 68 percent increase in the number of new international students enrolling for the first time in a U.S. institution.⁵⁸

Remote work in professional service sectors continued to be a strong trend, particularly in developed countries. Market research firm Gartner estimates that by the end of 2021, 51 percent of “knowledge

⁵⁶ Anguiano, “Backlog of Cargo Ships at Southern California Ports Reaches an All-Time High,” October 20, 2021.

⁵⁷ UNWTO, “Tourism Grows 4% in 2021 but Remains Far Below Pre-Pandemic Levels,” January 18, 2022.

⁵⁸ The top three countries of origin for international students in the U.S. continue to be China, India, and South Korea. Martel, “International Student Enrollment Snapshot,” November 2021, 3, 5; IIE, *2021 Open Doors Report*, November 15, 2021.

workers,” including occupations such as writers, accountants, and engineers were working remotely, with the largest shares of remote workers in the United States and Europe, and the largest numbers of remote workers in India and China.⁵⁹ In financial services, mobile money services have expanded rapidly during the pandemic. Globally, registered mobile money accounts increased by 13.0 percent in 2020, and 18.0 percent in 2021 (double estimated pre-pandemic increases), with stronger growth in East Asia and Latin America.⁶⁰ By the end of 2022, the industry expects to process \$3.0 billion in mobile money transactions per day.⁶¹

Global Leading Service Exporters and Imports

In 2021, the EU was the leading global services exporter, followed by the United States, the UK, China, and India (figure 1.12). All the top five exporters experienced growth in their exports relative to 2020, suggesting recovery from the trade declines experienced over 2020 due to the onset of the COVID-19 pandemic. Of the top five exporters, China saw the strongest services export recovery (41.2 percent), followed by the EU (19.5 percent), India (16.5 percent), the United States (9.3 percent), and the UK (8.3 percent).⁶² However, this trade recovery has not occurred in tourism-focused developing countries, such as Cambodia (58.3 percent decline compared to 2020) and Thailand (33.4 percent decline).⁶³ In Asia and the Pacific in particular, tourism remained limited in 2021 as many countries continued to prohibit nonessential travel.⁶⁴

⁵⁹ Gartner, “Gartner Forecasts 51% of Global Knowledge Workers Will Be Remote by the End of 2021,” June 22, 2021.

⁶⁰ Awanis et al., *State of the Industry Report on Mobile Money-2022*, 2022, 9–10; Andersson-Manjang and Naghavi, *State of the Industry Report on Mobile Money-2021*, 2021, 4, 7.

⁶¹ Andersson-Manjang and Naghavi, *State of the Industry Report on Mobile Money-2021*, 2021, 9.

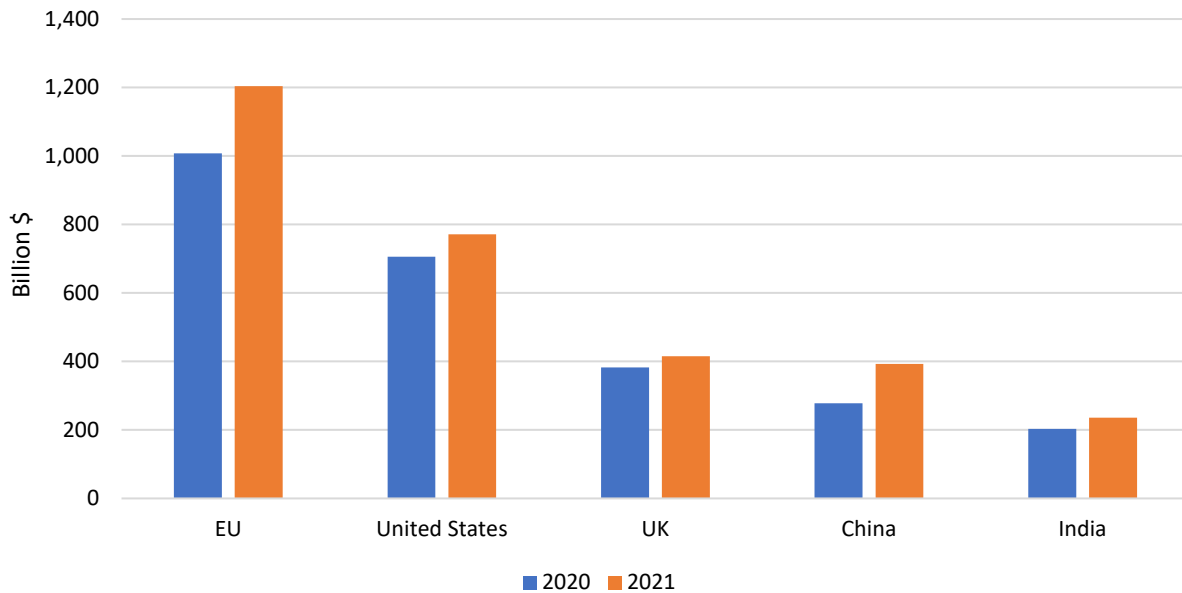
⁶² EU growth rate excludes intra-EU trade and UK trade.

⁶³ WTO, WTO Stats, Commercial Service Exports, April 12, 2022.

⁶⁴ UNWTO, “Tourism Grows 4% in 2021 but Remains Far Below Pre-Pandemic Levels,” January 18, 2022.

Figure 1.12 Services exports by top five global exporters, annual, 2020–2021

In billions of dollars. European Union (EU) data exclude intra-EU trade and the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.14](#).



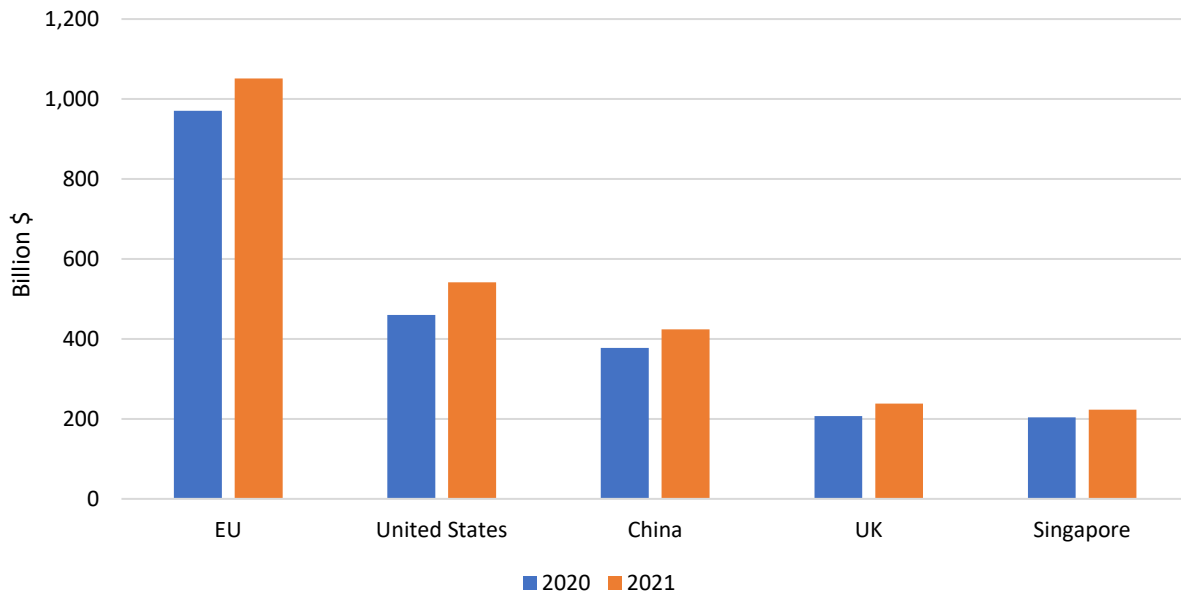
Source: WTO, WTO Stats, International Trade Statistics, Trade in Commercial Services, by Main Sector, Annual, accessed April 12, 2022; USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.2, U.S. Trade in Services, by Type of Service and by Country or Affiliation, March 25, 2022.

In 2021, the EU was also the leading global services importer, followed by the United States, China, the UK, and Singapore (figure 1.13). Import growth has also increased in all of these markets compared to 2020, with the strongest growth in U.S. imports (18.4 percent), followed by the UK (15.0 percent), China (12.2 percent), Singapore (9.6 percent), and the EU (8.3 percent).⁶⁵

⁶⁵ EU growth rates exclude intra-EU trade and UK trade.

Figure 1.13 Services imports by top five global importers, annual, 2020–21

In billions of dollars. European Union (EU) data exclude intra-EU trade and the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.15](#).



Source: WTO, WTO Stats, International Trade Statistics, Trade in Commercial Services, by Main Sector, Annual, accessed April 12, 2022; USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.2, U.S. Trade in Services, by Type of Service and by Country or Affiliation, March 25, 2022.

Global Supply Chain Disruptions

The so-called “great supply chain disruptions” in 2021 affected consumers and producers alike.⁶⁶ Consumers sometimes faced limited availability of goods, and experienced unusually long wait times to receive products they ordered.⁶⁷ Producers grappled with intermittent shortages of inputs and labor, as well as persistent long lead times.⁶⁸ Supply chain disruptions cascaded throughout the economy, leading to rising goods prices, adding to upward inflationary pressure, and hindering the economic recovery from the COVID-19 pandemic.⁶⁹ The IMF estimated that in 2021, global supply chain disruptions reduced global GDP growth by 0.5–1.0 percentage point, while adding 1.0 percentage point to core inflation.⁷⁰ However, according to the WTO, supply chain issues may have weighed on trade but likely had a limited impact on global merchandise trade aggregates, which were expected to grow significantly in 2021.⁷¹

⁶⁶ NYT, “The Great Supply Chain Disruption,” October 15, 2021.

⁶⁷ NYT, “The Great Supply Chain Disruption,” October 15, 2021.

⁶⁸ Lead time is the time between the start of the production process and the completion of it, or alternatively, the amount of time between placing an order with a supplier and receipt of goods. CIPS, “Glossary of Procurement Terms,” accessed March 29, 2022; Kamali and Wang, “Longer Delivery Times Reflect Supply Chain Disruptions,” *IMF Blog* (blog), October 25, 2021.

⁶⁹ FT, “Inflation and the Supply Chain,” October 22, 2021; Georgieva et al., “Supply Disruptions Add to Inflation,” *IMF Blog* (blog), February 17, 2022; Reinhart and Luckner, “The Return of Global Inflation,” *World Bank Voices* (blog), February 11, 2022; Celasun et al., “Supply Bottlenecks,” February 2022, 6,9,10.

⁷⁰ IMF, *World Economic Outlook Update, January 2022*, January 25, 2022, 7.

⁷¹ WTO, “Global Trade Rebound Beats Expectations,” October 4, 2021.

According to a survey conducted by Hubs⁷² in October 2021 with 437 manufacturer respondents, about 75 percent of them reported experiencing supply chain disruptions in 2021. About 56 percent of respondents indicated they experienced more supply chain disruptions in 2021 than the previous year.⁷³ Among the top factors underlying supply chain disruptions in 2021 according to the Hubs survey as well as other sources were the pandemic, labor and material shortages, increases in (input) pricing, transportation and logistics (disruptions), port congestion, and container shortages.⁷⁴ The sections below provide more information on these factors.

The Pandemic and Labor and Production Issues

During 2021, the pandemic continued to impact the world, first with the emergence of the Delta variant and then with the Omicron variant.⁷⁵ These waves of outbreaks disrupted production and transportation activities in major manufacturing hubs around the world, as some facilities suspended operations temporarily while others reduced workforce to curtail the spread of the virus. These containment measures impacted multiple manufacturing industries ranging from pharmaceuticals, electronics, machinery, chemicals, garment materials, textile dyes, plastics, to batteries.⁷⁶ Pandemic-induced disruptions impeded the return to full manufacturing capacity utilization or further expansion, triggered ripple effects on the upstream and downstream industries along global supply chains, and exacerbated other risks such as labor and material shortages, input price hikes, and logistic bottlenecks.⁷⁷

Materials Shortage and Increases in Input Pricing

Material shortages and increases in input pricing were identified as top two factors contributing to global supply chain disruptions in 2021.⁷⁸ According to the Institute for Supply Management (ISM) survey, in October 2021, as many as 26 commodities were in short supply.⁷⁹ By December 2021, although the number of commodities in short supply declined to 10, the shortage of some commodities, such as steel, copper, and plastics, had lasted longer than 10 months.⁸⁰ The shortages led to price increases in a broad range of commodities.⁸¹ The IMF estimates that the average primary commodity price in 2021 was nearly 40 percent higher than 2019.⁸² In a study conducted by Inverto (a European subsidiary of Boston Consulting Group), 73 percent of study participants reported that their companies

⁷² Hubs is an online manufacturing platform that provides engineers with on-demand access to a global network of manufacturing partners. Hubs, "About Hubs," accessed March 23, 2022; Hubs, *Supply Chain Resilience Report 2021 Update*, 2021, 38.

⁷³ Hubs, *Supply Chain Resilience Report 2021 Update*, 2021, 2.

⁷⁴ Hubs, *Supply Chain Resilience Report 2021 Update*, 2021, 14.

⁷⁵ WHO, "Tracking SARS-CoV-2 Variants," accessed March 30, 2022.

⁷⁶ WSJ, "Delta Variant Outbreaks Disrupt Production," August 25, 2021; Supply Chain Dive, "Coronavirus Surge in India," May 28, 2021; Reuters, "COVID-19 Rattles Major Chinese Manufacturing Province," December 14, 2021; Celasun et al., "Supply Bottlenecks," February 2022, 10.

⁷⁷ Supply Management, "Five Trends Impacting Global Supply Chains in 2021," May 4, 2021.

⁷⁸ Hubs, *Supply Chain Resilience Report 2021 Update*, 2021, 14.

⁷⁹ Reuters, "Worsening Shortages, High Prices Restrain U.S. Manufacturing Activity," November 1, 2021; ISM, "October 2021 Manufacturing ISM Report On Business," October 2021.

⁸⁰ ISM, "December 2021 Manufacturing ISM Report On Business," December 2021.

⁸¹ ISM, "October 2021 Manufacturing ISM Report On Business," October 2021; ISM, "December 2021 Manufacturing ISM Report On Business," December 2021.

⁸² IMF, "IMF Primary Commodity Prices," accessed March 18, 2022.

experienced strong price increases in raw materials in 2021, with aluminum, iron and steel, and plastics at the greatest risk of price hikes.⁸³

Companies also widely reported the persistent shortages of critical components, particularly semiconductors.⁸⁴ IHS Markit Purchasing Managers' Indices (PMI) showed substantial increases in semiconductor delivery time and price in 2021. Automobiles and parts, household goods such as consumer electronics and home appliances, and technology equipment such as communication equipment were among the most-affected sectors.⁸⁵ Output loss in these sectors caused by the delay in semiconductor delivery is estimated to reach hundreds of billions of dollars.⁸⁶

Supply shortages of raw materials and key components as well as the associated price increases led to higher input costs for downstream industries. In May 2021, the input prices index from the JPMorgan Global Composite PMI rose sharply to its highest level since 2008.⁸⁷ IHS Markit PMI survey found that the global electronics industry experienced the highest rate of input price increase in 2021 since it started to measure it in 1998.⁸⁸ The record-long raw material lead times, persistent shortages of critical components, and rising input prices impacted all manufacturing segments, and constrained production expansion to meet growing demand.⁸⁹

Transportation and Logistics Disruptions

Transportation and logistics disruptions, port congestion, and container shortages are among the other top drivers of global supply chain disruptions in 2021. About 90 percent of globally traded goods are shipped by maritime transport equipment such as bulk carriers, oil tankers, container ships, and general cargo ships.⁹⁰ UNCTAD statistics show that global merchandise trade volume reached nearly an all-time high in 2021.⁹¹ However, throughout 2021, the global ocean shipping industry continued to experience disruptions, such as shortages in transport equipment and containers, clogged ports, and worker shortages. These disruptions constrained the expansion of global shipping capacity to meet record demand. They were also among the primary causes leading to logistics bottlenecks, shipment delays, and rising shipping cost.⁹²

⁸³ Inverto, "Raw Material Prices and Supply Shortages Skyrocket," December 9, 2021.

⁸⁴ WSJ, "Global Chip Shortage 'Is Far From Over' as Wait Times Get Longer," October 29, 2021; WSJ, "Unfinished Tractors, Pickup Trucks Pile Up as Components Run Short," August 30, 2021; Fierce Electronics, "Chip, Component Shortages See No Quick End in Sight," August 20, 2021; ISM, "October 2021 Manufacturing ISM Report On Business," October 2021; ISM, "December 2021 Manufacturing ISM Report On Business," December 2021.

⁸⁵ For more information on semiconductor shortages, as well as global supply chain disruptions facing computers and electronics, and motor vehicles, see Bethmann et al., "Challenges Facing Selected Industries and GVCs During the Pandemic," 2022-02-C, February 2022, 11–19.

⁸⁶ IHS Markit, "Critical Supply Chains: The Semiconductor Shortage," June 10, 2021.

⁸⁷ IHS Markit, "Global Price Gauge Hits New High as Input Cost Inflation Accelerates Sharply," April 8, 2021; IHS Markit, "Global Economic Activity Improves but Inflation Remains Elevated," November 4, 2021; Trading Economics, "JPMorgan Global Composite PMI 2013–21," accessed March 21, 2022.

⁸⁸ IHS Markit, "Global Electronics Industry Faces Continuing Supply Disruptions," July 26, 2021.

⁸⁹ ISM, "October 2021 Manufacturing ISM Report On Business," October 2021.

⁹⁰ OECD, "Ocean Shipping and Shipbuilding," accessed January 27, 2022.

⁹¹ UNCTAD, "Volume Growth Rates of Merchandise Exports and Imports, Quarterly," accessed March 31, 2022.

⁹² UNCTAD, *Review of Maritime Transport 2021*, November 20, 2021, 16–17.

With the pandemic-induced disruption to marine-industrial manufacturing, delivery of new ships declined by 12 percent in 2020.⁹³ Even with increasing the use of second-hand ships, tight vessel supply contributed to the shortage of maritime transport equipment, and limited the expansion of global shipping capacity during 2021.⁹⁴ In addition, the COVID-19 pandemic seafarer crisis further complicated the operations of the global shipping industry.⁹⁵ Due to lockdown, border closure, and other restrictive measures, as many as 250,000 seafarers remained onboard vessels beyond their contracts or unable to board new ships in 2021, which disrupted crew changes and transfers.⁹⁶

During 2021, the global shipping industry also experienced historic port congestion in the United States, Asia, and North Europe, which interrupted vessel schedules and on-time performance.⁹⁷ About 80 percent of global port congestion occurred in North America, most of it related to the gateway port complex of Los Angeles-Long Beach.⁹⁸ Exacerbating long container processing times at the ports were delays and congestion associated with the inland transport of containers by truck and rail, a shortage of port workers as well as short- and long-haul truck drivers, and a lack of adequate warehousing capacity.⁹⁹ Congestion across the world's major maritime ports tied up shipping capacity, and contributed to container shortages.¹⁰⁰

Global shipping capacity constraints and logistics disruptions contributed to the spike of freight prices. The average cost of shipping a standard large container (a 40-foot-equivalent unit) surpassed \$10,000 in 2021, about four times higher than the previous year. The spot price for sending a container from Shanghai to New York was near \$15,000, compared to about \$2,500 in 2019.¹⁰¹

Global Supply Chain Resilience

The unprecedented disruptions drove companies to focus on improving global supply chain resilience and agility.¹⁰² According to a survey conducted by Ernst & Young in late 2020, the top three priorities for companies over the following few years were to increase global supply chain efficiency, retain/reskill the workforce, and increase supply chain visibility that allows for tracking from manufacturer to final destination.¹⁰³ Some changes that had been taking place included a shift from linear supply chains that

⁹³ UNCTAD, *Review of Maritime Transport 2021*, November 20, 2021, XVI.

⁹⁴ UNCTAD, *Review of Maritime Transport 2021*, November 20, 2021, XVI.

⁹⁵ UNCTAD, *Review of Maritime Transport 2021*, November 20, 2021, 109–13.

⁹⁶ Shipping and Freight Resource, "Annual Review 2021," December 20, 2021.

⁹⁷ Global schedule reliability reached 32 percent in December 2021, compared to 76 percent in December 2019, the lowest since Sea-Intelligence began recording the metric in 2011. Sea-Intelligence, "Record-Low Global Schedule Reliability of 44.6% in December 2020," January 29, 2021; Knowler, "Container Shipping: Global Vessel Arrival Times Slump to Record Low," January 26, 2022.

⁹⁸ Knowler, "Container Shipping: Global Vessel Arrival Times Slump to Record Low," January 26, 2022; Anguiano, "Backlog of Cargo Ships at Southern California Ports Reaches an All-Time High," October 20, 2021; Anguiano, "America's Busiest Ports Choked by a Pandemic Holiday," December 22, 2021.

⁹⁹ Tirschwell, "US Port Congestion Solutions Bump into Third Rail of Labor," April 13, 2021. For more information on the disruptions to maritime transport services, see Bethmann et al., "Challenges Facing Selected Industries and GVCs During the Pandemic," 2022-02-C, February 2022, 29–31.

¹⁰⁰ UNCTAD, *Review of Maritime Transport 2021*, November 20, 2021, 64.

¹⁰¹ Economist, "A Perfect Storm for Container Shipping," September 16, 2021.

¹⁰² Fictiv, *2021 State of Manufacturing Report*, 2021.

¹⁰³ Hanna, "Supply Chain Visibility (SCV)," accessed August 2, 2022.

chart a straight path from raw materials to production to disposal to more integrated networks connecting many players and service providers, enabled by digital technology and data sharing; and retaining and reskilling workforces for the acceleration of digital transformation and automation in supply chains.¹⁰⁴

Governments, including the U.S. government, also made global supply chain resilience their top priority in 2021. On February 24, 2021, the White House issued an Executive Order on America’s Supply Chains, calling for an initial 100-day review of supply chain vulnerabilities in four key sectors: the defense industrial base, the public health and biological preparedness space, the information and communications sector, and the energy sector.¹⁰⁵ In June 2021, President Biden launched the Supply Chain Disruptions Task Force to address short-term supply chain disruptions, including transportation and logistics bottlenecks.¹⁰⁶ In October 2021, the White House reported the expansion of 24/7 operation in the Ports of Los Angeles and Long Beach to alleviate the bottlenecks.¹⁰⁷ On October 31, 2021, President Biden held a Summit on Global Supply Chain Resilience with 14 countries and the EU to foster greater international cooperation on addressing near-term supply chain disruptions, while strengthening and diversifying the entire supply chain ecosystem over the long term—from raw materials, intermediate and finished goods, manufacturing, to shipping, logistics, warehousing, and distribution.¹⁰⁸

¹⁰⁴ EY, “How COVID-19 Impacted Supply Chains and What Comes Next,” February 18, 2021; EY, “Are You Running an Analogue Supply Chain for a Digital Economy?,” November 23, 2021.

¹⁰⁵ Exec. Order No. 14017, 86 Fed. Reg. 11849 (February 24, 2021); White House, *100 Day Supply Chain Review Report*, June 4, 2021; PwC, “What Does Biden’s Executive Order on America’s Supply Chains Mean?,” accessed February 1, 2022.

¹⁰⁶ White House, “Fact Sheet: Biden Administration Announces Supply Chain Disruptions Task Force,” June 8, 2021.

¹⁰⁷ White House, “Fact Sheet: Biden Administration Efforts to Address Bottlenecks at Ports,” October 13, 2021.

¹⁰⁸ White House, “Fact Sheet: Summit on Global Supply Chain Resilience,” October 31, 2021.

Chapter 2

Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration during 2021 of U.S. trade laws covering import relief laws, laws against unfair trade practices, and national security investigations. In addition, this chapter covers miscellaneous tariff bill reports under the American Manufacturing Competitiveness Act of 2016, World Customs Organization Harmonized System amendments, trade adjustment assistance programs, and tariff preference programs (the U.S. Generalized System of Preferences, the Nepal Trade Preferences Act, the African Growth and Opportunity Act, and the Caribbean Basin Economic Recovery Act, including the initiatives intended to aid Haiti).

Import Relief Laws

Safeguard Investigations

This section covers safeguard investigations conducted by the Commission during 2021, including under the global safeguard provisions in sections 201–204 of the Trade Act of 1974 (Trade Act),¹⁰⁹ and statutes implementing safeguard provisions in various bilateral free trade agreements involving the United States.¹¹⁰ All of the actions taken during 2021 were under the global safeguard provisions in sections 201–204 of the Trade Act.

Background

The safeguard provisions in sections 201–204 of the Trade Act set out a procedure under which the President may grant temporary relief to a domestic industry seriously injured by increased imports. The process begins at the U. S. International Trade Commission (Commission) with the filing of a petition on behalf of a domestic industry, a request from the President or the U.S. Trade Representative (Trade Representative),¹¹¹ or a resolution from the U.S. House of Representatives Committee on Ways and Means or the U.S. Senate Committee on Finance. Following receipt of a properly filed petition or a request or resolution, the Commission conducts an investigation to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. If the Commission makes an affirmative determination, it recommends to the President the action that will address the serious injury or threat of serious injury, which may include an

¹⁰⁹ Trade Act of 1974 (Trade Act), 19 U.S.C. §§ 2251–2254.

¹¹⁰ For a list of statutory authorities, see section 206.31 of the Commission’s Rules of Practice and Procedure, 19 CFR § 206.31 (April 1, 1997).

¹¹¹ The U.S. Trade Representative (Trade Representative) refers to the individual, while USTR refers to the Office of the U.S. Trade Representative.

imposition of, or increase in a tariff, or an imposition or modification of a quota.¹¹² The President makes the final decision on whether to take an action and, if so, the form and amount, subject to certain statutory limitations.¹¹³ The action may not exceed an initial period of four years and an overall period, with extensions, of eight years.¹¹⁴

The Commission must monitor industry developments during the period the action is in effect, and it must submit a report on its monitoring to the President and the Congress at the midpoint of the action if the action exceeds three years.¹¹⁵ The Commission may also be required to conduct an investigation and make a determination in connection with any request for an extension of the action, and the President may request the Commission to provide advice regarding the effect on the industry of any reduction, modification, or termination of an action.¹¹⁶ After the action taken has terminated, the Commission must provide a report to the President and the Congress on the effectiveness of the action.¹¹⁷ The statute also provides that provisional relief may be available in the context of perishable agricultural or citrus products or when critical circumstances are found to exist.¹¹⁸

Developments in 2021

During 2021, the United States had two global safeguard measures in effect: one on large residential washers, and one on solar cells and modules.¹¹⁹ The President imposed both measures in February 2018 following receipt of affirmative serious injury determinations from the Commission. The measure on imports of solar cells and modules was imposed for four years, and the measure on imports of large residential washers was imposed for three years and one day, with the measures expiring in February 2022 and February 2021, respectively, unless extended. During 2021, the Commission instituted and completed one new investigation, on fresh, chilled, or frozen blueberries. Developments during 2021 relating to each of these proceedings are described below.

Large Residential Washers

On January 14, 2021, President Donald Trump issued Proclamation 10133 extending the measure on large residential washers for two additional years, effective February 8, 2021.¹²⁰ The President took the action following the receipt, on December 8, 2020, of a report and affirmative determination from the

¹¹² 19 U.S.C. § 2253.

¹¹³ 19 U.S.C. § 2253.

¹¹⁴ 19 U.S.C. §§ 2251–2253.

¹¹⁵ 19 U.S.C. § 2254.

¹¹⁶ 19 U.S.C. § 2254.

¹¹⁷ 19 U.S.C. §§ 2251–2254.

¹¹⁸ 19 U.S.C. § 2252(d). The term “citrus product” means any processed oranges or grapefruit, or any orange or grapefruit juice, including concentrate. A perishable agricultural product is any agricultural article, including livestock, regarding which the Trade Representative considers action under this section to be appropriate after taking into account— (i) whether the article has— (I) a short shelf life, (II) a short growing season, or (III) a short marketing period, (ii) whether the article is treated as a perishable product under any other Federal law or regulation; and (iii) any other factor considered appropriate by the Trade Representative.

¹¹⁹ Proclamation No. 9693, 83 Fed. Reg. 3541 (January 25, 2018); see Proclamation No. 9693, 83 Fed. Reg. 3553 (January 25, 2018).

¹²⁰ Proclamation No. 10133, 86 Fed. Reg. 6541 (January 21, 2021). The proclamation extended the measure for two additional years, subject to certain modifications.

Commission that the relief provided to the domestic industry in 2018 continues to be necessary to prevent or remedy serious injury to the industry, and that the domestic industry is making a positive adjustment to import competition. The Commission instituted its investigation on August 3, 2020, under section 204(c) of the Trade Act following receipt of a petition for extension from Whirlpool Corporation.¹²¹

Crystalline Silicon Photovoltaic Cells, Whether or Not Partially or Fully Assembled into Other Products

On December 8, 2021, the Commission transmitted to the President its determination and report in Investigation No. TA-201-075 (Extension), *Crystalline Silicon Photovoltaic Cells, Whether or Not Partially or Fully Assembled into Other Products*. The Commission determined that the relief provided to the domestic crystalline silicon photovoltaic cell industry in 2018 continues to be necessary to prevent or remedy serious injury to the industry, and that the domestic industry is making a positive adjustment to import competition. The Commission instituted its extension investigation in August 2021 following receipt of two petitions filed by separate groups of domestic crystalline silicon photovoltaic cell producers.¹²² The Commission recommended that the relief be extended for four additional years.¹²³ The report was pending before the President at the end of 2021.¹²⁴

Fresh, Chilled, or Frozen Blueberries

In September 2020, at the request of the U.S. Trade Representative, the Commission instituted an investigation with respect to imports of fresh, chilled, or frozen blueberries, under section 202 of the Trade Act of 1974 (19 U.S.C. § 2252). On February 11, 2021, the Commission made a unanimous negative determination under section 202(b) of the Trade Act in Investigation No. TA-201-077, *Fresh, Chilled, or Frozen Blueberries*, finding the products were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry.¹²⁵ As a result, the Commission did not recommend relief, nor did the President provide relief. The Commission submitted its report to the President on March 29, 2021.¹²⁶

¹²¹ USITC, *Large Residential Washers: Extension of Action*, December 2020.

¹²² The petitions were filed by Auxin Solar, Inc., and Suniva, Inc. on August 2, 2021, and by Hanwha Q CELLS USA, Inc., LG Electronics USA, Inc., and Mission Solar Energy, on August 4, 2021.

¹²³ USITC, *Crystalline Silicon Photovoltaic Cells, Whether or Not Partially or Fully Assembled Into Other Products*, December 2021.

¹²⁴ On February 4, 2022, the President issued Proclamation No. 10339, 87 Fed. Reg. 7357 (February 9, 2022), extending the measure for four additional years but with certain modifications.

¹²⁵ USITC, *Fresh, Chilled, or Frozen Blueberries*, 86 Fed. Reg. 17401 (April 2, 2021). The Commission instituted the investigation in September 2020 at the request of the Trade Representative. USTR, “USTR Requests USITC Global Safeguard Investigation for Blueberries,” September 29, 2020. For scope and schedule of the investigation, see 85 Fed. Reg. 64162 (October 9, 2020). The Commission held a public hearing in the injury phase of the investigation on January 12, 2021, in the form of an online videoconference.

¹²⁶ See 86 Fed. Reg. 17401 (April 2, 2021); USITC, *Fresh, Chilled, or Frozen Blueberries*, March 2021.

Monitoring of Imports of Fresh or Chilled Strawberries, and Imports of Fresh or Chilled Bell Peppers

In December 2020, at the request of the U.S. Trade Representative, the Commission instituted two monitoring investigations under section 332(g) of the Tariff Act of 1930 with respect to imports of fresh or chilled strawberries, and imports of fresh or chilled bell peppers, in accordance with the perishable agricultural provision in section 202(d)(1) of the Trade Act.¹²⁷ Under that provision, the monitoring is not to exceed two years. Provided that the Commission has been monitoring imports of the product for at least 90 days, the domestic industry may file a petition for import relief under section 202(b) of the Trade Act and in that petition seek provisional import relief pending completion of a full Commission investigation.¹²⁸ In such a case, the Commission will have 21 days from receipt of a petition containing such a request to make a preliminary determination, and if affirmative, recommend a remedy to the President. The President has seven days from receipt of an affirmative Commission determination to proclaim any provisional relief.¹²⁹ As of the end of 2021, no domestic industry had filed a petition with the Commission under section 202(b) of the Trade Act with respect to any of the covered perishable agricultural products.

Laws against Unfair Trade Practices

Section 301 Investigations

Background

Section 301 of the Trade Act addresses unfair foreign practices affecting U.S. commerce.¹³⁰ Section 301 may be used to enforce U.S. rights under both bilateral and multilateral trade agreements. It can also be used for responding to unjustifiable, unreasonable, or discriminatory foreign government practices that burden or restrict U.S. commerce. Interested persons may petition the Trade Representative to investigate foreign government policies or practices, or the Trade Representative may initiate an investigation.¹³¹

In each investigation under the statute, the Trade Representative is required to seek consultations with the foreign government involved.¹³² If the matter is not resolved, section 304 of the Trade Act requires the Trade Representative 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.¹³³ If the practices fulfill either of the first two conditions, the Trade Representative generally must take

¹²⁷ 85 Fed. Reg. 78867 (December 7, 2020).

¹²⁸ See 19 U.S.C. § 2252(d)(1)(C).

¹²⁹ USITC, “USITC Monitor U.S. Imports of Fresh or Chilled Strawberries and Bell Peppers,” December 2, 2020. See also section 202 of the Trade Act, 19 U.S.C. § 2252(d)(1)(G).

¹³⁰ Section 301 refers to sections 301–310 of the Trade Act, 19 U.S.C. §§ 2411–2420.

¹³¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 62–63.

¹³² Trade Act, 19 U.S.C. § 2413.

¹³³ Trade Act, 19 U.S.C. § 2414(a)(1).

action.¹³⁴ If the practices are unreasonable or discriminatory and burden or restrict U.S. commerce, the Trade Representative determines whether action is appropriate and, if so, what action to take.¹³⁵ Section 301 authorizes a wide range of actions including the suspension of trade agreement concessions, the imposition of duties or other restrictions on the imports of goods or services, and entering into an agreement to eliminate the offending practice or provide the United States with compensatory benefits.¹³⁶ Moreover, if a foreign country fails to comply with such an agreement, or to implement a World Trade Organization (WTO) recommendation, the Trade Representative must determine what further action should be taken under section 301.¹³⁷

Developments in 2021

Active section 301 investigations in 2021 involved technology transfer, intellectual property, and innovation practices in China; taxes on digital services proposed or adopted in France and other jurisdictions; large civil aircraft subsidies by the EU and certain member states; and currency and timber-related activities in Vietnam.

China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

On August 18, 2017, at the direction of the President, the Trade Representative initiated an investigation of China's laws, policies, practices, or actions that might be unreasonable or discriminatory and harming U.S. intellectual property rights, innovation, or technology development.¹³⁸ The Office of the U.S. Trade Representative (USTR) published the findings of its investigation on March 22, 2018.¹³⁹ The Trade Representative then issued a notice finding the following four categories of acts, policies and practices of China to be unreasonable or discriminatory and to constitute a burden or restriction on U.S. commerce, and thus actionable under the Trade Act:

1. China's use of foreign ownership restrictions and administrative processes to require or pressure technology transfer from U.S. companies.
2. China's regime of technology regulations that force U.S. companies seeking to license technologies to Chinese entities to do so on nonmarket-based terms.
3. China directs and/or unfairly facilitates the systematic investment in, and acquisition of, U.S. companies and assets to obtain cutting-edge technologies and generate technology transfer to Chinese companies.
4. China conducts and supports unauthorized intrusions into, and theft from, the computer networks of U.S. companies to access sensitive commercial information and trade secrets.¹⁴⁰

¹³⁴ The Trade Representative is not required to take action in any case in which the WTO Dispute Settlement Body has adopted a report, or a ruling has been issued under the formal dispute proceeding under any other trade agreement, that U.S. rights are not being denied, or that the act, policy, or practice does not violate U.S. rights or deny benefits under any trade agreement. 19 U.S.C. § 2411(a)(2).

¹³⁵ Trade Act, 19 U.S.C. § 2411(b).

¹³⁶ Trade Act, 19 U.S.C. § 2411(c).

¹³⁷ Trade Act, 19 U.S.C. § 2416(b).

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

¹³⁹ USTR, *China 301 Findings*, March 22, 2018.

¹⁴⁰ 83 Fed. Reg. 14906 (April 6, 2018).

In 2018, the Trade Representative initiated a WTO dispute to address the second category of actions.¹⁴¹ The Trade Representative requested a suspension of the WTO proceedings in June 2019, and the proceedings remain suspended.¹⁴² To address the three other categories, and at the direction of the President, the Trade Representative imposed a series of additional duties on products of China, as elaborated below.

Following hearings and public comments, and at the direction of the President, the Trade Representative imposed additional duties on products of China identified on a series of lists. In June 2018, the Trade Representative imposed an additional 25 percent duty on products on List 1; these products had an approximate annual trade value of \$34 billion.¹⁴³ In August 2018, the Trade Representative imposed an additional 25 percent duty on products included on List 2, which had an approximate annual trade value of \$16 billion. In September 2018, the Trade Representative modified the prior action by imposing additional duties on List 3 products with an approximate annual trade value of \$200 billion. The additional duty rate for List 3 initially was set at 10 percent and increased to 25 percent in May 2019. In August 2019, the Trade Representative imposed additional duties of 10 percent on products with annual trade valued at \$300 billion. USTR divided the final list of products into two separate lists: List 4A, which would be subject to additional duties on September 1, 2019, and List 4B, subject to duties on December 15, 2019. Subsequently, at the direction of the President, the Trade Representative increased the rate of additional duties on both sets of List 4 products from 10 percent to 15 percent.¹⁴⁴

On December 13, 2019, USTR announced a Phase One Agreement that requires China's purchase of certain U.S. goods and services, as well as structural reforms and other changes to its economic and trade regime related to intellectual property, technology transfer, and other matters.¹⁴⁵ In light of the Phase One Agreement, and at the direction of the President, the Trade Representative suspended indefinitely the imposition of tariffs on products covered by List 4B and reduced the additional rate of duties on products covered by List 4A from 15 percent to 7.5 percent, effective February 14, 2020.¹⁴⁶

USTR also implemented a process by which U.S. importers could request that products included on the various lists be excluded from additional duties. Under this process, USTR approved about 34 percent of exclusion requests pertaining to List 1 (3,700 of 11,000 requests) and about 38 percent of the List 2 exclusion requests (1,100 of 2,900 requests).¹⁴⁷ USTR approved about 5 percent of List 3 exclusion requests (1,500 of 30,300 requests) and about 7 percent of List 4A exclusion requests (575 of 8,800 requests).¹⁴⁸ The first tranche of approved exclusions expired in December 2019 and the last expired in October 2020. USTR approved about 549 requests for extensions of these exclusions. In December 2020, the Trade Representative determined to further extend product exclusions, or otherwise modify its

¹⁴¹ WTO, Panel Request, China—Certain Measures Concerning the Protection of IP Rights, October 18, 2018.

¹⁴² WTO, "DS542: China," accessed April 8, 2022; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 64.

¹⁴³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 64–65.

¹⁴⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 64–65.

¹⁴⁵ USTR, "Agreement between the United States of America and the People's Republic of China," December 13, 2019.

¹⁴⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 65.

¹⁴⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 65–66.

¹⁴⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 65–66.

determinations to remove section 301 duties on certain medical-care products to address the COVID-19 pandemic.¹⁴⁹ On March 10, 2021, the Trade Representative announced an additional extension.¹⁵⁰ On August 27, 2021, USTR sought public comment to further extend the exclusions for 99 medical-care products.¹⁵¹ In November 2021, the Trade Representative extended the exclusions for certain medical-care products with a 16-day transition period for all 99 COVID-related exclusions (through November 30, 2021) and further extended 81 of the 99 exclusions (through May 31, 2022).¹⁵² On October 8, 2021, USTR sought public comment on the potential reinstatement of the 549 previously extended exclusions.¹⁵³ As of December 2021, USTR was in the process of reviewing the public comments.¹⁵⁴

Digital Services Taxes

On July 24, 2019, the president of France signed into law a Digital Services Tax (DST) that would place a 3 percent levy on revenues that some companies generate from providing certain digital services to, or aimed at, persons in France. The DST applied retroactively beginning January 1, 2019, to companies that met certain global and French revenue thresholds for the covered services. On July 10, 2019, the Trade Representative initiated an investigation of the French DST under section 301 of the Trade Act. After holding a hearing and receiving written submissions as well as advice from the interagency Section 301 Committee, on December 2, 2019, USTR issued a report setting out its factual findings.¹⁵⁵

On December 6, 2019, the Trade Representative determined under sections 301(b) and 304(a) of the Trade Act¹⁵⁶ that the French DST is unreasonable or discriminatory and burdens or restricts U.S. commerce and is thus actionable under section 301.¹⁵⁷ USTR solicited public comments on a proposed trade action consisting of additional duties of up to 100 percent on certain products of France. USTR further sought comment on the option of imposing fees or restrictions on the services of France.¹⁵⁸ On July 10, 2020, the Trade Representative determined that the appropriate action was the imposition of duties of 25 percent on certain products of France. To allow additional time for discussions that could lead to resolution of the matter, the Trade Representative simultaneously suspended application of the additional duties for a period up to 180 days, or until January 6, 2021.¹⁵⁹ On January 6, 2021, the Trade

¹⁴⁹ 85 Fed. Reg. 85831 (December 29, 2020); USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 65–66.

¹⁵⁰ 86 Fed. Reg. 13785 (March 10, 2021).

¹⁵¹ 86 Fed. Reg. 48280 (August 27, 2021).

¹⁵² 86 Fed. Reg. 63438 (November 16, 2021); see also Sandler, Travis & Rosenberg, P.A., “Section 301 Tariffs on China,” accessed April 1, 2022.

¹⁵³ 86 Fed. Reg. 56345 (October 8, 2021); USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 37.

¹⁵⁴ On April 1, 2022, the U.S. Court of International Trade issued an opinion on the merits of this case. The court found that while USTR acted within its statutory authority to impose these duties, it had violated Administrative Procedure Act requirements by failing to respond adequately to public comments in its final action. Finally, the court remanded USTR’s decision imposing the duties for reconsideration and further explanation, while simultaneously denying the plaintiffs’ request that the duties be lifted in the meantime. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 37; CRS, *Section 301 Tariffs on Goods from China*, April 5, 2022, 4.

¹⁵⁵ USTR, *Report on France’s Digital Services Tax*, December 2, 2019.

¹⁵⁶ 19 U.S.C. §§ 2411(b) and 2414(a).

¹⁵⁷ 84 Fed. Reg. 66956 (December 6, 2019).

¹⁵⁸ 84 Fed. Reg. 66956 (December 6, 2019).

¹⁵⁹ 85 Fed. Reg. 43292 (July 16, 2020).

Representative suspended the action again, this time for the purpose of coordinating with other DST investigations.¹⁶⁰

Other trading partners also considered or adopted DSTs that reached the online activities of U.S. firms in 2020. For example, effective January 1, 2020, Austria imposed a 5 percent tax on online advertising revenue for companies with global annual revenues above a certain threshold.¹⁶¹ Also effective January 1, 2020, Italy's DST legislation imposed a 3 percent tax on revenues from targeted advertising and digital interface services, subject to annual thresholds.¹⁶² In March 2020, India announced a 2 percent DST on foreign electronic commerce and digital service providers that does not apply to firms established in India.¹⁶³ Effective March 2020, Turkey imposed a DST on firms that during the previous year generated either a certain amount of revenue globally or met a lower revenue threshold through the provision of digital services in Turkey.¹⁶⁴ Retroactive to April 2020, the UK adopted a DST that imposed a 2 percent tax on revenues of search engines, social media services, and online marketplaces, subject to certain thresholds.¹⁶⁵

Based on these and other developments, on June 2, 2020, the Trade Representative initiated section 301 investigations of DSTs adopted or under consideration in 10 jurisdictions: Austria, Brazil, the Czech Republic, the EU, India, Indonesia, Italy, Spain, Turkey and the UK.¹⁶⁶ In January 2021, USTR found that DSTs adopted by Austria, India, Italy, Spain, Turkey, and the UK were subject to action under section 301.¹⁶⁷ USTR further found that as the remaining four jurisdictions—Brazil, the Czech Republic, the EU, and Indonesia—had not adopted or implemented the DSTs under consideration when the investigations were initiated, the respective investigations would be terminated without further proceedings.¹⁶⁸

On October 8, 2021, the United States and 136 other member jurisdictions joined the “Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy” adopted by the Organisation for Economic Co-operation and Development (OECD) and the Group of Twenty (G20).¹⁶⁹ On October 21, 2021, the United States, Austria, France, Italy, Spain, and the UK issued a joint statement that describes a political compromise reached among these countries “on a transitional approach to existing Unilateral Measures while implementing Pillar 1.”¹⁷⁰ In light of the

¹⁶⁰ 86 Fed. Reg. 2479 (January 12, 2021).

¹⁶¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 68.

¹⁶² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 71.

¹⁶³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 70.

¹⁶⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 72.

¹⁶⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 73.

¹⁶⁶ 85 Fed. Reg. 34709 (June 5, 2020).

¹⁶⁷ Austria: 86 Fed. Reg. 30361 (June 7, 2021); India: 86 Fed. Reg. 30356 (June 7, 2021); Italy: 86 Fed. Reg. 30350 (June 7, 2021); Spain: 86 Fed. Reg. 30358 (June 7, 2021); Turkey: 86 Fed. Reg. 30353 (June 7, 2021); United Kingdom: 86 Fed. Reg. 30364 (June 7, 2021).

¹⁶⁸ 86 Fed. Reg. 16828 (March 31, 2021); USTR, “Section 301—Digital Services Taxes,” accessed April 8, 2022.

¹⁶⁹ The G20 is an international forum with members including the EU and 19 countries—Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK, and the United States. OECD, “Statement on a Two-Pillar Solution to Address the Tax Challenges,” October 8, 2021; USTR, *2022 National Trade Estimate Report*, March 2022, 522; G20, “About The G20,” accessed February 7, 2022. For more information on the work of the OECD, including a description of the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy, see [chapter 4](#).

¹⁷⁰ Treasury, “Joint Statement For Interim Period Before Pillar 1 Is in Effect,” October 21, 2021; USTR, *2022 National Trade Estimate Report*, March 2022, 522.

agreement, the United States terminated the existing section 301 trade actions on goods of Austria, France, Italy, Spain, and the UK, and committed not to take further trade actions against these countries with respect to their existing DSTs until either the date that the Pillar 1 multilateral convention comes into force or December 31, 2023, whichever comes first.¹⁷¹ The U.S. also reached similar agreements with Turkey and India separately, which also resulted in the United States terminating its existing section 301 actions against each country.¹⁷² USTR, in coordination with the U.S. Department of the Treasury (Treasury), indicated it will continue to monitor implementation of the political agreement by Austria, France, Italy, Spain, the UK, Turkey, and India.¹⁷³

Large Civil Aircraft Subsidies by the EU and Certain Member States

On April 12, 2019, the Trade Representative initiated a section 301 investigation to enforce U.S. rights in a WTO dispute (DS316) initiated on October 6, 2004, when the United States requested consultations with the European Communities¹⁷⁴ (now the EU), France, Germany, Spain, and the UK over certain subsidies granted the EU large civil aircraft industry.¹⁷⁵ For more information on this dispute and the subsequent WTO proceedings, see [chapter 3](#) of this report.

In preparation for a WTO arbitrator’s report on the appropriate level of countermeasures, USTR requested comments on a list of products with an estimated trade value of \$21 billion under consideration for additional duties of up to 100 percent. On July 5, 2019, USTR issued a notice requesting comments on a supplemental list of products valued at \$4 billion for which additional duties of up to 100 percent also were being considered. USTR held public hearings and received written submissions.¹⁷⁶

On October 2, 2019, the WTO Arbitrator issued a report concluding that the appropriate level of countermeasures was about \$7.5 billion annually.¹⁷⁷ On October 9, 2019, the Trade Representative announced the determination to take action in the form of additional duties of 10 percent or 25 percent on products of certain member states with an annual trade value of about \$7.5 billion, effective October 18, 2019.¹⁷⁸

On December 12, 2019, the Trade Representative announced a review of the action and, on February 14, 2020, modified the product list, and announced, at the direction of the President, the imposition of

¹⁷¹ 86 Fed. Reg. 64590 (November 16, 2021).

¹⁷² Turkey: 86 Fed. Reg. 68295 (December 1, 2021); India: 86 Fed. Reg. 68526 (December 2, 2021); Treasury, “Joint U.S-Turkey Statement For Interim Period Before Pillar 1 Is in Effect,” November 22, 2021; Treasury, “Agreement on the Transition from Existing Indian Equalization Levy to New Multilateral Solution,” November 24, 2021.

¹⁷³ USTR, *2022 National Trade Estimate Report*, March 2022, 263, 499, 522.

¹⁷⁴ European Communities is the title used by the EU in the context of the WTO for disputes before November 30, 2009. WTO, “The European Union and the WTO,” accessed June 17, 2022.

¹⁷⁵ The European Communities, the EU’s predecessor, was established in 1957 with six founding members. In 1993, the EU was established with 12 member states and grew to 15 during 1995–2004. Ten new member states joined during 2004–06, followed by three additional members in 2007–13. The EU contracted to 27 members in 2020 with the departure of the UK. EC, “Glossary: EU Enlargements,” accessed April 4, 2022.

¹⁷⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 74.

¹⁷⁷ WTO, Decision by the Arbitrator, European Communities and Certain Member States—Measures Affecting Trade in Large Civil Aircraft, ¶ 9.2, WTO Doc. WT/DS316/ARB (adopted October 2, 2019).

¹⁷⁸ 84 Fed. Reg. 54245 (October 9, 2019).

additional duty rates.¹⁷⁹ Tariffs on aircraft imports from France, Germany, Spain and the UK were increased from 10 to 15 percent, and the list of various agricultural, food, alcohol, machinery, equipment, textile, and apparel products from certain EU member states subject to 25 percent ad valorem tariffs¹⁸⁰ was modified, effective March 18, 2020.¹⁸¹

On June 26, 2020, the Trade Representative announced another review of the action, including a proposal to impose additional duties of up to 100 percent on a new list of products with an approximate annual trade value of \$3.1 billion.¹⁸² The Trade Representative announced a revised action on August 12, 2020, including a determination that the action could be revised again upon any imposition of additional duties on U.S. products in connection with the dispute or with the EU's WTO challenge to the alleged subsidization of U.S. large civil aircraft.¹⁸³ The list of non-aircraft products subject to 25 percent tariffs was modified with changes effective September 1, 2020.¹⁸⁴ In late December 2020, the Trade Representative announced further modifications to these tariffs which entered into effect on January 12, 2021.¹⁸⁵

In June 2021, the United States announced similar yet separate cooperative frameworks with the EU and the UK to address the large civil aircraft disputes, suspending the tariffs related to these disputes for five years, and agreeing upon a set of principles which will guide the cooperation between the them in this sector.¹⁸⁶ Consistent with these frameworks, the Trade Representative determined to suspend the action resulting from the section 301 investigation for five years, beginning July 4, 2021, with respect to tariffs on goods of the UK, and beginning July 11, 2021, with respect to tariffs on goods of EU member states.¹⁸⁷ USTR will monitor implementation by the EU and UK of the framework understandings and their respective measures related to the matters covered in the dispute. If the Trade Representative determines that either the EU or UK is not satisfactorily implementing the agreement or associated measures, then the Trade Representative will consider further action under section 301.¹⁸⁸

Vietnam Currency

On October 2, 2020, the Trade Representative initiated a section 301 investigation of whether Vietnam's acts, policies, and practices related to currency valuation are unreasonable or discriminatory and burden or restrict U.S. commerce. According to USTR, the Government of Vietnam, through the State Bank of Vietnam, tightly manages the value of its currency and, based on available analysis, the currency had

¹⁷⁹ 84 Fed. Reg. 67992 (December 12, 2019); 85 Fed. Reg. 10204 (February 12, 2020; WTO, "DS353: United States," 353, accessed March 29, 2022; USTR, "United States Modifies Tariffs in Large Civil Aircraft Dispute," December 30, 2020.

¹⁸⁰ An ad valorem tariff, which is the most common tariff form, calculates the duty as a percentage of the value of the product. World Bank, "Forms of Import Tariffs," accessed April 18, 2022.

¹⁸¹ 85 Fed. Reg. 10204 (February 21, 2020).

¹⁸² 85 Fed. Reg. 38488 (June 26, 2020), as amended by 85 Fed. Reg. 39661 (July 1, 2020).

¹⁸³ 85 Fed. Reg. 50866 (August 18, 2020). Please see [chapter 3](#) for a discussion of the WTO actions.

¹⁸⁴ 85 Fed. Reg. 50866 (August 18, 2020).

¹⁸⁵ 86 Fed. Reg. 674 (January 6, 2021); USTR, "United States Modifies Tariffs in Large Civil Aircraft Dispute," December 30, 2020.

¹⁸⁶ USTR, "Joint U.S.-E.U. Cooperative Framework for Large Civil Aircraft," June 15, 2021; USTR, "Joint US-UK Cooperative Framework for Large Civil Aircraft," June 17, 2021.

¹⁸⁷ 86 Fed. Reg. 36313 (July 9, 2021).

¹⁸⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 75.

been undervalued over the prior three years. USTR further stated that the State Bank of Vietnam actively engaged in the exchange market in 2019, which contributed to the undervaluation.¹⁸⁹ USTR solicited written comments and convened a virtual public hearing on December 29, 2020.¹⁹⁰

On January 22, 2021, USTR determined that Vietnam’s acts, policies, and practices related to the undervaluation of its currency through excessive foreign exchange market interventions were unreasonable under U.S. and international norms. USTR further determined that these activities constitute a burden or restriction on U.S. commerce and, accordingly, are actionable under section 301(b) of the Trade Act.¹⁹¹ On July 23, 2021, the Trade Representative found that no action under the section 301 investigation was warranted at the time in light of an agreement between Treasury and the State Bank of Vietnam regarding currency practices.¹⁹² USTR and Treasury indicated that they will monitor Vietnam’s implementation of the agreement, and if the Trade Representative determines that Vietnam is not satisfactorily implementing the agreement or associated measures, then the Trade Representative will consider further action under section 301.¹⁹³

Vietnam Timber

On October 2, 2020, the Trade Representative initiated a section 301 investigation regarding whether acts, policies, and practices related to Vietnam’s import and use of illegally harvested or traded timber are unreasonable or discriminatory and burden or restrict U.S. commerce. According to USTR, available evidence suggests that a significant portion of Vietnam’s timber imports, upon which the country’s wood products manufacturing sector relies, was illegally harvested, or traded. USTR raised particular concerns about timber from Cambodia, as well as other countries.¹⁹⁴ USTR solicited written comments and convened a virtual public hearing on December 28, 2020.¹⁹⁵ On October 1, 2021, the Trade Representative announced that the United States and Vietnam had reached an agreement addressing U.S. concerns about Vietnamese timber.¹⁹⁶ The Trade Representative indicated that USTR will continue to monitor Vietnam’s implementation of the commitments it made in the agreement.¹⁹⁷ If the Trade Representative determines that Vietnam is not satisfactorily implementing the agreement or associated measures, then further action will then be considered under section 301.¹⁹⁸

Special 301 Investigations

USTR conducts an annual review of the state of intellectual property rights (IPRs) enforcement and protection in U.S. trading partners pursuant to section 182 of the Trade Act, as amended, 19 U.S.C. § 2242 (known as “special 301”). Section 182(a) of the Trade Act requires the Trade Representative to

¹⁸⁹ 85 Fed. Reg. 63637–38 (October 8, 2020).

¹⁹⁰ 85 Fed. Reg. 75397–98 (November 25, 2020).

¹⁹¹ 86 Fed. Reg. 6732–33 (January 22, 2021); USTR, Report on Vietnam’s Acts, Policies, and Practices Related to Currency Valuation, January 15, 2021.

¹⁹² 86 Fed. Reg. 40675 (July 28, 2021).

¹⁹³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 76.

¹⁹⁴ 85 Fed. Reg. 63639 (October 8, 2020).

¹⁹⁵ USTR, “Vietnam’s Import and Use of Illegal Timber,” accessed April 4, 2022.

¹⁹⁶ USTR, “US-Vietnam Agreement to Resolve Timber Section 301 Investigation,” October 1, 2021.

¹⁹⁷ 86 Fed. Reg. 55681 (October 6, 2021).

¹⁹⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 76.

identify “those foreign countries that deny adequate and effective protection of intellectual property rights, or deny fair and equitable market access to United States persons that rely on intellectual property protection.”¹⁹⁹ Under section 182(b), the Trade Representative identifies as “priority foreign countries” only those countries that have the most onerous or egregious acts, policies, or practices with the greatest actual or potential impact, and that are not entering into, or making significant progress in, good faith negotiations. Priority foreign countries are subject to an investigation under section 301 of the Trade Act.²⁰⁰

To aid in the administration of the statute, USTR created a watch list and a priority watch list. Placement of a trading partner on either list means that particular problems exist in that country with respect to IPR protection, enforcement, or market access for persons relying on IPRs.²⁰¹ Countries placed on the priority watch list are the focus of increased bilateral attention during the year.²⁰² Section 182(g) of the Trade Act, as amended by the Trade Facilitation and Trade Enforcement Act of 2015, requires USTR to develop action plans for each country identified for placement on the priority watch list and that has remained on the list for at least one year.²⁰³

USTR solicited broad public participation in the 2021 special 301 review process through a request for written submissions rather than an in-person hearing due to concerns related to the COVID-19 pandemic.²⁰⁴ The interagency Special 301 Subcommittee of the Trade Policy Staff Committee (“the subcommittee”) sent written questions regarding issues relevant to the review to those who submitted written comments, including to representatives of foreign governments, industry, and nongovernmental organizations.²⁰⁵ USTR and the subcommittee assessed U.S. trading partners’ IPR protection and enforcement, as well as related market access issues. Based on this assessment, the subcommittee, through the Trade Policy Staff Committee, provided advice to USTR.²⁰⁶

USTR issued the *2021 Special 301 Report* on April 30, 2021. In the report, USTR placed nine countries on the priority watch list: Argentina, Chile, China, India, Indonesia, Russia, Saudi Arabia, Ukraine, and Venezuela.²⁰⁷ These countries were also listed in the *2020 Special 301 Report*.²⁰⁸ USTR removed one country, Algeria, from the list of priority watch countries based on efforts to increase engagement and cooperation with stakeholders, improve enforcement efforts, and reduce IP-related market access barriers.²⁰⁹ USTR stated that it would develop an action plan for each country that has been on the priority watch list for at least one year to encourage progress on high-priority IPR concerns.²¹⁰

¹⁹⁹ 19 U.S.C. § 2242(a).

²⁰⁰ 19 U.S.C. § 2242(b).

²⁰¹ USTR, *2021 Special 301 Report*, April 30, 2021, 6.

²⁰² USTR, *2021 Special 301 Report*, April 30, 2021, 6–7.

²⁰³ 19 U.S.C. § 2242(g); USTR, *2021 Special 301 Report*, April 30, 2021, 7.

²⁰⁴ USTR, *2021 Special 301 Report*, April 30, 2021, 6.

²⁰⁵ USTR, *2021 Special 301 Report*, April 30, 2021, 6.

²⁰⁶ USTR, *2021 Special 301 Report*, April 30, 2021, 7.

²⁰⁷ USTR, *2021 Special 301 Report*, April 30, 2021, 5.

²⁰⁸ USTR, *2020 Special 301 Report*, April 29, 2020.

²⁰⁹ USTR, *2021 Special 301 Report*, April 30, 2021, 10.

²¹⁰ USTR, *2021 Special 301 Report*, April 30, 2021, 7; USTR, *2020 Special 301 Report*, April 29, 2020, 10.

Antidumping and Countervailing Duty Investigations and Reviews

Antidumping Investigations

The U.S. antidumping law is found in Title VII of the Tariff Act of 1930, as amended.²¹¹ This law offers relief to U.S. industries that are materially injured by imports that are dumped—that is, 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 in response to 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. 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. The USDOC will issue an antidumping duty order if both agencies make affirmative final determinations in their respective investigations.

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.²¹² Generally, normal value is the price the foreign firm charges for a comparable product sold in its home market.²¹³ Under certain circumstances, the foreign firm’s U.S. sales price may also be compared with the price the foreign firm 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.”²¹⁴ Finally, when the producer is located in a nonmarket economy, a comparison is made between average U.S. prices and a “surrogate” normal value (its factors of production, as valued by use of a “surrogate” country).²¹⁵ A nonmarket-economy country means any foreign country that the administering authority determines does not operate on market principles of cost or pricing structures, so that prices paid on sales of merchandise in such a country do not reflect the fair value of the merchandise.²¹⁶

In all three instances, the amount by which the normal value exceeds the U.S. sales price is the “dumping margin.” The duty specified in an antidumping duty order reflects the weighted average

²¹¹ 19 U.S.C. § 1673 et seq.

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

²¹³ 19 U.S.C. § 1677b.

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

²¹⁵ 19 U.S.C. § 1677b(c). Some examples of factors of production include hours of labor required, quantity of raw materials employed, amount of energy and other utilities consumed, and representative capital cost, including depreciation. 19 U.S.C. § 1677b(c)(3).

²¹⁶ 19 U.S.C. § 1677(18)(A).

dumping margins found by the USDOC, both for the specific exporters it examined and for all other exporters.²¹⁷ 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 subject country, and may be adjusted if the USDOC receives a request for an annual review.²¹⁸

The Commission instituted 30 new antidumping investigations and made 21 preliminary determinations and 83 final determinations in 2021.²¹⁹ As a result of affirmative final USDOC and Commission determinations, the USDOC issued 82 antidumping duty orders on 24 products from 37 countries in 2021 (table 2.1). The status of all antidumping investigations active at the Commission during 2021—including, if applicable, the date of final action—is presented in the [interactive dashboard](#). It also includes a list of all antidumping duty orders and suspension agreements (agreements to suspend investigations) in effect as of the end of 2021.²²⁰

Table 2.1 Antidumping duty orders that became effective during 2021 (alphabetical by trade partner)
In percentages.

Trade partner	Product	Range of dumping margins (%)
Argentina	Prestressed concrete steel wire strand	60.40
Armenia	Aluminum foil	29.11
Bahrain	Common alloy aluminum sheet	4.83
Bosnia and Herzegovina	Silicon metal	21.41
Brazil	Common alloy aluminum sheet	49.61–137.06
Brazil	Aluminum foil	13.93–63.05
Cambodia	Mattresses	52.41
China	Wood moldings and millwork products	45.49–231.60
China	Vertical shaft engines	185.65–468.33
China	Difluoromethane (R-32)	161.49–221.06
China	Corrosion inhibitors	130.52–277.90
China	Small vertical shaft engines	316.88–541.75
China	Nonrefillable steel cylinders	74.32–112.21
China	Walk-behind lawn mowers	98.73–274.29
China	Twist ties	72.96
China	Metal lockers	21.25–322.25
China	Chassis and subassemblies	188.05
Colombia	Prestressed concrete steel wire strand	86.09
Croatia	Common alloy aluminum sheet	3.19

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

²¹⁸ 19 U.S.C. § 1675(a).

²¹⁹ Data reported here and in the following two sections (“Countervailing Duty Investigations” and “Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements”) reflect the total number of investigations. In other Commission reports, these data are grouped by product because the same investigative team and all of the parties participate in a single grouped proceeding, and the Commission generally produces one report and issues one opinion containing its separate determinations for each investigation.

²²⁰ An antidumping investigation may be suspended if exporters that supply 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 the USDOC determines that the suspension agreement has been violated. See 19 U.S.C. § 1673c.

Trade partner	Product	Range of dumping margins (%)
Czech Republic	Seamless standard line and pressure pipe	51.07–51.70
Egypt	Common alloy aluminum sheet	12.11
Egypt	Prestressed concrete steel wire strand	29.72
France	Methionine	16.17–43.82
Germany	Fluid end blocks	4.79–78.36
Germany	Common alloy aluminum sheet	49.40–242.80
Germany	Thermal paper	2.90
Iceland	Silicon metal	37.83–47.54
India	Common alloy aluminum sheet	0.00–47.92
India	Utility scale wind towers	54.03
Indonesia	Common alloy aluminum sheet	32.12
Indonesia	Mattresses	2.22
Indonesia	Prestressed concrete steel wire strand	5.76–72.28
Indonesia	Polyester textured yarn	7.47–26.07
Italy	Fluid end blocks	0.00–58.48
Italy	Common alloy aluminum sheet	0.00–29.13
Italy	Prestressed concrete steel wire strand	3.59–19.26
Japan	Methionine	76.50
Japan	Thermal paper	135.06–140.25
Malaysia	Mattresses	42.92
Malaysia	Prestressed concrete steel wire strand	3.94–26.95
Malaysia	Silicon metal	12.27
Malaysia	Utility scale wind towers	3.20
Malaysia	Polyester textured yarn	8.50
Mexico	Standard steel welded wire mesh	23.04–110.42
Netherlands	Prestressed concrete steel wire strand	30.86
Oman	Common alloy aluminum sheet	5.29
Oman	Aluminum foil	3.89
Romania	Common alloy aluminum sheet	12.51–37.26
Russia	Seamless standard line and pressure pipe	209.72
Russia	Aluminum foil	62.18
Saudi Arabia	Prestressed concrete steel wire strand	194.40
Serbia	Common alloy aluminum sheet	11.67–25.84
Serbia	Mattresses	112.11
Slovenia	Common alloy aluminum sheet	13.43
South Africa	Common alloy aluminum sheet	8.85
South Africa	Prestressed concrete steel wire strand	155.10
Spain	Common alloy aluminum sheet	3.80–24.23
Spain	Prestressed concrete steel wire strand	14.75
Spain	Methionine	37.53
Spain	Utility scale wind towers	73.00
Spain	Thermal paper	37.07–41.45
South Korea	Passenger vehicle and light truck tires	14.72–27.05
South Korea	Seamless standard line and pressure pipe	4.48
South Korea	Thermal paper	6.19
Taiwan	Common alloy aluminum sheet	17.50
Taiwan	Prestressed concrete steel wire strand	23.89
Taiwan	Passenger vehicle and light truck tires	20.04–101.84
Thailand	Mattresses	37.48–763.28
Thailand	Passenger vehicle and light truck tires	14.59–21.09

Trade partner	Product	Range of dumping margins (%)
Thailand	Polyester textured yarn	14.47–56.80
Tunisia	Prestressed concrete steel wire strand	30.58
Turkey	Common alloy aluminum sheet	2.02–13.56
Turkey	Mattresses	20.03
Turkey	Prestressed concrete steel wire strand	53.65
Turkey	Aluminum foil	2.28
Ukraine	Prestressed concrete steel wire strand	19.30
Ukraine	Seamless standard line and pressure pipe	23.75
United Arab Emirates	Prestressed concrete steel wire strand	170.65
Vietnam	Mattresses	144.92–668.38
Vietnam	Walk-behind lawn mowers	148.35–176.37
Vietnam	Seamless refined copper pipe and tube	8.35
Vietnam	Polyester textured yarn	2.58–22.36

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

Note: Antidumping duty orders become effective following final affirmative determinations by the 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.²²¹ It provides for the imposition of additional duties to offset (“countervail”) foreign subsidies on products imported into the United States.²²² 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 16 new countervailing duty investigations and made 11 preliminary determinations and 30 final determinations during 2021. The USDOC issued 30 countervailing duty orders on 21 products from 14 countries in 2021 as a result of affirmative USDOC and Commission determinations (table 2.2). The status of all countervailing duty investigations active at the Commission during 2021, and, if applicable, the date of final action, is presented in the [interactive dashboard](#). A list of all countervailing duty orders and suspension agreements in effect at the end of 2021 appears in the [interactive dashboard](#).²²³

²²¹ 19 U.S.C. § § 1671–1671h.

²²² 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).

²²³ 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

Table 2.2 Countervailing duty orders that became effective during 2021 (alphabetical by trade partner)
In percentages.

Trade partner	Product	Range of countervailable subsidy rates (percent)
Bahrain	Common alloy aluminum sheet	6.44
China	Fluid end blocks	16.80–336.55
China	Wood mouldings and millwork products	20.56–252.29
China	Vertical shaft engines	18.96–20.38
China	Corrosion inhibitors	61.62–239.21
China	Twist ties	111.96
China	Small vertical shaft engines	2.84–18.13
China	Chassis and subassemblies	44.32
China	Nonrefillable steel cylinders	18.37–186.18
China	Walk-behind lawn mowers	13.67–20.98
China	Metal lockers	24.66–131.51
China	Mobile access equipment and subassemblies	11.97–448.80
China	Mattresses	97.78
Germany	Fluid end blocks	5.86–14.81
India	Fluid end blocks	5.20
India	Common alloy aluminum sheet	4.89–35.25
India	Utility scale wind towers	2.25–397.70
Italy	Fluid end blocks	3.12–44.86
Kazakhstan	Silicon metal	160.00
Malaysia	Utility scale wind towers	6.42
Mexico	Standard steel welded wire mesh	1.03–102.10
Morocco	Phosphate fertilizers	19.97
Oman	Aluminum foil	1.93
Russia	Phosphate fertilizers	9.19–47.05
Russia	Seamless carbon and alloy steel standard, line, and pressure pipe	48.38
Russia	Seamless carbon and alloy steel standard, line, and pressure pipe	1.78
South Korea	Seamless carbon and alloy steel standard, line, and pressure pipe	1.78
Turkey	Prestressed concrete steel wire strand	30.78–158.44
Turkey	Common alloy aluminum sheet	2.56–4.34
Turkey	Aluminum foil	2.60
Vietnam	Passenger vehicle and light truck tires	6.23–7.89

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

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

Reviews of Outstanding Antidumping Duty and Countervailing Duty Orders and Suspensions 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 (AD/CVD) orders to ascertain the amount of any

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 the USDOC determines that the suspension agreement has been violated. See 19 U.S.C. § 1671c.

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.²²⁴ Where a changed-circumstances review is directed to the Commission, the party that is asking to have an AD/CVD order revoked or a suspended investigation terminated has the burden of persuading the Commission that circumstances have changed enough to warrant revocation. On the basis of reviews from either the USDOC or the Commission, the USDOC may revoke an AD/CVD order in whole or in part, or may either terminate or resume a suspended investigation.

The “sunset” process began in 1995. It is subject to section 751(c) of the Tariff Act of 1930, which requires both the USDOC and the Commission to conduct sunset reviews of existing AD/CVD orders and suspension agreements five years after their initial publication and five years after publication of any subsequent determination to continue them. 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 to material injury. If either the USDOC or the Commission reach negative determinations, the order will be revoked or the suspension agreement terminated. During 2021, the USDOC initiated, and the Commission instituted 114 sunset reviews of existing AD/CVD orders or suspended investigations, and the Commission completed 56 reviews. As a result of affirmative determinations by the USDOC and the Commission, 56 antidumping duty and countervailing duty orders were continued. The AD/CVD tables in the [interactive dashboard](#) lists, by date and action, the reviews of antidumping duty and countervailing duty orders and suspended investigations completed in 2021.

Section 129 Determinations

Section 129 of the Uruguay Round Agreements Act sets out a procedure by which the United States 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 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.²²⁵ Neither the USDOC or the Commission made any determinations under section 129 during 2021, nor were any proceedings in process.

Section 337 Investigations

Background

Over one hundred years ago, Congress enacted the Fordney-McCumber Tariff Act of 1922, which, among many other provisions, gave the Tariff Commission (the predecessor of the Commission) the responsibility for investigating allegations of unfair practices in the import trade.²²⁶ This provision later

²²⁴ 19 U.S.C. §§ 1675(b) and 1675(b)(3).

²²⁵ 19 U.S.C. § 3538; see also Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. 316 Vol. 1, 103s Cong., 2d Sess. (1994) at 353.

²²⁶ USITC, *A Centennial History of the United States International Trade Commission*, November 2017, 124, 316–19.

became section 337 of the Tariff Act of 1930, as amended, or, colloquially, “section 337.”²²⁷ In its current form, section 337 prohibits various unfair acts in the importation and sale of articles in the United States, and is most commonly asserted in connection with allegations of 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 U.S. 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.²²⁸ Similar requirements govern investigations involving infringement of other federally registered intellectual property rights, including registered trademarks, registered copyrights, registered mask works,²²⁹ and registered vessel hull designs.²³⁰ 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 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.²³¹ The Commission may institute an investigation on the basis of a complaint or on its own initiative.²³²

If the Commission determines that a violation of section 337 has occurred, it will issue an exclusion order directing the U.S. Customs and Border Protection to block the imports in question from entry into the United States.²³³ This can take the form of a limited exclusion order, excluding the products of a named respondent in an investigation, or a general exclusion order, excluding all infringing products, regardless of source. The Commission can also issue cease and desist orders that direct the violating parties to stop engaging in the unlawful practices. The orders are effective upon issuance and become final, unless disapproved for policy reasons by USTR within 60 days of issuance.²³⁴

²²⁷ 19 U.S.C. § 1337.

²²⁸ 19 U.S.C. § 1337(a)(1)(B). Section 337 also applies to 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).

²²⁹ 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.” U.S. Copyright Office, “Compendium Chapter 1200: Mask Works,” January 28, 2021.

²³⁰ 19 U.S.C. § 1337(a)(1)(C)-(E).

²³¹ 19 U.S.C. § 1337(a)(1)(a). Other unfair methods of competition and unfair acts have included common-law trademark infringement, trademark dilution, trade dress infringement, false advertising, false designation of origin, and antitrust violations. Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

²³² 19 U.S.C. § 1337(b)(1). Section 337 investigations at the Commission are conducted before an administrative law judge (ALJ) in accordance with the Administrative Procedure Act, 5 U.S.C. §§ 551 et seq. See 19 C.F.R. §§ 210 et seq. The ALJ conducts an evidentiary hearing and makes an initial determination, which is transmitted to the Commission for review. See 19 C.F.R. § 210.10(b)(2). If the Commission finds a violation, it must determine the appropriate remedy, the amount of any bond to be collected while its determination is under review by USTR, and whether public-interest considerations preclude issuing a remedy. 19 U.S.C. §1337(d), (f)-(g).

²³³ Although rare, the Commission may also issue temporary or preliminary relief pending the outcome of an investigation. 19 U.S.C. § 1337(e).

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

Developments in 2021

During calendar year 2021, section 337 activity continued to be near historic highs. There were 127 active section 337 investigations and ancillary (secondary) proceedings,²³⁵ 73 of which were instituted that year. Of these 73 new proceedings, 52 were new section 337 investigations and 21 were new ancillary proceedings relating to previously concluded investigations. In 46 of the new section 337 investigations instituted in 2021, patent infringement was the only type of unfair act alleged. Of the remaining 6 investigations, 2 involved allegations of patent and trademark infringement; 1 involved allegations of patent infringement and false designation of origin; 1 involved allegations of trademark infringement; 1 involved allegations of trademark infringement, trademark dilution, and false designation of origin; and 1 involved allegations of trade secret misappropriation.

The Commission completed a total of 67 investigations and ancillary proceedings under section 337 in 2021, including 9 rescission proceedings, 3 remand proceedings,²³⁶ 2 advisory opinion proceedings, 2 modification proceedings, and 4 bond-related proceedings.²³⁷ In addition, the Commission issued 5 general exclusion orders, 8 limited exclusion orders, and 24 cease and desist orders during 2021. Of the 21 investigations in which the Commission rendered a final determination on the merits, the Commission found a violation of section 337 in 12 investigations and no violation in 9 investigations. The Commission terminated 26 investigations without determining whether there had been a violation; 23 of those were terminated on the basis of settlement agreements and/or consent orders and 3 were terminated based on withdrawal of the complaint. Commission activities involving 337 proceedings in 2021 are presented in the [interactive dashboard](#).

As in past years, the section 337 investigations active in 2021 involved a broad spectrum of products. Technology products remained the single largest category, with approximately 28 percent of the active proceedings involving computer and telecommunications equipment, and another approximately 14 percent involving consumer electronics.²³⁸ The second-largest category was pharmaceuticals and medical devices, which were at issue in about 14 percent of the active proceedings. Automotive, manufacturing, and transportation products were at issue in about 9 percent of the active proceedings. However, many other types of articles were also at issue in section 337 investigations this year, including organic light-emitting diode (OLED) displays, wood-pellet grills, can openers, toner cartridges, landscape lights, artificial sweeteners, electrolyte drinks, casual shoes, baseball bats, and children's playards and strollers. Table 2.3 provides a listing of the categories of products at issue.

²³⁵ An ancillary proceeding is a secondary or follow-up proceeding related to a previously concluded section 337 investigation. As examples, these proceedings may be based on requests to enforce, modify, or rescind remedial orders issued by the Commission in a concluded section 337 investigation, or requests for advisory opinions as to the scope of such orders. See, e.g., 19 C.F.R. §§ 210.75, 210.76, 210.79.

²³⁶ In this context, remand refers to proceedings after a case has been sent back to the Commission by the United States Court of Appeals for the Federal Circuit following an appeal of the Commission's final determination by one or more parties to the investigation.

²³⁷ A rescission proceeding is a proceeding to determine whether or not to cancel (rescind) a previously issued remedial order. A remand is a situation in which the U.S. Court of Appeals for the Federal Circuit has directed the Commission to conduct additional proceedings with respect to a previously concluded investigation.

²³⁸ The category of computer and telecommunications equipment refers to products such as desktops, laptops, tablets, cell phones, apple watches, base stations, and similar or related items, while consumer electronics refers to other types of electronic products that are used by individuals, such as DVD players or iPods.

Table 2.3 Share of products in active section 337 investigation proceedings, 2021

In percentages.

Category	Share of total (%)
Computer and telecommunications equipment	28.3
Consumer electronics	14.2
Pharmaceuticals and medical devices	14.2
Automotive, manufacturing, and transportation products	8.7
Small consumer products	4.7
Chemical compositions	3.1
Lighting products	3.1
Printing products	1.6
Integrated circuits	0.8
Liquid crystal displays (LCDs)/TVs	0.8
Other	20.5
Total	100

Source: USITC calculations.

At the close of 2021, 60 section 337 investigations and ancillary proceedings were pending at the Commission. As of December 31, 2021, there were 128 exclusion orders based on violations of section 337 in effect. The [interactive dashboard](#) lists the investigations in which these exclusion orders were issued. Copies of the exclusion orders are available on [the Commission's website](#). For additional detailed information about 337 investigations instituted since October 1, 2008, see the Commission's ["337Info" database](#).²³⁹

National Security Investigations

Background

Section 232 of the Trade Expansion Act of 1962 provides for investigations by the Secretary of Commerce (Secretary) to determine effects on national security of imports of articles. Section 232(b) of the Act requires the Secretary, upon request of the head of any department or agency, upon application of an interested party, or upon the Secretary's own motion, to initiate an appropriate investigation to determine the effects on the national security of imports of the article that is the subject of the request, application, or motion. The Secretary must submit a report to the President within 270 days of instituting 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 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," the Secretary must so advise the President in the report.²⁴⁰

Within 90 days of receiving such a report from the Secretary, the President must determine whether the President concurs with the finding of the Secretary, and if the President concurs, must determine the

²³⁹ USITC, "337Info Database," accessed June 17, 2022.

²⁴⁰ 19 U.S.C. § 1862(b)(3)(A).

nature and duration of the action that must be taken to adjust imports of the article and its derivatives so that such imports will not threaten to impair the national security.²⁴¹

During 2021, the USDOC instituted one new investigation under the national security provisions in section 232 of the Trade Expansion Act of 1962 (table 2.4).²⁴² No new section 232 measures were imposed by the President during 2021.

Table 2.4 National security investigations during 2021 (chronological by date instituted)

Investigation	Instituted	Report Submitted	Outcome
Steel	April 19, 2017	Jan. 11, 2018	President concurred, tariffs
Aluminum	April 26, 2017	Jan. 17, 2018	President concurred, tariffs
Automobiles and automotive parts	May 23, 2018	Feb. 17, 2019	President concurred, no measures
Uranium	July 18, 2018	April 14, 2019	President did not concur, no tariffs, working group, policy recommendations
Titanium sponge	March 4, 2019	Nov. 29, 2019	President concurred, no tariffs, negotiations
Grain-oriented electrical steel	May 11, 2020	Oct. 15, 2020	Partial determination by Commerce, consultations, and monitoring
Vanadium	May 28, 2020	Feb. 22, 2021	Negative determination by Commerce
Neodymium magnets	Sept. 21, 2021	None	Pending

Source: Compiled by the USITC using 86 Fed. Reg. 70003 (December 9, 2021); 86 Fed. Reg. 62028 (November 8, 2021); 86 Fed. Reg. 41540 (August 2, 2021); 86 Fed. Reg. 59115 (October 26, 2021); 86 Fed. Reg. 64606 (November 18, 2021); 86 Fed. Reg. 64748 (November 18, 2021); 86 Fed. Reg. 53277 (September 27, 2021).

Developments in 2021

Steel and Aluminum

On March 8, 2018, the President issued two proclamations, Proclamation 9705 imposing additional tariffs of 25 percent ad valorem on certain steel products and Proclamation 9704, imposing 10 percent ad valorem on certain aluminum products.²⁴³ The President issued the proclamations following receipt of reports and findings from the Secretary of Commerce under section 232 of the Trade Expansion Act of 1962 following the initiation of investigations on April 19 (steel) and April 26 (aluminum), 2017.²⁴⁴ The President modified the proclamations several times after the initiation of the actions in 2018 to exempt certain countries and products.²⁴⁵ In January 2020, the President further modified the steel and aluminum tariffs to also apply to certain derivative steel and aluminum articles.²⁴⁶ On October 31, 2021, the United States and the EU reached an agreement resulting in the elimination of the additional duties

²⁴¹ 19 U.S.C. § 1862(c)(1)(A).

²⁴² 19 U.S.C. § 1862.

²⁴³ Proclamation No. 9705, 83 Fed. Reg. 11625 (March 15, 2018); Proclamation No. 9704, 83 Fed. Reg. 11619 (March 15, 2018).

²⁴⁴ USDOC, BIS, OTE, *The Effect of Imports of Steel on the National Security*, January 11, 2018.

²⁴⁵ More information about the exclusion process and relevant provisions can be found on the Bureau of Industry and Security (BIS) website. USDOC, BIS, "Section 232 Investigation of Steel Imports Exclusion Process," accessed April 18, 2022; USDOC, BIS, "Section 232 Investigation of Aluminum Imports Exclusion Process," accessed April 18, 2022.

²⁴⁶ Proclamation No. 9980, 85 Fed. Reg. 5281 (January 29, 2020).

on steel and aluminum imported from the EU.²⁴⁷ The agreement, which became effective on January 1, 2022, involved replacing the additional duties with a tariff-rate quota permitting historical levels of steel and aluminum imports to be imported into the United States without additional duties.²⁴⁸ On December 9, 2021, the President removed certain exclusions from the steel and aluminum tariffs after determining that they no longer met the criteria for exclusion after an analysis of the products covered and a review of public comments.²⁴⁹ The additional duties remained in effect through the end of 2021, with the exception of the exclusions and modifications described above.

Automobiles and Automotive Parts

The Secretary of Commerce initiated an investigation on automobiles and automobile parts on May 23, 2018, to determine the effects on the national security of imports of automobiles, including cars, sport utility vehicles (SUVs), vans and light trucks, and automobile parts.²⁵⁰ On February 17, 2019, the Secretary transmitted the report to the President. The Secretary found and advised the President that imports of such automobiles and automobile parts threatened to impair the national security. One recommendation by the Secretary was to pursue negotiations to obtain agreements addressing the threatened impairment of national security. In the Secretary's judgment, successful negotiations could allow American-owned automobile producers to achieve long-term economic viability and increase research and development spending to develop cutting-edge technologies that are critical to the defense industry.²⁵¹

On May 17, 2019, the President announced that he concurred with the Secretary's finding and directed the Trade Representative, in consultation with other officials, to pursue negotiation of agreements to address the threatened impairment of national security due to imports of automobiles and automobile parts from the EU, Japan, and other trading partners.²⁵² The President further directed the Trade Representative to provide an update within 180 days and directed the Secretary to continue to monitor imports.²⁵³ The President announced that if agreements were not reached within 180 days, he would determine whether and what further action would need to be taken.²⁵⁴ In July 2021, the Bureau of Industry and Security (BIS) published the report containing the Secretary's findings made at the conclusion of the investigation in 2020.²⁵⁵ As described in the report, the Secretary determined that the displacement of domestic products by excessive imports is causing a weakening of the internal national economy that may impair the national security.²⁵⁶ The Secretary made three subsequent

²⁴⁷ USDOC, "Fact Sheet: U.S.-EU Global Steel and Aluminum," October 31, 2021.

²⁴⁸ USTR, "Announcement of Actions on EU Imports Under Section 232," October 31, 2021.

²⁴⁹ 86 Fed. Reg. 70003 (December 9, 2021).

²⁵⁰ 83 Fed. Reg. 24735 (May 30, 2018).

²⁵¹ See Proclamation No. 9888, 84 Fed. Reg. 23433 (May 21, 2019).

²⁵² Protected foreign markets like the EU and Japan were highlighted as exacerbating the negative effects of imports in the President's proclamation, as they limit entry of U.S. automotive exports, which prevents U.S. producers "from developing alternative sources of revenue for R&D in the face of declining domestic sales." Proclamation 9888, 84 Fed. Reg. 23433 (May 21, 2019).

²⁵³ Proclamation 9888, 84 Fed. Reg. 23433 (May 21, 2019).

²⁵⁴ White House, "President Trump Signs Proclamation to Pursue Negotiations on Automobiles," May 17, 2019.

²⁵⁵ 86 Fed. Reg. 62028 (November 8, 2021).

²⁵⁶ USDOC, BIS, OTE, *The Effect of Imports of Automobiles and Automobile Parts on the National Security*, February 17, 2019, 108–9.

recommendations as possible options to remove the threatened impairment of the national security.²⁵⁷ No further action had been taken as of the end of 2021.

Uranium

The Secretary of Commerce initiated an investigation on July 18, 2018, into the effect of imports of uranium (uranium ore, uranium concentrate, uranium hexafluoride, enriched uranium, and enriched uranium in fuel assemblies) on the national security.²⁵⁸ On April 14, 2019, the Secretary transmitted his report to the President and reported that uranium is being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security.²⁵⁹ The report stated that the United States currently imports about 93 percent of its commercial uranium, compared to 85.8 percent in 2009. The Secretary attributed the increase to elevated production by foreign state-owned enterprises, which he said, “have distorted global prices and made it more difficult for domestic mines to compete.”²⁶⁰

The President did not concur with the Secretary’s finding. Although stating that the Secretary’s findings raise significant concerns, the President concluded “that a fuller analysis of national security considerations with respect to the entire nuclear fuel supply chain is necessary at this time.”²⁶¹ The President stated that domestic mining, milling, and conversion of uranium, while significant, “are only part of the nuclear supply chain necessary for national security.”²⁶² To address the concerns identified by the Secretary, the President directed that the Assistant to the President for National Security Affairs and the Assistant to the President for Economic Policy establish a United States Nuclear Fuel Working Group (Working Group) to develop recommendations for reviving and expanding domestic nuclear fuel production.²⁶³ The Working Group released its policy recommendations in April 2020. The recommendations called for the U.S. government to bolster the uranium mining industry, end reliance on foreign uranium enrichment, and remove strategic vulnerabilities across the nuclear fuel cycle, among others.²⁶⁴ In July 2021, the BIS published the report containing the Secretary’s findings made at the conclusion of the investigation in 2019.²⁶⁵

Titanium Sponge

On March 4, 2019, in response to a petition, the Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of titanium sponge.²⁶⁶ Titanium sponge is used in a broad range of national defense-related applications including helicopter blades, tank armor, and

²⁵⁷ USDOC, BIS, OTE, *The Effect of Imports of Automobiles and Automobile Parts on the National Security*, February 17, 2019, 110.

²⁵⁸ 83 Fed. Reg. 35204 (July 25, 2018).

²⁵⁹ White House, “Memorandum on the Effect of Uranium Imports,” July 12, 2019.

²⁶⁰ White House, “Memorandum on the Effect of Uranium Imports,” July 12, 2019.

²⁶¹ White House, “Memorandum on the Effect of Uranium Imports,” July 12, 2019.

²⁶² White House, “Memorandum on the Effect of Uranium Imports,” July 12, 2019.

²⁶³ White House, “Memorandum on the Effect of Uranium Imports,” July 12, 2019.

²⁶⁴ USDOE, *Restoring America’s Competitive Nuclear Advantage*, April 22, 2020.

²⁶⁵ 86 Fed. Reg. 41540 (August 2, 2021); USDOC, BIS, OTE, *The Effect of Imports of Uranium on the National Security*, April 14, 2019.

²⁶⁶ 84 Fed. Reg. 35204 (March 8, 2019).

fighter jet airframes and engines.²⁶⁷ The Secretary transmitted the report to the President on November 29, 2019, advising the President of the finding that titanium sponge is being imported into the United States in such quantities and under such conditions as to threaten to impair the national security.²⁶⁸ The Secretary stated that imports account for 68 percent of U.S. consumption of titanium sponge and that 94.4 percent of titanium sponge imports in 2018 were from Japan.²⁶⁹

In a February 27, 2020 memorandum, the President concurred with the Secretary's finding and agreed with the Secretary's recommendation that actions to adjust imports under section 232 should not be taken at this time, because measures other than the adjustment of imports are more likely to be effective to address the threatened impairment of the national security.²⁷⁰ Based on that recommendation, the President directed officials to negotiate with Japan to ensure access to titanium sponge in the United States for use for national defense and critical industries in an emergency. The President also directed the Secretary of Defense to take all appropriate action to increase access to titanium sponge for national defense and critical industries.²⁷¹ In July 2021, the BIS published the report containing the Secretary's findings made at the conclusion of the investigation in 2019.²⁷²

Grain-Oriented Electrical Steel

On May 11, 2020, based on inquiries and requests from interested parties in the United States, the Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of grain-oriented electrical steel (GOES), including laminations for stacked cores for incorporation into transformers, stacked cores for incorporation into transformers, wound cores for incorporation into transformers, electrical transformers, and transformer regulators.²⁷³ The United States and Mexico issued a joint statement on May 17, 2020, committing to, among other things, address the transshipment of steel and aluminum products, including GOES, from outside the North American region into the United States.²⁷⁴

On November 5, 2020, USTR announced that the United States and Mexico had successfully concluded consultations regarding the transshipment of GOES from outside the North American region into the United States through downstream products containing GOES.²⁷⁵ As a result of the consultations, Mexico agreed to establish a strict monitoring regime for exports of electrical transformer laminations and cores made of non-North American GOES. Mexico also agreed to closely monitor shipments of these products to the United States from the fourth quarter onward. In response to the steps taken by Mexico, the United States agreed to not implement any section 232 action to adjust imports from Mexico of electrical transformers and related parts. The United States and Mexico also agreed to consult

²⁶⁷ CRS, *Section 232 Investigations: Overview and Issues for Congress*, May 18, 2021, 19.

²⁶⁸ White House, "Memorandum on the Effect of Titanium Sponge Imports," February 27, 2020.

²⁶⁹ White House, "Memorandum on the Effect of Titanium Sponge Imports," February 27, 2020.

²⁷⁰ White House, "Memorandum on the Effect of Titanium Sponge Imports," February 27, 2020.

²⁷¹ White House, "Memorandum on the Effect of Titanium Sponge Imports," February 27, 2020.

²⁷² 86 Fed. Reg. 59115 (October 26, 2021); USDOC, BIS, OTE, *The Effect of Imports of Titanium Sponge on the National Security*, November 29, 2019.

²⁷³ 85 Fed. Reg. 29926 (May 19, 2020).

²⁷⁴ USTR, "Joint Statement by the United States and Mexico on Steel and Aluminum," May 17, 2019; USTR, "USTR Statement on Successful Conclusion of Steel Negotiations with Mexico," November 5, 2020.

²⁷⁵ USTR, "USTR Statement on Successful Conclusion of Steel Negotiations with Mexico," November 5, 2020.

at regular intervals on the implementation of these agreed measures and on the state of bilateral trade and market conditions relating to these products.²⁷⁶ In July 2021, the BIS published the report containing the Secretary’s findings made at the conclusion of the investigation in 2020.²⁷⁷ As described in the report, the Secretary determined that certain transformers and certain transformer components were imported at a level that threatened or impaired national security and made seven recommendations to address the threat.²⁷⁸ The Secretary determined that the other transformers and transformer components subject to the investigation did not have such an impact.²⁷⁹ No further action had been taken as of the end of 2021.

Vanadium

On May 28, 2020, in response to a petition, the Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of vanadium.²⁸⁰ Vanadium is a metal used in the production of metal alloys that are integrated into a range of national defense-related projects; the U.S. Department of the Interior has designated it as a critical mineral.²⁸¹ The period for public comment, which initially closed on July 20, 2020, was reopened on September 25, 2020, and extended to October 9, 2020.²⁸² The Secretary concluded the report on February 22, 2021.²⁸³ The Secretary determined that imports of vanadium did not threaten or impair national security.²⁸⁴ But the Secretary acknowledged that a healthy domestic vanadium industry is of vital importance to the United States, and made three recommendations to support the industry.²⁸⁵

Neodymium Magnets

The Secretary of Commerce initiated an investigation on September 21, 2021, to determine the effects on the national security from imports of neodymium-iron-boron permanent magnets (“neodymium magnets”).²⁸⁶ Various critical national security systems rely on neodymium magnets, including fighter aircraft and missile guidance systems. Furthermore, neodymium magnets are used in a wide range of products, including electric vehicles, wind turbines, computer hard drives, audio equipment, and

²⁷⁶ USTR, “USTR Statement on Successful Conclusion of Steel Negotiations with Mexico,” November 5, 2020.

²⁷⁷ 86 Fed. Reg. 64606 (November 18, 2021).

²⁷⁸ USDOC, BIS, OTE, *The Effect of Imports of Transformers and Transformer Components on the National Security*, October 15, 2020, 234–36.

²⁷⁹ USDOC, BIS, OTE, *The Effect of Imports of Transformers and Transformer Components on the National Security*, October 15, 2020, 234–35.

²⁸⁰ 85 Fed. Reg. 34179 (June 3, 2020).

²⁸¹ 83 Fed. Reg. 23295 (May 18, 2018); CRS, *Section 232 Investigations: Overview and Issues for Congress*, May 18, 2021, 23–24.

²⁸² 85 Fed. Reg. 60420 (September 25, 2020).

²⁸³ USDOC, BIS, OTE, *The Effect of Imports of Vanadium on the National Security*, February 22, 2021.

²⁸⁴ USDOC, BIS, OTE, *The Effect of Imports of Vanadium on the National Security*, February 22, 2021, 142.

²⁸⁵ USDOC, BIS, OTE, *The Effect of Imports of Vanadium on the National Security*, February 22, 2021, 143–52.

²⁸⁶ 86 Fed. Reg. 53277 (September 27, 2021).

magnetic resonance imaging (MRI) devices.²⁸⁷ The period for public comment closed on November 12, 2021.²⁸⁸ As of the end of 2021, the investigation was still pending.

American Manufacturing Competitiveness Act of 2016

The American Manufacturing Competitiveness Act of 2016 (AMCA) sets out a procedure under which members of the public may submit petitions to the Commission for temporary duty suspensions or reductions.²⁸⁹ Submitters must be able to demonstrate that they are likely beneficiaries of the requested duty suspension or reduction. Following the receipt of petitions, the Commission must evaluate the petitions in accordance with certain statutory criteria, seek public comment, and then file preliminary and final reports with the U.S. House of Representatives Committee on Ways and Means and the U.S. Senate Committee on Finance (Committees).²⁹⁰ The AMCA requires the Commission in its reports to categorize petitions as either (a) petitions that meet the requirements of the Act with or without modification (Category I, II, III, or IV petitions), (b) petitions that do not contain the information required by the Act or for which the Commission determined that the petitioner was not a likely beneficiary (Category V petitions), or (c) petitions that the Commission does not recommend for inclusion in a miscellaneous tariff bill (Category VI petitions).²⁹¹ The AMCA includes a “Sense of Congress” statement that Congress should consider a miscellaneous tariff bill not later 90 days after receiving the Commission’s final report.²⁹²

The Miscellaneous Tariff Bill Act of 2018, Pub. L. No. 115-239, 132 Stat. 2451 (amending the Harmonized Tariff Schedule and 19 U.S.C. § 58c), suspended or reduced duties on 1,660 products, effective October 13, 2018, and through December 31, 2020. The MTB Act of 2018 suspended or reduced only most-favored-nation rates of duty, and it did not suspend or reduce duties applied under other statutory authorities, such as the trade remedy laws, unfair trade practice statutes, or national security provisions.

In 2020, the Commission completed its second and final cycle of petition analysis under the AMCA. On August 10, 2020, the Commission submitted its final report to the Committees, which provided

²⁸⁷ USDOC, “Investigation into the Effect of Imports of Neodymium Magnets on U.S. National Security,” September 24, 2021.

²⁸⁸ 86 Fed. Reg. 53277 (September 27, 2021).

²⁸⁹ American Manufacturing Competitiveness Act of 2016, 19 U.S.C. § 1332 note.

²⁹⁰ Under Section 3(b) of the AMCA, the Commission must determine, among other things: whether or not domestic production of the article that is the subject of the petition exists, taking into account the report of the Secretary of Commerce under section 3(c)(1) of the AMCA, and, if such production exists, whether or not a domestic producer of the article objects to the duty suspension or reduction; whether the duty suspension or reduction can likely be administered by U.S. Customs and Border Protection; whether the estimated loss in revenue to the United States from the duty suspension or reduction does not exceed \$500,000 in a calendar year during the period it would be in effect; or whether the duty suspension or reduction is available to any person importing the article that is the subject of the duty suspension or reduction. Sec. 3(b)(C), (E) of AMCA, 19 U.S.C. § 1332 note.

²⁹¹ Sec. 3(b)(C)(ii) of the AMCA, 19 U.S.C. § 1332 note.

²⁹² Sec. 2(b) of the AMCA, 19 U.S.C. § 1332 note.

recommendations on 3,442 petitions for duty suspensions or reductions.²⁹³ The largest product categories reflected in the 2020 report were chemicals (1,839 petitions); machinery and equipment (715 petitions); and textiles, apparel, and footwear (581 petitions). Of the 3,442 petitions, the Commission assigned 2,695 to Categories I through IV, 42 to Category V, and 705 to Category VI.²⁹⁴

As of the end of 2021, legislation that would extend the AMCA procedures was pending in Congress. Duty suspensions and reductions enacted under the Miscellaneous Tariff Bill Act of 2018 following the Commission's 2017 final report under the AMCA expired at the end of 2020.

World Customs Organization Harmonized System Amendments

Background

Section 1205(a) of the Omnibus Trade and Competitiveness Act of 1988 requires that the Commission keep the Harmonized Tariff Schedule of the United States (HTS) under continuous review and periodically recommend to the President modifications.²⁹⁵ A common reason for modification is to conform the HTS with amendments made to the Harmonized System nomenclature, which is maintained and updated by the membership of the World Customs Organization (WCO).²⁹⁶ The process for amending the Harmonized System involves a cyclical review period and generally amendments are recommended to national governments on a five- to six-year cycle.²⁹⁷ The Commission participates in this process and leads the representation of the United States Government in the WCO Harmonized System Review Sub-Committee. The WCO adopted the most recent amendments to the Harmonized System nomenclature on January 8, 2020, which were scheduled to enter into force on January 1, 2022.²⁹⁸ The WCO also directed its Members to work with their customs administrations and regional economic communities to begin the process for a January 1, 2022, implementation, offering capacity building assistance when possible.²⁹⁹

²⁹³ The final report and background information can be accessed on the Commission's website, see USITC, "Miscellaneous Tariff Bill (MTB) Reports," accessed April 15, 2022. In preparing this report, the Commission accepted petitions between October 11 and December 10, 2019, and accepted public comments on the petitions between January 10, 2020, and February 24, 2020. The Commission then evaluated the petitions to determine whether they met certain statutory requirements and submitted a preliminary report on the petitions received to the Committees, on June 9, 2020. The Commission subsequently accepted additional, limited public comments on Category VI petitions from June 12, 2020, through June 22, 2020. The Commission transmitted its final report on August 10, 2020.

²⁹⁴ USITC, "USITC Delivers Final Report on MTB Petitions to Congressional Committees," August 10, 2020.

²⁹⁵ Omnibus Trade and Competitiveness Act of 1988, 19 U.S.C. § 3005.

²⁹⁶ The WCO has 184 members, which are responsible for managing more than 98 percent of world trade. WCO, "World Customs Organization About Us," accessed April 1, 2022; WCO, "World Customs Organization Harmonized System," accessed April 1, 2022.

²⁹⁷ WCO, "World Customs Organization, Amending the Harmonized System," accessed April 1, 2022.

²⁹⁸ WCO, "The New 2022 Edition of the Harmonized System Has Been Accepted," January 8, 2020.

²⁹⁹ WCO, "The New 2022 Edition of the Harmonized System Has Been Accepted," January 8, 2020.

Implementation of 2022 Amendments

In October 2019, the Commission instituted Investigation 1205-13, *Recommended Modifications in the Harmonized Tariff Schedule*, in accordance with Section 1205(a) of the Omnibus Trade and Competitiveness Act of 1988.³⁰⁰ The Commission followed the process of nomenclature analysis as described by statute, which considers the text of the amendments to the current Harmonized System and its application into the HTS.³⁰¹ The WCO's most recent amendments contained about 350 separate amendments relating to a wide range of products and product groups, including 3D printers, electronic textiles, unmanned aerial vehicles (i.e., drones), smartphones, electric vehicles, novel tobacco products intended for inhalation without combustion, edible insect products, virgin and extra virgin olive oil, electronic waste, amusement park equipment, and ozone-depleting chemicals controlled by the Montreal Protocol.³⁰² The Commission published a draft recommendations report, on which the public was asked to comment in November 2020, and a final recommendation report was published in April 2021.³⁰³ As required by Section 1205 of the Omnibus Trade and Competitiveness Act of 1988, the Commission transmitted its recommendations to the Trade Representative, who then transmitted the report to the Finance Committee of the U.S. Senate and the Ways and Means Committee of the U.S. House of Representatives. After the statutorily prescribed layover period, the President issued Proclamation No. 10326 on December 23, 2021, which incorporated by reference Commission publication, *Modifications to the Harmonized Tariff Schedule of the United States under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988 and for Other Purposes*.³⁰⁴ That publication modified the HTS to implement the 2022 Harmonized System Mandates. Those modifications became effective per Proclamation No. 10326 on January 27, 2022.

Trade Adjustment Assistance

For several decades, the United States has provided trade adjustment assistance (TAA) to aid U.S. workers and firms adversely affected by import competition. Title IV of the Trade Preferences Extension Act (TPEA)—the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA)—amended and reauthorized TAA for six years, until June 30, 2021.³⁰⁵ Effective July 1, 2021, the TAA Program as amended by the TAARA was reverted to a previous version of the program, referred to as Reversion

³⁰⁰ 84 Fed. Reg. 53748 (October 8, 2019).

³⁰¹ Omnibus Trade and Competitiveness Act of 1988, 19 U.S.C. § 3005 et seq.; USITC, *Recommended Modifications to the Harmonized Tariff Schedule, 2020*, November 2020, 6.

³⁰² USITC, *Recommended Modifications to the Harmonized Tariff Schedule, 2020*, November 2020, 7.

³⁰³ USITC, *Recommended Modifications to the Harmonized Tariff Schedule, 2020*, November 2020; USITC, *Recommended Modifications to the Harmonized Tariff Schedule, 2021*, April 2021.

³⁰⁴ Proclamation No. 10326, 86 Fed. Reg. 73593 (December 23, 2021); USITC, *Modifications to the Harmonized Tariff Schedule*, December 2021.

³⁰⁵ The Trade Adjustment Assistance (TAA) program was first established by the Trade Expansion Act of 1962 and subsequently expanded and reauthorized numerous times. In October 2011, the Trade Adjustment Assistance Extension Act (TAAEA) extended the initial eligibility and benefit provisions until December 31, 2013. Beginning January 1, 2014, the TAA program reverted to a more limited set of eligibility and benefit provisions, also called “Reversion 2014 provisions.” TAA continued to operate under the Reversion 2014 provision until the enactment of the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA; 19 U.S.C. § 2101 (notes)). TAARA reinstated many of the eligibility and benefit provisions that were enacted by TAAEA. TAARA also contains sunset provisions.

2021.³⁰⁶ The main TAA programs in effect in fiscal year (FY) 2021 were TAA for Workers, administered by the U.S. Department of Labor (USDOL), and TAA for Firms, administered by the USDOC. A third program, TAA for Farmers, administered by the U.S. Department of Agriculture (USDA), was reauthorized by Congress under the TPEA.³⁰⁷ However, Congress has not appropriated any funding for the program since 2011.³⁰⁸ As a result, the USDA did not accept any new petitions or applications for benefits in FY 2021.³⁰⁹ Table 2.5 provides information on the amount of funding allocated to the TAA programs in recent years. Selected developments in the TAA programs for workers and firms during FY 2021 are summarized below.

Table 2.5 Funding by the Trade Adjustment Assistance (TAA) Program, annual, FY 2017–21

In millions of dollars.

Year	TAA for Workers	TAA for Firms
2017	716	20
2018	667	13
2019	582	13
2020	553	13
2021	441	14

Source: USTR, *2018 Trade Policy Agenda and 2017 Annual Report*, March 2018, 53–54; USTR, *2019 Trade Policy Agenda and 2018 Annual Report*, March 2019, 77–78; USTR, *2020 Trade Policy Agenda and 2019 Annual Report*, February 2020, 139–40; USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, 141–42; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 145–46.

Assistance for Workers

The provisions relating to the TAA for Workers Program are set out in Chapter 2 of Title II of the Trade Act.³¹⁰ The program provides federal assistance to eligible workers who have been adversely affected by import competition. A variety of TAA benefits and services are available to eligible workers, including training, help with healthcare premium costs, trade readjustment allowances, and reemployment assistance.³¹¹ 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.³¹²

For petitioning workers to be eligible to apply for TAA benefits, the Secretary of Labor must determine that the workers 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.³¹³

For FY2021, the TAA for Workers program (TAA Program) was operated under the TAARA for petitions filed on or before June 30, 2021. Starting July 1, 2021, the TAARA Program reverted to a previous version of the program, referred to as Reversion 2021, when the TAA program began to be operated

³⁰⁶ USDOL, “Trade Adjustment Assistance for Workers,” accessed April 12, 2022.

³⁰⁷ The Trade Preferences Extension Act of 2015 (TPEA) reauthorized the TAA for Farmers Program for FY 2015 through FY 2021.

³⁰⁸ McMinimy, *Trade Adjustment Assistance for Farmers*, August 1, 2016, 4–5.

³⁰⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 173.

³¹⁰ 19 U.S.C. § 2271 et seq.

³¹¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 173.

³¹² USDOL, “TAA Employment and Training Administration,” accessed June 16, 2022.

³¹³ 19 U.S.C. § 2272.

under the Sunset Provisions of the Amendments to the Trade Act (sunset provisions) for petitions filed on or after that date.³¹⁴ The major differences between the program operated under the TAARA and the Reversion 2021 program are as follows:

- Under the TAARA program, both manufacturing and service workers whose jobs were adversely affected by foreign trade were eligible for the TAA for Workers program; under the Reversion 2021 program, only manufacturing sector workers may still be covered under the TAA for Workers program, and services sector workers are no longer eligible for the TAA program.³¹⁵
- Under the Reversion 2021 program, workers who lost their jobs due to increased imports or outsourcing are considered eligible for TAA only if their firms shift production or outsource its jobs to a country with which the United States has a free trade agreement (FTA).³¹⁶
- Under the TAARA program, in order to receive Trade Readjustment Allowance (TRA) benefits, TAA-eligible workers had to enroll within 26 weeks either after their TAA petitions were certified or after their layoff; under the Reversion 2021 program, TAA-eligible workers must enroll within 8 weeks after their TAA petitions are certified, or within 16 weeks after the layoff.³¹⁷
- The statutory cap of the annual funding available was \$450 million under the TAARA program, which could be used for training, job search and relocation allowances, case management and employment services, and related funds to each state to pay for state administration of TAA benefits. For the Reversion 2021 program, the statutory cap of the annual funding available for the TAA for workers program is \$220 million, which can be used for training only. No funding is available for employment services under the Reversion 2021 program.³¹⁸

In 2021, \$441 million was allocated to state governments to fund different aspects of the TAA for Workers Program. The largest portion, \$370 million, was allocated for Training and Other Activities, which included funds for training, job search allowances, relocation allowances, employment and case management services, and related state administration. The remaining funding was allocated for two other purposes: \$58 million for Trade Readjustment Allowance benefits and \$13 million for Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance benefits.³¹⁹

³¹⁴ USDOL, ETA, email message to USITC staff, April 20, 2022; USDOL, “TAA Employment and Training Administration,” accessed June 16, 2022; USDOL, *Side-by-Side Comparison of TAA Program Benefits*, accessed April 13, 2022.

³¹⁵ USDOL, *Side-by-Side Comparison of TAA Program Benefits*, accessed April 13, 2022. It is also worth noting that services sector workers within the manufacturing sector (for instance, human resources, sales, legal services, etc., at a Ford car plant) are potentially eligible under the Reversion 2021 program under a petition filed for the manufacturing sector workers, if at least 20 percent of their time is in support of the manufacturing worker group that was certified. USDOL, ETA, email message to USITC staff, April 20, 2022.

³¹⁶ USDOL, *Side-by-Side Comparison of TAA Program Benefits*, accessed April 13, 2022. USDOL, ETA, email message to USITC staff, April 20, 2022.

³¹⁷ USDOL, *Side-by-Side Comparison of TAA Program Benefits*, accessed April 13, 2022.

³¹⁸ USDOL, *Side-by-Side Comparison of TAA Program Benefits*, accessed April 13, 2022.

³¹⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 173.

Groups of workers³²⁰ submitted 731 petitions for TAA in FY 2021, a decline from the 1,245 petitions filed in FY 2020.³²¹ The USDOL certified 801 petitions covering 107,454 workers as eligible to apply for benefits and services under TAA, and denied 217 petitions covering 31,573 workers.³²² The largest number of petitions certified in FY 2021 were from the Midwest region, followed by the South, West, and Northeast (table 2.6).³²³ By state, Texas had the most workers certified (12,638 workers), followed by Oregon (11,012), Indiana (6,548), and Virginia (6,010).³²⁴

Table 2.6 Trade Adjustment Assistance (TAA) certifications, by region, FY 2021

Census region	No. of petitions certified	No. of workers covered
Midwest	249	34,904
South	238	37,398
Northeast	153	12,387
West	158	22,456
Other	3	309
Total	801	107,454

Source: USDOL, ETA, email message to USITC staff, April 4, 2022.

Note: "Other" includes all industry sectors where less than 10 petitions were certified in FY 2021.

The majority (66.8 percent, 535 petitions) of TAA petitions certified during FY 2021 were in the manufacturing sector, covering 80,588 workers. It was followed by those in the professional, scientific, and technical services sector (6.4 percent, 51 petitions) and the wholesale trade sector (5.6 percent, 45 petitions) (figure 2.1).

³²⁰ A petition may be filed by any of the following: a group of two or more workers from the same firm, a certified or recognized union or other duly authorized representative of the group of workers; the employer(s) of the group of workers; or an American Job Center operator or American Job Center partners including State workforce officials, employment security agencies, or dislocated worker unit and rapid response team members. USDOL, "TAA Petition Process," accessed April 13, 2022.

³²¹ USDOL, ETA, email message to USITC staff, April 4, 2022.

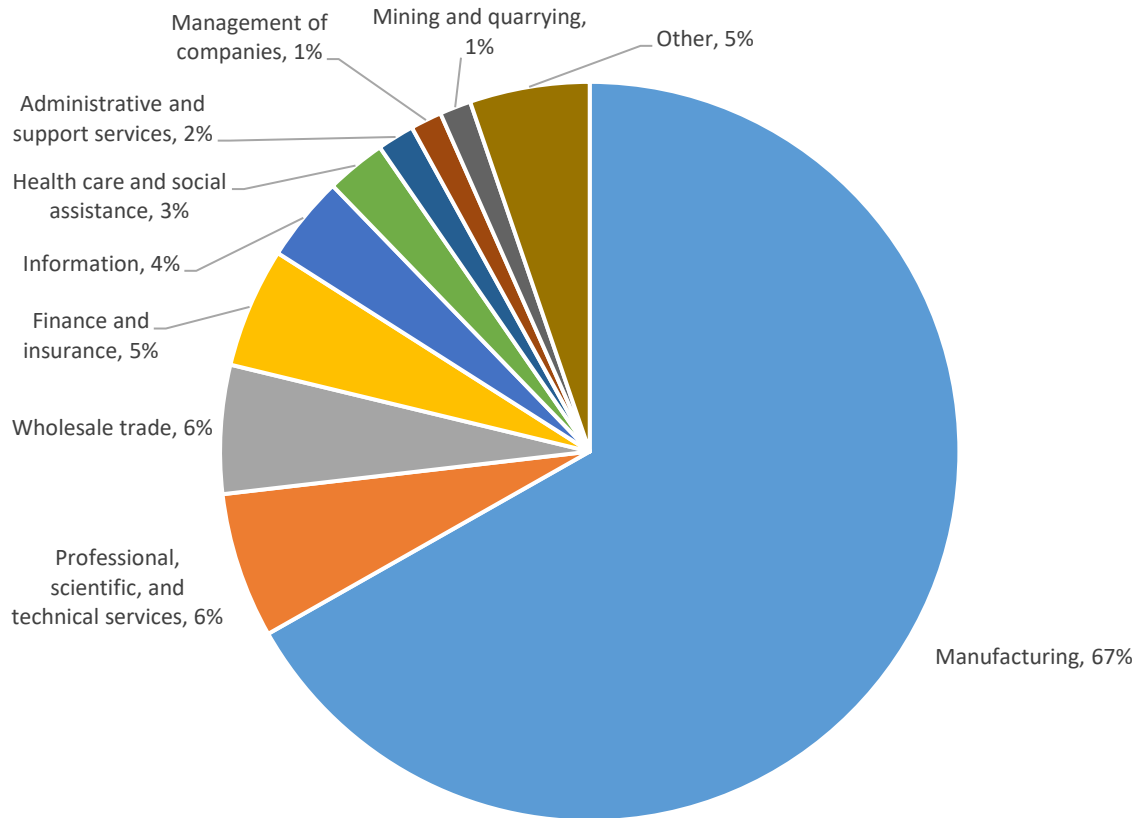
³²² During any fiscal year, the number of petitions filed will not necessarily be the same as the number of determinations issued for a variety of reasons, including: (1) the processing time for petitions may overlap fiscal years, and (2) petitioners may withdraw a petition after it has been filed, which results in the termination of an investigation. USDOL, ETA, email message to USITC staff, April 4, 2022.

³²³ The regional classification is based on definitions from the U.S. Census Bureau. U.S. Census, "Census Regions and Divisions of the United States," accessed April 13, 2022.

³²⁴ USDOL, ETA, email message to USITC staff, April 4, 2022.

Figure 2.1 Share of Trade Adjustment Assistance (TAA) petitions certified by USDOL, by industry, FY 2021

“Other” includes all industry sectors where less than 10 petitions were certified in FY 2021. Underlying data for this figure can be found in appendix table [B.16](#).



Source: USDOL, ETA, email message to USITC staff, April 4, 2022.

Assistance for Firms

The TAA for Firms Program provides assistance to help U.S. firms experiencing a decline in sales and employment to become more competitive in the global marketplace.³²⁵ 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, with firms also contributing a share of the cost of creating and implementing their recovery plans.³²⁶ 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 website for TAA.³²⁷

³²⁵ Trade Adjustment Assistance for Firms program, 19 U.S.C. §§ 2341 et seq; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 173.

³²⁶ USDOC, *Trade Adjustment Assistance for Firms*, accessed April 13, 2022.

³²⁷ USDOC, EDA, “TAA for Firms,” accessed June 17, 2022.

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.³²⁸ The program supports a nationwide network of 11 nonprofit or university-affiliated Trade Adjustment Assistance Centers to help firms to apply for a certification of eligibility and to implement a business recovery plan or adjustment proposal.³²⁹ Historically, most firms that apply for Trade Adjustment Assistance for Firms certification are in the manufacturing sector.³³⁰

In FY 2021, the Economic Development Administration awarded a total of \$13.5 million in funds to the TAA for Firms Program national network of 11 Trade Adjustment Assistance Centers. During FY 2021, the Economic Development Administration certified 117 petitions for eligibility and approved 102 adjustment protocols.³³¹

Trade Preference Programs

Trade preference programs provide duty-free treatment or reduced-duty treatment to U.S. imports of eligible articles from designated beneficiary developing countries. Following a 27.6 percent decline in 2020 compared to 2019, the value of total U.S. imports entered under all preference programs rose by 22.0 percent from 2020 to 2021 (table 2.7). However, the value of total U.S. imports entered under all preference programs remained lower than in 2019. U.S. imports entered under the African Growth and Opportunity Act (AGOA) and the Nepal Trade Preference Program (NTPP) had the largest increases in value from 2020 to 2021. The value of U.S. imports under CBERA and the NTPP was greater in 2021 compared to 2019, whereas U.S. imports under AGOA and the U.S. Generalized System of Preferences (GSP) programs did not exceed pre-pandemic levels (table 2.7).

The utilization rate of trade preference programs, measured by imports entered under specified tariff preference programs as a share of total imports under program-eligible HTS subheadings, decreased from a high of 74.9 percent in 2020 to 61.0 percent in 2021. Yet, the 2021 utilization rate of trade preferences was greater than the 2019 utilization rate of 55.5 percent. The only program which experienced an increase in the utilization rate from 2020 to 2021 was AGOA (excluding GSP), which increased by 1.6 percent (table 2.8).

³²⁸ USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, 163.

³²⁹ USDOC, EDA, “Programs and Initiatives-TAA for Firms,” accessed June 17, 2022.

³³⁰ USDOC, *Fiscal Year 2019 Annual Report to Congress: TAA for Firms Program*, 2020, 2, 4.

³³¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 146.

Table 2.7 Imports for consumption under specified tariff preference programs, annual, 2019–21

In millions of dollars and percentages. AGOA = African Growth and Opportunity Act; CBERA = Caribbean Basin Economic Recovery Act and includes the Caribbean Basin Trade Partnership (CBTPA); HOPE = the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program; GSP = the U.S. Generalized System of Preferences; NTPP = the Nepal Trade Preference Program. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Tariff preference program	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percentage change 2020–21 (%)
AGOA preference imports, excluding GSP	7,353	3,248	5,971	83.8
GSP preference imports with AGOA eligibility	1,079	904	750	-17.0
All AGOA preference imports	8,432	4,153	6,722	61.9
CBERA preference imports, including CBTPA and HOPE I/HOPE II/HELP	1,887	1,816	2,156	18.7
GSP preference imports	21,093	16,903	18,662	10.4
NTPP preference imports	3	2	4	59.8
All imports under preference programs	30,336	21,970	26,793	22.0

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: CBERA data in 2019 incorporate USITC estimates to adjust for the misclassification of certain imports of methanol as not having received duty preferences under CBERA when in fact they did. Future reporting of these data will be subject to the U.S. Census Bureau’s release of annual revisions in July 2022, which were not available at the time of writing. Data available through USITC’s DataWeb or the Census Bureau’s USA Trade Online reflect these revisions as of July 2022. U.S. government representative email message to USITC staff, July 20, 2021. Total tariff preference programs = AGOA (excluding GSP) + CBERA/CBTPA/Haiti HOPE + GSP (including GSP-LDBC) + NTPP. Because of rounding, figures may not add to totals shown.

Table 2.8 The utilization rate of specific tariff preference programs, annual, 2019–21

In percentages and percentage points (ppts). AGOA = the African Growth and Opportunity Act; CBERA = Caribbean Basin Economic Recovery Act and includes the Caribbean Basin Trade Partnership (CBTPA) and HOPE = the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program; GSP = the U.S. Generalized System of Preferences; GSP-LDBCs = the U.S. Generalized System of Preferences for least-developed beneficiary developing countries; NTPP = the Nepal Trade Preference Program. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Tariff preference program	2019 (%)	2020 (%)	2021 (%)	Percentage point change 2020–21 (ppts)
AGOA (excluding GSP)	64.8	53.2	54.9	1.6
All AGOA (including GSP)	74.3	68.0	61.7	-6.3
CBERA, including CBTPA and HOPE I/HOPE II/HELP	79.9	71.9	48.0	-23.9
GSP (including GSP-LDBCs)	51.5	78.3	63.8	-14.5
NTPP	50.0	51.9	46.5	-5.4
All tariff preference programs	56.6	74.9	61.0	-13.9

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: The utilization rate is measured by imports under specified tariff preference programs as a share of total program-eligible country imports. Percentages reflect the total imports for consumption under the specified program as a share of imports for consumption of products classified under eligible Harmonized Tariff Schedule of the United States (HTS) 8-digit subheadings from program-eligible countries.

Generalized System of Preferences

Background

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 beneficiary developing countries and territories (BDCs).³³² About 1,500 additional products are allowed duty-free treatment only when imported from countries designated as least-developed beneficiary developing countries (LDBDCs).³³³ The most recent congressional action, in March 2018, authorized the President to provide duty-free treatment through December 31, 2020.³³⁴ Authorization had lapsed for the entirety of 2021.³³⁵

The GSP program aims to accelerate economic growth by offering eligible exports from BDCs to enter the United States duty free.³³⁶ An underlying principle of the program is that the creation of trade opportunities for developing countries encourages broader-based economic development and sustains momentum for economic reform and liberalization.³³⁷ The program's enforceable eligibility criteria for all beneficiary countries include, *inter alia*, taking steps to respect internationally recognized worker rights, providing the United States with equitable and reasonable market access, reducing trade-distorting investment practices, and providing adequate and effective protection of intellectual property rights to U.S. rights holders.³³⁸ As of December 31, 2021, there were 119 countries and territories designated GSP BDCs.³³⁹ Forty-four of the 119 countries and territories are designated LDBDCs.³⁴⁰

The President has the authority to designate countries and territories as BDCs under the GSP program with certain limitations described in the statute.³⁴¹ Countries can lose all or part of GSP eligibility based on findings of country practices that violate the provisions of the GSP statute, including inadequate protection of intellectual property rights or of internationally recognized worker rights. Complaints about such violations (country practice allegations) were traditionally brought to the attention of the interagency GSP subcommittee by a petition process but, in recent years the GSP subcommittee has

³³² This program was authorized by Title V of the Trade Act of 1974, as amended, 19 U.S.C. §§ 2461–1467.

³³³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022; USTR, “GSP-Eligible Products,” accessed March 31, 2022.

³³⁴ 19 U.S.C. § 2465. The President's authority to provide duty-free treatment under the GSP program was last reauthorized on March 23, 2018, with retroactive coverage from January 1, 2018. The renewal also made technical modifications to procedures for competitive need limits (CNLs) and waivers.

³³⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 98.

³³⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 98–99.

³³⁷ USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, 98–99.

³³⁸ USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, 97.

³³⁹ USITC, HTS 2022, April 2022, General Note 4, Products of Countries Designated Beneficiary Developing Countries for Purposes of the Generalized System of Preferences (GSP), Non-Independent Countries and Territories, GN 12.

³⁴⁰ USITC, HTS 2022, April 2022, General Note 4, Products of Countries Designated Beneficiary Developing Countries for Purposes of the Generalized System of Preferences (GSP), Non-Independent Countries and Territories, GN 12.

³⁴¹ 19 U.S.C. §§ 2461–2467.

self-initiated assessments of BDCs as well.³⁴² There were seven ongoing country practice reviews as of December 31, 2021.³⁴³

The President also has the authority to designate the articles that are eligible for duty-free treatment, but only after receiving the advice of the Commission.³⁴⁴ The President cannot designate any articles that are “import sensitive.”³⁴⁵ The statute designates certain goods (e.g., most footwear, textiles, and apparel) as “import sensitive” and thus not eligible for duty-free treatment under the GSP program.³⁴⁶ The statute further provides that countries “graduate” when they become “high income,” as defined by the World Bank’s per capita income tables.³⁴⁷ In addition, the statute allows for ending the eligibility of certain imports, or imports from specific countries, under certain conditions.³⁴⁸

Competitive need limitations (CNLs)—quantitative ceilings on GSP benefits for each product and BDC—are another important part of the GSP program.³⁴⁹ There are two different measures for CNLs: during any calendar year, imports of a particular product from a specific BDC (1) account for 50 percent or more of the value of total U.S. imports of that product and exceed the certain de minimis dollar value (\$25.5 million in 2021); or (2) exceed a certain dollar value (\$200 million in 2021). If either is met, the product from this specific BDC is considered “sufficiently competitive,” and GSP eligibility for this product from this specific BDC terminates on November 1 of the next calendar year, unless a waiver is granted.³⁵⁰ CNLs can be waived under special conditions.³⁵¹ 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 “super-competitive” value thresholds—that is, 75 percent of all U.S. imports or 150 percent of the current year’s CNL dollar limit.³⁵² This “super-competitive” threshold is calculated using imports entered only under the GSP program.

³⁴² USTR, “Current Reviews,” December 31, 2020.

³⁴³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 99.

³⁴⁴ 19 U.S.C. §§ 2461–2467.

³⁴⁵ 19 U.S.C. §§ 2461–2467.

³⁴⁶ 19 U.S.C. § 2463(b).

³⁴⁷ 19 U.S.C. § 2462(e). New thresholds are determined at the start of the World Bank’s fiscal year in July and remain fixed for 12 months, regardless of subsequent revisions to estimates. As of July 1, 2021, the new threshold for high-income classification was \$12,695. World Bank, “World Bank Country Classifications by Income Level,” *Data Blog* (blog), July 1, 2021.

³⁴⁸ 19 U.S. Code § 2463(c).

³⁴⁹ 19 U.S.C. §§ 2461–2467. 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 (AGOA). This explanation reflects 19 U.S.C. §§ 2461 et seq. as of December 31, 2021. The U.S. Congress is discussing reauthorization of this statute to include amending this statute. The information about the program described could change based on congressional action in 2022.

³⁵⁰ 19 U.S.C. § 2463(c)–(d); USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, November 2020, 9.

³⁵¹ For more information on these special conditions under which CNLs can be waived, see USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, November 2020, 9–10.

³⁵² 19 U.S.C. § 2463(d)(4)(B)(ii).

Developments in 2021

U.S. Imports under GSP

As noted above, the President’s authority to grant duty-free treatment lapsed in 2021. Therefore, no imports received duty-free treatment under the program during 2021. In earlier years, legislation renewing the President’s authority had allowed importers of goods that might otherwise have been eligible to receive duty-free treatment to apply for a refund of duties paid while the program was lapsed.³⁵³ Such imports did not receive duty-free treatment while the program lapsed but were still claimed as GSP imports in U.S. trade data and eligible for a refund once the program was renewed. If authorized by future statute, then the imports entered during the current lapse of the GSP program could receive duty-free treatment retroactively in future years. U.S. imports designated as GSP-claimed rose by 10.4 percent in 2021, relative to 2020 (table 2.9). U.S. imports designated as GSP-claimed accounted for 9.2 percent of all imports from all GSP-eligible BDCs, down from 11.1 percent in 2020 (table 2.10). Indonesia surpassed Thailand to become the top source of imports entered under the GSP program in 2021, increasing by 22.7 percent, while Thailand fell 13.8 percent to the second-largest source. Cambodia was the third-largest source of imports entered under the GSP program in 2021, replacing Brazil in 2020 ([interactive dashboard](#)).³⁵⁴

Table 2.9 U.S. imports for consumption from GSP beneficiaries, annual, 2019–21

In millions of dollars and percentages. GSP = the U.S. Generalized System of Preferences; LDBC = least-developed beneficiary developing countries. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Duty or preference program status	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percentage change 2020–21 (%)
GSP imports from LDBDCs	182	92	152	65.2
GSP imports from non-LDBDCs	20,911	16,811	18,510	10.1
All GSP imports	21,093	16,903	18,662	10.4
All other imports, duty-free	124,043	84,948	111,586	31.4
All other imports, dutiable	89,944	50,132	71,757	43.1
All other imports	213,897	135,080	183,343	35.7
All imports from GSP beneficiaries	235,080	151,983	202,005	32.9

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: Eligible products from LDBDCs 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. 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; USITC, HTS 2022, April 2022, General Note 4, Products of Countries Designated Beneficiary Developing Countries for Purposes of the Generalized System of Preferences (GSP), Non-Independent Countries and Territories, GN 12. Not all products are eligible for GSP. Because of rounding, figures may not add to totals shown.

³⁵³ CBP, “Generalized System of Preferences (GSP),” accessed April 21, 2022.

³⁵⁴ USITC DataWeb/Census, accessed March 11, 2022.

Table 2.10 Share of U.S. imports for consumption from GSP beneficiaries, annual, 2019–21

In percentages and percentage points. GSP = the U.S. Generalized System of Preferences; LDBDC = least-developed beneficiary developing countries; — (em dash) = not applicable. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Duty or preference programs status	2019 (%)	2020 (%)	2021 (%)	Percentage point change 2020–21 (ppts)
GSP imports from LDBDCs	0.1	0.1	0.1	0.0
GSP imports from non-LDBDCs	8.9	11.1	9.2	-1.9
All GSP imports	9.0	11.1	9.2	-1.9
All other imports, duty-free	52.8	55.9	55.2	-0.7
All other imports, dutiable	38.3	33.0	35.5	2.5
All other imports	91.0	88.9	90.8	1.9
All imports from GSP beneficiaries	100.0	100.0	100.0	0.0

Source: USITC DataWeb/Census, accessed February 17, 2022. See footnote to previous table.

In 2021, top imports claimed under the GSP program were captured by three of the 11 key merchandise sectors: miscellaneous manufactures, agricultural products, and chemicals and related products.³⁵⁵

Imports of agricultural products under GSP remained relatively steady from 2019 to 2021, whereas miscellaneous manufactures increased, and chemicals and related products decreased. Among merchandise sectors that composed a smaller base value of imports in 2020, there were comparatively large increases in imports of forest products (87.9 percent) and textiles and apparel (51.9 percent) in 2021. As noted earlier, the statute designates most textiles and apparel as “import sensitive” and thus not eligible for duty-free treatment under the GSP program. The textile and apparel merchandise sector includes rubber gloves, which as discussed below were one of the top imports claimed under the GSP program in 2021. Seven of the 11 sectors saw increases in imports claimed under the GSP program from 2020 to 2021, a marked shift from declines in the majority of merchandise sectors from 2019 to 2020.³⁵⁶

In 2021, three top imports claimed under the GSP program that were classified by HTS 6-digit subheading were travel and sports bags (HTS subheading 4202.92), precious metal jewelry (HTS subheading 7113.19) and rubber gloves (HTS subheading 4015.19). Among those, imports of rubber gloves increased by over 50 percent from 2020 to 2021. Another product group imported under the GSP program was fresh cut roses (HTS subheading 0603.11), which increased by 957.0 percent from 2020 to 2021; however, the comparison with the prior year is skewed because this category was newly added to GSP eligibility by the President in November 2020 and grew from a base of zero imports under GSP in 2019 ([interactive dashboard](#)).³⁵⁷

³⁵⁵ 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 11 sectors are agricultural products, forest products, chemicals and related products, energy-related products, textiles and apparel, footwear, minerals and metals, machinery, transportation equipment, electronic products, and miscellaneous manufactures. Digest sectors are further defined in USITC, *Shifts in U.S. Merchandise Trade, 2021*, June 2022.

³⁵⁶ USITC DataWeb/Census, accessed April 20, 2022.

³⁵⁷ Proclamation No. 10107, 85 Fed. Reg. 70027 (October 30, 2020).

GSP Developments in 2021

With the President's authority lapsed for the entirety of 2021, the GSP Subcommittee of the Trade Policy Staff Committee continued to monitor the program but took no actions.³⁵⁸ The committee, chaired by USTR, is composed of representatives of other executive branch agencies, and conducts an annual review that considers changes to the lists of articles and countries eligible for duty-free treatment under GSP.³⁵⁹ Members of Congress introduced several bills to reauthorize and reform the program; as of December 31, 2021, legislation was still pending.³⁶⁰

Nepal Trade Preference Program

The Nepal Trade Preferences Act (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 forth in the NTPA. In addition to the requirements set forth in the NTPA, the NTPA also requires the President to determine that Nepal meets the requirements of the African Growth and Opportunity Act (AGOA), and in GSP statutes.³⁶¹ The NTPA authorizes the Nepal Trade Preference Program (NTPP), which came into effect on December 30, 2016, and is currently set to expire on December 31, 2025.³⁶² The NTPP gave Nepal duty-free access to the U.S. market for certain goods including certain luggage and flat goods in HTS chapter 42, certain carpets and floor coverings in chapter 57, certain apparel in chapters 61 and 62, two non-apparel made-up textile articles in chapter 63, and various headwear items in chapter 65.³⁶³ As of December 31, 2021, Nepal was eligible for duty-free treatment on 77 HTS 8-digit subheadings under the NTPP, 31 of which are also duty free under GSP.³⁶⁴

In 2021, total U.S. imports from Nepal were about \$108 million; imports from Nepal under GSP were about \$18 million; and imports under the NTPP were nearly \$4 million (table 2.11). Imports under NTPP and GSP combined made up 20.3 percent of total imports from Nepal in 2021, an increase from 14.5 percent in 2020 (table 2.12).

³⁵⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 128.

³⁵⁹ USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, November 2020, 8.

³⁶⁰ The Senate passed the U.S. Innovation and Competition Act in June 2021, which would authorize the program until January 1, 2027. The House passed the America COMPETES Act in February 2022, which would authorize the program until December 31, 2024. S. 1260, United States Innovation and Competition Act of 2021, 117th Congress (2021). H.R. 4521, America COMPETES Act of 2022, 117th Congress (2022).

³⁶¹ 19 U.S.C. § 4454

³⁶² 81 Fed. Reg. 92499 (December 20, 2016).

³⁶³ 19 U.S.C. 4454 §(2)(A)(iii).

³⁶⁴ USITC, HTS 2022, April 2022

Table 2.11 U.S. imports for consumption from Nepal, annual, 2019–21

In thousands of dollars and percentages. NTPP = Nepal Trade Preference Program; GSP = U.S. Generalized System of Preferences. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Duty or preference program status	2019 (thousand \$)	2020 (thousand \$)	2021 (thousand \$)	Percentage change 2020–21 (%)
NTPP preference imports	3,180	2,465	3,939	59.8
GSP preference imports	12,643	10,063	18,036	79.2
All NTPP and GSP preference imports	15,823	12,527	21,975	75.4
All other imports, duty-free	57,525	57,571	66,175	14.9
All other imports, dutiable	17,448	16,258	20,117	23.7
All other imports	74,973	73,829	86,292	16.9
Total imports, Nepal	90,796	86,357	108,267	25.4

Source: USITC DataWeb/Census, accessed February 25, 2021.

Note: NTPP-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 “NP” in parentheses. The symbol “NP” indicates that Nepal is eligible for duty-free treatment with respect to all articles listed in the designated provisions, including imports for which preferential tariff treatment was claimed for NTPP-eligible goods by U.S. importers under GSP, for HTS rate lines with special duty symbols “A,” “A*,” or “A+.”

Table 2.12 Share of U.S. imports for consumption from Nepal, annual, 2019–21

In percentages. NTPP = Nepal Trade Preference Program; GSP = U.S. Generalized System of Preferences; — (em dash) = not applicable. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Duty or preference program status	2019 (%)	2020 (%)	2021 (%)	Percentage point change 2020–21 (ppts)
NTPP preference imports	3.5	2.9	3.6	0.8
GSP preference imports	13.9	11.7	16.7	5.0
All NTPP and GSP preference imports	17.4	14.5	20.3	5.8
All other imports, duty-free	63.4	66.7	61.1	-5.5
All other imports, dutiable	19.2	18.8	18.6	-0.2
All other imports	82.6	85.5	79.7	-5.8
Total imports, Nepal	100.0	100.0	100.0	0.0

Source: USITC DataWeb/Census, accessed February 25, 2021.

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.³⁶⁵ In particular, AGOA provides duty-free access to the U.S. market for all GSP-eligible products, and for more than 1,800 additional qualifying items in HTS 8-digit subheadings that are eligible under AGOA only. While AGOA’s eligibility criteria and rules of origin are similar to those of the GSP program, AGOA beneficiary countries are exempt from the GSP competitive need limitations (CNLs).³⁶⁶ AGOA also provides duty-free treatment

³⁶⁵ 19 U.S.C. § 2463; 19 U.S.C. § 3722.

³⁶⁶ AGOA eligibility criteria are set forth in section 104 of AGOA (19 U.S.C. § 3703) and section 503(c)(2)(D) 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. 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; USITC, HTS 2022, April

for certain apparel articles cut and sewn in designated beneficiary countries if additional eligibility criteria are satisfied.³⁶⁷ The current AGOA expiration date is September 30, 2025.³⁶⁸

Each year, the President must consider whether individual SSA countries are, or remain, eligible for AGOA benefits based on the eligibility criteria. USTR initiates the annual eligibility review with the publication of a notice in the *Federal Register* requesting comments and announcing a public hearing. In 2021, 39 SSA countries were eligible for AGOA benefits.³⁶⁹ Of these countries, 27 were eligible for AGOA textile and apparel benefits for all or part of 2021.³⁷⁰ Of the countries in the latter group, all but one (South Africa) were also eligible for additional textile and apparel benefits intended for least-developed beneficiary countries (LDBCs) for all or part of 2021.³⁷¹ Notable among these extra benefits is the third-country fabric provision for LDBCs. This provision provides duty-free treatment for certain apparel articles cut and sewn in designated beneficiary countries from non-U.S., non-AGOA fabrics as long as additional eligibility criteria are satisfied.³⁷² Meanwhile, as a result of the 2021 annual AGOA eligibility

2022, General Note 4, Products of Countries Designated Beneficiary Developing Countries for Purposes of the Generalized System of Preferences (GSP), Non-Independent Countries and Territories, GN 12; USITC, HTS 2022, April 2022, General Note 16, Products of Countries Designated as Beneficiary Countries under the African Growth and Opportunity Act (AGOA), Non-Independent Countries and Territories, GN 164. See also Section 111(b) of AGOA (19 U.S.C. § 2463 (c)(2)(D)).

³⁶⁷ Section 113 of AGOA (19 U.S.C. § 3722). See HTS chapter 98, subchapter XIX, for applicable provisions.

³⁶⁸ See 19 U.S.C. § 2466b. The expiration date for AGOA has twice been extended. In 2004, the expiration date was extended from 2008 until 2015. See AGOA Acceleration Act of 2004, H.R. 4103 108th Cong. § 7(a)(1) (2004). In 2015, the date was extended from 2015 until 2025. See Trade Preferences Extension Act of 2015, H.R. 1295 114th Cong. § 103(b)(1) (2015). All U.S. imports from AGOA countries that are GSP-eligible, along with the 1,800 additional articles, are eligible for U.S. duty-free treatment, notwithstanding the lapse in the President's authority under the GSP law.

³⁶⁹ In 2021, the following 39 SSA countries were designated as beneficiary AGOA countries: Angola, Benin, Botswana, Burkina Faso, Cabo Verde, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Ethiopia, Eswatini (formerly Swaziland), Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Republic of the Congo, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Uganda, and Zambia. 38 SSA countries were designated as beneficiary AGOA countries in 2020. As a result of the 2020 annual AGOA eligibility review, Democratic Republic of Congo's AGOA eligibility was reinstated, effective January 1, 2021. USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, 33.

³⁷⁰ Twenty-seven SSA countries were eligible for AGOA textile and apparel benefits for all or part of 2021: Benin, Botswana, Burkina Faso, Cabo Verde, Chad, Côte d'Ivoire, Eswatini (formerly Swaziland), Ethiopia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Nigeria, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Uganda, and Zambia. USDOC, ITA, OTEXA, "AGOA Preferences: Country Eligibility, Apparel Eligibility, and Textile Eligibility," accessed April 14, 2022. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 101.

³⁷¹ USDOC, ITA, OTEXA, "AGOA Preferences: Country Eligibility, Apparel Eligibility, and Textile Eligibility," accessed April 14, 2022.

³⁷² Chapter 98, subchapter XIX, U.S. note 2(a) through 2(e); USITC, *2021 Harmonized Tariff Schedule of the United States, Basic Edition, Revision 12*, December 2021.

review, eligibility was terminated for Ethiopia, Guinea, and Mali, effective January 1, 2022.³⁷³ Therefore, 36 SSA countries are eligible for AGOA benefits in 2022.³⁷⁴

In 2021, the value of U.S. imports that entered free of duty from beneficiary countries under AGOA (including imports under GSP) was \$6.7 billion, a 61.9 percent increase from 2020, though still below the 2019 level. These imports comprised 24.5 percent of total imports from AGOA countries in 2021. In 2021, imports entering the United States exclusively under AGOA (excluding those entered under GSP) were valued at \$6.0 billion, accounting for 21.8 percent of U.S. imports from AGOA countries (table 2.13 and 2.14).

Table 2.13 U.S. imports for consumption from AGOA beneficiaries, annual, 2019–21

In millions of dollars and percentages. AGOA = African Growth and Opportunity Act; GSP = U.S. Generalized System of Preferences. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Duty or preference program status	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percentage change, 2020– 21 (%)
AGOA preference imports, excluding GSP	7,353	3,248	5,971	83.8
GSP preference imports with AGOA eligibility	1,079	904	750	-17.0
All AGOA preference imports	8,432	4,153	6,722	61.9
All other imports, duty-free	9,160	12,236	16,420	34.2
All other imports, dutiable	3,084	2,021	4,298	112.7
All other imports	12,244	14,257	20,718	45.3
Total imports from AGOA countries	20,676	18,410	27,440	49.0

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: Eligible products under AGOA 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+.”

³⁷³ Guinea and Mali each had AGOA eligibility terminated due to the unconstitutional change in government, while Ethiopia’s AGOA eligibility was terminated due to gross violations of internationally recognized human rights being perpetrated amid the widening conflict in northern Ethiopia. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 101.

³⁷⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 100.

Table 2.14 Share of U.S. imports for consumption from AGOA beneficiaries, annual, 2019–21

In percentages and percentage points. AGOA = African Growth and Opportunity Act; GSP = the U.S. Generalized System of Preferences. GSP data for 2021 refers only to “GSP-claimed” imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021.

Duty or preference program status	2019 (%)	2020 (%)	2021 (%)	Percentage point change, 2020–21 (ppt)
AGOA preference imports, excluding GSP	35.6	17.6	21.8	4.1
GSP preference imports with AGOA eligibility	5.2	4.9	2.7	-2.2
All AGOA preference imports	40.8	22.6	24.5	1.9
All other imports, duty-free	44.3	66.5	59.8	-6.6
All other imports, dutiable	14.9	11.0	15.7	4.7
All other imports	59.2	77.4	75.5	-1.9
Total imports from AGOA countries	100.0	100.0	100.0	0.0

Source: USITC DataWeb/Census, accessed February 17, 2022.

The increase in U.S. imports under AGOA (excluding GSP) in 2021 compared to 2020 mainly reflected an increase in the value of imports of crude petroleum, as well as an increase in imports of passenger motor vehicles.³⁷⁵ The value of U.S. crude petroleum imports under AGOA soared by 163.8 percent (\$1.1 billion) from 2020 to 2021, while the value of U.S. imports of passenger motor vehicles under AGOA increased by 39.8 percent (\$214.6 million) from 2020 to 2021. Nigeria and Angola, two of the top petroleum-producing countries in SSA, both experienced increases in the value and quantity of their crude petroleum imported into the United States under AGOA ([interactive dashboard](#)), due mainly to an increase in global oil prices, as well as increasing demand from the United States.³⁷⁶

The major suppliers of duty-free U.S. imports under AGOA (excluding GSP) in 2021 were South Africa (34.8 percent of total AGOA imports), Nigeria (22.8 percent), Kenya (8.6 percent), Ghana (5.1 percent), Angola (5.0 percent), and Lesotho (4.8 percent). These six countries contributed 81.1 percent of total imports by value under AGOA in 2021 ([interactive dashboard](#)).

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.³⁷⁷ In October 2021, the United States organized a two-day Virtual AGOA Ministerial Meeting with SSA countries, which due to the COVID-19 pandemic took place in lieu of the annual AGOA Forum. The theme of the virtual meeting was “Building Back a Better U.S.-Africa Trade and Investment Relationship.”³⁷⁸ During the meeting, USTR discussed with its SSA counterparts core issues affecting U.S.-African trade relationship, as well as joint efforts to combat the COVID-19 pandemic.³⁷⁹ USTR also highlighted the Administration’s worker-centered trade policy and discussed the potential of working with SSA partners to facilitate sustainable growth that will benefit workers, especially women, youth, and underserved

³⁷⁵ Crude petroleum refers to products classified under HTS subheading 2709.00, and passenger motor vehicles refers to products classified under HTS subheading 8703.23.

³⁷⁶ EIA, “Crude Oil Prices Increased in 2021 as Global Crude Oil Demand Outpaced Supply,” January 4, 2022.

³⁷⁷ 19 U.S.C. § 3704.

³⁷⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 100.

³⁷⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 100.

communities.³⁸⁰ Participants from the United States included senior government officials and members of Congress and from Africa included primarily ministers of trade from AGOA-eligible countries.³⁸¹

Caribbean Basin Economic Recovery Act

The 1983 Caribbean Basin Economic Recovery Act (CBERA) authorizes the President to grant certain unilateral preferential tariff benefits to Caribbean Basin countries.³⁸² These benefits have been enhanced and expanded over time, and are intended to promote economic growth and development through increased exports of nontraditional products.³⁸³

The Caribbean Basin Trade Partnership Act (CBTPA) amended CBERA in 2000, expanding preferential treatment to several products previously excluded from CBERA, notably certain apparel.³⁸⁴ Altogether, CBERA provides duty-free access for over 5,000 qualifying HTS 8-digit tariff lines and an additional 259 non-apparel tariff lines under CBTPA.³⁸⁵ While the original CBERA provisions have no expiration date, the preferential tariff benefits granted under CBTPA are set to expire on September 30, 2030.³⁸⁶ In the section that follows, the term CBERA refers to CBERA as amended by the CBTPA.

Imports from 17 countries and territories were eligible for CBERA preferences during 2021 (“CBERA beneficiaries”), 8 of which were also eligible for CBTPA preferences.³⁸⁷ Further countries are potentially eligible for designation but have not been designated CBERA beneficiaries.³⁸⁸ Additionally, CBERA beneficiaries are not automatically eligible for the enhanced CBTPA preferences. Congress has

³⁸⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 100–101.

³⁸¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 129–30.

³⁸² 19 U.S.C. § 2701. The 17 CBERA beneficiaries in 2021 were Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands. USITC, HTS 2022, April 2022, General Note 7(a), Products of Countries Designated as Beneficiary Countries under the Caribbean Basin Economic Recovery Act (CBERA), GN 19.

³⁸³ 19 U.S.C. § 2702 notes. For a detailed description of CBERA’s provisions and eligibility requirements see USITC, *Caribbean Basin Economic Recovery Act: 25th Report*, September 2021, 28.

³⁸⁴ CBTPA also extended preferential treatment to other non-apparel products, including petroleum and petroleum products, certain tuna, certain footwear, and certain watches and watch parts. The Trade Act of 2002 clarified some provisions of CBTPA. 19 U.S.C. § 2703.

³⁸⁵ For a summary of the types of products eligible for duty-free treatment under CBERA and CBTPA, see USITC, *Year in Trade 2020*, September 2021, 89; USITC, “The 2021 HTS Item Count,” accessed March 18, 2022.

³⁸⁶ 19 U.S.C. § 2701 notes. As originally enacted, the authority to grant preferential tariff treatment under CBERA was set to expire on September 30, 1995. The Caribbean Basin Economic Recovery Expansion Act (CBEREA) of 1990 repealed that termination date and made the authority permanent, in addition to extending preferential treatment to certain products. CBTPA provisions were most recently renewed on October 10, 2020.

³⁸⁷ CBTPA beneficiaries include: Barbados, Belize, Curaçao, Guyana, Haiti, Jamaica, Saint Lucia, and Trinidad and Tobago. See USITC, HTS 2022, April 2022, General Note 17, Products of Countries Designated as Beneficiary Countries under the United States-Caribbean Basin Trade Partnership Act of 2000, GN 187, and U.S. notes in HTS subchapters II and XX of chapter 98. Although the list of eligible countries is currently the same in both the general note and in chapter 98, countries can be added to the general note list, dealing with non-apparel goods, without qualifying for the apparel articles benefits of chapter 98.

³⁸⁸ 19 U.S. Code § 2702. Countries potentially eligible to be designated beneficiaries are listed in Pub. L. No. 98-67, Title II, § 212(b), 97 Stat. 385 (1983). See eligibility discussion in USITC, *Caribbean Basin Economic Recovery Act: 25th Report*, September 2021.

designated additional CBERA beneficiaries as potentially eligible over time; seven have requested but not yet been granted beneficiary status.³⁸⁹

In 2021, the total value of U.S. imports from CBERA beneficiaries increased 69.1 percent to nearly \$8.6 billion and the value of U.S. imports entered under CBERA preferences increased 18.7 percent to \$2.2 billion (table 2.15).³⁹⁰ Both 2021 import totals were greater than pre-COVID levels. The top five imports under CBERA in 2021—methanol (HTS subheading 2905.11), crude petroleum oils (HTS subheading 2709.00), cotton T-shirts (HTS subheading 6109.10), sweaters, pullovers, and sweatshirts of manmade fibers (HTS subheading 6110.30), and knitted or crocheted T-shirts (HTS subheading 6109.90)—comprised 58.9 percent of imports under CBERA. In 2021, methanol imports rose 89.9 percent to \$472 million, while petroleum imports declined 32.6 percent to \$369 million ([interactive dashboard](#)).

Table 2.15 U.S. imports from CBTPA/CBERA beneficiaries, by duty preference status and by period

In millions of dollars (\$) and percent changes (%). CBERA = Caribbean Basin Economic Recovery Act and includes the Caribbean Basin Trade Partnership (CBTPA); HOPE = Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program of 2010.

Duty or preference program status	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percent change, 2020–21 (%)
CBERA preference imports, excluding CBTPA	597	512	776	51.5
CBTPA preference imports	553	727	629	-13.5
HOPE I/HOPE II/HELP Act preference imports	737	577	751	30.2
All CBERA preference imports, including CBTPA, HOPE I/HOPE II/HELP	1,887	1,816	2,156	18.7
All other imports, duty-free	3,238	2,709	4,350	60.6
All other imports, dutiable	442	575	2,119	268.8
All other imports	3,680	3,283	6,470	97.0
All imports from CBERA beneficiaries	5,567	5,100	8,626	69.1

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: The data for U.S. imports under CBERA include U.S. imports under CBERA as amended by both CBTPA and HOPE and Haiti Economic Lift Program (HELP) Acts. For the Haiti HOPE methodology, refer to appendix 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). 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. CBERA data in 2019 incorporate USITC estimates to adjust for the misclassification of certain imports of methanol as not having received duty preferences under CBERA when in fact they did. Future reporting of these data will be subject to the U.S. Census Bureau’s release of annual revisions in July 2022, which were not available at the time of writing. Data available through USITC’s DataWeb or the Census Bureau’s USA Trade Online reflect these revisions as of July 2022. U.S. government representative email message to USITC staff, July 20, 2021.

U.S. imports under CBERA accounted for 25.0 percent of all U.S. imports from CBERA beneficiaries in 2021, falling from 35.6 percent in 2020 (table 2.16). Haiti and Trinidad and Tobago were the top two suppliers of U.S. imports under CBERA in 2021, making up 47.9 percent and 33.2 percent of total U.S.

³⁸⁹ Aruba, The Bahamas, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, and Saint Vincent and the Grenadines. 77 Fed. Reg. 61816 (October 11, 2012); 75 Fed. Reg. 17198 (April 5, 2010).

³⁹⁰ For more information on U.S. trade data for specific import preference programs including CBERA and the HOPE Acts, see appendix A of this report.

imports from CBERA beneficiaries, respectively. Apparel dominates imports from Haiti under the program. Trinidad and Tobago was a large exporter of crude petroleum and related products such as melamine (HTS subheading 2933.61) as well as methanol. Guyana, Jamaica, and The Bahamas combined contributed 17.7 percent of total imports from CBERA beneficiaries in 2021, respectively supplying petroleum, agricultural products, and polystyrene ([interactive dashboard](#)).³⁹¹

Table 2.16 Share of U.S. imports for consumption from CBERA/CBTPA beneficiaries, annual, 2019–21
In percentages. CBERA = Caribbean Basin Economic Recovery Act; CBTPA = Caribbean Basin Trade Partnership; HOPE = Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program of 2010; — (em dash) = not applicable.

Duty or preference program status	2019	2020	2021	Percentage point change, 2020–21
CBERA preference imports, excluding CBTPA	10.7	10.0	9.0	-1.0
CBTPA preference imports	9.9	14.3	7.3	-7.0
HOPE I/HOPE II/HELP Act preference imports	13.2	11.3	8.7	-2.6
All CBERA preference imports, including CBTPA, HOPE I/HOPE II/HELP	33.9	35.6	25.0	-10.6
All other imports, duty-free	58.2	53.1	50.4	-2.7
All other imports, dutiable	7.9	11.3	24.6	13.3
All other imports	66.1	64.4	75.0	10.6
All imports from CBERA beneficiaries	100.0	100.0	100.0	—

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: The data for U.S. imports under CBERA include U.S. imports under CBERA as amended by both CBTPA and HOPE and Haiti Economic Lift Program (HELP) Acts. For the Haiti HOPE methodology, refer to appendix 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). 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. CBERA data in 2019 incorporate USITC estimates to adjust for the misclassification of certain imports of methanol as not having received duty preferences under CBERA when in fact they did. Future reporting of these data will be subject to the U.S. Census Bureau’s release of annual revisions in July 2022, which were not available at the time of writing. Data available through USITC’s DataWeb or the Census Bureau’s USA Trade Online reflect these revisions as of July 2022. U.S. government representative email message to USITC staff, July 20, 2021.

Haiti Initiative

Since 2006, three amendments to CBERA expanded the duty-free benefits available to Haiti.³⁹² For apparel, these benefits give Haitian producers more flexibility in sourcing yarns and fabrics beyond the preferences available under the Caribbean Basin Trade Partnership Act (CBTPA), under which apparel must be made exclusively from U.S. yarns, or fabrics of U.S. yarns. The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I) and of 2008 (HOPE II) (collectively referred to as the HOPE Acts) expanded the rules of origin for apparel by permitting the limited use of materials of any origin, as well as provided new benefits for ignition wiring sets for vehicles, aircraft, or ships

³⁹¹ USITC DataWeb/Census, accessed April 20, 2022.

³⁹² These amendments were made in 2006, 2008, and 2010.

assembled in Haiti.³⁹³ Following a major earthquake in January of 2010, the Haitian Economic Lift Program of 2010 (HELP Act) amended CBERA a third time, and further enhanced benefits provided in the HOPE Acts.³⁹⁴ The HOPE/HELP Acts expanded preferential treatment of imports of certain apparel and textile items, while also implementing eligibility requirements for Haiti. HOPE II requires that Haiti establish, in cooperation with the International Labour Organization, a labor-related capacity-building and monitoring program in the apparel sector, known as the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) program.³⁹⁵ In addition, to remain eligible for preferential treatment under the HOPE Acts, Haiti is required to make progress toward “establishing the protection of internationally recognized worker rights” through establishing a Labor Ombudsperson’s Office, requiring producers desiring preferential treatment to participate in the TAICNAR program, and establishing a producer registry.³⁹⁶ HOPE/HELP Acts preferences expire on September 30, 2025.³⁹⁷

In recent years, apparel comprised almost two-thirds of Haiti’s exports to the world and over 95 percent of U.S. imports from Haiti under CBERA, including HOPE/HELP.³⁹⁸ Almost all U.S. imports of textiles and apparel from Haiti entered duty free under trade preference programs in 2021 (table 2.18). In 2021, 74.0 percent of the apparel and textiles imports from Haiti enter under HOPE/HELP preferences rules, remaining relatively consistent with recent years (table 2.18). The overall value of textile and apparel imports from Haiti increased 33.4 percent from 2020 to 2021 (table 2.17). U.S. imports of apparel from Haiti had fallen substantially from 2019 to 2020 due to the COVID-19 pandemic, but the recovery in 2021 pushed U.S. imports of Haitian textiles and apparel above pre-pandemic levels.³⁹⁹

Table 2.17 U.S. imports of textiles and apparel from Haiti, annual, 2019–21

In millions of dollars and percentages. CBERA = Caribbean Basin Economic Recovery Act and includes the Caribbean Basin Trade Partnership (CBTPA); HOPE = the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program of 2010.

Preference program	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percentage change, 2020–21 (%)
CBERA preference imports, including CBTPA	246	175	254	45.0
HOPE I/HOPE II/HELP Act preference imports	737	577	751	30.2
All preference program imports	983	752	1,005	33.7
All other imports	15	9	10	10.4
All textile and apparel imports from Haiti	998	761	1,015	33.4

Source: USITC DataWeb/Census, accessed February 17, 2022.

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.

³⁹³ 19 U.S.C. § 2703a. There were no U.S. imports of ignition wiring sets (HTS 8-digit subheadings 8544.30.00 and 9820.85.44) from Haiti during 2007–21.

³⁹⁴ 19 U.S.C. § 2701 notes.

³⁹⁵ 19 U.S.C. § 2703a(e)(1) and (3).

³⁹⁶ 19 U.S.C. § 2703a(e)(1) and (2).

³⁹⁷ The original HOPE I benefits were granted for 3 years, and have been extended thrice, by HOPE II (to 2018), HELP (to 2020), and by Section 301 of the Trade Preferences Extension Act of 2015 (amending 19 U.S.C. § 2703a).

³⁹⁸ USITC, *Caribbean Basin Economic Recovery Act: 25th Report*, September 2021, 90.

³⁹⁹ USITC, *Caribbean Basin Economic Recovery Act: 25th Report*, September 2021, 89, 116.

Table 2.18 Share of U.S. imports of textiles and apparel from Haiti, annual, 2019–21

In percentages. CBERA = Caribbean Basin Economic Recovery Act and includes the Caribbean Basin Trade Partnership (CBTPA); HOPE = the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program of 2010. — (em dash) = not applicable.

Preference program	2019	2020	2021	Percentage point change, 2020–21
CBERA preference imports, including CBTPA	24.7	23.0	25.0	2.0
HOPE I/HOPE II/HELP Act preference imports	73.9	75.8	74.0	-1.8
All preference program imports	98.5	98.8	99.0	0.2
All other imports	1.5	1.2	1.0	-0.2
All textile and apparel imports from Haiti	100.0	100.0	100.0	—

Source: USITC DataWeb/Census, accessed February 17, 2022.

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.

Use of most apparel preference rules rose significantly in 2021, with increases ranging from 2.7 to 56.6 percent over 2020 as the Haitian industry rebounded from pandemic related downturn (table 2.19). Conversely, use of the earned import allowance program (EIAP) fell slightly in 2021.⁴⁰⁰ U.S. imports of apparel from Haiti remain concentrated in high-volume, basic commodity garments such as knit T-shirts, pullovers, and undergarments, which have relatively predictable consumer demand and require few styling changes.⁴⁰¹

The use of the HOPE preference rule for headwear continued to grow in 2021, rising 81.3 percent to \$16 million, after more than doubling from 2019 to 2020.⁴⁰² Non-apparel textile imports from Haiti include imports under the HOPE/HELP home goods provision. Imports under this preference rule first appeared in 2017 (\$3 million), and increased rapidly through 2019 (\$21 million), but fell to \$16 million in 2021.⁴⁰³

⁴⁰⁰ Since the 2010 HELP Act, use of this program has varied year-to-year. Prior to the HELP amendment, EIAP was not utilized. Compiled from official statistics of USDOC, ITA, OTEXA, “Trade Preference Programs—U.S. General Imports—Category 1,” June 7, 2022; USDOC, ITA, OTEXA, “Trade Preference Programs—U.S. General Imports—Category 2,” June 7, 2022.

⁴⁰¹ In 2021, 83 percent by value of the U.S. imports of apparel from Haiti were of knit garments (HTS chapter 61) and 17 percent were of woven or non-knit garments (HTS chapter 62), traditionally considered as higher value or requiring a more complex skill set for assembly. The split between knit and non-knit is consistent compared to 2020 (85 percent knit vs. 15 percent woven or non-knit). USITC DataWeb/Census, accessed April 4, 2022.

⁴⁰² The HOPE/HELP preference rule for headwear applies to HTS headings 6501, 6502 or 6504 or HTS 8-digit subheadings 6505.00.04 through 6505.00.90. Headwear under HTS 6505.00.80 accounted for 93 percent of the HOPE/HELP trade under this rule in 2021 (\$15.3 million). USITC DataWeb/Census, accessed April 5, 2022.

⁴⁰³ In November 2018, North Carolina-based Culp, Inc. requested a ruling for country of origin and trade preference eligibility under Haiti HOPE/HELP from U.S. Customs and Border Protection (CBP) for a mattress cover and pillow covers. These made-up textile articles, being wholly assembled in Haiti, and imported directly from Haiti are eligible for duty-free treatment under HOPE/HELP HTS 8-digit subheading 9820.63.05. CBP Customs Ruling N301907, December 13, 2018. A second request in 2020 for a ruling on country of origin and trade preference eligibility, this time for mattress protectors and foundation covers determined that these articles were not eligible for duty-free treatment under HOPE/HELP. CBP Customs Ruling N313147, August 12, 2020.

Table 2.19 U.S. general imports of textiles and apparels from Haiti, by duty treatment, annual, 2019–21
 In millions of dollars and percentages. Caribbean Basin Economic Recovery Act (CBERA) includes the Caribbean Basin Trade Partnership (CBTPA) and HOPE = the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and of 2008 (HOPE II); HELP = Haiti Economic Lift Program of 2010. — (em dash) = not applicable.

Product/duty treatment	HTS subheading(s)	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percentage change, 2020–21 (%)
Certain apparel of regional knit fabrics of U.S. yarns	9820.11.09	134	94	148	56.6
Certain knit T-shirts of regional fabrics of U.S. yarns	9820.11.12	71	58	83	43.7
Apparel cut and assembled from U.S. fabric	9820.11.06 and 9820.11.18	41	22	23	2.7
All CBERA preference imports, including CBPTA	—	246	175	254	45.5
Knit apparel regional limit	9820.61.35	330	243	334	37.4
Woven apparel regional limit	9820.62.05	122	108	151	40.4
Value-added regional limits	9820.61.25 and 9820.61.30	122	113	142	25.8
Earned Import Allowance Program (EIAP)	9820.62.25	127	82	79	-3.8
Home goods	9820.63.05	21	17	16	-4.8
Headwear	9820.65.05	5	9	16	81.3
All other	—	1	2	1	-54.0
All HOPE I/HOPE II/HELP Act preference imports	—	728	573	739	28.9
All preference program imports	—	974	748	993	32.8
All other imports	—	23	14	23	67.2
All textile and apparel imports from Haiti	—	998	761	1,015	33.4

Source: Compiled from official statistics of USDOC, ITA, Office of Textiles and Apparel, accessed February 18, 2022; USDOC, ITA, OTEXA, "Trade Preference Programs—U.S. General Imports—Category 1," June 7, 2022; USDOC, ITA, OTEXA, "Trade Preference Programs—U.S. General Imports—Category 2," June 7, 2022.

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

Chapter 3

The World Trade Organization

This chapter provides an overview of major developments at the World Trade Organization (WTO) during 2021, particularly as they affect the United States. The overview includes developments at ministerial and General Council meetings, selected WTO plurilateral agreements under discussion, the waiver proposal for certain provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights, and continued U.S. concerns about the operation of the WTO Dispute Settlement Mechanism.

Background

The WTO was established by 124 governments through the Marrakesh Agreement in April 1994, which replaced an earlier world trade framework under the General Agreement on Tariffs and Trade (GATT), signed in October 1947, and procedures adopted in 1948. The main functions of the WTO include: (1) facilitating the implementation, administration and operations of the Marrakesh Agreement, the Multilateral Trade Agreements, and the plurilateral agreements; (2) providing a forum for negotiations among its members concerning their multilateral trade relations; and (3) administering the Understanding on Rules and Procedures Governing the Settlement of Disputes.⁴⁰⁴ Currently, the WTO oversees 16 different multilateral agreements (to which all WTO members are parties) and two plurilateral agreements (to which only some WTO members are parties).⁴⁰⁵ As of March 22, 2022, the WTO had 164 member and 25 observer countries,⁴⁰⁶ with 24 accessions in progress.⁴⁰⁷

Under the Marrakesh Agreement, the Ministerial Conference is the WTO's highest decision-making body. It is composed of representatives of all member states and carries out the functions of the WTO. Usually convening once every two years, the Ministerial Conference has the authority to make decisions on all matters under any of the multilateral trade agreements.⁴⁰⁸ Day-to-day work in between the ministerial conferences is handled by three bodies: the General Council (GC), the Dispute Settlement Body, and the Trade Policy Review Body.⁴⁰⁹ The WTO Secretariat, led by the WTO Director-General, provides support to its members and the WTO work, but it has no decision-making powers.⁴¹⁰

⁴⁰⁴ WTO, Uruguay Round Agreement, Marrakesh Agreement Establishing the World Trade Organization, April 15, 1994, Article III Functions of the WTO.

⁴⁰⁵ WTO, "What Is the WTO?: Overview," accessed March 29, 2022.

⁴⁰⁶ WTO, "Members and Observers," accessed March 29, 2022.

⁴⁰⁷ WTO, "WTO Accessions," accessed March 28, 2022.

⁴⁰⁸ WTO, Uruguay Round Agreement, Marrakesh Agreement Establishing the World Trade Organization, April 15, 1994, Article IX Decision-Making; WTO, "Ministerial Conferences," accessed March 29, 2022.

⁴⁰⁹ WTO, "Whose WTO Is It Anyway?," accessed May 13, 2022.

⁴¹⁰ The Secretariat supplies technical and professional support to the various councils and committees, provides technical assistance for developing countries, monitors and analyzes developments in world trade, provides information to the public and media, and organizes ministerial conferences. It also provides some forms of legal assistance, and it advises governments wishing to become members of the WTO. WTO, "Overview of the WTO Secretariat," accessed March 29, 2022.

WTO Developments in 2021

Ministerial Conference

The Twelfth WTO Ministerial Conference, originally scheduled to take place in Geneva, Switzerland, during June 8–11, 2020, was postponed to the week of November 29, 2021, and was further postponed to the week of June 13, 2022, due to the COVID-19 pandemic and travel and quarantine restrictions in Switzerland.⁴¹¹

General Council

The General Council is composed of representatives of all WTO members and meets as appropriate in the intervals between the Ministerial Conference meetings to conduct the functions of the Ministerial Conference.⁴¹²

On February 15, 2021, members of the General Council selected Ngozi Okonjo-Iweala, of Nigeria, as the seventh WTO Director-General, succeeding WTO Director-General Roberto Azevêdo, who had announced he would step down on August 31, 2020, a year before his term was to expire. Okonjo-Iweala took office on March 1, 2021, becoming both the first woman and first African to serve as Director-General. Her term will expire on August 31, 2025.⁴¹³ The main function of the Director-General is to oversee the WTO Secretariat.

Negotiations in 2021 focused on fisheries subsidies; a work program on electronic commerce, including an extension of the moratorium on customs duties on electronic transmissions; and the advancement of WTO accessions, among other issues. The United States also worked with other WTO members to advance plurilateral work on digital trade. On December 2, 2021, the United States joined over 60 WTO members representing more than 90 percent of global services trade, in announcing the successful conclusion of negotiations of the WTO Joint Statement Initiative on Services Domestic Regulation.

In 2021, the United States focused on mechanisms to improve the overall functioning of the WTO, including the implementation of existing WTO Agreements. In advance of the Twelfth Ministerial Conference, which was eventually postponed, the United States worked through various WTO standing committees to advance reform ideas. Among the ideas expressed was that members should begin the

⁴¹¹ The Twelfth WTO Ministerial Conference took place from June 12–17, 2022 at WTO headquarters in Geneva, Switzerland. Key outcomes of the conference included (1) a package on WTO responses to emergencies (including Ministerial Declarations on Food Insecurity, World Food Programme Food Purchases Exemption from Export Prohibitions or Restrictions, the WTO Response to the COVID-19 pandemic, and an Agreement on Trade-Related Aspects of Intellectual Property Rights); (2) a Decision on the E-commerce Moratorium and Work Programme; (3) an Agreement on Fisheries Subsidies; (4) two decisions adopted by ministers concerning the Work Programme on Small Economies and on the TRIPS non-violation and situation complaints; and (5) a Ministerial Declaration on responding to modern sanitary and phytosanitary challenges. Topics of the Twelfth Ministerial Conference will be discussed in further detail in the *Year in Trade 2022 report*. WTO, MC12 Outcome Document, June 22, 2022; WTO, “Twelfth WTO Ministerial Conference,” accessed April 6, 2022.

⁴¹² WTO, Uruguay Round Agreement, Marrakesh Agreement Establishing the World Trade Organization, April 15, 1994, Article IV Structure of the WTO; WTO, “The WTO General Council,” accessed March 29, 2022.

⁴¹³ WTO, “WTO Director-General: Ngozi Okonjo-Iweala,” accessed April 6, 2022.

process of identifying opportunities to achieve results, even if incremental ones, and avoid buying into the predictable, and often risky, formula of leaving everything to a package of ministerial statements and decisions.⁴¹⁴

Throughout 2021, the Chairperson of the General Council, together with the WTO Director-General, conducted informal consultations with large groupings comprising the Heads of Delegation of the entire WTO membership, as well as a wide variety of smaller groupings of WTO members at various levels. According to the Office of the U.S. Trade Representative (USTR), these consultations were convened with a view toward resolving outstanding issues on the General Council’s agenda. USTR participated in all General Council meetings and consultations in order to advance U.S. interests at the WTO.⁴¹⁵

Selected Plurilateral Agreements under Discussion

Negotiations on Electronic Commerce

WTO members launched negotiations on trade-related aspects of electronic commerce (e-commerce) in Davos, Switzerland, in January 2019. By the end of 2021, 86 members participated in the e-commerce negotiations.⁴¹⁶ Throughout 2021, participating members continued to engage in negotiations of rules on e-commerce. According to the WTO, despite the challenges presented by the pandemic, the negotiations advanced, leading to progress in small groups on specific issues.⁴¹⁷ In particular, negotiators produced “clean” negotiating texts on issues of unsolicited commercial messages (spam) in February 2021, on e-signatures and authentication in April 2021, and on open government data and online consumer protection in September 2021—representing a subset of the 10 to 12 agreed articles that members had been charged to produce by the Twelfth WTO Ministerial Conference.⁴¹⁸ This progress culminated in the issuance of a revised consolidated negotiating text on September 8, 2021.⁴¹⁹

In 2021, members engaged in discussions on e-commerce issues, both in the context of the Work Program on Electronic Commerce and informal sessions involving outside experts.⁴²⁰ Members had earlier agreed, in December 2019, to extend the longstanding moratorium on customs duties on electronic transmissions until the Twelfth Ministerial Conference, originally scheduled to take place in June 2020.

Negotiations on Fisheries Subsidies

WTO members launched negotiations on fisheries subsidies in 2001 at the Doha Ministerial Conference. In 2017, at the 11th Ministerial Conference (MC11) in Buenos Aires, ministers committed to negotiations

⁴¹⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 182.

⁴¹⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 187.

⁴¹⁶ WTO, “E-Commerce Co-Convenors Welcome Substantial Progress in Negotiations,” December 14, 2021.

⁴¹⁷ WTO, “Members Finalise ‘Clean Text’ on Spam,” February 5, 2021.

⁴¹⁸ “Clean” negotiating texts are generally those in which brackets are removed, and convergence has been reached among members. WTO, “Members Finalise ‘Clean Text’ on Spam,” February 5, 2021; WTO, “Members Finalise ‘Clean Text’ on e-Signatures and Authentication,” April 20, 2021; WTO, “E-Commerce Talks: Two ‘Foundational’ Articles Cleaned,” September 13, 2021; WTO, “Negotiations on E-Commerce Advance,” November 10, 2021.

⁴¹⁹ WTO, “Joint Initiative on E-Commerce,” accessed March 28, 2022.

⁴²⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 187.

with an aim to adopt an agreement before the next Ministerial Conference.⁴²¹ Based on the mandate fixed under the Ministerial Decision from MC11, negotiators were expected to secure an agreement on the elimination of subsidies for illegal, unreported, and unregulated (IUU) fishing.⁴²² The agreement would also cover the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing. In addition, the agreement would allow developing and least-developed countries to receive special and differential treatment.⁴²³

Members met frequently throughout 2021 to discuss revisions to the draft consolidated text that was circulated in December 2020.⁴²⁴ Prominent issues of discussion included subsistence, artisanal, or small-scale fishing; due process requirements for IUU fishing determinations; and the approach to the overcapacity and overfishing prohibition.⁴²⁵ Revised drafts of the consolidated text were released in June 2021 ahead of the July ministerial-level meeting, and in November 2021 alongside calls by Director-General Okonjo-Iweala to redouble efforts to bridge differences.⁴²⁶

In May 2021, the United States put forward a proposal to in the IUU fishing negotiations that would reenforce members' efforts to highlight and address the use of forced labor on fishing vessels. The proposal called for: (1) the inclusion of effective disciplines on harmful subsidies to fishing activities that may be associated with the use of forced labor; (2) the explicit recognition of the problem and the need to eliminate it; and (3) transparency with respect to vessels or operators engaged in the use of forced labor.⁴²⁷ On November 24, 2021, the chair of the fisheries subsidies negotiations submitted a draft agreement on fisheries subsidies for the consideration of ministers.⁴²⁸ As of December 31, 2021, negotiations were still ongoing.

Negotiations on Services

The Special Session of the Council for Trade in Services was formed in 2000, in accordance with the Uruguay Round mandate of the General Agreement on Trade in Services (GATS), to undertake new multi-sectoral services negotiations. The four major areas of service negotiations are market access;

⁴²¹ WTO, "Negotiations on Fisheries Subsidies," accessed April 5, 2022.

⁴²² Illegal, unreported, and unregulated (IUU) fishing is a broad term that captures a wide variety of fishing activity that undermines national and regional efforts to conserve and manage marine resources and, as a consequence, inhibits progress towards achieving the goals of long-term sustainability and responsibility. For more information on IUU fishing, see FAO, "What Is IUU Fishing?," accessed May 13, 2021; USITC, *Seafood Obtained via Illegal, Unreported, and Unregulated Fishing*, February 2021.

⁴²³ WTO, "DG Azevêdo Call on Members to Intensify Fisheries Subsidies Negotiations," March 6, 2020.

⁴²⁴ WTO, "WTO Members Resume Work on Fisheries Subsidies Negotiations," January 22, 2021; WTO, "July Ministerial Eyed as Fisheries Negotiations Enter Final Phase," April 21, 2021.

⁴²⁵ WTO, "February Meetings for Fisheries Subsidies Negotiations," February 24, 2021; WTO, "March Meetings for Fisheries Subsidies Negotiations," March 19, 2021; WTO, "Summary Statement of Negotiating Group on Rules Chair on Fisheries Subsidies," April 21, 2021.

⁴²⁶ WTO, "Chair Introduces Revised Fishing Subsidies Text before July Ministerial," June 30, 2021; WTO, "Second Revision of Draft Negotiating Text Introduced," November 8, 2021; WTO, "Draft Agreement on Fisheries Subsidies Submitted Ahead of MC12," November 25, 2021; WTO, "DG Calls for Agreement on Fisheries Subsidies by End-February," December 2, 2021.

⁴²⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 165.

⁴²⁸ WTO, "Negotiations on Fisheries Subsidies," accessed April 5, 2022.

domestic regulation; GATS rules (emergency safeguard measures, government procurement, and subsidies); and implementation of special treatment of least-developed countries under GATS.⁴²⁹

The Special Session of the Council for Trade in Services held informal meetings in March and June 2021. The focus of the March meeting was on a submission by the Organisation of African, Caribbean, and Pacific Group of States titled, “Vulnerable ACP State Services Sectors Impacted in the Context of the COVID-19 Pandemic.” The June meeting focused on negotiations for domestic regulation for services, as well as a submission by a group of members proposing discussions on market access for environmental services.⁴³⁰ Starting in June 2021 and continuing through the fall, members discussed how to reflect Special Session of the Council for Trade in Services work in the context of Twelfth Ministerial Conference.⁴³¹ On December 2, 2021, 67 members including the United States, adopted the Declaration on the Conclusion of Negotiations on Services Domestic Regulation, which had begun in 2017 with the aim of “increasing transparency, predictability and efficiency of authorization procedures” for service providers in foreign markets.⁴³²

Waiver Proposal for Certain Agreement on Trade-Related Aspects of Intellectual Property Rights Provisions

On October 2, 2020, South Africa and India submitted a proposal calling for a waiver for all WTO members of certain provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) in relation to the “prevention, containment or treatment” of COVID-19.⁴³³ According to the proponents, the objective of the waiver request is to avoid barriers to the timely access to affordable medical products including vaccines and medicines, or to the scaling-up of research, development, manufacture, and supply of essential medical products. The proposed waiver would cover obligations in four sections of the TRIPS Agreement—Section 1 on copyright and related rights, Section 4 on industrial designs, Section 5 on patents, and Section 7 on the protection of undisclosed information. Under the proposal, the waiver would last for a specific number of years, to be determined by the General Council. It would remain in place until vaccination is available globally, and the majority of the world's population has developed immunity to COVID-19. WTO members would review the waiver annually until termination.⁴³⁴ The proposal was subsequently co-sponsored by 63 WTO members.⁴³⁵ Some WTO members at the time expressed opposition to the waiver, citing the existing flexibilities in the TRIPS Agreement which allows for compulsory licensing in health emergencies such as the

⁴²⁹ WTO, “Services Negotiations,” accessed April 2, 2022.

⁴³⁰ WTO, “WTO Members Continue Review of LDC Services Waiver, e-Commerce Work Programme,” July 1, 2021.

⁴³¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 183.

⁴³² WTO, Declaration on the Conclusion of Negotiations on Services Domestic Regulation, December 2, 2021; WTO, “Joint Initiative on Services Domestic Regulation,” December 2, 2021.

⁴³³ WTO, Council for TRIPS, IP/C/W/669, “Waiver from Certain Provisions of the TRIPS Agreement,” October 2, 2020, 2.

⁴³⁴ WTO, “Members Continue to Discuss Temporary IP Waiver,” December 10, 2020.

⁴³⁵ WTO, “Members Continue to Discuss Temporary IP Waiver,” December 10, 2020.

pandemic.⁴³⁶ On May 5, 2021, U.S. Trade Representative Katherine Tai (Ambassador Tai) announced the Biden Administration's support for waiving intellectual property protections for COVID-19 vaccines. The announcement cited the global health crisis while confirming the Administration's belief in strong intellectual property protections and stating that the Administration would actively participate in text-based negotiations at the WTO.⁴³⁷ The TRIPS Council met formally in February and April 2021 to continue discussion about the 2020 proposal, and in May the co-sponsors of the original proposal submitted a revised text for consideration.⁴³⁸ The TRIPS Council continued to meet in June, October, and November 2021 to further discuss the revised waiver proposal and other COVID-19 pandemic-related proposals, though differences regarding the waiver remained by year-end 2021.⁴³⁹

Dispute Settlement Body

This section provides an overview of the WTO dispute settlement process, as well as information about proceedings during calendar year 2021, particularly those in which the United States was a complaining or responding party. More specifically, it provides (1) a tally of new requests for consultations filed by WTO members during calendar year 2021 under the WTO Dispute Settlement Understanding; (2) a table listing the new dispute settlement panels established during calendar year 2021 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 in 2021, as well as summaries of panel and Appellate Body reports issued during 2021 in disputes that involved the United States.⁴⁴⁰ This section also describes the impact that both the COVID-19 pandemic and the impasse on appointing new Appellate Body members had on panel and Appellate Body activity during 2021.

This section's summaries of issues and of findings and recommendations in panel and Appellate Body reports are based entirely on information in publicly available documents. Sources include summaries published online by the WTO, summaries included in USTR's *2022 Trade Policy Agenda and 2021 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

⁴³⁶ WTO, Council for Trade-Related Aspects of Intellectual Property Rights, "Responses to Questions on Waiver from Certain Provisions of the TRIPS Agreement," January 15, 2021; Government of the United Kingdom, "UK Statement to the TRIPS Council," October 16, 2020; WTO, "TRIPS Council Continues Discussion of Temporary IP Waiver," April 30, 2021; EC, "Answer for Question E-005595/2020," December 23, 2020.

⁴³⁷ USTR, "Statement from Ambassador Katherine Tai on the Covid-19 Trips Waiver," May 5, 2021.

⁴³⁸ WTO, "Members Discuss TRIPS Waiver Request," February 23, 2021; WTO, "TRIPS Council Continues Discussion of Temporary IP Waiver," April 30, 2021; WTO, "Waiver from Certain Provisions of the TRIPS Agreement," May 25, 2021.

⁴³⁹ Despite encountering disagreements over the original 2020 proposal by South Africa and India, the United States and the EU participated in negotiations with the co-sponsors, facilitated by WTO Director-General Ngozi Okonjo-Iweala throughout the second half of 2021 and early months of 2022. After engaging in text-based negotiations for two months, WTO members welcomed the adoption of the TRIPS waiver decision on COVID-19 vaccines at the 12th Ministerial Conference (MC12) in June 2022. "Communication from the Chairperson," May 3, 2022; WTO, 12th Ministerial Conference, WT/MIN(22)/30; WT/L/1411, "Ministerial Decision on the TRIPS Agreement," June 17, 2022; WTO, "Members Pursue Convergence for an IP COVID-19 Response," October 14, 2021; WTO, "WTO Members Continue Discussions on Common IP COVID-19 Response," November 29, 2021.

⁴⁴⁰ For a general description of WTO dispute settlement process, see "[Understanding the WTO: Settling Disputes](#)." See also Uruguay Round Agreement, Annex 2, Understanding on Rules and Procedures Governing the Settlement of Disputes, April 15, 1994, [art. 17](#) (describing appeal of panel report to the Appellate Body).

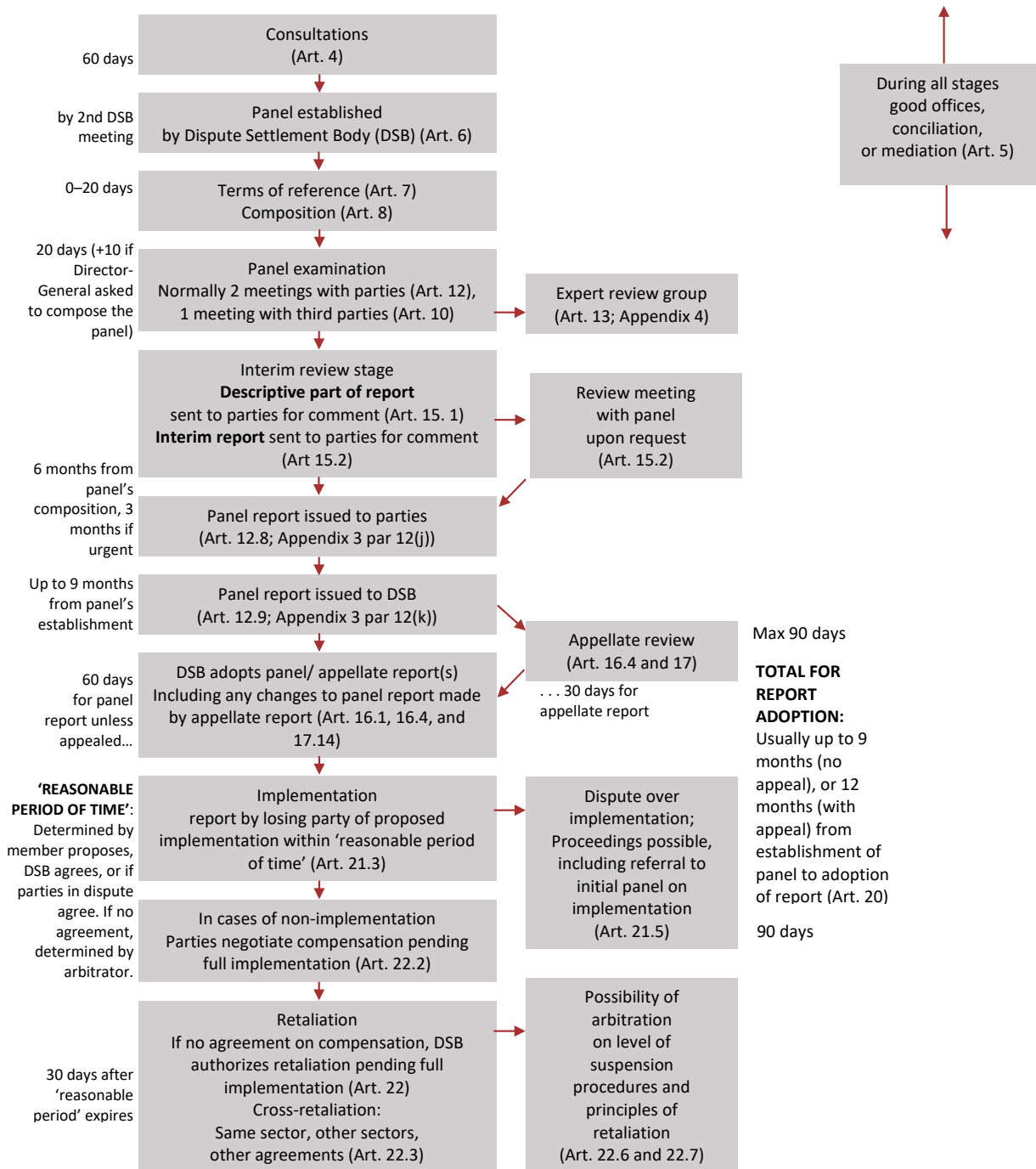
issues raised or addressed in the disputes or in panel or Appellate Body reports. A table showing procedural developments in active cases, including during 2021 in disputes in which the United States was the complainant or respondent, appears in the [interactive dashboard](#).

This section focuses on developments during 2021, including panel and Appellate Body reports issued during 2021 and adopted by the Dispute Settlement Body (DSB). With minor exceptions, panel and Appellate Body reports and DSB actions after the close of 2021 will be summarized in the next edition of Commission's report covering 2022. A number of disputes filed before 2021 remained inactive throughout 2021, either at the consultation stage or with a panel established but not composed. With minor exceptions, this report will not address those disputes.

Finally, this section focuses largely on developments through the panel and Appellate Body stage and includes only limited discussion of matters that arose after the DSB adopted panel or Appellate Body reports in the original dispute. As indicated in the flowchart in figure 3.1, dispute settlement 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.

The table in the [interactive dashboard](#) 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 at the compliance stage or were before an arbitrator during 2021.

Figure 3.1 Timeline for a typical WTO dispute settlement process



Source: WTO, "Flow Chart of the Dispute Settlement Process," accessed March 29, 2022.

Note: Parenthetical references correspond to Articles of the Uruguay Round Agreement, Annex 2, Understanding on Rules and Procedures Governing the Settlement of Disputes, April 15, 1994.

Dispute Activities During 2021

As in 2020, during 2021 the COVID-19 pandemic continued to slow the filing of new disputes and delayed the progress of ongoing disputes before established and composed panels. Similarly, the impasse over appointment of new members to the Appellate Body prevented it from addressing new appeals. The combination of these two situations likely slowed the pursuit of disputes even at the panel stage.

During 2021, WTO members filed nine new requests for dispute settlement consultations. While more than the five filed during 2020, this was the second-lowest number for any year since the establishment of the WTO in 1995, and sharply lower than the 20 requests filed during 2019 and 38 filed during 2018.⁴⁴¹ It was also the first year since the establishment of the WTO that the United States was neither a complaining party nor a named respondent in a new dispute filed that year.⁴⁴² Eight WTO members—Costa Rica, Malaysia, Japan, Australia, China, the European Union (EU), Saudi Arabia, and Brazil—filed new disputes, and one member, Costa Rica, filed two disputes (against Panama and the Dominican Republic, respectively). The EU was the named respondent in three disputes (filed by Malaysia, Saudi Arabia, and Brazil), China was the named respondent in two disputes (filed by Japan and Australia), and four other members were each the named respondent in one dispute—Panama (filed by Costa Rica), Australia (filed by China), Russia (filed by the EU), and the Dominican Republic (filed by Costa Rica).⁴⁴³

Panels Established in 2021 that Involve the United States

One new dispute settlement panel was established during 2021 in which the United States was either the named complaining party or the responding party (table 3.1). This compares with none in 2020 and six dispute settlement panels established during 2019 in which the United States was a named party—two in which the United States was the complaining party, and three in which the United States was the responding party. In 2018, 23 panels were established: the United States was the complaining party in 8 of the disputes, and the responding party in 15 disputes.⁴⁴⁴

⁴⁴¹ WTO, “Dispute Settlement Activity—Some Figures; Chart 2: Requests for Consultations (1995–2020),” accessed March 29, 2022.

⁴⁴² Although the United States was neither a complaining party nor a named respondent in a request for consultations initiating a new dispute filed in 2021, the United States was the responding party in active disputes filed prior to that year. For example, the United States was the responding party in a dispute filed in 2020 by Hong Kong, “DS597: United States—Origin Marking Requirement,” for which the dispute settlement panel was established in February 2021.

⁴⁴³ WTO, “Chronological List of Disputes Cases,” accessed March 29, 2022.

⁴⁴⁴ The majority of the disputes filed in 2018 related either to disputes brought by WTO members against the United States after the United States imposed higher duties on imports of certain imports of steel and aluminum products under the U.S. national security provision in section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862), or to disputes brought by the United States against WTO members that had imposed countermeasures on imports of U.S. goods in response to the higher duties. USITC, *Year in Trade 2019*, August 2020, 116–17.

Table 3.1 WTO dispute settlement panels established during 2021 in which the United States was a party

Case no.	Complainant	Respondent	Case name	Panel established
DS597	Hong Kong, China	United States	United States—Origin Marking Requirement	02/22/2021

Source: WTO, “Chronological List of Disputes Cases,” accessed March 29, 2022.

Panel and Appellate Body Reports Issued and/or Adopted during 2021 that Involve the United States

During 2021, WTO dispute settlement panels issued reports in three disputes to which the United States was a party. The United States was the named respondent in all three of the disputes (table 3.2). With the exception of the two disputes between the United States and the EU on large civil aircraft, 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 compliance reports are noted in the [interactive dashboard](#), which contains a procedural summary of most of the dispute settlement cases that are still active in some respect.

Table 3.2 WTO dispute settlement panel and Appellate Body (AB) reports circulated and/or adopted in 2021 in which the United States was a party

Case no.	Complainant	Respondent	Case name	Development
DS539	South Korea	United States	United States—Anti-Dumping and Counter-vailing Duties on Certain Products and the Use of Facts Available	Panel report was circulated on January 21, 2021; United States filed notice of appeal on March 19, 2021.
DS562	China	United States	United States—Safeguard Measure on Imports of Crystalline Silicon Photovoltaic Products	Panel report was circulated on September 2, 2021; China filed notice of appeal on September 16, 2021.
DS577	European Union	United States	United States—Anti-Dumping and Counter-vailing Duties on Ripe Olives from Spain	Panel report was circulated on November 19, 2021; panel report was adopted by DSB on December 20, 2021.

Source: WTO, “Chronological List of Disputes Cases,” accessed March 29, 2022.

There were no reports in which the United States was the complainant.

Reports in Which the United States Was the Respondent

DS539: United States—Anti-Dumping and Countervailing Duties on Certain Products and the Use of Facts Available

On February 14, 2018, South Korea requested consultations with the United States concerning certain antidumping and countervailing duty measures imposed on products from South Korea, and certain laws, regulations and other measures maintained by the United States with respect to the use of facts available in antidumping and countervailing duty proceedings.⁴⁴⁵

South Korea claimed that the measures appear to be inconsistent with certain articles and annexes of the Anti-Dumping Agreement of the World Trade Organization (Anti-Dumping Agreement), certain articles and Annex VI of the Agreement on Subsidies and Countervailing Measures (SCM), certain provisions of Article VI of the GATT 1994, and Article XVI:4 of the Marrakesh Agreement.⁴⁴⁶

On April 16, 2018, after consultations failed to resolve the dispute, South Korea requested the establishment of a panel. At its meeting on April 27, 2018, the DSB deferred the establishment of a panel. At its meeting on May 28, 2018, the DSB established a panel. Following agreement of the parties, the panel was composed on December 5, 2018.⁴⁴⁷

On July 9, 2019, the Chair of the panel informed the DSB that the panel expected to issue its final report to the parties in 2020. On January 21, 2021, the panel report was circulated to members.⁴⁴⁸

The dispute concerned antidumping and countervailing measures imposed by the United States on imports of certain corrosion-resistant steel products, cold-rolled steel flat products, hot-rolled steel flat products, and large power transformers from South Korea. South Korea also challenged “as such” an alleged unwritten measure concerning the use of “adverse facts available” in antidumping and countervailing duty investigations by the U.S. Department of Commerce (Commerce).⁴⁴⁹

The panel circulated its report on January 21, 2021. The panel found that Commerce acted inconsistently with the Anti-Dumping Agreement and the SCM Agreement in either resorting to facts available or selecting the replacement facts in the eight instances challenged by South Korea. With respect to the “as such” claim against an alleged unwritten measure, the panel found that South Korea failed to establish that such an unwritten rule existed. This obviated the panel’s need to evaluate whether such a rule (if it did exist) would breach the Anti-Dumping Agreement and/or SCM Agreement. On March 19, 2021, the United States notified the DSB of its decision to appeal certain issues of law covered in the panel report.⁴⁵⁰

⁴⁴⁵ WTO, “DS539: United States,” accessed April 6, 2022.

⁴⁴⁶ WTO, “DS539: United States,” accessed April 6, 2022.

⁴⁴⁷ WTO, “DS539: United States,” accessed April 6, 2022.

⁴⁴⁸ WTO, “DS539: United States,” accessed April 6, 2022.

⁴⁴⁹ WTO, “DS539: United States,” accessed April 6, 2022.

⁴⁵⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 123.

DS562: United States—Safeguard Measure on Imports of Crystalline Silicon Photovoltaic Products

On August 14, 2018, China requested consultations with the United States concerning the definitive safeguard measure imposed by the United States on imports of certain crystalline silicon photovoltaic products. China claimed that the measures appear to be inconsistent with certain articles of the Agreement on Safeguards and the GATT 1994.⁴⁵¹

After consultations failed to resolve the dispute, on July 11, 2019, China asked the DSB to establish a panel, and on August 15, 2019, the DSB established a panel. On October 14, 2019, China asked the Director-General to compose the panel, who did so on October 24, 2019. On April 24, 2020, the Chair of the panel informed the DSB that, due to a delay in the beginning of the panel's work resulting from the lack of available experienced lawyers in the Secretariat and delays caused by the global COVID-19 pandemic, the panel did not expect to issue its final report to the parties before the end of 2020. On December 21, 2020, the Chair of the panel informed the DSB that in light of further delays in the proceedings caused by the global COVID-19 pandemic, the panel expected to issue its final report to the parties about the middle of 2021.⁴⁵²

The panel circulated its report to members on September 2, 2021. China's challenge focused on different aspects of the determinations published by the U.S. International Trade Commission (Commission) that resulted in the imposition of the safeguard measure. Specifically, China challenged the Commission's determinations with respect to "unforeseen developments" and the effect of obligations incurred; the "causal link" between increased imports and the serious injury to the domestic industry; and "other" factors allegedly causing injury to the domestic industry simultaneously with increased imports. China also challenged the Commission's procedural and substantive treatment of confidential information during the safeguard investigation.⁴⁵³

The panel rejected all of China's claims, finding that:

- China did not establish that the U.S. safeguard measure on crystalline silicon photovoltaic products failed to comply with the requirement in Article XIX:1(a) of the GATT 1994 that imports increased "as a result of unforeseen developments and of the effect of the obligations incurred."
- China did not establish that the United States acted inconsistently with Articles 2.1, 3.1, and 4.2(b) of the Agreement on Safeguards by failing to demonstrate the required "causal link" between the increased imports and the serious injury found to exist.
- China did not establish that the United States acted inconsistently with Articles 2.1, 3.1, and 4.2(b) of the Agreement on Safeguards by failing to ensure that injury caused by "other" factors was not attributed to increased imports.

⁴⁵¹ WTO, "DS562: United States," accessed March 29, 2022.

⁴⁵² WTO, "DS562: United States," accessed March 29, 2022.

⁴⁵³ WTO, "DS562: United States," accessed March 29, 2022.

- China did not establish that the United States acted inconsistently with Articles 3.1 and 3.2 of the Agreement on Safeguards as a result of the procedural and substantive treatment of confidential information during the safeguard investigation.⁴⁵⁴

In light of its rejection of China's claims, the panel made no recommendation to the DSB pursuant to Article 19.1 of the DSU. On September 16, 2021, China notified the DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretations in the panel report.⁴⁵⁵

DS577: United States—Anti-dumping and Countervailing Duties on Ripe Olives from Spain

On January 9, 2019, the EU requested consultations with the United States concerning the imposition of countervailing and antidumping duties on ripe olives from Spain, as well as the legislation that was the basis for the imposition of those duties.

The EU claimed that the challenged measures appear to be inconsistent with certain Articles of the SCM Agreement, the Anti-Dumping Agreement, and the GATT 1994.⁴⁵⁶

On May 16, 2019, the EU requested the establishment of a panel. At its meeting on May 28, 2019, the DSB deferred the establishment of a panel. At its meeting on June 24, 2019, the DSB established a panel. On October 8, 2019, the EU requested the Director-General to compose the panel, and on October 18, 2019, the Director-General composed the panel.⁴⁵⁷

On April 15, 2020, the Chair of the panel informed the DSB that, due to a delay in the beginning of the panel's work resulting from the lack of available experienced lawyers in the Secretariat and delays caused by the global COVID-19 pandemic, the panel did not expect to issue its final report to the parties before the end of 2020. The Chair on December 21, 2020, and again on June 9, 2021, informed the DSB of further delays in the proceedings caused by the global COVID-19 pandemic, and on June 9, 2021, informed the DSB that the panel expected to issue its final report to the parties by the end of August 2021. On September 17, 2021, the Chair of the panel informed the DSB that the panel had received joint requests from the parties to postpone the issuance of the final report. The panel agreed to the parties' requests, and it postponed the issuance of the final report to the parties until November 3, 2021.⁴⁵⁸

On November 19, 2021, the panel report was circulated to members. The panel found that the United States acted inconsistently with the SCM Agreement and GATT 1994 in calculating the final subsidy rate of one respondent, and in relying upon a provision of the Tariff Act of 1930 to attribute benefits to downstream agricultural processors. The panel also found that certain factual findings related to Commerce's specificity determination were inconsistent with the SCM Agreement. The panel rejected the EU's other claims concerning specificity and rejected all of the EU's claims concerning the Commission's injury determination. On December 20, 2021, the DSB adopted the panel report.⁴⁵⁹

⁴⁵⁴ WTO, "DS562: United States," accessed March 29, 2022.

⁴⁵⁵ WTO, "DS562: United States," accessed March 29, 2022.

⁴⁵⁶ WTO, "DS577: United States," accessed April 6, 2022.

⁴⁵⁷ WTO, "DS577: United States," accessed April 6, 2022.

⁴⁵⁸ WTO, "DS577: United States," accessed April 6, 2022.

⁴⁵⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 127.

Developments at the Compliance Level in Two U.S. and EU Disputes on Large Civil Aircraft

In March 2021, the EU and the United Kingdom (UK), and the United States, each agreed to suspend countermeasures at the compliance level imposed following WTO Arbitrator awards won in 2019 and 2020 in disputes filed years earlier relating to subsidies provided to domestic producers of large civil aircraft—subsidies provided by the EU to Airbus, and by Washington State to Boeing.⁴⁶⁰

In March 2021, the United States and the UK, and the United States and the EU, both issued joint statements promoting a resolution of the disputes and announcing that each party would suspend their imposition of additional duties on products of the other for four months. In accord with the joint statements, the United States announced modification of the action to suspend additional duties on products of the UK and of EU member states, effective March 4, 2021, and March 11, 2021, respectively.⁴⁶¹

In 2021, the United States reached understandings on cooperative frameworks with the EU on June 15 and the UK on June 17, on the parallel aircraft disputes (DS316 and DS353). According to USTR, each side intends not to impose the WTO-authorized countermeasures for a period of five years starting from July 4, 2021. Each side also intends to provide any financing to its large civil aircraft (LCA) producer for the production or development of large civil aircraft on market terms. Additionally, each side intends to provide any funding for research and development (R&D) for large civil aircraft to its LCA producer through an open and transparent process while making the results of fully government funded R&D widely available. A working group was also established under each framework to analyze and overcome any disagreements in the sector, including on any existing support measures. The working group also agreed to collaborate on jointly analyzing and addressing nonmarket practices of third parties that may harm their respective large civil aircraft industries.⁴⁶²

U.S. Concerns about WTO Dispute Settlement

In February 2020, USTR issued a detailed report, *Report on the Appellate Body of the World Trade Organization* (the February 2020 Report), setting out U.S. concerns about the operation of the WTO dispute settlement, particularly at the Appellate Body level. The February 2020 Report identified seven areas of concerns related to the Appellate Body: (1) “Contrary to the principle of prompt settlement of disputes, the Appellate Body has consistently breached the mandatory deadline for the completion of appeals.” (2) “Contrary to WTO rules, the Appellate Body has unilaterally declared that it has the authority to allow individuals formerly serving on the Appellate Body, whose terms have expired, to continue to participate in and decide appeals.” (3) “The Appellate Body has exceeded its limited

⁴⁶⁰ See WTO, “DS316: European Communities,” accessed March 29, 2022; WTO, “DS353: United States,” accessed March 29, 2022. For more information on the disputes and the awards, see USITC, *Year in Trade 2020*, September 2021; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 75.

⁴⁶¹ 86 Fed. Reg. 14513 (March 16, 2021); USTR, “Joint US-UK Statement on Suspension of Large Civilian Aircraft Tariffs,” March 4, 2021; USTR, “Joint EU-U.S. Statement on the Large Civil Aircraft WTO Disputes,” March 5, 2021.

⁴⁶² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 108. See also USTR, “Joint U.S.-E.U. Cooperative Framework for Large Civil Aircraft,” June 15, 2021; USTR, “Joint US-UK Cooperative Framework for Large Civil Aircraft,” June 17, 2021.

authority to review legal issues by reviewing panel findings of fact, including factual findings relating to the meaning of WTO Members' domestic law." (4) "The Appellate Body has overstepped its role under the Dispute Settlement Understanding by rendering advisory opinions on issues not necessary to assist the Dispute Settlement Body in resolving a dispute." (5) "The Appellate Body wrongly claims that its reports are entitled to be treated as binding precedent and must be followed by panels, absent 'cogent reasons.'" (6) "The Appellate Body has asserted that it may ignore the text of the Dispute Settlement Understanding explicitly mandating it recommend a WTO Member to bring a WTO-inconsistent measure into compliance with WTO rules." And (7) "The Appellate Body has overstepped its authority and opined on matters within the authority of other WTO bodies, including the Ministerial Conference, the General Council, and the Dispute Settlement Body."⁴⁶³ The February 2020 Report stated that "the Appellate Body's persistent overreaching has taken away rights and imposed new obligations through erroneous interpretations of WTO agreements,"⁴⁶⁴ and supported this with examples to illustrate how the Appellate Body's erroneous findings have harmed WTO members, and in particular have prejudiced the ability of market economy countries to take measures to address economic distortions caused by nonmarket economies.⁴⁶⁵

In its *2021 Trade Policy Agenda and 2020 Annual Report*, issued in March 2021 under the Biden Administration, USTR recapped efforts made to raise those concerns at DSB meetings during 2020, particularly regarding the Appellate Body's disregard for the rules set by WTO members, thus adding to or diminishing rights or obligations under the WTO Agreement. The 2020 Annual Report stated that many WTO members share the same concerns regarding: (1) the mandatory 90-day deadline for appeals, (2) review of panel fact finding, (3) issuing of advisory opinions on issues not necessary to resolve a dispute, (4) the treatment of Appellate Body reports as precedent, and/or (5) persons continuing to serve on appeals after their term has ended.⁴⁶⁶

In its 2021 Annual Report, USTR reaffirmed those concerns with the following statement:

Prior to 2021, the United States made a series of statements at DSB meetings explaining that, for more than 17 years and across multiple U.S. Administrations, the United States has been raising serious concerns with the Appellate Body's disregard for the rules set by WTO Members and adding to or diminishing rights or obligations under the WTO Agreement. Many WTO Members share these concerns, whether on the mandatory 90-day deadline for appeals, review of panel fact finding, issuing advisory opinions on issues not necessary to resolve a dispute, the treatment of Appellate Body reports as precedent, or persons serving on appeals after their term has ended. The United States has also explained that when the Appellate Body abused the authority it had been given within the dispute settlement system, it undermined the legitimacy of the system and damaged the interests of all WTO Members who cared about having the agreements respected as they had been negotiated and agreed. If WTO Members support a rules-based trading system, then the Appellate Body must follow the rules to which WTO Members agreed in 1995.

⁴⁶³ USTR, *Report on the Appellate Body of the WTO*, February 2020, 4–8.

⁴⁶⁴ USTR, *Report on the Appellate Body of the WTO*, February 2020, 2.

⁴⁶⁵ USTR, *Report on the Appellate Body of the WTO*, February 2020, 8–12.

⁴⁶⁶ USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, 166.

For many years, the United States and other WTO Members have raised repeated concerns about appellate reports going far beyond the text setting out WTO rules in areas as varied as subsidies, antidumping and countervailing duties, standards under the TBT Agreement, and safeguards. Such overreach restricts the ability of the United States to regulate in the public interest or protect U.S. workers and businesses against unfair trading practices.

As a result, the United States was not prepared to agree to launch the process to fill vacancies on the WTO Appellate Body, thereby allowing the Appellate Body to continue to hear appeals, without WTO Members engaging with and addressing these critical issues.⁴⁶⁷

⁴⁶⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 169–70.

Chapter 4

Selected Regional and Bilateral Activities

This chapter summarizes trade-related activities during 2021 in two major multilateral organizations—the Organisation for Economic Co-operation and Development and the Asia-Pacific Economic Cooperation forum. It also covers the activities conducted under U.S. Trade and Investment Framework Agreements (TIFAs).

Organisation for Economic Co-operation and Development

Background

Established in 1961, the Organisation for Economic Co-operation and Development (OECD) is an international intergovernmental organization that serves as a global forum as well as knowledge hub, producing data and analyses, enabling member countries to share experience and best practices, and providing advice on public policy and international standard-setting.⁴⁶⁸ Collaborating closely with the G7 and the G20, the OECD focuses on finding multilateral solutions to a range of global economic, social, and environmental challenges.⁴⁶⁹

At the end of 2021, the OECD members included 38 middle- and high-income countries, with the latest member to join being Costa Rica, in May 2021.⁴⁷⁰ The OECD also works closely with the so-called “OECD key partners,” including Brazil, China, India, Indonesia, and South Africa. Although they are not OECD members, the OECD key partners participate in OECD policy discussions and the regular OECD surveys and are included in the OECD statistical databases.⁴⁷¹

The OECD organizational structure consists of the OECD Council, Committees, and the Secretariat. The OECD Council is the overarching decision-making body. It convenes the annual Ministerial Council Meeting to set priorities, discuss the global economic and trade environment, and agree upon issues such as the OECD budget or the accession process. Led by the Secretary-General, the OECD Secretariat carries out works through more than 300 committees, expert groups, and working groups, covering a broad set of policy making areas, such as trade facilitation, agriculture and fisheries, education, public

⁴⁶⁸ OECD, “About: Who We Are,” accessed February 7, 2022; OECD, “About: How We Work,” accessed February 7, 2022.

⁴⁶⁹ The G7 is an intergovernmental organization consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States, plus the European Union. Please see [chapter 2](#) of this report for the definition of the G20. OECD, “About: How We Work,” accessed February 7, 2022; G20, “About The G20,” accessed February 7, 2022; G7 UK 2021, “What Is the G7?,” accessed February 7, 2022.

⁴⁷⁰ OECD, “About: Our Global Reach,” accessed February 7, 2022; OECD, “OECD Welcomes Costa Rica as Its 38th Member,” May 25, 2021; World Bank, “World Bank Country and Lending Groups,” accessed May 12, 2022.

⁴⁷¹ OECD, “About: Our Global Reach,” accessed February 7, 2022.

governance, green growth and sustainable development, regulatory reform, science and technology, and international taxation.⁴⁷²

OECD Developments in 2021

Ministerial Council Meeting

Chaired by the United States, the OECD Ministerial Council Meeting convened in 2021 under the theme of “Shared Values: Building a Green and Inclusive Future.”⁴⁷³ It consisted of two parts. The first part took place virtually on May 31–June 1, 2021. The second part took place in a hybrid format on October 5–6, 2021, in Paris.⁴⁷⁴ At the part 1 meeting, ministers discussed the lessons learned from the COVID-19 pandemic, and the priorities for the near-term recovery.⁴⁷⁵ During the meeting, ministers also welcomed the new OECD Secretary-General Mathias Cormann, who took office as the sixth Secretary-General on June 1, 2021.⁴⁷⁶

At the part 2 meeting, ministers shifted the focus to medium- and long-term issues, such as international trade, climate change, digital transformation, inclusive growth, gender equality, anti-bribery, and international tax.⁴⁷⁷ On October 6, 2021, the U.S. Trade Representative Katherine Tai (Ambassador Tai) chaired the trade session on “Making Trade Work for All.” At this session, participants shared their best practices on promoting internationally recognized labor standards via labor provisions in free trade agreements. They also discussed their experiences in utilizing trade and investment policies to encourage responsible business conduct and reduce labor risks in global supply chains.⁴⁷⁸

In the 2021 Ministerial Council Statement, ministers highlighted (1) the Climate Action Dashboard (preliminary version), developed under the International Program for Action on Climate, which presents key indicators to track progress towards climate objectives and country climate actions;⁴⁷⁹ (2) the OECD COVID-19 Recovery Dashboard, which provides 20 indicators to monitor the quality of post-COVID-19 recovery;⁴⁸⁰ (3) the report on *the Implementation of the Recommendation on Integrated Mental Health*,

⁴⁷² OECD, “Organisational Structure,” accessed February 7, 2022; OECD, “About: How We Work,” accessed February 7, 2022; OECD, “About: Our Impact,” accessed February 8, 2022; OECD, “About the OECD: Topics,” accessed May 12, 2022.

⁴⁷³ OECD, “Shared Values: Building a Green and Inclusive Future,” October 6, 2021.

⁴⁷⁴ OECD, “Shared Values: Building a Green and Inclusive Future,” October 6, 2021; OECD, “Schedule of Meetings & Remote Conferences for Wednesday 06 October 2021,” October 5, 2021.

⁴⁷⁵ OECD, “Shared Values: Building a Green and Inclusive Future,” October 6, 2021; OECD, “Schedule of Meetings & Remote Conferences for Wednesday 06 October 2021,” October 5, 2021.

⁴⁷⁶ OECD, “Mathias Cormann Takes Office as OECD Secretary-General,” June 1, 2021. On July 21, 2021, Ambassador Tai met with the new OECD Secretary-General Mathias Cormann in Washington, DC, and congratulated him on his recent appointment. The two parties discussed topics such as international tax reform, and the effects of anticompetitive government support on international markets and businesses, and the promotion of internationally recognized labor rights and protection. USTR, “Ambassador Tai’s Meeting with OECD Secretary-General Mathias Cormann,” July 21, 2021.

⁴⁷⁷ OECD, “Shared Values: Building a Green and Inclusive Future,” October 6, 2021; OECD, “Schedule of Meetings & Remote Conferences for Wednesday 06 October 2021,” October 5, 2021.

⁴⁷⁸ USTR, “Ambassador Tai’s Participation in the OECD Ministerial Meeting,” October 6, 2021.

⁴⁷⁹ OECD, “International Programme for Action on Climate Dashboard,” accessed February 8, 2022.

⁴⁸⁰ OECD, “OECD COVID-19 Recovery Dashboard,” accessed February 8, 2022.

Skills and Work Policy;⁴⁸¹ and (4) the *Policy Framework for Gender-Sensitive Public Governance*, which provides a framework for policy formulation, design, implementation and evaluation to promote gender-sensitive public governance,⁴⁸² among other policies.⁴⁸³

OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting

The OECD, in partnership with G20, has been working on developing a multilateral solution under the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project and the OECD/G20 Inclusive Framework on BEPS (the Inclusive Framework). The OECD launched the BEPS Project in partnership with the G20 in 2013 to tackle tax avoidance, while improving the coherence of international tax rules and ensuring a more transparent tax environment.⁴⁸⁴

Notable progress was made in 2021, following years of negotiations. For example, on July 1, 2021, the OECD released the *Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy* (the Statement), garnering the agreement of 130 countries and jurisdictions. The Statement established a two-pillar framework to reform international taxation rules. Pillar One presents a proposal on the distribution of profits and taxing rights among countries regarding multinational enterprises (MNEs), including digital companies. Under Pillar One, some taxing rights over MNEs would be reallocated to the markets where their business activities take place, regardless of whether firms have a physical presence there. Pillar Two presents a proposal of setting a global minimum corporate tax rate of 15 percent that countries can use to protect their tax bases.⁴⁸⁵

An annex was subsequently added to the Statement, providing information on the implementation process and the associated timeline.⁴⁸⁶ On October 30, 2021, at the G20 Summit in Rome, the G20 leaders, including the United States, endorsed the Statement.⁴⁸⁷ As of November 4, 2021, 137 countries and jurisdictions had joined this political agreement.⁴⁸⁸ On December 20, 2021, the OECD released detailed model rules to assist the implementation of the agreement. According to the Statement and model rules, starting in 2023, a minimum 15 percent tax rate will be applied to multinational enterprises with revenue above €750 million (equivalent to about \$887 million in 2021). This minimum tax rate will

⁴⁸¹ OECD, *Recommendation of the Council on Integrated Mental Health, Skills and Work Policy*, 2022.

⁴⁸² OECD, *Policy Framework for Gender Sensitive Public Governance*, September 27, 2021.

⁴⁸³ OECD, "2021 Ministerial Council Statement," October 6, 2021.

⁴⁸⁴ The term of BEPS refers to tax planning strategies used by multinational enterprises that use gaps and mismatches in tax rules to avoid paying tax, such as artificially shifting profits from countries where their activities are located to jurisdictions with low or zero tax rates. OECD, "Understanding Tax Avoidance," accessed February 17, 2022. For more information on the OECD/G20 BEPS Project, the OECD/G20 Inclusive Framework on BEPS, and the challenges of digitalization on the global tax system, see USITC, *Year in Trade 2020*, September 2021, 112–14.

⁴⁸⁵ OECD, "130 Countries and Jurisdictions Join Bold New Framework for International Tax Reform," July 1, 2021.

⁴⁸⁶ OECD, "Statement on a Two-Pillar Solution to Address the Tax Challenges," October 8, 2021, 6–7.

⁴⁸⁷ Treasury, "Statement from Secretary of the Treasury on the Global Minimum Tax Agreement," October 30, 2021.

⁴⁸⁸ OECD, "Statement on a Two-Pillar Solution to Address the Tax Challenges," October 8, 2021.

be applied to profits in any jurisdiction whenever the effective tax rate is below this minimum threshold.⁴⁸⁹

Asia-Pacific Economic Cooperation

Background

The Asia-Pacific Economic Cooperation (APEC) is a regional economic and trade forum established in 1989 and is composed of 21 member economies.⁴⁹⁰ The primary goals of APEC are to “create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.”⁴⁹¹ Operating as a cooperative, multilateral forum, APEC achieves its goals by promoting dialogue to reach consensus without binding commitments or treaty obligations. Member economies undertake commitments on a voluntary basis, while APEC provides support such as capacity building to help members implement APEC initiatives.⁴⁹²

APEC has a two-level operational structure. At the policy level, APEC economic leaders and ministers meet annually to provide policy direction and set the vision for overarching goals and initiatives. At the working level, four core committees, including the Committee on Trade and Investment and its subsidiary bodies, implement initiatives and carry out activities.⁴⁹³ The APEC Secretariat operates as the core support mechanism for the APEC process. It administers the budget and performs a central project management role, overseeing APEC-funded projects.⁴⁹⁴

Every year, one of the 21 APEC member economies hosts APEC meetings and serves as the APEC chair.⁴⁹⁵ In 2021, New Zealand was the APEC chair.⁴⁹⁶

APEC Developments in 2021

APEC Themes and Priorities

Under New Zealand’s leadership in 2021, APEC adopted the theme “Join, Work, Grow. Together,” with the following policy priorities: (1) “economic and trade policies that strengthen recovery, with a focus on the right macroeconomic, microeconomic and trade policy choices;” (2) “increasing inclusion and sustainability for recovery by building a better society for all people and generating a green recovery;” and (3) “pursuing innovation and a digitally enabled recovery by accelerating the APEC region’s work in

⁴⁸⁹ OECD, “OECD Releases Pillar Two Model Rules,” December 20, 2021. For more information on the implementation, see OECD, *Global Anti-Base Erosion Model Rules (Pillar Two)*, 2021.

⁴⁹⁰ In 2021, the 21 APEC member economies were Australia; Brunei Darussalam (Brunei); Canada; Chile; China; Hong Kong; Indonesia; Japan; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; South Korea; Taiwan; Thailand; the United States; and Vietnam. APEC, “About APEC: About APEC,” September 2021.

⁴⁹¹ APEC, “About APEC: About APEC,” September 2021.

⁴⁹² APEC, “About APEC: About APEC,” September 2021.

⁴⁹³ APEC, “About APEC: How APEC Operates,” September 2021.

⁴⁹⁴ APEC, “APEC Secretariat,” September 2021.

⁴⁹⁵ APEC, “About APEC: How APEC Operates,” September 2021.

⁴⁹⁶ APEC 2021 NZ, “Welcome to APEC 2021,” accessed February 22, 2022.

these areas.”⁴⁹⁷ At the top of the APEC 2021 agenda were the response to the COVID-19 pandemic and the opportunity to build a more resilient future.⁴⁹⁸

APEC Economic Leaders Meeting

On November 12, 2021, the 2021 APEC Economic Leaders’ Meeting took place virtually. All 21 APEC Leaders, including U.S. President Biden, attended the meeting.⁴⁹⁹ The Leaders discussed ongoing efforts to address the COVID-19 pandemic, noting the critical role of trade and investment in response to the pandemic. The Leaders also discussed the road to global economic recovery, emphasizing the importance of macroeconomic tools, structural reform of the services sector, digital adoption and transformation, global supply chain resilience, and the role of the WTO, among other topics. The Leaders also endorsed the Aotearoa Plan of Action, a plan for implementing the Putrajaya Vision 2040.⁵⁰⁰ The Putrajaya Vision 2040, adopted in 2020, provides an overarching framework to APEC work in the next 20 years under three economic drivers: “trade and investment; innovation and digitalization; strong, balanced, secure, sustainable, and inclusive growth.”⁵⁰¹

APEC Committee on Trade and Investment Highlights

In 2021, the APEC Committee on Trade and Investment (CTI) continued to advance work on multiple trade- and investment-related issues. In its annual report to ministers, the CTI highlighted 2021 developments in six major areas: (1) response to the COVID-19 pandemic,⁵⁰² (2) supporting the multilateral trading system,⁵⁰³ (3) advancing regional economic integration agenda,⁵⁰⁴ (4) strengthening connectivity and infrastructure,⁵⁰⁵ (5) promoting sustainability and inclusiveness,⁵⁰⁶ and (6) engagement with business and industries.⁵⁰⁷ Some key developments are discussed in detail below.

Response to the COVID-19 Pandemic

In 2021, APEC continued to focus on promoting the essential role of trade and investment in tackling the impacts of the COVID-19 pandemic, and in enabling a strong economic recovery in the APEC region.⁵⁰⁸ On June 5, 2021, the APEC Ministers Responsible for Trade (MRT) issued a joint statement, in which APEC economies committed to facilitate trade in COVID-19 pandemic-related goods.⁵⁰⁹ Following the

⁴⁹⁷ APEC, “New Zealand Confirms APEC Host Year Priorities,” December 11, 2020.

⁴⁹⁸ APEC 2021 NZ, “Our Roadmap to APEC 2021,” accessed February 22, 2022.

⁴⁹⁹ White House, “Readout of President Joe Biden’s Participation,” November 12, 2021; APEC, “2021 Leaders’ Declaration,” November 12, 2021.

⁵⁰⁰ APEC, “2021 Leaders’ Declaration,” November 12, 2021.

⁵⁰¹ APEC, “APEC Putrajaya Vision 2040,” November 20, 2020.

⁵⁰² APEC, *CTI 2021 Annual Report*, November 2021, 4–8.

⁵⁰³ APEC, *CTI 2021 Annual Report*, November 2021, 9–11.

⁵⁰⁴ APEC, *CTI 2021 Annual Report*, November 2021, 12–17.

⁵⁰⁵ APEC, *CTI 2021 Annual Report*, November 2021, 18–25.

⁵⁰⁶ APEC, *CTI 2021 Annual Report*, November 2021, 22–25.

⁵⁰⁷ APEC, *CTI 2021 Annual Report*, November 2021, 26–29.

⁵⁰⁸ APEC, *CTI 2021 Annual Report*, November 2021, 13–15.

⁵⁰⁹ APEC, “APEC MRT Statement 2021,” June 5, 2021; APEC, “APEC MRT Statement 2021: Annex 1,” June 5, 2021; APEC, “APEC MRT Statement 2021: Annex 2,” June 5, 2021.

MRT meeting, on June 8, 2021, Ambassador Tai met virtually with executives from the U.S.-APEC Business Coalition, and reaffirmed U.S. collaboration with APEC on shared priorities, U.S. commitment to expand equitable access to COVID-19 vaccines, and U.S. determination to increase resilient and sustainable supply chains, among other topics.⁵¹⁰

The CTI noted in its annual report that during 2021, APEC economies reduced or eliminated the implementation of restrictive trade measures on the movement of essential goods, liberalized tariffs on medical supplies, and introduced initiatives to expedite border clearance procedures, etc.⁵¹¹ It also noted a substantial growth in intra-APEC medical supplies and vaccine trade in 2021.⁵¹²

According to the CTI, APEC economies also reported the implementation of other measures that allowed them to better respond to the challenges posted by the pandemic, such as the digitalization of customs procedures, the acceptance of electronic payments/documents, the improvement in risk management of cargos, and the deferral of customs fees and taxes. In addition, APEC economies began to work on finding solutions for the safe resumption of cross-border travel in the APEC region.⁵¹³

Improvement of Supply Chain Performance

During 2021, the APEC reviewed the progress of the APEC Supply Chain Connectivity Framework Action Plan 2017–20, which addresses five major supply chain chokepoints in the APEC region.⁵¹⁴ In November 2021, the APEC issued a report on its major findings:⁵¹⁵

Chokepoint 1—lack of coordinated border management and underdeveloped border clearance and procedures: The review noted that in general APEC economies have performed well in addressing this issue. The customs processes have been improved with the adoption of digital technologies such as single-window platforms;⁵¹⁶ and the time and cost associated with border clearance procedures have been reduced.⁵¹⁷

Chokepoint 2—inadequate quality and lack of access to transportation infrastructure and services: The review found that APEC economies also have improved the quality of transportation infrastructure and services, with better shipping connectivity and a more stable environment for infrastructure investment.⁵¹⁸

Chokepoint 3—unreliable logistics services and high logistical costs: The review found a mixed performance in improving the reliability of logistics services and reducing high logistical costs. During the pandemic, warehouse capacity was reported to contract while inventory costs rose sharply. However,

⁵¹⁰ USTR, “USTR Virtual Meeting with Executives from the U.S.-APEC Business Coalition,” June 8, 2021.

⁵¹¹ APEC, *CTI 2021 Annual Report*, November 2021, 6–8.

⁵¹² APEC, *CTI 2021 Annual Report*, November 2021, 5–6.

⁵¹³ APEC, *CTI 2021 Annual Report*, November 2021, 7–8.

⁵¹⁴ APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021.

⁵¹⁵ APEC, *CTI 2021 Annual Report*, November 2021, 25; APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, v–vii.

⁵¹⁶ Single window systems are the adoption of a single-entry point and single submission, which enables traders to comply with regulatory requirement of export and import in a more efficient manner, and allows better coordination and connection among different border government agencies.

⁵¹⁷ APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, 5–11 and 33–37.

⁵¹⁸ APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, 11–16 and 37–38.

several APEC economies leveraged digital technologies to reduce costs, and improve coordination and transparency in logistic services.⁵¹⁹

Chokepoint 4—limited regulatory cooperation and best practices: The review reported a significantly better score in addressing regulatory cooperation, especially in internal customs cooperation, and information exchange between customs agencies.⁵²⁰

Chokepoint 5—underdeveloped policy and regulatory infrastructure for e-commerce: The review noted a mixed performance on developing policy and regulatory infrastructure for e-commerce. As APEC economies introduced new laws to provide online resolution and digital solutions, regulatory support for e-commerce has become stronger. However, disruption caused by the COVID-19 pandemic hindered the improvements in postal services performance to support e-commerce delivery.⁵²¹

Moving forward, the report stated that among the key issues to be considered are improving supply chain resilience, managing rising trade costs, promoting interoperability of systems, enhancing public-private partnership in meeting the growing demand for quality infrastructure, regulatory reform, enabling reliable logistic services to sustain e-commerce growth, and encouraging environmental sustainability and social inclusiveness in supply chain trade.⁵²²

Trade and Investment Framework Agreements

Trade and Investment Framework Agreements (TIFAs) provide a strategic framework and principles for dialogue on trade and investment issues between the United States and its trading partners.⁵²³ TIFAs and related council meetings serve as a setting for the United States and other parties to discuss diverse issues of mutual interest (e.g., market access, labor, environment, and intellectual property rights), with the objective of strengthening trade and investment ties.

As of the end of 2021, the United States had entered into 60 TIFAs.⁵²⁴ The most recent TIFA signed by the United States was with Fiji in October 2020.⁵²⁵ On November 17, 2021, the U.S.-Brazil Protocol Relating to Trade Rules and Transparency was approved by the Brazilian Congress. This new Protocol is an update to the Agreement on Trade and Economic Cooperation, which went into effect in 2011.⁵²⁶ On August 5, 2021, the U.S.-Ecuador Protocol on Trade Rules and Transparency, which updated the U.S.-

⁵¹⁹ APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, 16–23 and 38.

⁵²⁰ APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, 23–28 and 39.

⁵²¹ APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, 28–32 and 39–41.

⁵²² APEC, *CTI 2021 Annual Report*, November 2021, 18; APEC, *Final Review for the APEC Supply-Chain Connectivity Framework*, November 2021, 49–50.

⁵²³ TIFAs may include agreements such as an Agreement on Trade and Economic Cooperation (ATEC), Trade and Investment Council Agreement (TIC), Trade and Investment Cooperation Forum (TICF), Trade and Investment Cooperation Agreement (TICA), and Trade and Investment Cooperation Forum Agreement (TICFA). All are considered TIFAs by the USTR. USTR, “Trade and Investment Framework Agreements,” accessed March 9, 2022.

⁵²⁴ USTR, “Trade and Investment Framework Agreements,” accessed March 9, 2022. For more information on TIFAs, also see USITC, *Year in Trade 2019*, August 2020, 138–39.

⁵²⁵ USITC, *Year in Trade 2020*, September 2021, 122.

⁵²⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 47.

Ecuador Trade and Investment Council concluded in 1990, entered into force.⁵²⁷ The U.S.-Paraguay TIFA, signed in 2017, formally entered into force in March 2021.⁵²⁸ The United States and Paraguay continued working under the TIFA to deepen trade relations and address mutual interest trade policy matters. For more information on 2021 developments under other TIFAs, see table 4.1 below.

Table 4.1 U.S. trade and investment framework agreements (TIFAs) developments in 2021

ATEC = Agreement on Trade and Economic Cooperation; TIC = Trade and Investment Council; TICF = Trade and Investment Cooperation Forum; TICA = Trade and Investment Cooperation Agreement; TICFA = Trade and Investment Cooperation Forum Agreement; WTO = World Trade Organization; GSP = Generalized System of Preferences.

Type and name	Date signed	2021 Developments
U.S.-Argentina TIFA	Mar. 23, 2016	In November 2021, the United States and Argentina held the seventh meeting of the Innovation and Creativity Forum for Economic Development, established under the U.S.-Argentina TIC.
U.S.-ASEAN TIFA	Aug. 5, 2006	In February and September 2021, officials of the United States and ASEAN met to discuss developments under the U.S.-ASEAN TIFA including the Trade and Labor Dialogue and the Expanded Economic Engagement Work Plan.
U.S.-Brazil ATEC	Mar. 19, 2011	On November 17, 2021, the United States and Brazil Protocol Relating to Trade Rules and Transparency was approved by the Brazilian Congress.
U.S.-Burma TIFA	May 21, 2013	On March 29, 2021, the USTR suspended U.S. cooperation under the U.S.-Burma TIFA in response to the Burmese military coup on February 1, 2021, and the military's violence against the Burmese people.
U.S.-Central Asia TIFA	June 1, 2004	In March 2021, officials from United States and Central Asia met to discuss a range of issues including worker-centered trade policy, the implementation of the WTO Trade Facilitation Agreement, customs, sanitary and phytosanitary issues, intellectual property protection and enforcement, and women's economic empowerment.
U.S.-Ecuador TIC	July 23, 1990	On August 5, 2021, the U.S.-Ecuador Protocol on Trade Rules and Transparency entered into force, and in October 2021, a Labor Working Group meeting was held under the TIC.
U.S.-Fiji TIFA	Oct. 15, 2020	The first meeting under the U.S.-Fiji TIFA was held on February 11, 2021, during which officials discussed the GSP program, labor standards, market access for agricultural products, and intellectual property issues, among other topics.
U.S.-Nigeria TIFA	Feb. 16, 2000	On October 28, 2021, Ambassador Tai met virtually with Nigeria's Minister of Industry, Trade and Investment, Adeniyi Adebayo. They agreed stay in open communication to discuss a possible TIFA consultation.
U.S.-Paraguay	Jan. 13, 2017	In March 2021, the U.S.-Paraguay TIFA formally entered into force. It will be the mechanism for managing the two countries' existing Intellectual Property Workplan.
U.S.-Philippines TIFA	Nov. 9, 1989	In April 2021, the Philippines issued an executive order that lowered MFN tariff rates and increased 1-year quota volumes on imported fresh, chilled and frozen pork, following a December 2020 meeting of the U.S.-Philippines TIFA Agriculture Working Group.

⁵²⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 48.

⁵²⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 48.

Type and name	Date signed	2021 Developments
U.S.-Taiwan TIFA	Sept. 19, 1994	On June 29, 2021, the United States and Taiwan convened the 11th TIFA Council meeting, during which they discussed a range of trade issues, and agreed to mutually combat exploitative labor in global supply chains and to form a Labor Working Group under the TIFA.
U.S.-Tunisia TIFA	Oct. 2, 2002	In May 2021, the United States held a virtual meeting under the U.S.-Tunisia TIFA.
U.S.-Ukraine TICA	Mar. 28, 2008	On November 9, 2021, the United States and Ukraine held the 10th TICA meeting, which focused on increasing bilateral trade and investment, and forming a Labor Working Group under the TICA.
U.S.-United Arab Emirates TIFA	Mar. 15, 2004	In June 2021, the United States held a meeting under the U.S.-United Arab Emirates TIFA.
U.S.-Uruguay TIFA	Jan. 25, 2007	On August 5–6, 2021, the ninth TIC meeting under the U.S.-Uruguay TIFA was held in Montevideo, Uruguay, during which the two countries agreed to launch negotiations to update the TIFA with a Protocol on Trade Rules and Transparency.

Sources: USTR, “Trade and Investment Framework Agreements,” accessed March 9, 2022; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022; USTR, “Ambassador Tai’s Meeting with Nigeria Minister Adeniyi Adebayo,” October 28, 2021; USTR, “Joint Statement On The Tenth Meeting Of The U.S.-Ukraine TIC,” November 10, 2021; USTR, “Joint Statement by the United States and Ecuador,” August 16, 2021; USTR, “U.S. and Taiwan Hold Dialogue on Trade and Investment,” June 30, 2021; USDOS, EB, *2021 Investment Climate Statements: Paraguay*, 2021; ASEAN, “Joint Media Statement for the AEM-USTR Consultations,” September 14, 2021; Government of Fiji, Ministry of Commerce Trade Tourism and Transport, “First Meeting under the U.S.-Fiji TIFA,” February 11, 2021.

Note: The U.S.-ASEAN TIFA includes the United States and the 10 member countries of ASEAN: Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, the Philippines, Singapore, Thailand, and Vietnam. The U.S.-Central Asia TIFA includes the United States and Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

Chapter 5

U.S. Free Trade Agreements

This chapter summarizes developments related to U.S. free trade agreements (FTAs) during 2021.⁵²⁹ It describes trends in U.S. merchandise imports entered under FTAs,⁵³⁰ summarizes major activities involving U.S. FTAs in force during 2021, and highlights the status of U.S. FTA negotiations during the year. As of December 31, 2021, the United States had 14 FTAs in force with 20 trading countries (table 5.1).⁵³¹ The most recent one is the United States-Mexico-Canada Agreement (USMCA), which replaced the North American Free Trade Agreement (NAFTA) and entered into force on July 1, 2020.

Table 5.1 U.S. free trade agreements (FTAs) in force as of December 31, 2021

FTA = free trade agreement; TPA = trade promotion agreement; Korea refers to the Republic of Korea (South Korea).

FTA	Date of signature	Date of entry into force
U.S.-Israel FTA	April 22, 1985	August 19, 1985
U.S.-Jordan FTA	October 24, 2000	December 17, 2001
U.S.-Chile FTA	June 6, 2003	January 1, 2004
U.S. Singapore FTA	May 6, 2003	January 1, 2004
U.S.-Australia FTA	May 18, 2004	January 1, 2005
U.S.-Morocco FTA	June 15, 2004	January 1, 2006
U.S.-Bahrain FTA	September 14, 2004	August 1, 2006
Dominican Republic-Central America FTA (CAFTA-DR)	May 28, 2004; August 5, 2004	March 1, 2006 – January 1, 2009 (various dates)
U.S.-Oman FTA	January 19, 2006	January 1, 2009
U.S.-Peru TPA	April 12, 2006	February 1, 2009
U.S.-Korea FTA (KORUS)	June 30, 2007	March 15, 2012
U.S.-Colombia TPA	November 22, 2006	May 15, 2012
U.S.-Panama TPA	June 28, 2007	October 31, 2012
United States-Mexico-Canada Agreement (USMCA)	November 30, 2018	July 1, 2020

Source: USTR, “Free Trade Agreements,” accessed April 14, 2022.

Note: The U.S.-Jordan FTA was fully implemented on January 1, 2010. CAFTA-DR is an FTA between the United States and six countries in Central America and the Caribbean, and is composed of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. The Central American parties and the United States first signed the agreement on May 28, 2004, and all parties including the Dominican Republic signed on August 5, 2004. CAFTA-DR entered into force between the United States and Costa Rica on January 1, 2009; between the United States and the Dominican Republic on March 1, 2007; between the United States and Guatemala on July 1, 2006; between the United States and Honduras and Nicaragua on April 1, 2006; and between the United States and El Salvador on March 1, 2006. On July 1, 2020, the USMCA replaced NAFTA which had entered into force on January 1, 1994.

⁵²⁹ According to USTR, the term “free trade agreements” includes free trade agreements (FTAs) and trade promotion agreements (TPAs). USTR, “Free Trade Agreements,” accessed April 14, 2022.

⁵³⁰ The U.S. Census Bureau maintains data on U.S. exports to FTA partners, but it does not collect data on how other countries impose duties on imports into their respective countries. Given this data gap, we would be unable to reconcile U.S. export data with individual FTA partners’ data for originating U.S. goods imports. Thus, [chapter 6](#) of this report discusses only total U.S. exports to FTA partners.

⁵³¹ USTR, “Free Trade Agreements,” accessed April 14, 2022.

U.S. Imports Entered under FTAs in 2021

The value of U.S. merchandise imports that entered under FTAs⁵³² (hereafter FTA imports) increased by 18.7 percent to \$417 billion in 2021 (table 5.2). Of the 14 FTAs, FTA imports under the USMCA accounted for more than three-quarters of total FTA imports (77.2 percent or \$322 billion), under which Mexico contributed the largest share of 47.5 percent, and Canada accounted for 29.7 percent. FTA imports under non-USMCA FTAs increased 24.5 percent to \$95 billion in 2021.

U.S. FTA imports from Mexico and Canada experienced the largest increases in absolute dollar value, while U.S. FTA imports from Oman, Chile, and Bahrain incurred the largest increases in percentage changes, though each rose from a smaller baseline. Panama was the only FTA partner from which the United States decreased FTA imports in 2021, which contracted by 2.0 percent (table 5.2).

Table 5.2 U.S. imports entered under FTA provisions, by FTA country/country group, annual, 2019–21
In millions of dollars and percentages. USMCA = United States-Mexico-Canada Agreement; CAFTA-DR = Dominican Republic-Central America-United States Free Trade Agreement. The first 3 rows show U.S. imports for consumption from Canada and Mexico under NAFTA, and under the USMCA, followed by the total for both; the next 13 rows show U.S. imports from countries under 13 other FTA agreements followed by their total under all other FTA provisions and by the total under all FTAs; the next row shows imports for consumption under non-FTAs; and finally, total U.S. imports for consumption.

FTA country/country group	2019 (million \$)	2020 (million \$)	2021 (million \$)	Percentage change, 2020–21 (%)
Canada	124,234	101,064	123,832	22.5
Mexico	202,056	173,962	198,226	13.9
Entered under USMCA provisions	326,290	275,026	322,058	17.1
Israel	2,914	2,838	3,202	12.8
Jordan	1,864	1,561	2,040	30.7
Chile	5,455	5,430	9,229	70.0
Singapore	5,118	5,559	6,662	19.8
Australia	3,977	3,815	4,270	11.9
Morocco	256	307	386	25.7
Bahrain	604	349	500	43.3
CAFTA-DR	14,873	12,540	15,933	27.1
Oman	726	522	1,040	99.2
Peru	3,570	3,504	4,179	19.3
South Korea	36,544	35,306	42,394	20.1
Colombia	6,076	4,501	5,085	13.0
Panama	49	49	48	-2.0
Entered under all other FTA provisions	82,026	76,281	94,968	24.5
Entered under all FTAs	408,316	351,307	417,026	18.7
All imports under non-FTAs	2,089,472	1,984,740	2,407,368	21.3
Total U.S. imports for consumption	2,497,788	2,336,047	2,824,394	20.9

Source: USITC DataWeb/Census, accessed February 17, 2022.

Note: All imports under non-FTAs refer to imports from all countries that are not imported under a free-trade agreement (FTA) provision.

⁵³² Data on imports in this section use “imports for consumption” as a measure, which covers the total of all goods that were cleared by U.S. Customs and Border Protection (CBP) to enter the customs territory of the United States with required duties paid.

In 2021, 43.0 percent of U.S. imports from 20 FTA countries entered under FTA provisions (table 5.3). FTA imports made up more than half of total imports for Jordan (73.9 percent), Chile (61.1 percent), Peru (60.6 percent), Oman (56.3 percent), CAFTA-DR countries (53.3 percent), and Mexico (51.5 percent), reflecting the significance of FTAs for these countries. Almost half of U.S. imports from Bahrain and South Korea entered under FTA provisions at 45.6 and 44.6 percent, respectively, though imports under those provisions decreased in 2021 relative to 2020. The countries with the smallest shares of total imports entered under FTA provisions were Panama (6.4 percent), Israel (16.8 percent), and Singapore (22.5 percent).

Table 5.3 Shares of U.S. merchandise imports entered under FTA provisions, by FTA country/country group, annual, 2019–21

In percentages. USMCA = United States-Mexico-Canada Agreement; CAFTA-DR = Dominican Republic-Central America-United States Free Trade Agreement. The first 3 rows of the table show U.S. imports for consumption from Canada and Mexico under NAFTA, and under the USMCA; the next 13 rows show U.S. imports from countries under 13 other FTA agreements, followed by their total under all other FTA provisions and by the total under all FTAs.

FTA country/country group	2019	2020	2021	Percentage point change, 2020–21
Canada	39.0	37.3	34.6	-2.7
Mexico	56.8	53.5	51.7	-1.8
Entered under USMCA provisions	48.4	46.1	43.5	-2.7
Israel	14.5	18.0	16.8	-1.2
Jordan	85.7	82.8	73.9	-8.9
Chile	52.5	53.7	61.1	7.5
Singapore	19.4	18.1	22.5	4.5
Australia	36.6	26.5	34.0	7.5
Morocco	16.1	28.7	32.6	3.9
Bahrain	59.9	58.1	45.6	-12.5
CAFTA-DR	57.8	52.7	53.3	0.6
Oman	63.2	64.0	56.3	-7.7
Peru	58.4	62.4	60.6	-1.8
South Korea	48.2	47.0	44.6	-2.4
Colombia	41.5	39.0	38.6	-0.4
Panama	11.0	6.9	6.4	-0.5
Entered under all other FTA provisions	41.8	39.7	41.5	1.8
Entered under all FTAs	46.9	44.6	43.0	-1.6

Source: USITC DataWeb/Census, Imports for consumption, accessed February 17, 2022.

Developments in U.S. FTAs Already in Force During 2021

During 2021, the United States had 14 free trade agreements in force. While these agreements vary in coverage, they address many issues including labor, environment, intellectual property, anti-corruption, digital trade, regulatory practices, and small and medium-sized enterprises (SMEs).⁵³³ Highlights of development in 2021 related to these FTA provisions as well as other issues are discussed below.

⁵³³ For more information on various provisions in U.S. FTAs, see USITC, *TPA Retrospective 2*, June 2021.

The United States-Mexico-Canada Agreement

The United States-Mexico-Canada Agreement (USMCA or the “Agreement”) entered into force on July 1, 2020, superseding the North American Free Trade Agreement (NAFTA).⁵³⁴ The USMCA maintains the tariff preferences at zero duty rates that were in place under NAFTA, modifies the investor-state dispute settlement mechanism with respect to Mexico, and includes additional obligations covering, for example, labor rights, environmental protection, good regulatory practices and digital trade. The Labor and Environment chapters are fully enforceable. This section describes actions taken in 2021 by the USMCA Free Trade Commission and developments in the implementation of provisions such as labor monitoring and enforcement, environment, small and medium-sized enterprises, rules of origin, and dispute settlement.⁵³⁵

Developments in the Implementation of the USMCA

Free Trade Commission

The Agreement establishes a Free Trade Commission, composed of ministerial-level government representatives of the United States, Canada, and Mexico (“the parties”).⁵³⁶ The first Free Trade Commission meeting under the USMCA took place on May 17–18, 2021. Following the meeting, a trilateral statement released by the Trade Ministers of Canada and Mexico, and the U.S. Trade Representative reiterated their recognition that, “trade policies should foster broad-based and equitable growth, spur innovation, protect our shared environment, and have a positive impact on people from all walks of life.”⁵³⁷ To this end, the Free Trade Commission meeting served as a forum under which all signatories recommitted “to fully implementing, enforcing, and fulfilling the Agreement’s terms and high standards throughout the life of the USMCA.”⁵³⁸

During the Free Trade Commission meeting, those officials of the three countries reviewed the work of the committees established by the USMCA and offered recommendations for future work. The Committees, which have convened virtually since July 1, 2020, include those on Rules of Origin and Origin Procedures; Textiles and Apparel Trade Matters; Trade Facilitation; Sanitary and Phytosanitary Measures; Technical Barriers to Trade; Transportation Services; Financial Services; Intellectual Property Rights; State-Owned Enterprises and Designated Monopolies; Small and Medium-Sized Enterprises (SMEs); Competitiveness; Good Regulatory Practices; Agricultural Trade; Working Group for Cooperation on Agricultural Biotechnology; Labor Council; Environment Committee; and Temporary Entry.⁵³⁹

⁵³⁴ On January 29, 2020, the President signed the United States-Mexico-Canada Agreement Implementation Act (USMCA Implementation Act) into law. Through the USMCA Implementation Act, Congress approved the United States-Mexico-Canada Agreement (USMCA) and enacted legislation that implements its provisions. United States-Mexico-Canada Agreement Implementation Act, 19 U.S.C. §§ 4501–4732.

⁵³⁵ For information on the negotiation and passage of the USMCA, see USITC, *Year in Trade 2019*, August 2020, 155–58; USITC, *Year in Trade 2020*, September 2021, 123–31.

⁵³⁶ USMCA, Ch. 30, Art. 30.1, July 1, 2020.

⁵³⁷ USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

⁵³⁸ USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

⁵³⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 40.

Further, the Ministers announced that the Committee on SME Issues would convene the first USMCA SMEs Dialogue on October 13–14, 2021, in San Antonio, Texas, where the governments of the three countries planned to engage directly with a diverse group of small business stakeholders, including those owned by women, indigenous peoples, and other underrepresented groups.⁵⁴⁰ Additionally, the Ministers directed the Committee to explore new approaches to better engage with such underrepresented communities.⁵⁴¹

During the May Free Trade Commission meeting, the United States, Mexico, and Canada also held dedicated discussions on the USMCA’s labor and environment obligations.⁵⁴² On labor, the three countries affirmed their desire to fully enforce labor commitments in the Agreement. They noted that the USMCA seeks to raise standards for workers in North America, including those related to freedom of association and the right to collective bargaining, and to prohibit the importation of goods produced by forced labor. On environment, the USMCA member countries acknowledged that trade and environmental policies are mutually supportive, and that trade can provide opportunities to address environmental concerns such as wildlife trafficking, illegal logging and fishing, and marine litter. The three countries committed to increase law enforcement cooperation in the areas of wildlife trafficking and illegal logging and associated trade.⁵⁴³

The Ministers also signed the second Free Trade Commission Decision under the USMCA, which adopted the Spanish- and French-language versions of multiple texts related to the Agreement, including the Rules of Procedure and the Code of Conduct applicable to dispute settlement proceedings under the Agreement and the Uniform Regulations concerning rules of origin.⁵⁴⁴ The decision also affirmed the mutual understanding of the applicability of the Transitional Provisions under the USMCA for binational panels under Chapter 19 of NAFTA and adopts amended Rules of Procedure for Article 10.12 of the Agreement and Rules of Procedure for Extraordinary Challenge Committees and Special Committees under Chapter 10 of the Agreement.⁵⁴⁵ The parties further committed to completing Spanish- and French-language versions of the Rules of Procedure for Binational Panels, Extraordinary Challenge Committees and Special Committees under Chapter 10 of the Agreement.⁵⁴⁶

⁵⁴⁰ USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

⁵⁴¹ The First USMCA Small and Medium-Sized Enterprise Dialogue took place in San Antonio, TX, on April 22, 2022. “Topics for discussion included USMCA small business trade resources for exporting and importing under USMCA; small businesses sharing best practices for trading across the U.S., Canada, and Mexico; and small business COVID-19 recovery resources.” USTR, “First USMCA SMEs Dialogue,” April 22, 2022.

⁵⁴² USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

⁵⁴³ USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

⁵⁴⁴ USTR, “USMCA Free Trade Commission Decision No. 2,” May 18, 2021. Previously, the Free Trade Commission signed the Free Trade Commission Decision No.1 on July 2, 2020. The Decision consisted in adopting the Rules of Procedure and Code of Conduct applicable to dispute settlement proceedings under the Agreement; established a Secretariat composed of National Section of each Party; and established rosters of panelists who are willing to serve as (1) panelist for disputes under Chapter 31 (Dispute Settlement), (2) as labor panelists for the Rapid Response Mechanism, and (3) as panelists for disputes under Section D of Chapter 10 (Trade Remedies). USTR, “USMCA Free Trade Commission Decision No. 1,” July 2, 2020.

⁵⁴⁵ USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

⁵⁴⁶ USTR, “USMCA Free Trade Commission Decision No. 2,” May 18, 2021, 2; USTR, “Trilateral Statement of the USMCA Free Trade Agreement,” May 18, 2021.

Labor

The Labor Chapter of the USMCA provides enforceable labor obligations in the core text of the Agreement rather than in a side agreement. In announcing agreement on the USMCA, USTR indicated that the Labor Chapter represents the strongest provisions of any trade agreement.⁵⁴⁷ The Labor Chapter requires that the parties adopt and maintain in their laws, regulations, and practices labor rights recognized by the International Labour Organization’s Declaration on Fundamental Principles and Rights to Work; the chapter also requires parties to prohibit importation of goods produced by forced or compulsory labor, address violence against workers, ensure protection for migrant workers, and address discrimination in the workplace, including discrimination based on sexual orientation and gender identity; further, the chapter provides an Annex on Worker Representation in Collective Bargaining in Mexico, under which Mexico commits to specific legislative actions to provide for the effective recognition of the right to collective bargaining.⁵⁴⁸ It makes such labor provisions fully enforceable under the Agreement’s dispute settlement mechanism.⁵⁴⁹ In addition to the labor provisions, the Agreement also contains a new enforcement mechanism known as the Rapid Response Labor Mechanism (RRM)⁵⁵⁰ that provides for an independent panel investigation of denial of certain labor rights at “covered facilities,” as discussed in more detail below.

The USMCA’s Labor Chapter also established a Labor Council to consider any matter within the scope of the labor chapter and perform other functions as the parties decide. The Labor Council is composed of senior government representatives from trade and labor ministries that must meet within one year of the date of entry into force of the USMCA, and every two years thereafter, unless otherwise decided. If practicable, the Council meetings may include a public session or other means for Council members to meet with the public to discuss matters related to the implementation of the Labor Chapter.⁵⁵¹ The Labor Council convened its first meeting on June 29, 2021.⁵⁵² The Council meeting was held via videoconference and hosted by the United States.⁵⁵³ During the meeting, the government representatives noted the importance of the commitments in the Labor Chapter and expressed their desire for its effective implementation. The Council discussed several topics, including: (1) the ongoing implementation of Mexico’s recent labor law reform; (2) the Agreement’s requirement that each party prohibit the importation, into its territory, of goods produced in whole or in part by forced or compulsory labor; (3) key labor policies for migrant workers; and (4) areas for ongoing and future cooperation and technical capacity building.⁵⁵⁴ The Council meeting also included a virtual public session

⁵⁴⁷ USTR, “USMCA Labor Fact Sheet,” accessed August 5, 2022.

⁵⁴⁸ USMCA, Ch 23, July 1, 2020.

⁵⁴⁹ USMCA, Ch 23, Art. 23.3, July 1, 2020.

⁵⁵⁰ USMCA, Ch. 31, Annex 31-A, July 1, 2020.

⁵⁵¹ Sec. 711 of the USMCA Implementation Act requires the President to establish the Interagency Labor Committee, co-chaired by the Trade Representative and the Secretary of Labor, including representatives of other Federal department or agencies with relevant expertise as the President determines appropriate. 19 U.S.C. §§ 4631–4693; 85 Fed. Reg. 26315–26316 (May 1, 2020). USMCA, Ch. 23, Art. 23.14, July 1, 2020; 86 Fed. Reg. 31368 (June 29, 2021).

⁵⁵² 86 Fed. Reg. 31368 (June 29, 2021).

⁵⁵³ USTR, “Joint Statement of the Labor Council,” June 29, 2021; USDOL, ILAB, “Inaugural Meeting of USMCA’s Labor Council,” June 29, 2021.

⁵⁵⁴ USTR, “Joint Statement of the Labor Council,” June 29, 2021.

where workers, employers, civil society organizations, and the general public contributed to a discussion related to the implementation of the Labor Chapter.⁵⁵⁵

To monitor and evaluate the implementation and maintenance of Mexico’s Labor Law Reform of 2019, as well as compliance with its labor obligations, the USMCA Implementation Act, through the Interagency Labor Committee for Monitoring and Enforcement (Interagency Labor Committee), established the Independent Mexico Labor Expert Board (IMLEB, the Board).⁵⁵⁶ In its second report, delivered to the Interagency Labor Committee and U.S. Congress on July 7, 2021, the Board indicated that while Mexico has made significant progress in the implementation of its Labor Law Reform, there were a “number of serious concerns with Mexico’s labor law enforcement process and implementation of its labor reform.”⁵⁵⁷ The report noted that some already-adopted mechanisms lacked adequate government oversight, and that the “vast majority” of unionized workers were unable to democratically elect leaders, ratify their collective bargaining agreements (CBAs), or obtain a copy of their CBA.⁵⁵⁸ However, the Board found that present circumstances “do not warrant a determination that Mexico has failed to be in compliance with its labor obligations under the USMCA”—the same conclusion reached in its 2020 report.⁵⁵⁹ It offered multiple recommendations, including ending violence against workers, promoting transparency, reforming the legitimation process for CBAs, and strengthening labor inspections, among others.⁵⁶⁰

The USMCA’s Labor Chapter and the U.S.-Mexico Facility-Specific Rapid Response Labor Mechanism (RRM) allow the U.S. Government to take expedited enforcement actions against individual factories that appear to be denying Mexican workers the right of freedom of association and collective bargaining under Mexican law.⁵⁶¹ In May 2021, the United States self-initiated a request for review under the RRM, concerning a General Motors facility in Silao, Mexico.⁵⁶² Similarly, in May 2021, the United States also requested a review under the RRM in response to a petition filed by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO); the Service Employees International Union (SEIU); the consumer advocacy organization, Public Citizen; and the “Sindicato Nacional Independiente de Trabajadores de Industrias y Servicios “Movimiento 20/32” [National Independent Union of Industry and Service Workers—20/32 Movement] (SNITIS) alleging a denial of workers’ rights at a Tridonex

⁵⁵⁵ USTR, “Joint Statement of the Labor Council,” June 29, 2021.

⁵⁵⁶ Sec. 731 of the USMCA Implementation Act established that the Independent Mexico Labor Expert Board will be composed of 12 members including 4 members appointed by the Labor Advisory Committee, 2 members appointed by the Speaker of the U.S. House of Representatives, 2 members appointed by the president pro tempore of the U.S. Senate from among individuals recommended by the majority leader of the Senate and in consultation with the Chair of the Committee on Finance of the Senate, 2 members appointed by the minority leader of the U.S. House of Representatives, and 2 members appointed by the president pro tempore of the U.S. Senate from among individuals recommended by the minority leader of the Senate. Members of the Board will serve for a term of six years. 19 U.S.C. §§ 4671–4674.

⁵⁵⁷ IMLEB, *Report to the Interagency Labor Committee and Congress*, July 7, 2021, 2.

⁵⁵⁸ IMLEB, *Report to the Interagency Labor Committee and Congress*, July 7, 2021, 42.

⁵⁵⁹ IMLEB, *Report to the Interagency Labor Committee and Congress*, July 7, 2021, 42; IMLEB, *Interim Report*, December 15, 2020.

⁵⁶⁰ IMLEB, *Report to the Interagency Labor Committee and Congress*, July 7, 2021, 42–44.

⁵⁶¹ USTR, “Chapter 31 Annex A RRM Mechanism,” accessed June 20, 2022.

⁵⁶² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 13.

automotive parts facility in Matamoros, Mexico.⁵⁶³ Resolutions to these two reviews were reached expeditiously in 2021.⁵⁶⁴

Environment

The USMCA's Environment Chapter promotes mutually supportive trade and environmental policies and practices; promotes high levels of environmental protection and effective enforcement of environmental laws; and enhances the capacities of the parties to address trade-related environmental issues, including through cooperation, in the furtherance of sustainable development.⁵⁶⁵ The obligations of the Environment Chapter, which are part of the core of the Agreement rather than a side agreement, are fully enforceable under the USMCA's dispute settlement mechanism. It addresses illegal, unreported, and unregulated fishing, combatting and preventing illegal trafficking in timber, fish, and other wildlife, and other environmental issues such as air quality and marine litter.⁵⁶⁶ The Environment Chapter also includes commitments to implement multilateral environmental agreements, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Montreal Protocol on Ozone Depleting Substances.⁵⁶⁷

In addition to the environmental requirements under the Agreement, the USMCA Implementation Act required the President to establish an Interagency Environment Committee for Monitoring and Enforcement (Interagency Environment Committee or IEC) composed of the U.S. Trade Representative, who shall serve as chair, and representatives of various U.S. government agencies.⁵⁶⁸ The IEC's purpose is to coordinate U.S. efforts to monitor and enforce obligations generally, carry out assessments of USMCA parties' environmental laws and policies, and to monitor implementation of USMCA parties' obligations under the Environment Chapter.⁵⁶⁹ The IEC convened regular meetings throughout 2021 to discuss issues related to monitoring and enforcement of Mexico's and Canada's USMCA environmental obligations.⁵⁷⁰

The Environment Chapter also establishes an Environment Committee, comprising senior government representatives of the parties' relevant trade and environmental governmental authorities.⁵⁷¹ On June 17, 2021, Canada chaired the inaugural meeting of the Environment Committee.⁵⁷² At the inaugural

⁵⁶³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 14.

⁵⁶⁴ These two filings are discussed in detail in the "Dispute Settlement" section below.

⁵⁶⁵ USMCA, Ch. 24, July 1, 2020.

⁵⁶⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 41.

⁵⁶⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 160.

⁵⁶⁸ The Interagency Environment Committee was established on February 28, 2020, per Sec. 811 of the USMCA Implementation Act. Members of the Interagency Environment Committee include the U.S. Trade Representative, representatives of the U.S. Department of State, the U.S. Department of Treasury, the U.S. Department of Justice, the U.S. Fish and Wildlife Service in the U.S. Department of Interior, the U.S. Forest Service and the Animal and Plant Health Inspection Service in the U.S. Department of Agriculture, the National Oceanic Atmospheric Administration in the U.S. Department of Commerce, the U.S. Customs and Border Protection in the U.S. Department of Homeland Security, the U.S. Environmental Protection Agency, the U.S. Agency for International Development, and representatives from other federal agencies, as the President determines to be appropriate. 85 Fed. Reg. 12977–12978 (March 5, 2020); 19 U.S.C. §§ 4711–4717.

⁵⁶⁹ 19 U.S.C. §§ 4711–4717.

⁵⁷⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 161.

⁵⁷¹ USMCA, Ch. 24, Art. 24.26, July 1, 2020.

⁵⁷² USTR, "Inaugural Meeting of the Environment Committee of the USMCA," June 17, 2021.

meeting, parties provided updates on their efforts in implementing the USMCA environmental commitments and held a discussion on law enforcement cooperation to stem wildlife trafficking and trade in illegally harvested timber.⁵⁷³ The inaugural meeting also included the first public session, during which the parties provided an opportunity to share progress on USMCA Environment Chapter implementation and to receive questions and comments from the public on trade-related environmental matters in North America.⁵⁷⁴

On July 1, 2020, in parallel with the USMCA Environment Chapter, the parties entered into the Environment Cooperation Agreement (ECA), which superseded the North American Agreement on Environmental Cooperation. The ECA retains and modernizes the Commission for Environment Cooperation (CEC) originally established under the North American Agreement on Environmental Cooperation.⁵⁷⁵ One of the ECA objectives is to support the implementation of the USMCA Environment Chapter commitments. The ECA also facilitates cooperation among the three countries in the areas of pollution reduction, strengthening environmental governance, biological diversity conservation, and sustainably managing natural resources.⁵⁷⁶

The CEC Council met virtually on September 9–10, 2021, for its first regular session under the USMCA and the ECA to affirm the obligation to support the implementation of the USMCA Environment Chapter. The theme of the session was “Climate Change and Environmental Justice Solutions,” and featured updates on various deliverables including new grant programs and initiatives to support communities in meeting CEC goals.⁵⁷⁷ The meeting was chaired by the United States, whose statement recognized the importance of cooperation to achieve shared environmental goals and to promote sustainable development with strengthened trade and investment relations that will benefit underserved and vulnerable communities across North America.⁵⁷⁸ In 2021, the CEC continued the practice of reporting on actions taken on public submissions on enforcement matters. At the end of 2021, six submissions remained open; one involving the United States and five involving Mexico.⁵⁷⁹

Small and Medium-Sized Enterprises

The USMCA SMEs Chapter promotes cooperation between the parties’ small business support infrastructure, including dedicated SME centers, incubators and accelerators, export assistance centers, and other centers as appropriate, to create an international network for sharing best practices, exchanging market research, and promoting SME participation in international trade, as well as business growth in local markets.⁵⁸⁰ The SME Chapter includes commitments on enhanced cooperation to increase trade and investment opportunities for SMEs, including those owned by women, and directs the parties to identify ways to assist SMEs in taking advantage of the Agreement.⁵⁸¹ The chapter also

⁵⁷³ USTR, “Inaugural Meeting of the Environment Committee of the USMCA,” June 17, 2021.

⁵⁷⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 161.

⁵⁷⁵ Agreement on Environmental Cooperation (ECA), July 1, 2020; North American Agreement on Environmental Cooperation, 1993.

⁵⁷⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 41.

⁵⁷⁷ CEC, “Twenty-Eighth Regular Session of the CEC Council,” September 9, 2021.

⁵⁷⁸ CEC, “Twenty-Eighth Regular Session of the CEC Council,” September 9, 2021; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 42.

⁵⁷⁹ CEC, “Registry of Submissions on Enforcement Matters,” accessed March 9, 2022.

⁵⁸⁰ USMCA, Ch. 25, July 1, 2020.

⁵⁸¹ USMCA, Ch. 25, Art. 25.4, July 1, 2020.

establishes the Committee on SME Issues (SME Committee) composed of government officials from each member country.⁵⁸² The SME Committee is charged with supporting commitments under this chapter and with developing and promoting seminars, workshops, webinars, or other activities to inform SMEs of the benefits available to them under this Agreement. The SMEs chapter also directed the launch of a Trilateral SME Dialogue (SME Dialogue), which may include participants from the private sector, employees, nongovernment organizations, academic experts, SMEs owned by diverse and underrepresented groups, and other stakeholders from each member country. However, no activities occurred under the dialogue in 2021.⁵⁸³

In July 2021, the SME Committee organized a trilateral webinar on the topic “Accessing USMCA Markets with E-Commerce: Tools for SMEs to increase online international sales.” During the webinar—attended by over 600 SMEs from the three countries—women-owned SMEs shared best practices in expanding export sales into the North American markets, including through the use of e-commerce. Webinar participants also received information about government resources.⁵⁸⁴ In addition, in 2021, the SME Committee launched a pilot network of small business development center (SBDC)/SME counselors among the parties to share best practices and help SME clients prepare for trade opportunities under the USMCA. Founding members from the United States are counselors from SBDCs, including from Historically Black Colleges and Universities, Women’s Business Centers, Minority Business Development Agency offices, Veterans Business Outreach Centers, and Native American Technical Assistance Centers.⁵⁸⁵ The pilot network held two meetings in 2021 to discuss a host of topics including best practices for reciprocal SME matchmaking.⁵⁸⁶

Rules of Origin

On July 2, 2020, the USMCA Free Trade Commission issued its first decision adopting the Uniform Regulations.⁵⁸⁷ The Uniform Regulations are composed of two documents. One document is entitled the “Origin Procedures,” which is relatively short and concerns “the interpretation, application, and administration of Chapter 5 (Origins Procedures), Chapter 6 (Textiles and Apparel Goods), and Chapter 7 (Customs Administration and Trade Facilitation).”⁵⁸⁸ The other document, “Rules of Origin (ROOs)” is more extensive and concerns “the interpretation, application, and administration of Chapter 4 (Rules of Origin) and related provisions in Chapter 6 (Textiles and Apparel Goods).”⁵⁸⁹ The Uniform Regulations provide information on how USMCA’s rules of origin should be interpreted, applied, and administered, especially as relevant to the automotive industry as well as the textiles and apparel goods industry. They cover several key USMCA obligations, including the automotive rules of origins, the textile and apparel rules of origin, the labor value content rules, and the steel and aluminum purchasing requirements. The Uniform Regulations also cover procedural and implementation elements related to ROOs.⁵⁹⁰

⁵⁸² USMCA, Ch. 25, Art. 25.5, July 1, 2020.

⁵⁸³ USMCA, Ch. 25, Art. 25.4, July 1, 2020. The first USMCA SME Dialogue webinar took place on April 22, 2022.

SBA, OA, “USMCA Small and Medium Enterprise Dialogue,” March 25, 2022.

⁵⁸⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 143.

⁵⁸⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 143.

⁵⁸⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 143.

⁵⁸⁷ USTR, “USMCA Free Trade Commission Decision No. 1,” July 2, 2020.

⁵⁸⁸ USMCA Uniform Regulations: Origins Procedures.

⁵⁸⁹ USMCA Uniform Regulations: Rules of Origins.

⁵⁹⁰ USMCA Uniform Regulations: Origins Procedures; USMCA Uniform Regulations: Rules of Origins.

The USMCA’s ROOs for motor vehicles raised the regional value content requirements to 75 percent for automobiles to receive preferential tariff treatment (compared to 62.5 percent under NAFTA). The USMCA ROOs also requires that at least 70 percent of a producer’s steel and aluminum purchases originate in North America. Further, a new rule for labor value content requires that a certain percentage of qualifying vehicles be produced by employees earning an average of \$16 per hour.⁵⁹¹ The USMCA allows vehicle producers to request an alternative staging regime for these requirements, which would allow them up to five years from entry into force of the agreement but no later than January 1, 2025, to meet these regional value and labor value content requirements.⁵⁹²

The Interagency Committee on Trade in Automotive Goods (Interagency Autos Committee)⁵⁹³ met regularly in 2021 to monitor the implementation of the USMCA’s automotive rules of origin, including the alternative staging regime and implementation of the Uniform Regulations.⁵⁹⁴ On August 20, 2021, Mexico requested consultations with the United States regarding the interpretation and application of certain rules of origin for automobiles under the USMCA, and on August 26, 2021, Canada notified its intent to join the consultations. Mexico and the United States held consultation on September 24, 2021.⁵⁹⁵ Details of this dispute follow in the Chapter 31 dispute settlement section.

USMCA Dispute Settlement

The principal dispute settlement mechanisms of the USMCA are included in Chapter 10 (Trade Remedies), Chapter 14 (Investment), and Chapter 31 (Dispute Settlement).⁵⁹⁶ Article 10.12 under Chapter 10 establishes a mechanism to provide an alternative to judicial review by domestic courts of final determinations in antidumping and countervailing duty cases, with review by independent binational panels established under the Agreement. Chapter 14 includes procedures for resolving disputes between a party and an investor of another party. Annex 14-C addresses the transition from NAFTA to the USMCA regarding “Legacy Investment Claims and Pending Claims.” Two annexes (Annexes 14-D and 14-E) apply only between Mexico and the United States regarding investment disputes. Finally, Chapter 31 governs government-to-government disputes concerning interpretations of, and obligations under, the Agreement. Annex 31-A to Chapter 31 established the United States-Mexico Facility-Specific Rapid Response Labor Mechanism, which allows the United States to take expedited enforcement action against individual facilities in Mexico that deny workers the right of free association and collective bargaining under Mexico’s laws necessary to fulfill the obligations under the USMCA labor provisions.⁵⁹⁷

⁵⁹¹ 19 U.S.C. § 4532.

⁵⁹² USMCA, Ch. 4, July 1, 2020.

⁵⁹³ Sec. 202A(b) of the USMCA Implementation Act requires the President to establish an Interagency Committee on Trade in Automotive Goods (Interagency Autos Committee) to provide advice in the operation of the USMCA with respect to the trade of automotive goods. The members of the Interagency Autos Committee include the Secretary of Commerce, the Secretary of Labor, the U.S. Trade Representative, the Chairman of the U.S. International Trade Commission, the Commissioner of U.S. Customs and Border Protection in the U.S. Department of Homeland Security, and any other members determined to be necessary by the U.S. Trade Representative. 19 U.S.C. § 4532(b); 85 Fed. Reg. 12983–12984 (March 6, 2020).

⁵⁹⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 41.

⁵⁹⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 80.

⁵⁹⁶ USMCA Secretariat, “Dispute Settlement,” September 29, 2020.

⁵⁹⁷ 19 U.S.C. §§ 4691–4693; USMCA, Ch. 31, Annex 31-A, July 1, 2020.

Chapter 10: At the end of 2021, there were seven active cases under review by binational panels established under Chapter 10, Article 10.12 (table 5.4). Four challenge the U.S. Department of Commerce’s (USDOC) antidumping and countervailing duty orders on softwood lumber from Canada, one challenges the Canadian investigating authority’s final antidumping determination on gypsum board, and two challenge the United States investigating authority’s final antidumping determination on carbon and certain alloy steel wire rod and steel concrete reinforcing bar from Mexico.⁵⁹⁸

Table 5.4 Active panel reviews under USMCA Chapter 10 during 2021 and their status as of December 31, 2021

AD = antidumping; CVD = countervailing duty; AR = administrative review; CDA = Canada; MEX = Mexico.

Country of determination under panel review	Panel review number	Case	Date of request	Status
United States	USA-CDA-2020-10.12-01	Softwood Lumber CVD AR	December 10, 2020	Active
United States	USA-CDA-2020-10.12-02	Softwood Lumber AD AR	December 22, 2020	Active
United States	USA-CDA-2021-10.12-03	Softwood Lumber CVD AR2	December 28, 2021	Active
United States	USA-CDA-2021-10.12-04	Softwood Lumber AD AR2	December 29, 2021	Active
United States	USA-MEX-2021-10.12-01	Carbon and Certain Alloy Steel Wire Rod from Mexico Steel Concrete Reinforcing	September 17, 2021	Active
United States	USA-MEX-2021-10.12-02	Bar AD AR	October 8, 2021	Active
Canada	CDA-USA-2020-10.12-01	Gypsum Board AD	November 26, 2020	Active

Source: USMCA Secretariat, “Active Chapter 10 Article 10.12 Panel Reviews through 2021,” accessed April 25, 2022.

Chapter 31: On May 25, 2021, the United States requested the establishment of a binational USMCA dispute settlement panel under USMCA’s Chapter 31, to review Canada’s dairy tariff-rate quota (TRQ) allocation measures (table 5.5).⁵⁹⁹ The panel released its final report on December 20, 2021, and to the public on January 4, 2022.⁶⁰⁰ The Panel agreed with the United States that Canada’s allocation of dairy TRQs, specifically the setting aside of a percentage of each dairy TRQ exclusively for Canadian processors, is inconsistent with Canada’s commitment in Article 3.A.2.11(b) of the USMCA not to “limit access to an allocation to processors.”⁶⁰¹

⁵⁹⁸ USMCA Secretariat, “Active Chapter 10 Article 10.12 Panel Reviews through 2021,” accessed April 25, 2022.

⁵⁹⁹ USMCA Secretariat, “Active Chapter 31 Dispute Settlement Binational Panel Reviews through 2021,” accessed April 25, 2022.

⁶⁰⁰ TAS e-Filing, “Public Reading Room, Disputes, Dairy TRQ Allocation Measures, Docket Filing #23,” January 4, 2022.

⁶⁰¹ On March 2, 2022, in response to the findings of the USMCA panel, Global Affairs Canada began public consultations concerning proposed changes to its USMCA dairy TRQs. On May 16, 2022 Canada published the changes as final and, having rejected these changes, the United States made a second request for dispute settlement consultations with Canada under USMCA on May 2, 2022. TAS e-Filing, “Public Reading Room, Disputes, Dairy TRQ Allocation Measures, Docket Filing #23,” January 4, 2022; USTR, “Second USMCA Dispute on Canadian Dairy TRQs,” May 25, 2022.

Table 5.5 Active panel reviews under USMCA Chapter 31 during 2021 and their statuses as of December 31, 2021

TRQ = tariff-rate quota; CDA = Canada; MEX = Mexico.

Complainant	Panel review number	Title	Date of request	Status
United States	CDA-USA-2021-31-01	Dairy TRQ Allocation Measures	May 25, 2021	Complete, December 20, 2021
Canada	USA-CDA-2021-31-01	Crystalline Silicon Photovoltaic Cells Safeguard Measure	June 18, 2021	Active

Source: USMCA Secretariat, "Active Chapter 31 Dispute Settlement Binational Panel Reviews through 2021," accessed April 25, 2022.

Note: Although the initial consultations regarding automotive rules of origin began in 2021 and are discussed in further detail below, the respective panel review USA-MEX-2022-31-01 is not included in table 5.5 because the official date of request occurred in 2022.

On June 18, 2021, Canada requested the establishment of a USMCA Chapter 31 dispute settlement panel to review the United States' Crystalline Silicon Photovoltaic Cells Safeguard Measure.⁶⁰² In its panel request and subsequent written submissions, Canada claimed that the President's decision in 2018 not to exclude Canadian products from the safeguard measure was inconsistent with USMCA Articles 10.2.1, 10.2.2, 10.2.5(b), 10.3, and 2.4.2.⁶⁰³ Canada also claimed that section 312 of the USMCA Implementation Act (19 U.S.C. § 4552), which provides the President with definitive authority to determine whether to exclude USMCA parties from safeguard actions, is inconsistent with Article 10.3 of the USMCA.⁶⁰⁴ As of December 2021, panel proceedings were ongoing (table 5.5).⁶⁰⁵

On August 20, 2021, Mexico requested consultations with the United States regarding the interpretation and application of Article 3 (Regional Value Content for Passenger Vehicles, Light Trucks, and Parts Thereof) of the Appendix to Annex 4-B (Provisions Related To The Product-Specific Rules Of Origin For Automotive Goods) and Article 4.5.4 (Regional Value Content) of the USMCA.⁶⁰⁶ On August 26, 2021, Canada notified its intent to join the consultations. The United States held consultations with Mexico and Canada on September 24, 2021, but the consultations did not resolve the dispute and it was still ongoing as of December 31, 2021.⁶⁰⁷

⁶⁰² TAS e-Filing, "Public Reading Room, Disputes, Crystalline Silicon Photovoltaic Cells Safeguard Measure, Docket Filing #1," June 18, 2021.

⁶⁰³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 79.

⁶⁰⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 79.

⁶⁰⁵ The panel released its final report in February 2022, which found that the prior U.S. Administration's decision to include imports from Canada in the solar safeguard measure was inconsistent with certain USMCA rules. This dispute was ultimately resolved via a memorandum of understanding on trade in solar products signed by the United States and Canada on July 8, 2022. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 79; USTR, "United States and Canada Announce a Memorandum of Understanding on Trade in Solar Products," July 7, 2022.

⁶⁰⁶ Government of Mexico, Secretariat of Economy, "Letter from Secretary of Economy to U.S. Trade Representative," August 20, 2021; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 80.

⁶⁰⁷ On January 6, 2022, the Government of Mexico requested the establishment of a panel in connection with its dispute with the United States concerning the interpretation and application of the rules of origin for automotive goods under the USMCA.⁶⁰⁷ Mexico claimed that the United States is interpreting and applying the USMCA's automotive rules of origin in a manner inconsistent with Chapters 4 (Rules of Origin) and 5 (Origin Procedures) of the Agreement, as well as the Uniform Regulations adopted by the USMCA parties.⁶⁰⁷ On January 13, 2022, Canada

Chapter 31, Annex 31-A: In 2021, the United States twice invoked the RRM against two facilities operating in Mexico. One against General Motors, Silao, Mexico and another against Tridonex, the auto parts facility owned by Philadelphia-based Cardone Industries, in Matamoros, Mexico.⁶⁰⁸

General Motors, Silao, Mexico

Invoking the USMCA’s RRM for the first time, on May 10, 2021, the United States requested that Mexico conduct a review of whether a Denial of Rights was occurring to workers at the General Motors de México (General Motors Mexico) facility in Silao, State of Guanajuato, Mexico.⁶⁰⁹ The request noted that “significant concerns arise from events preceding, during, and surrounding an April 2021 vote for approval of a collective bargaining agreement (CBA) between General Motors de México” and the “Miguel Trujillo López” union. The request further noted that the United States understood that the approval process and vote, scheduled for April 5, 2021, was suspended by the Secretaría de Trabajo y Previsión Social (STPS)⁶¹⁰ due to its concerns about irregularities, including the destruction of ballots. Additionally, the request noted that if Mexico were to determine that there is a denial of rights to workers at the General Motors de México facility in Silao, the United States further requested that Mexico attempt to remediate within 45 days of this request.⁶¹¹ Ambassador Katherine Tai directed the Secretary of the Treasury to suspend the final settlement of customs accounts related to entries of goods from General Motors’ Silao facility.⁶¹² Mexico conducted its review and on June 25, 2021, discussions began with the United States on a remediation plan.⁶¹³

On July 8, 2021, the United States and Mexico announced a remediation agreement that addressed a denial of workers’ right of free association and collective bargaining that Mexico found to have occurred.⁶¹⁴ The course of remediation had an end date of September 20, 2021. The course of remediation noted that General Motors de México would issue a statement of neutrality and zero-tolerance policy for retaliation, and that Mexico would, among other things:

- Ensure that the new vote to approve the CBA negotiated by the old Confederation of Mexican Workers union (CTM) would be held at the facility by August 20, 2021;

announced that it was joining the dispute as a complaining party. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 80; Government of Mexico, Secretariat of Economy, “México Solicita El Establecimiento de Un Panel de Solución de Controversias Del T-MEC [Mexico Requests the Establishment of a T-MEC Dispute Settlement Panel],” January 6, 2022; Government of Canada, Global Affairs Canada, “Notice of Intention to Join as a Complaining Party—Rules of Origin for Motor Vehicles,” January 13, 2022.

⁶⁰⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 42.

⁶⁰⁹ USTR, “United States Seeks Mexico’s Review of Alleged Worker’s Rights Denial at Auto Manufacturing Facility,” May 13, 2021; USTR, “USTR USMCA RRM Request: General Motors, Mexico,” May 10, 2021.

⁶¹⁰ Secretariat of Labor and Social Welfare (STPS) or Secretaría de Trabajo y Previsión Social is Mexico’s Ministry of Labor.

⁶¹¹ USTR, “USTR USMCA RRM Request: General Motors, Mexico,” May 10, 2021.

⁶¹² Section 751 of the USMCA Implementation Act states that “if the United States files a request pursuant to article 31-A.4.2 of Annex 31-A of the USMCA, the Trade Representative may direct the Secretary of the Treasury to suspend liquidation for unliquidated entries of goods from such covered facility until such time as the Trade Representative notifies the Secretary that a condition described in subsection 751(b) has been met. 19 U.S.C. §§ 4691–4693; USTR, “USTR USMCA RRM Letter to Treasury,” May 12, 2021.

⁶¹³ USTR, “Remediation for Workers’ Rights Denial in Silao,” July 8, 2021.

⁶¹⁴ USTR, “Remediation for Workers’ Rights Denial in Silao,” July 8, 2021.

- Have present federal inspectors from Mexico’s Labor Ministry to prevent and address any intimidation and coercion from occurring;
- Permit the presence of international observers from the International Labour Organization (ILO) at the facility; and
- Investigate and sanction anyone responsible for events that led to the suspension of the April vote and any other violation of law in connection with the August vote.⁶¹⁵

In a second legitimization vote on August 17–18, 2021, to approve the existing CBA negotiated by the CTM, the CBA was rejected and thrown out.⁶¹⁶ The rejection of the CBA allowed a process for workers to select a union to negotiate a new CBA. Following the free and democratic vote in August 2021, USTR and the USDOL announced the successful conclusion of the first course of remediation under the USMCA’s RRM.⁶¹⁷ On September 21, 2021, USTR directed the Secretary of the Treasury to resume liquidation of entries of goods from General Motor’s Silao facility.⁶¹⁸

Although the course of remediation concluded in September 2021, the United States and Mexico continued monitoring the labor conditions at the facility leading up to the February 1–2, 2022, vote to elect a union to represent workers in bargaining with the General Motors facility in Silao.⁶¹⁹

Tridonex, Matamoros, Mexico

On May 10, 2021, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), the Service Employees International Union (SEIU), Public Citizen’s Global Trade Watch, and the “Sindicato Nacional Independiente de Trabajadores de Industrias y Servicios “Movimiento 20/32” [National Independent Union of Industry and Service Workers—20/32 Movement] (SNITIS), filed a petition under the RRM, against Tridonex, S. de R.L. de C.V. (Tridonex), located in Matamoros, Tamaulipas, Mexico.⁶²⁰ The submission alleged that workers at the Tridonex automotive parts facility were being denied the right of free association and collective bargaining.⁶²¹ The Interagency Labor Committee had 30 days to review the petition and determine if there was sufficient credible evidence of denial of rights in support of the claim.

⁶¹⁵ USTR, “Fact Sheet: Agreement with Mexico on RRM Action in Silao,” July 8, 2021.

⁶¹⁶ USTR, “Successful First Course of Remediation under USMCA’s RRM,” September 22, 2021.

⁶¹⁷ USTR, “Successful First Course of Remediation under USMCA’s RRM,” September 22, 2021.

⁶¹⁸ USTR, “Letter to the Secretary of Treasury,” September 21, 2021.

⁶¹⁹ On February 3, 2022, workers at the General Motors Mexico facility elected an independent labor union by a wide margin. The new union, the National Independent Union for Workers in the Automotive Industry (SINTTIA), beat three rivals, including Mexico’s largest labor organization, CTM, that held the contract for 25 years. About 90 percent of eligible workers cast their votes for SINTTIA. On February 3, 2022, the U.S. Trade Representative noted that the “next stage of the process will be good faith bargaining between General Motors and the new union.” USTR, “February 1-2 Vote by Workers in Silao, Mexico,” February 3, 2022; Solomon, “‘Fed up’ GM Workers in Mexico Pick New Union in Historic Vote,” February 4, 2022.

⁶²⁰ Tridonex, S. de R.L. de C.V., is a subsidiary of Cardone Industries, a Philadelphia-based auto parts manufacturer that supplies the U.S. market.

⁶²¹ Government of Mexico, Secretariat of Economy, “Comprometidos Con El Correcto Funcionamiento Del T-MEC, Se Anuncian Acuerdos Respecto a Petición Laboral de Empresa de Autopartes [Committed to the Proper Functioning of the T-MEC, Agreements Are Announced Regarding the Labor Petition of an Auto Parts Company],” August 10, 2021.

On June 9, 2021, in response to the petition filed on May 10, the Interagency Labor Committee determined that there was sufficient credible evidence of a denial of rights, which enabled the invocation of enforcement mechanism. On the same day, USTR and the USDOL announced they had agreed to pursue a complaint under the USMCA's RRM against Tridonex, an auto plant in Mexico, for alleged workers' rights violations.⁶²² Next, Ambassador Tai submitted a request to Mexico that Mexico conduct a review as to whether workers at the Tridonex automotive parts facility were being denied the right of free association and collective bargaining.⁶²³ Mexico had 10 days to agree to conduct a review and 45 days from that day to remediate, if Mexico determined that there were denial of rights to workers at the Tridonex facility.⁶²⁴

On June 19, 2021, Mexico agreed to review the U.S. complaint under the USMCA against Tridonex. The findings of the review, conducted by the Secretaría de Economía [Secretariat of Economy]⁶²⁵ and the STPS, would be shared with U.S. Government by July 24, 2021, after which a reparation course must be agreed with the counterparts of the U.S. Government, if the review determined that there was such denial of workers' rights.⁶²⁶

On August 10, 2021, USTR announced the United States had reached an agreement with Tridonex on a reparation course. The agreement provides severance, backpay, and a commitment to neutrality in future union elections.⁶²⁷ Tridonex agreed to:

- Provide severance and six months of backpay, totaling a minimum of nine months of pay per worker and in many cases much more, to at least 154 workers who were dismissed from the plant, for a total backpay amount of more than \$600,000;
- Support the right of its workers to determine their union representation without coercion, including by protecting its workers from intimidation and harassment and welcoming election observers in the plant leading up to and during any vote;
- Provide training to all Tridonex workers on their rights to collective bargaining and freedom of association;
- Remain neutral in any election for union representation at its facility;
- Maintain and strengthen safety protocols to protect its workers from COVID-19 and financially support any employees who are unable to report to work due to COVID-19 exposure or infection; and
- Revise its procedures and train its managers on fair workforce reduction procedures; and

⁶²² USTR, "United States Seeks Mexico's Review of Alleged Freedom of Association Violations at Mexican Automotive Parts Factory," June 9, 2021.

⁶²³ USTR, "United States Seeks Mexico's Review of Alleged Freedom of Association Violations at Mexican Automotive Parts Factory," June 9, 2021; USTR, "Tridonex Request for Review," June 9, 2021."

⁶²⁴ USMCA, Ch. 31, Art. 31-A.4.2, July 1, 2020.

⁶²⁵ Government of Mexico, Secretariat of Economy or Secretaría de Economía.

⁶²⁶ Government of Mexico, Secretariat of Economy, "México Está Comprometido Con El T-MEC, Admite Solicitud de Revisión Por Parte de EE.UU. Sobre Empresa Autopartista En Matamoros, Tamaulipas [Mexico Is Committed to the T-MEC, Admits Request for Review by the U.S. on Auto Parts Company in Matamoros, Tamaulipas]," June 19, 2021.

⁶²⁷USTR, "United States Reaches Agreement with Tridonex," August 10, 2021; Government of Mexico, Secretariat of Economy, "Comprometidos Con El Correcto Funcionamiento Del T-MEC, Se Anuncian Acuerdos Respecto a Petición Laboral de Empresa de Autopartes [Committed to the Proper Functioning of the T-MEC, Agreements Are Announced Regarding the Labor Petition of an Auto Parts Company]," August 10, 2021; USDOL, "USMCA Cases," accessed April 25, 2022.

- Maintain and staff an employee hotline phone number to receive and respond to complaints of violations of workers' rights in the facility.

In addition to these commitments made by Tridonex, the Government of Mexico agreed to help facilitate workers' rights training for Tridonex employees, monitor any union representation election at the facility, and investigate any claims of workers' rights violations reported by employees at the plant."⁶²⁸

The North American Free Trade Agreement

The North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico was superseded on July 1, 2020, when the USMCA entered into force. The following section provides an update on NAFTA's dispute settlement developments during 2021. Pursuant to the USMCA Annex 14-C, which addresses the transition between NAFTA and the USMCA for investor-state disputes, these cases may proceed to their conclusion in accordance with Chapter 11 of NAFTA.⁶²⁹

NAFTA Dispute Settlement

The dispute settlement provisions of NAFTA are found in NAFTA's Chapter 11 (Investment), Chapter 19 (Review and Dispute Settlement in Antidumping/Countervailing Duty Matters), and Chapter 20 (State-to-State Dispute Settlement).⁶³⁰ The [interactive dashboard](#) presents an overview of developments in NAFTA Chapter 19 dispute settlement cases to which the United States was a party in 2021.

During 2021, pending cases filed under Chapter 11 included three cases against Canada by U.S. investors;⁶³¹ four cases filed against Mexico (three filed by U.S. investors and one by Canadian investors);⁶³² and two cases filed against the United States (one filed by Canadian and Mexican investors, and one filed by Canadian investors).⁶³³ There were no pending disputes under Chapter 20 (State-to-State Dispute Settlement) in 2021.

Pursuant to the USMCA Chapter 34, which provides the transitional provisions from NAFTA, panel reviews may proceed to their completion in accordance with Chapter 19 of NAFTA.⁶³⁴ As of December 31, 2021, there were seven active binational panels remaining under NAFTA Chapter 19 (table 5.7). Two

⁶²⁸ USTR, "United States Reaches Agreement with Tridonex," August 10, 2021; USTR, "Tridonex Action Plan," August 10, 2021.

⁶²⁹ USMCA, Ch. 14, Annex 14-C, Art. 5, July 1, 2020. Annex 14-C addresses the transition between NAFTA and the USMCA regarding "Legacy Investment Claims and Pending Claims."

⁶³⁰ A description of NAFTA provisions, settlement mechanisms, and arbitral provisions are provided in the 2019 report, USITC, *Year in Trade 2019*, August 2020, 161.

⁶³¹ USDOS, "Cases Filed Against the Government of Canada," accessed April 25, 2022.

⁶³² USDOS, "Cases Filed Against the Government of Mexico," accessed April 25, 2022.

⁶³³ USDOS, "Cases Filed Against the Government of the United States," accessed April 25, 2022.

⁶³⁴ Article 34.1 states that, "Transitional Provision from NAFTA 1994" of the USMCA states that "Chapter 19 of NAFTA shall continue to apply to binational panel reviews related to final determinations published by a Party before the entry into force of this agreement," and the Secretariat established under the USMCA "shall perform the functions assigned to the NAFTA Secretariat under NAFTA Chapter 19 and under, for Chapter 19, the domestic implementation procedures adopted by the parties in connection therewith, until the binational panel has rendered a decision and a Notice of Completion of Panel Review has been issued by the Secretariat pursuant to the Rules of Procedures for Article 1904 Binational Panel Reviews." USMCA, Ch. 34, Art 34.1, July 1, 2020.

concern the U.S. International Trade Commission’s determinations in fabricated structural steel from Canada and Mexico. Other active Chapter 19 cases include challenges to USDOC antidumping determinations on fabricated structural steel from Canada, light-walled rectangular pipe and tube from Mexico, and softwood lumber from Canada—a challenge to the USDOC antidumping and countervailing duty order on softwood lumber from Canada—and a challenge to the Mexican investigating authority’s final antidumping determination on ammonium sulphate from the United States.⁶³⁵ On July 7, 2021, a NAFTA Binational Panel issued its Decision in the matter of Ammonium Sulphate from the United States of America (Determination on Remand). The Binational Panel remanded the Secretaría de Economía second Determination on Remand and ordered the Secretaría de Economía to issue a redetermination within 90 days.⁶³⁶

Table 5.6 Active panel reviews under NAFTA Chapter 19 during 2021 and their statuses as of December 31, 2021

AD = antidumping; IN = injury; CVD = countervailing duty; AR = administrative review; ID = injury determination; USDOC = U.S. Department of Commerce; ITA = International Trade Administration (USDOC); USITC = U.S. International Trade Commission.

Country of determination under panel review	Panel review number	Dispute	Investigating authority	Status
United States	USA-CDA-2020-1904-05	Fabricated Structural Steel from Canada (IN)	USITC	Active
United States	USA-MEX-2020-1904-04	Fabricated Structural Steel from Mexico (IN)	USITC	Active
United States	USA-CDA-2020-1904-02	Fabricated Structural Steel from Canada (AD)	USDOC/ITA	Active
United States	USA-MEX-2019-1904-01	Light-Walled Rectangular Pipe and Tube from Mexico (AD)	USDOC/ITA	Active
United States	USA-CDA-2017-1904-03	Softwood Lumber from Canada (AD)	USDOC/ITA	Active
United States	USA-CDA-2017-1904-02	Softwood Lumber from Canada (CVD)	USDOC/ITA	Active
Mexico	MEX-USA-2015-1904-01	Ammonium Sulphate from the United States (AD)	Secretaría de Economía [Secretariat of Economy]	Active

Source: USMCA Secretariat, “Publications,” accessed April 25, 2022.

Other U.S. FTAs in Force

During the ongoing COVID-19 pandemic, U.S. officials continued to engage with FTA partners for discussions on several matters, including labor and environmental issues, enhancing trade and investment, and dispute settlement. Highlights of the FTA activities in 2021 are summarized below.

The U.S.-Israel FTA

⁶³⁵ USMCA Secretariat, “Publications,” accessed April 25, 2022.

⁶³⁶ USMCA Secretariat, “Publications,” accessed April 25, 2022.

Although the U.S.-Israel Joint Committee (JC) did not meet in 2021, USTR noted that representatives of both countries remained committed to negotiating a permanent successor to the U.S.-Israel Agreement on Trade in Agricultural Products.⁶³⁷

The U.S.-Jordan FTA

In 2021, the U.S. Government continued to engage with the Jordanian Ministry of Labor on commitments made under the Implementation Plan related to Working and Living Conditions of Workers in Jordan (Implementation Plan).⁶³⁸ Jordan has improved the coordination of inspections in garment factory dormitories through additional technical support to conduct remote inspections during the COVID-19 pandemic.⁶³⁹

Jordan also continued to work with the USDOL-funded ILO Better Work program to support Implementation Plan objectives in 2021. Efforts include: increasing understanding of international labor standards and the process for conducting audits; making factory-level audits public; making the garment worker union more transparent and democratic, establishing a migrant liaison to enable the garment worker union to reach the 75 percent migrant workforce; developing a Ministry of Labor inspectorate unit to promote knowledge of labor standards and inspection; launching a pilot program to address the mental health of migrant workers; and expanding a train-the-trainers program within the Ministry of Labor to better address collective disputes.⁶⁴⁰

The U.S.-Chile FTA

In 2021, the United States engaged with Chile on several topics such as how changes to Chile’s pension system affect the rights of U.S. investors, and issues related to the implementation of intellectual property rights provisions under the U.S.-Chile FTA.⁶⁴¹ The United States and Chile continued to exchange information and best practices on labor issues under the FTA labor cooperation mechanism. USTR also worked with interagency colleagues and Chilean counterparts to negotiate a new work program for environmental cooperation under the U.S.-Chile FTA for the period of 2021–24.⁶⁴²

The U.S.-Singapore FTA

The U.S.-Singapore Joint Committee—the central oversight body for the FTA—met in October 2021 and agreed to work on areas such as environment, labor, digital trade, supply chains, and intellectual property.⁶⁴³ On December 3, 2021, the two countries met to review implementation of the Environment Chapter under the U.S.-Singapore FTA and discussed issues related to promoting a circular, “green”

⁶³⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 37.

⁶³⁸ In 2013, the United States and Jordan developed the Implementation Plan Related to Working and Living Conditions of Workers in Jordan (Implementation Plan). The Implementation Plan was developed to address serious labor concerns raised about Jordan’s garment factories, including anti-union discrimination against foreign workers, poor conditions of accommodations for foreign workers, and gender discrimination and harassment. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 38.

⁶³⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 38.

⁶⁴⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 38.

⁶⁴¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 35,163.

⁶⁴² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 35,163.

⁶⁴³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 46.

economy, and wildlife trafficking.⁶⁴⁴ The two countries also negotiated a new Plan of Action for Environmental Cooperation under their Memorandum of Intent on Environmental Cooperation.⁶⁴⁵

The U.S.-Australia FTA

The United States met regularly with Australia in 2021 to monitor implementation of the FTA and review market access concerns. Both countries continued to deepen the bilateral trade relationship and coordination.⁶⁴⁶

The U.S.-Morocco FTA

Although the U.S.-Morocco Joint Committee has not met since 2019 due to the COVID-19 pandemic, the U.S.-Morocco FTA Agriculture Subcommittee and SPS Subcommittee held meetings in October 2021. Topics discussed include the use in Moroccan markets of common names for meats and cheeses, SPS issues and paths forward, as well as cooperation on agricultural trade issues of mutual interest.⁶⁴⁷ In February 2021, the United States and Morocco agreed to the use of a self-attestations to meet requests made earlier in 2021 by the Moroccan government regarding additional documentation of U.S. beef and beef product exports. The initial request for additional documentation was meant to confirm that U.S. beef and beef products meet the terms specified under the Rules of Origin Chapter of the U.S.-Morocco FTA.⁶⁴⁸

The U.S.-Bahrain FTA

During 2021, the United States and Bahrain continued to monitor and engage on employment discrimination and freedom of association issues—topics highlighted in 2013 consultations under the U.S.-Bahrain FTA.⁶⁴⁹

The Dominican Republic-Central America FTA (CAFTA-DR)

In 2021, various U.S. government agencies such as USDOL, U.S. Agency for International Development (USAID), and U.S. Department of State continued promoting labor rights and improving the enforcement of labor laws in the CAFTA-DR countries:

- USTR, USDOL, and the U.S. Department of State coordinated U.S. Embassy visits to sugarcane-producing worksites and worker communities in the Dominican Republic during 2021. The United States reiterated to the Ministries of Labor and Foreign Affairs the need to address the labor challenges in the sugar sector, such as by systemizing the labor inspection process and improving labor rights of sugarcane cutters. The Ministry of Labor took actions to improve working conditions through a USDOL-funded \$5 million technical assistance project.⁶⁵⁰

⁶⁴⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 159–60.

⁶⁴⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 163–64.

⁶⁴⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 30.

⁶⁴⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 43.

⁶⁴⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 148.

⁶⁴⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 30–31.

⁶⁵⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 32.

- In 2021, the U.S. Government conducted three missions in August, September, and November to Honduras to follow up on the 2015 Labor Rights Monitoring and Action Plan. The U.S. Department of State continued its funded program to combat labor violence. USDOL continued funding three projects to reduce child labor and improve the technical audit unit within the Ministry of Labor.⁶⁵¹
- In Costa Rica, USDOL continued to fund a \$2 million technical assistance project to build the capacity of key labor law enforcing agencies with respect to minimum wages, hours of work, and occupational safety. USDOL also continued funding a technical assistance project in Costa Rica that supports vulnerable youth in entering the job market.⁶⁵²
- USDOL continued to fund labor capacity-building projects in El Salvador, Guatemala, and Honduras, implemented by the policy research and analytics firm, IMPAQ International.⁶⁵³ The projects involved work on labor market information systems and vocational training and skill-building for at-risk youth.⁶⁵⁴

During 2021, the United States and Central America discussed a broad strategy to address the root causes of migration, focusing on trade facilitation, capacity building, transparency, and inclusivity:

- In September 2021, multiple committees under CAFTA-DR met to discuss policy cooperation and trade capacity building activities to simplify and harmonize the procedures of Central American customs and other border agencies; support the regional supply chain in the textiles and apparel industry; protect worker rights; and strengthen environmental protections.⁶⁵⁵
- In January 2021, Guatemala published a single customs schedule, which resolved longstanding challenges concerning tariff classification and U.S. preferential access in Guatemala.⁶⁵⁶
- In September 2021, the trade capacity building (TCB) Committee met to discuss TCB activities and technical assistance priorities, including the (1) Central America Customs, Border Management, and Supply Chain trade facilitation program, (2) the Building El Salvador's Trade and Competitiveness in Textiles and Apparel to Strengthen Trade and Regional Economic Prosperity program, (3) the Central America Regional Trade Facilitation and Border Management project, and other workshops on the U.S. regulatory system, internal standards, and WTO obligations for CAFTA-DR parties.⁶⁵⁷

On October 14, 2021, the CAFTA-DR Environmental Affairs Council met for the 14th time to discuss updates on actions relating to environmental protection, enforcement legislation, public participation in environmental decision-making and pressing challenges facing the parties to the agreement. During the meeting, the Council received reports from the CAFTA-DR Secretariat for Environmental Matters regarding enforcement activities since 2007, and from the Organization of American States regarding

⁶⁵¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 33.

⁶⁵² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 33.

⁶⁵³ IMPAQ, "IMPAQ International," accessed June 20, 2022.

⁶⁵⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 33.

⁶⁵⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 33.

⁶⁵⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 34; USDA, FAS, *CAFTA-DR Tariff Line Classification Issue*, February 9, 2021.

⁶⁵⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 34–35.

outcomes of the CAFTA-DR Environmental Cooperation Program. The meeting also included a public session, with representatives of civil society and nongovernmental organizations, academia, and the general public.⁶⁵⁸

The U.S.-Oman FTA

In 2021, USTR and the USDOL continued to monitor labor rights in Oman pursuant to labor provisions of the FTA, including with respect to the creation of offices within the Royal Oman Police, Ministry of Labor, and Ministry of Foreign Affairs dedicated to counter-trafficking in persons.⁶⁵⁹

The U.S.-Peru TPA

In 2021, the United States continued to work with Peru on issues related to the FTA's Annex on Forest Sector Governance (Forest Annex) and Labor Chapter. A new Executive Director of the U.S.-Peru Secretariat for Submissions on Environmental Enforcement Matters was selected in December 2021 and will serve a term of two years beginning in early 2022.⁶⁶⁰

The U.S.-Korea FTA (KORUS)

The KORUS Joint Committee—its central oversight body—convened in Seoul in November 2021. During the meeting, Ministers agreed to implement new approaches to effectively address emerging trade-related issues such as supply chain challenges, emerging technologies, the digital ecosystem, trade facilitation, worker-centered trade policy, and environmental concerns.⁶⁶¹

Throughout 2021, the United States continued to monitor and enforce the implementation of KORUS commitments through the 21 committees and working groups established under the Agreement. Five Committees held meetings in 2021, and two Committee meetings were postponed due to the COVID-19 pandemic.⁶⁶² Such meetings addressed issues including: “(1) Korea’s implementation of KORUS obligations related to cross-border data transfers by financial service providers; (2) automotive-related regulations; (3) regulations affecting fair market access for online content; (4) procurement of cloud computing services; (5) Korea’s restrictions on the supply of legal services; (6) impediments to U.S. meat and poultry exports; (7) Korea’s approval process for genetically engineered products; (8) Korea’s positive list system for pesticides; (9) Korea’s administration of its tariff-rate quotas on agricultural products.”⁶⁶³ In August 2021, the Korean Ministry of Food and Drug Safety (MFDS) moved closer to international guidelines by reducing the number of data requirements necessary to secure a Korean food safety approval agricultural biotechnology products. This development came after technical

⁶⁵⁸ USTR, “14th Meeting of the CAFTA-DR Environmental Affairs Council,” October 14, 2021.

⁶⁵⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 44.

⁶⁶⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 45.

⁶⁶¹ USTR, “Sixth KORUS Joint Committee Meeting,” November 19, 2021; USTR, “Ambassador Katherine Tai Remarks on the KORUS Joint Committee,” November 19, 2021; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 39.

⁶⁶² The KORUS Financial Services Committee, Technical Barriers to Trade Committee, and the Automotive Working Group met in June 2021, and the Committee on Textile and Apparel Trade Matters met in September 2021. In November 2021, the Services and Investment Committee meeting was held. Meetings of the Committee on Agricultural Trade and the Committee on Sanitary and Phytosanitary (SPS) Matters for the 2021 cycle were postponed. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 39.

⁶⁶³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 39.

engagement between USTR and its Korean counterparts under the KORUS SPS Committee and a submission on the Korean measure by the U.S. Government.⁶⁶⁴

The U.S.-Colombia TPA

The U.S.-Colombia Free Trade Commission met in October 2021 and reviewed implementation and operation of the Agreement. The Agreement Committees on Agriculture, Sanitary and Phytosanitary Measures, and Technical Barriers to Trade also met in 2021.⁶⁶⁵ During the Agriculture Committee meeting, officials discussed Colombia's preferential treatment of U.S. corn and its pending safeguard measure on imports of U.S. dairy products initiated in June 2021. Following that engagement, Colombia announced in December 2021 that its investigation did not find evidence justifying any safeguard measures. The United States and Colombia exchanged letters in July 2021 which further clarified commitments under the U.S.-Colombia TPA by eliminating bureaucratic requirements for U.S. corn exporters.⁶⁶⁶

In 2021, the Colombian Government took steps to address the issues raised in USDOL's second periodic review of its 2017 report on submissions filed under the Labor Chapter of the Agreement.⁶⁶⁷ USTR and USDOL officials frequently engaged with officials in Colombia to discuss and coordinate on the review findings. USDOL managed technical assistance projects totaling approximately \$26 million to improve labor law enforcement in Colombia.⁶⁶⁸

The U.S.-Panama TPA

Under the United States–Panama Trade Promotion Agreement, Panama provides duty-free access to all U.S. consumer and industrial products as of January 1, 2021.⁶⁶⁹ The United States and Panama continued cooperation in 2021 to seek new opportunities for traders and investors by convening multiple committees under the Agreement, including the Agriculture, Technical Barriers to Trade, and Sanitary and Phytosanitary Committees.⁶⁷⁰ The U.S. Federal Mediation and Conciliation Service continued to provide trainings to Panama's Inter-American School for Social Dialogue, Tripartism and Conflict Resolution, in conjunction with the Cooperative Labor Dialogue under the Agreement.⁶⁷¹

⁶⁶⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 147.

⁶⁶⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 36.

⁶⁶⁶ USTR, "Meeting to Review Implementation of U.S.-Colombia TPA," October 22, 2021; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 146.

⁶⁶⁷ USDOL, *2nd Periodic Review of USDOL's 2017 Report on Colombia*, October 7, 2021.

⁶⁶⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 36.

⁶⁶⁹ Tariffs on some U.S. agricultural goods will be eliminated by January 1, 2026 (after a 15-year phase-out period). Tariffs on most sensitive agricultural products will be phased out in 18 to 20 years. U.S.-Panama TPA, Annex 3.3, June 28, 2007; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 44.

⁶⁷⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 44.

⁶⁷¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 45.

Developments in FTA Negotiations during 2021

Prior to 2021, the United States began but did not complete FTA negotiations with the European Union (EU), the United Kingdom (UK), Japan, and Kenya under Trade Promotion Authority.⁶⁷² The most recent renewal of this authority was contained in the Bipartisan Congressional Trade and Accountability Act of 2015; the authorities under this Act expired on July 1, 2021, and as of July 2022 had not been renewed.⁶⁷³ No new rounds of FTA negotiations occurred with these or any other U.S. trading partners during 2021.⁶⁷⁴

⁶⁷² Trade Promotion Authority is a legislative procedure through which Congress defines U.S. negotiating objectives and priorities for trade agreements and establishes consultation and notification requirements for the President to follow throughout the negotiation process. Under Trade Promotion Authority, Congress can pass an implementing bill under expedited procedures. For discussion of Trade Promotion Authority see USITC, *Year in Trade 2018*, October 2019, 138–39; USITC, *Year in Trade 2015*, July 2016, 133–34.

⁶⁷³ Pub. L. 114-26, 129 Stat. 320 (2015).

⁶⁷⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022; USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021; CRS, *U.S.-EU Trade and Economic Relations*, December 21, 2021; EC, *Overview of FTA and Other Trade Negotiations*, February 2022; USITC, *Year in Trade 2020*, September 2021; Government of the UK, House of Commons Library, *Progress on UK Free Trade Agreement Negotiations*, March 24, 2022; BBC News, “Joe Biden Plays Down Chances of UK-US Trade Deal,” September 22, 2021.

Chapter 6

U.S. Trade in 2021

This chapter provides an overview of U.S. trade in goods and services in 2021. It also reviews U.S. bilateral trade relations with selected major trading partners in 2021: the European Union (EU), China, Mexico, Canada, Japan, the United Kingdom (UK), and India.⁶⁷⁵ These trading partners were selected based on the size of their U.S. bilateral trade value in goods and services, as well as recent trade policy activities. For each trading partner, the chapter summarizes U.S. bilateral trade in goods and services, and reports major developments in bilateral trade policies and programs during 2021.

U.S. Merchandise Trade

Overview

The value of total U.S. merchandise trade was \$4.6 trillion in 2021, a 22.0 percent increase from the 2020 level (figure 6.1).⁶⁷⁶ The value of U.S. merchandise exports increased by 23.1 percent to \$1.8 trillion, while the value of U.S. merchandise imports increased by 21.3 percent to \$2.8 trillion. As a result, the U.S. merchandise trade deficit increased by 18.4 percent to \$1.1 trillion in 2021 (figure 6.1).⁶⁷⁷

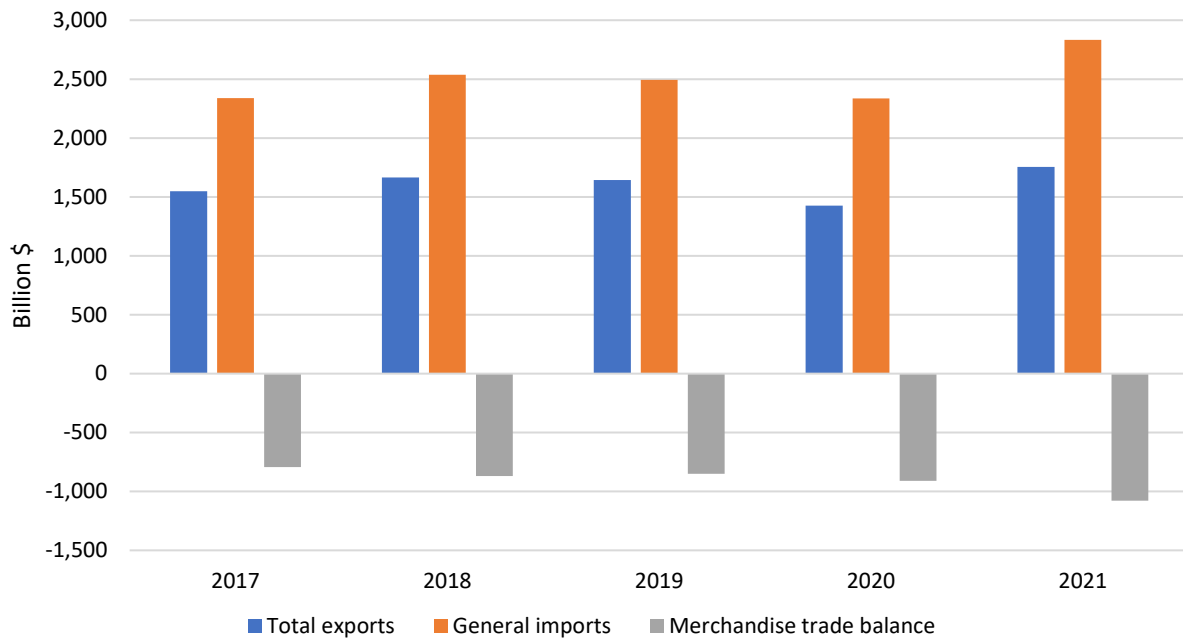
⁶⁷⁵ EU data exclude the UK for the entire time series presented in this report.

⁶⁷⁶ Trade data in this section are reported as total exports and general imports. Measures include products that have been imported into the United States and re-exported without any further U.S. manufacturing. See USITC, “A Note on Trade Statistics,” August 22, 2014.

⁶⁷⁷ USITC DataWeb/Census, accessed February 17, 2022.

Figure 6.1 U.S. merchandise trade with the world, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).



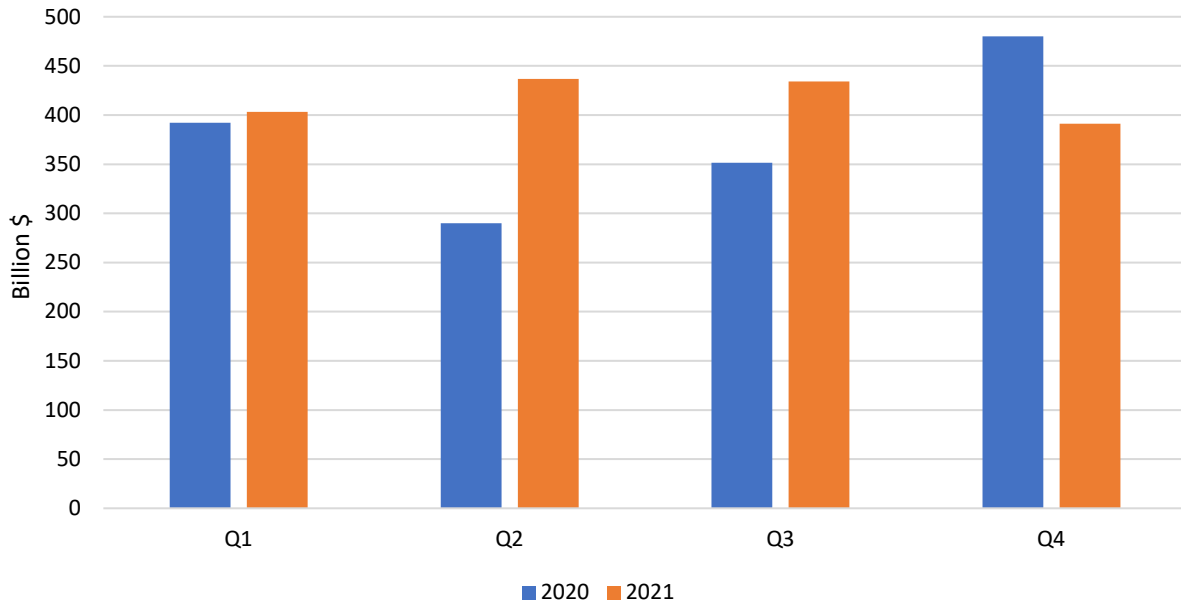
Source: USITC DataWeb/Census, accessed February 17, 2022.

In 2021, U.S. exports and imports both increased year-on-year for the first three quarters (Q1, Q2, and Q3), exceeding their pandemic lows in the respective quarters of 2020 (figure 6.2). However, in Q3 of 2021 export growth stalled before falling significantly in Q4, driven by major declines in agricultural products, transportation equipment, textiles and apparel, and forest products.⁶⁷⁸ U.S. imports continued to increase steadily in the latter half of 2021, and reached their greatest value in Q4, mainly driven by electronic products and transportation equipment (figure 6.3).

⁶⁷⁸ USITC DataWeb/Census, accessed February 17, 2022.

Figure 6.2 U.S. merchandise exports, quarterly (Q), 2020–21

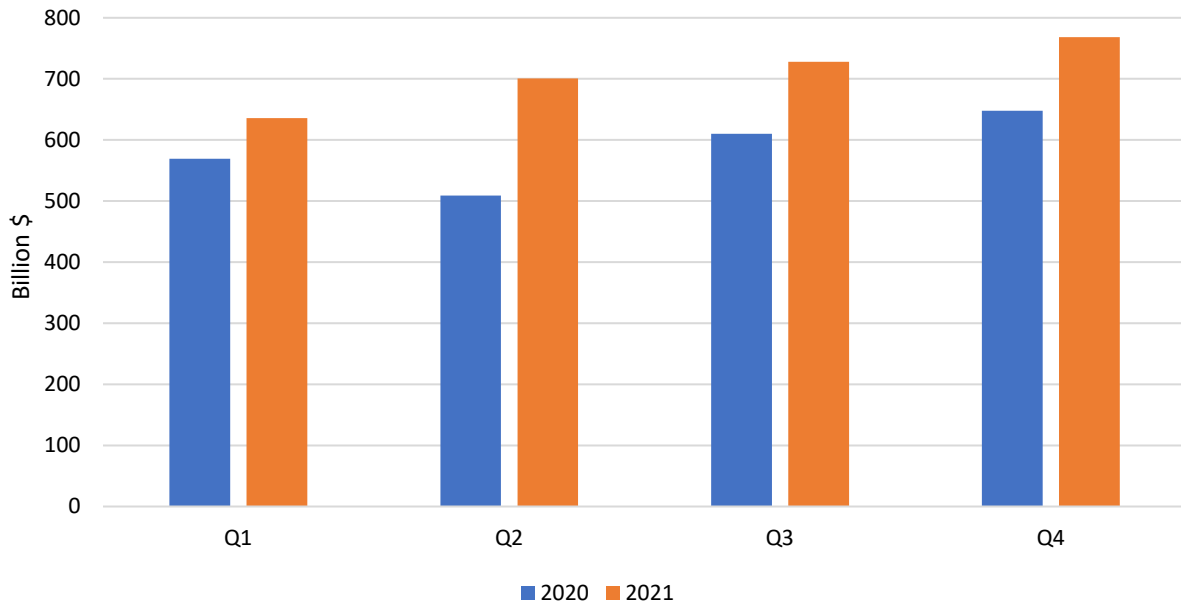
In billions of dollars. Underlying data for this figure can be found in appendix table [B.18](#).



Source: USITC DataWeb/Census, accessed February 25, 2022.

Figure 6.3 U.S. merchandise imports, quarterly (Q), 2020–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.19](#).



Source: USITC DataWeb/Census, accessed February 25, 2022.

U.S. Merchandise Trade by Trading Partner

In 2021, the EU, as a single entity, was the United States' top trading partner in terms of two-way merchandise trade, followed by Canada, Mexico, China, and Japan. The United States had the largest bilateral merchandise trade deficit with China (table 6.1).

Table 6.1 U.S. total merchandise trade with top five trading partners, 2021

In billions of dollars. Two-way trade is defined as exports plus imports.

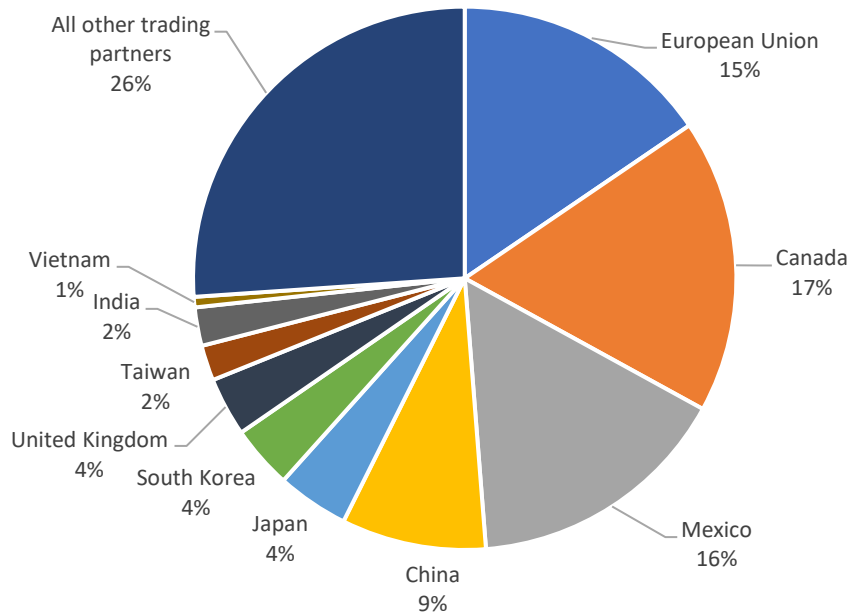
Trading partner	Two-way trade	Total U.S. exports	General U.S. imports	Trade balance
European Union	762.9	271.6	491.3	-219.6
Canada	664.2	307.0	357.2	-50.2
Mexico	661.2	276.5	384.7	-108.2
China	657.4	151.1	506.4	-355.3
Japan	210.1	75.0	135.1	-60.2

Source: USITC DataWeb/Census, accessed February 17, 2022.

Canada was the leading market for U.S. merchandise exports, followed by Mexico and the EU (figure 6.4). China remained the leading source of U.S. merchandise imports in 2021, followed by the EU, Mexico, and Canada (figure 6.5).

Figure 6.4 Leading markets for U.S. merchandise total exports, by share, 2021

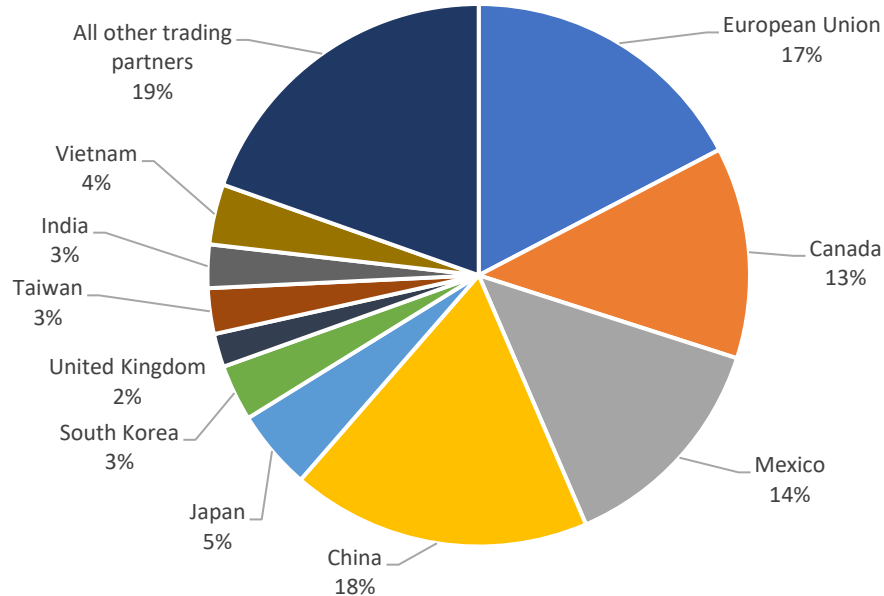
In percentages. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.20](#).



Source: USITC DataWeb/Census, total exports, accessed February 25, 2022.

Figure 6.5 Leading sources for U.S. merchandise general imports, by share, 2021

In percentages. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.21](#).



Source: USITC DataWeb/Census, general imports, accessed February 25, 2022.

U.S. exports to all leading trade partners increased from 2020 to 2021. U.S. exports to India experienced the largest percent increase in 2021 relative to 2020, growing by 48.2 percent, primarily driven by energy-related products and minerals and metals. Mexico, Taiwan, China, and Canada also experienced notable increases of more than 20 percent (table 6.2). Exports to FTA partners accounted for 46.8 percent of total U.S. exports (\$821.4 billion) in 2021, increasing slightly from 45.5 percent in 2020.⁶⁷⁹

⁶⁷⁹ USITC DataWeb/Census, total exports, accessed February 17, 2022.

Table 6.2 U.S. merchandise exports, by leading trading partners, annual, 2020–21

In billions of dollars and percentages.

Trading Partner	Total exports, 2020 (billion \$)	Total exports, 2021 (billion \$)	Total exports, 2020–21, \$ change (billion \$)	Total exports, 2020–21, % change
Canada	255.4	307.0	51.6	20.2
Mexico	211.5	276.5	65.0	30.7
NAFTA/USMCA trading partners	466.9	583.5	116.6	25.0
Other FTA trading partners	182.0	237.9	55.9	30.7
FTA partner total	648.9	821.4	172.5	26.6
European Union	231.2	271.6	40.4	17.5
China	124.5	151.1	26.6	21.4
Japan	63.8	75.0	11.2	17.6
United Kingdom	58.4	61.5	3.0	5.2
Taiwan	30.2	36.9	6.7	22.3
India	27.1	40.1	13.0	48.2
Vietnam	9.9	10.9	1.0	10.4
Other non-FTA trading partners	231.0	285.4	54.5	23.6
Non-FTA trading partner total	776.1	932.6	156.5	20.2
U.S. total exports	1,424.9	1,753.9	329.0	23.1

Source: USITC DataWeb/Census, accessed February 17, 2022.

U.S. imports from most leading trading partners also increased from 2020 to 2021. U.S. imports from India experienced the largest percent increase relative to 2020 (43.1 percent), followed by Canada, whose U.S. imports increased by 32.1 percent. U.S. imports from Vietnam and Taiwan experienced significant increases in 2021, exceeding 20 percent (table 6.3). As in 2020, the increase in U.S. imports from Vietnam and Taiwan largely came from the electronic products sector. Secondary drivers of the increase in U.S. imports from these countries included miscellaneous manufactures and textiles and apparel, and minerals and metals. Imports from U.S. FTA partners accounted for 34.2 percent of total U.S. imports (\$970.2 billion), increasing slightly from 33.7 percent in 2021.⁶⁸⁰

⁶⁸⁰ USITC DataWeb/Census, general imports, accessed February 17, 2022.

Table 6.3 U.S. merchandise imports, by leading trading partners, annual, 2020–21

In billions of dollars and percentages.

Trading Partner	Total imports, 2020 (billion \$)	Total imports, 2021 (billion \$)	Total imports, 2020–21, \$ change (billion \$)	Total imports, 2020–21, % change
Canada	270.3	357.2	86.8	32.1
Mexico	325.2	384.7	59.5	18.3
NAFTA/USMCA trading partners	595.5	741.9	146.3	24.6
Other FTA trading partners	191.8	228.3	36.5	19.0
FTA partner total	787.3	970.2	182.9	23.2
European Union	415.5	491.3	75.8	18.2
China	434.7	506.4	71.6	16.5
Japan	119.5	135.1	15.6	13.1
United Kingdom	50.3	56.4	6.1	12.1
Taiwan	60.4	77.1	16.7	27.7
India	51.2	73.3	22.1	43.1
Vietnam	79.6	101.9	22.3	28.0
Other non-FTA trading partners	337.4	421.3	83.9	24.9
Non-FTA trading partner total	1,548.7	1,862.7	314.0	20.3
U.S. total imports	2,336.0	2,832.9	496.9	21.3

Source: USITC DataWeb/Census, general imports, accessed February 17, 2022.

U.S. Merchandise Trade by Product Category

Exports of chemical related products overtook electronics products by a small margin to become the largest U.S. export sector in 2021. Chemical products and electronic products sectors together contributed 32.8 percent of U.S. exports. Other top exports included transportation equipment (15.5 percent of total merchandise exports) and energy-related products (14.1 percent of total merchandise exports). All sectors experienced an increase in the value of U.S. exports from 2020 to 2021, the largest among them being the energy-related products, chemicals, and minerals and metals (table 6.4 and the [interactive dashboard](#)).⁶⁸¹

⁶⁸¹ 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 11 sectors are agricultural products, forest products, chemicals and related products, energy-related products, textiles and apparel, footwear, minerals and metals, machinery, transportation equipment, electronic products, and miscellaneous manufactures. Digest sectors are further defined in USITC, *Shifts in U.S. Merchandise Trade, 2021*, June 2022; USITC DataWeb/Census, total exports, by USITC digest sector, accessed February 17, 2022.

Table 6.4 U.S. merchandise exports, by USITC digest sector, 2020–21

In billions of dollars and percentages.

Sector	Total exports, 2020 (billion \$)	Total exports, 2021 (billion \$)	Change in total exports, 2020–21, (billion \$)	Change in total exports, 2020–21 (%)
Agricultural products	157.2	185.4	28.2	17.9
Forest products	33.5	39.7	6.2	18.6
Chemicals and related products	229.2	289.1	59.9	26.1
Energy-related products	156.5	247.5	91.0	58.1
Textiles and apparel	18.8	22.3	3.4	18.3
Footwear	1.1	1.1	0.0	1.0
Minerals and metals	128.3	169.7	41.4	32.2
Machinery	127.1	147.8	20.7	16.3
Transportation equipment	243.0	272.3	29.3	12.0
Electronic products	253.2	285.8	32.5	12.9
Miscellaneous manufactures	35.9	42.1	6.2	17.1
Special provisions	41.0	51.2	10.3	25.0
All sectors	1,424.9	1,753.9	329.0	23.1

Source: USITC DataWeb/Census, total exports, accessed February 17, 2022.

Note: The category “Special Provisions” represents trade receiving particular duty or quota treatment under HTS chapters 98 and 99. Each USITC digest sector encompasses a number of HTS 8-digit subheadings. USITC digest sectors are listed and defined in USITC, *Shifts in U.S. Merchandise Trade, 2021*, June 2022.

Electronic products and transportation equipment continued to be the top two sectors for U.S. imports and together contributed 35.3 percent of 2021 U.S. imports. All sectors experienced significant growth in U.S. merchandise imports, ranging from 11.8 (transportation equipment) to 74.1 percent (energy-related products) relative to 2020 (table 6.5 and [interactive dashboard](#)).⁶⁸²

⁶⁸² USITC DataWeb/Census, general imports, by USITC digest sector, accessed February 17, 2022.

Table 6.5 U.S. merchandise imports, by USITC digest sector, 2020–21

In billions of dollars and percentage.

Sector	Total imports, 2020 (billion \$)	Total imports, 2021 (billion \$)	Change in total imports, 2020–21, (billion \$)	Change in total imports, 2020–21 (%)
Agricultural products	163.3	193.8	30.4	18.6
Forest products	44.6	61.1	16.5	37.0
Chemicals and related products	329.0	383.6	54.5	16.6
Energy-related products	125.9	219.2	93.3	74.1
Textiles and apparel	127.6	144.6	16.9	13.3
Footwear	20.7	27.2	6.5	31.4
Minerals and metals	203.8	261.5	57.6	28.3
Machinery	204.8	248.4	43.6	21.3
Transportation equipment	382.5	427.5	45.0	11.8
Electronic products	483.7	572.0	88.3	18.3
Miscellaneous manufactures	148.4	174.6	26.2	17.6
Special provisions	101.7	119.5	17.9	17.6
All sectors	2,336.0	2,832.9	496.9	21.3

Source: USITC DataWeb/Census, general imports, accessed February 17, 2022.

Note: The category “Special Provisions” represents trade receiving particular duty or quota treatment under HTS chapters 98 and 99. Each USITC digest sector encompasses a number of HTS 8-digit subheadings. USITC digest sectors are listed and defined in USITC, *Shifts in U.S. Merchandise Trade, 2021*, June 2022.

Eleven of the 12 broad sectors that make up U.S. merchandise trade had a trade deficit in 2021.⁶⁸³ The exception was the energy-related products sector, which reported a trade surplus of \$28.2 billion in 2021, which was 7.8 percent lower than the surplus in 2020. The U.S. trade surplus in this sector was bolstered by growing exports of liquified natural gas (LNG), with the United States becoming the third-largest LNG supplier to Asia in 2021.⁶⁸⁴ In comparison, the electronics sector reported the largest trade deficit in 2021 (\$286.2 billion), followed by transport equipment (\$155.2 billion) and miscellaneous manufactures (\$132.5 billion).

U.S. Services Trade

Overview

U.S. two-way cross-border services trade increased by 12.6 percent to 1.3 trillion in 2021.⁶⁸⁵ While this growth represents some recovery of U.S. services trade from 2020 lows, it still falls short of 2019 two-

⁶⁸³ Trade balances are calculated by subtracting sector imports (table 6.5) from sector exports (table 6.4) for a given year. A positive trade balance, where exports exceed imports in a given category, is a trade surplus, whereas a negative trade balance, where imports exceed exports in a given category, is a trade deficit.

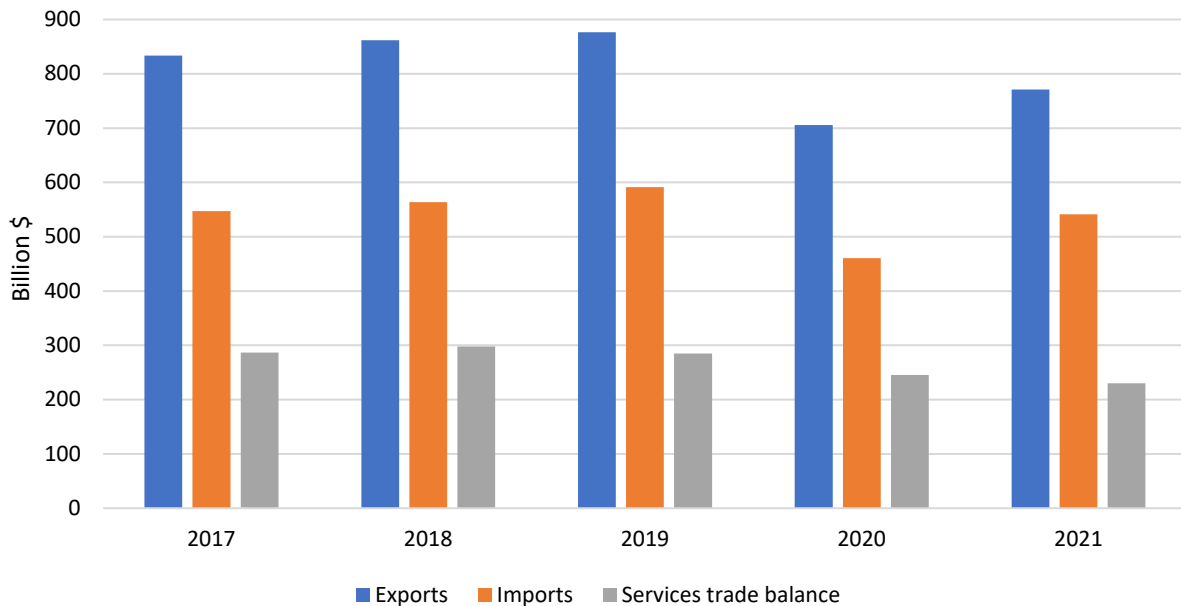
⁶⁸⁴ EIA, “U.S. Exported Record Amounts of LNG in 2021,” March 28, 2022.

⁶⁸⁵ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022. Beginning in the *Year in Trade 2020* report, U.S. cross-border trade in services information includes data on U.S. exports and imports of

way trade (\$1.5 trillion). U.S. total services exports grew 9.3 percent to \$771 billion, while U.S. total services imports grew 17.6 percent to \$541 billion (figure 6.6). U.S. exports and imports in each of the major services categories also experienced growth in 2021, for all categories except travel and maintenance and repair services exports.⁶⁸⁶ The United States maintained a trade surplus in cross-border trade in services of \$230 billion in 2021.

Figure 6.6 U.S. total services trade, annual, 2019–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

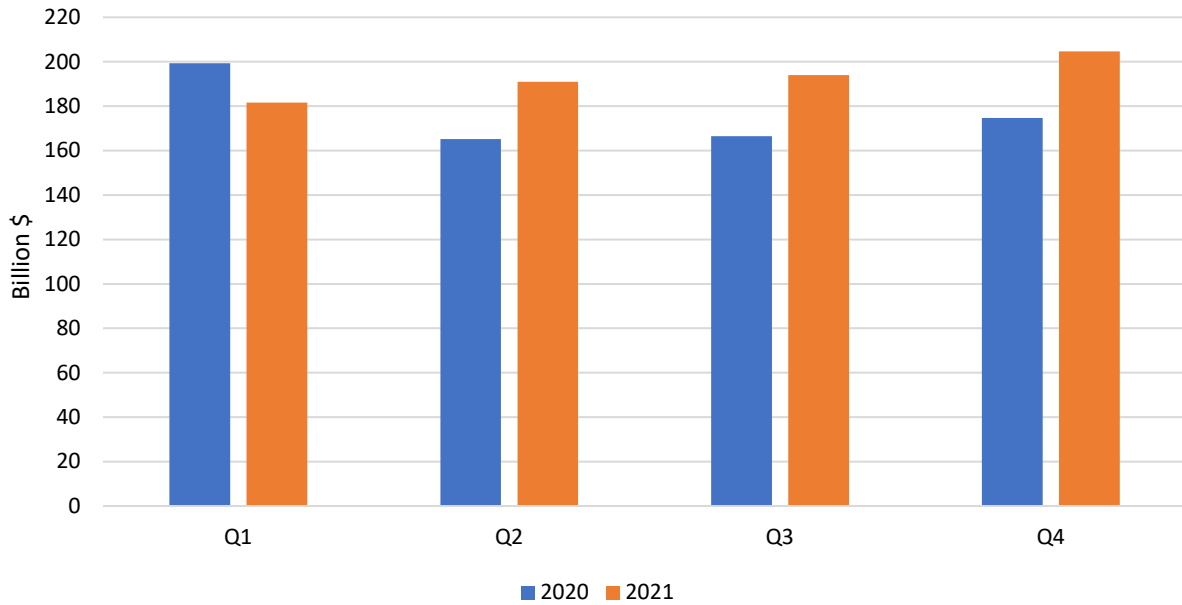
Quarterly trade data on U.S. cross-border services exports and imports show a steady increase in trade flows over the year. In the first quarter (Q1) of 2020, the effects of the COVID-19 pandemic were limited, so U.S. exports in Q1 2021 were smaller than the previous year. However, in the second through fourth quarters of 2021, U.S. exports exceeded 2020 levels, reflecting recovery from lows experienced during the COVID-19 pandemic (figure 6.7). Similarly, U.S. imports in 2021 exceeded 2020 levels for the second through fourth quarters (figure 6.8).

government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

⁶⁸⁶ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022. Travel services include both business and personal travel, including education and medical travel, and include all purchases of goods and services by travelers while abroad. Maintenance and repair services not included elsewhere include services performed by residents of one country on goods owned by residents of another country. USDOC, BEA, U.S. International Trade in Goods and Services, February 2022; “Additional Information,” April 5, 2022.

Figure 6.7 U.S. total services exports, quarterly (Q), 2020–21

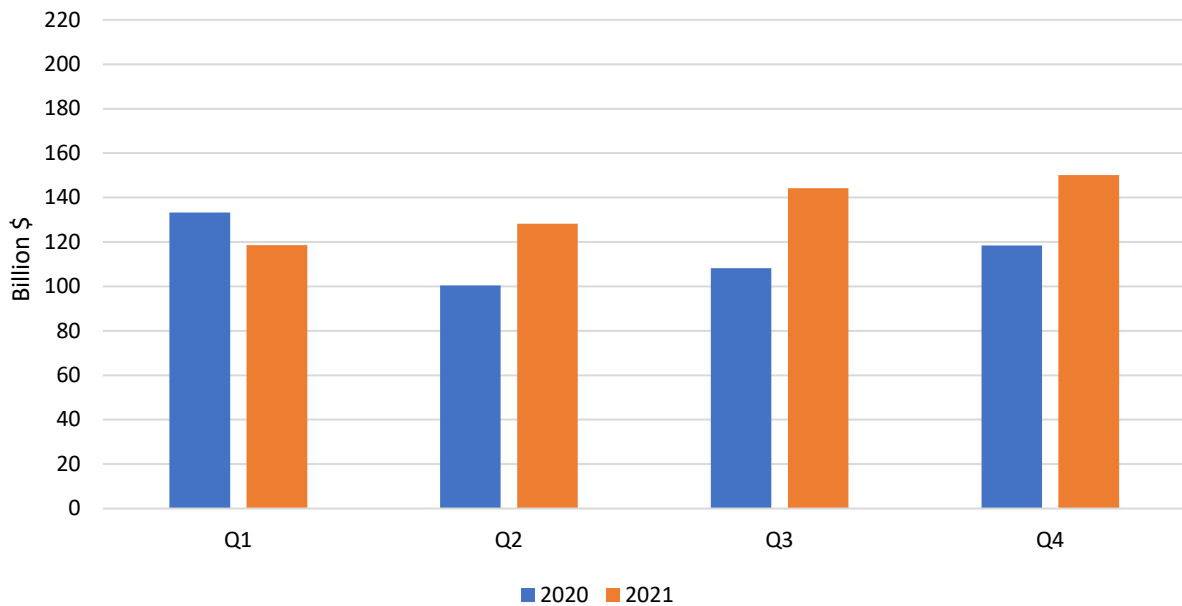
In billions of dollars. Underlying data for this figure can be found in appendix table [B.23](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.8 U.S. total services imports, quarterly (Q), 2020–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.24](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

U.S. Service Trade by Trading Partner

The EU as a whole was the United States’ largest trading partner in services in 2021. The UK, which has not been a member of the EU since 2020, is the second-largest U.S. trading partner, followed by Canada, Japan and Mexico (table 6.6).

Table 6.6 U.S. total services trade with top five trading partners, 2021

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK).

Major trading partner	Total trade	U.S. total exports	U.S. total imports	Trade balance
European Union	325.1	192.3	132.8	59.6
United Kingdom	122.5	67.1	55.5	11.6
Canada	85.6	55.0	30.6	24.4
Japan	68.3	36.6	31.7	4.9
Mexico	57.6	29.9	27.7	2.3

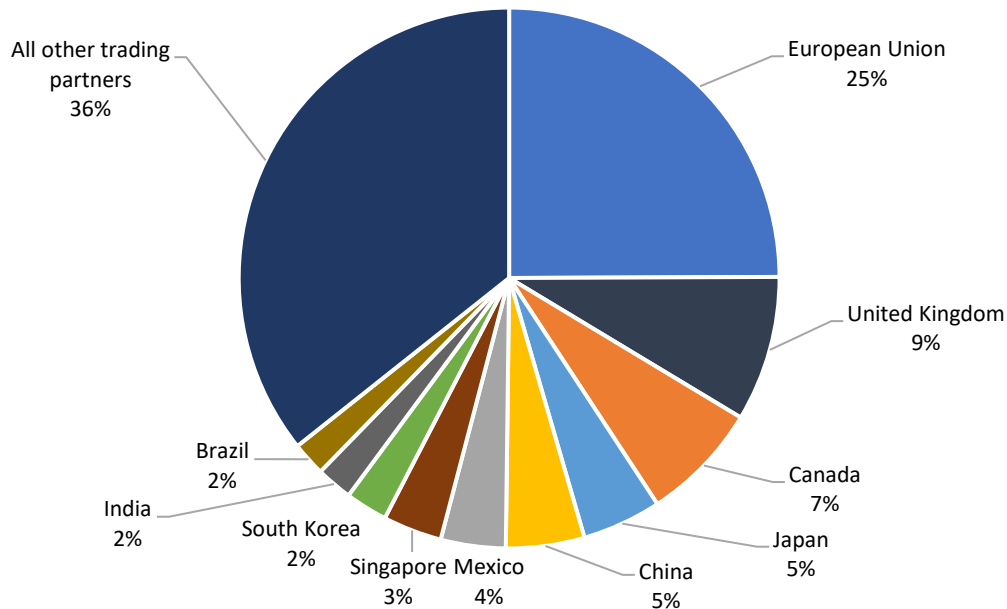
Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Due to rounding and data limitations, individual trade flow figures may not add up to totals shown

In 2021, the top markets for U.S. services exports were the EU, the UK, Canada, Japan, and China (figure 6.9). Leading sources of U.S. services imports were the EU, the UK, Japan, Canada, and India (figure 6.10).

Figure 6.9 Leading markets for U.S. total services exports, by share, 2021

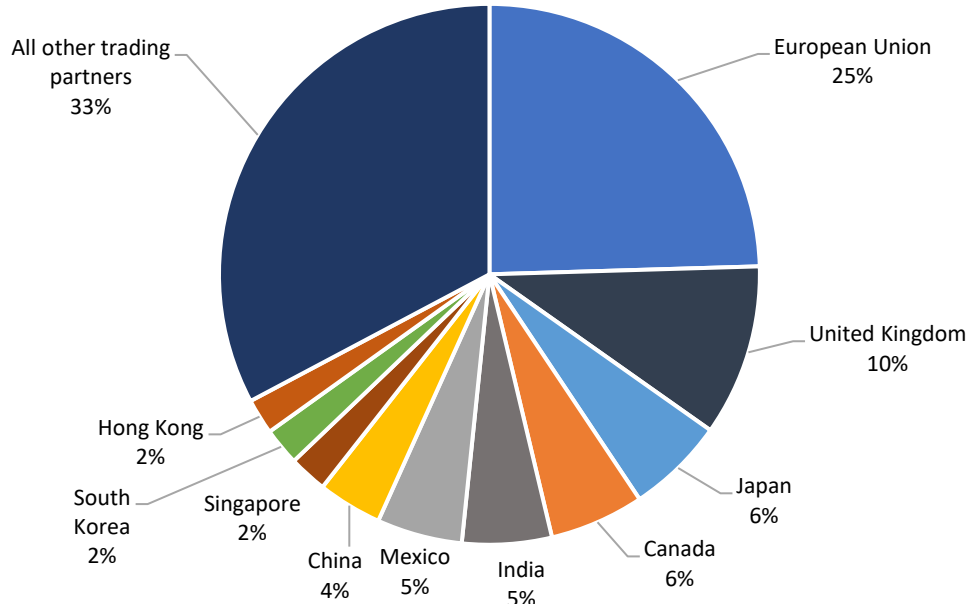
In percentages. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.25](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.10 Leading markets for U.S. total services imports, by share, 2021

In percentages. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.26](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

U.S. Services Trade by Product Category

The largest category of services exports in 2021 was other business services, which represented 26.8 percent of total exports.⁶⁸⁷ The next largest categories were financial services (21.3 percent) and the use of intellectual property (IP) not included elsewhere (n.i.e.) (16.2 percent).⁶⁸⁸ Between 2020 and 2021, all U.S. services categories except travel and maintenance and repair services n.i.e. experienced growth in exports. The strongest growth was in construction, transportation, and financial services (table 6.7).⁶⁸⁹

⁶⁸⁷ The category of other business services includes research and development services, legal, accounting, management consulting, managerial services, public relations, advertising, market research, architectural and engineering, waste treatment, operational leasing, and trade-related services. USDOC, BEA, U.S. International Trade in Goods and Services, January 2022; "Additional Information," March 8, 2022.

⁶⁸⁸ The category of financial services includes financial intermediary and auxiliary services, except insurance, typically provided by banks and financial institutions. Examples of services include securities brokerage and underwriting, financial management, credit card services, securities lending, and electronic funds transfer. Charges for the use of IP n.i.e. include the use of proprietary rights like patents, trademarks, copyright and franchises, and charges for licenses to reproduce and distribute IP embodied in original products (books, software, motion pictures and sound recordings). USDOC, BEA, U.S. International Trade in Goods and Services, January 2022; "Additional Information," March 8, 2022.

⁶⁸⁹ Construction services include services to create, renovate, repair or extend buildings, land improvements, and civil engineering projects (roads, bridges). Transportation services move people and freight from one location to another, and include both the mode of transportation (air, sea, rail, road, space, pipeline), and postal and courier

For travel services, the 5.6 percent decline likely reflected continued travel restrictions during the COVID-19 pandemic, as country-specific restrictions on entry into the United States were not lifted until October 2021.⁶⁹⁰ Growth in transportation services reflected increased maritime freight shipping costs in addition to recovery from pandemic-related lows seen in 2020.⁶⁹¹

All categories of U.S. services imports increased in 2021 relative to 2020. The largest category of U.S. services imports in 2021 was other business services (23.4 percent), followed by transportation (19.4 percent) and travel and insurance services (both 10.7 percent of total imports). Travel and transportation services imports experienced the strongest growth in 2021 relative to 2020, followed by maintenance and repair services n.i.e. and personal, cultural, and recreational services.⁶⁹² The strong growth in personal, cultural, and recreational services likely reflects demand for audiovisual services like online streaming platforms, and online education services. While disaggregated data for 2021 are not available, from 2019 to 2020, U.S. imports of audiovisual services and online education services increased by 15.7 percent and 16.0 percent, respectively.⁶⁹³ Additionally, U.S. revenue from digital music and video-on-demand grew overall compared to 2020, with 13.0 percent increase for digital music and 16.7 increase in video-on-demand.⁶⁹⁴

services, cargo handling, storage and warehousing, and other auxiliary services. USDOC, BEA, U.S. International Trade in Goods and Services, February 2022; “Additional Information,” April 5, 2022.

⁶⁹⁰ 86 Fed. Reg. 59603 (October 25, 2021).

⁶⁹¹ Paris, “Tight Capacity on Shipping Lines Brings Record Rates, Delays,” June 30, 2021.

⁶⁹² Personal, cultural, and recreational services include audiovisual services (production, end-user rights, and sales), artistic-related services (set, costume, and lighting, live events, fees to artists and athletes) and online education, telehealth, museums and gambling services.

⁶⁹³ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.1; U.S. Trade in Services, by Type of Service, July 2, 2021.

⁶⁹⁴ Import growth may be most directly related to the digital music segment of the personal, cultural, and recreational services trade category, as Swedish company Spotify captured 20 percent of all U.S. music streaming usage in 2021. Statista, “Digital Media—United States,” November 2021; Statista, “Digital Music—United States,” July 2021.

Table 6.7 U.S. total services exports, by major category, annual, 2020–21

In billions of dollars and percentage. Due to seasonal adjustment and rounding, figures may not add up to total shown. N.i.e. = not included elsewhere.

Sector	2020 (billion \$)	2021 (billion \$)	Absolute change	Percentage
			2020–21 (billion \$)	change 2020–21 (%)
Maintenance and repair services n.i.e.	13.3	12.0	-1.2	-9.3
Transport	56.7	65.0	8.3	14.7
Travel	72.8	68.8	-4.1	-5.6
Construction	2.3	2.8	0.4	19.1
Insurance services	20.4	22.7	2.2	11.0
Financial services	144.3	164.1	19.7	13.7
Charges for the use of intellectual property n.i.e.	113.8	124.8	11.0	9.7
Telecommunications, computer, and information services	56.7	58.1	1.5	2.6
Other business services	183.2	206.5	23.4	12.8
Personal, cultural, and recreational services	20.4	23.0	2.5	12.3
Government goods and services n.i.e.	21.6	23.4	1.7	8.0
U.S. total services exports	705.6	771.2	65.6	9.3

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Table 6.8 U.S. total services imports, by major category, annual, 2020–21

In billions of dollars and percentage. Due to seasonal adjustment and rounding, figures may not add up to total shown. N.i.e. = not included elsewhere.

Sector	2020 (billion \$)	2021 (billion \$)	Absolute change	Percentage
			2020–21 (billion \$)	change 2020–21 (%)
Maintenance and repair services n.i.e.	6.1	7.5	1.4	23.4
Transport	72.4	104.8	32.4	44.7
Travel	35.8	57.9	22.1	61.8
Construction	1.1	1.3	0.1	11.6
Insurance services	55.6	57.7	2.0	3.7
Financial services	42.3	45.0	2.7	6.4
Charges for the use of intellectual property n.i.e.	43.0	46.8	3.9	9.0
Telecommunications, computer, and information services	38.6	41.4	2.8	7.2
Other business services	117.7	126.8	9.1	7.7
Personal, cultural, and recreational services	23.2	27.0	3.8	16.2
Government goods and services n.i.e.	24.6	25.2	0.6	2.5
U.S. total services imports	460.3	541.2	80.9	17.6

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Developments with Selected Major Trading Partners

European Union

U.S.-EU Trade Overview

In 2021, the EU was the largest U.S. merchandise trading partner in total trade.⁶⁹⁵ U.S. merchandise exports to the EU grew by 17.5 percent to \$271.6 billion in 2021, while U.S. merchandise imports from the EU grew by 18.2 percent to \$491.3 billion in 2021, resulting in a bilateral U.S. merchandise trade deficit of \$219.6 billion (figure 6.11). The top U.S. exports to the EU included aircraft engines and parts (\$22.7 billion), crude petroleum (\$18.6 billion), and medicaments (\$9.3 billion). The top U.S. imports from the EU were medicaments (\$29.9 billion), immunological products (\$23.0 billion), and passenger motor vehicles with cylinder capacity between 1,500 and 3,000 cubic centimeters (cc) (\$18.2 billion).⁶⁹⁶

In 2021, the EU was also the largest U.S. services trading partner. U.S. services exports to the EU increased by 11.3 percent to \$192.3 billion in 2021, while U.S. services imports from the EU grew by 19.3 percent to \$132.8 billion in 2021, resulting in a bilateral U.S. services trade surplus of \$59.6 billion (figure 6.12). The top three U.S. services exports to the EU were other business services (\$74.9 billion), charges for IP use (\$43.2 billion), and financial services (\$30.8 billion). The leading services imports from the EU were other business services (\$33.0 billion), transport (\$29.7 billion), and charges for IP use (\$19.0 billion).⁶⁹⁷

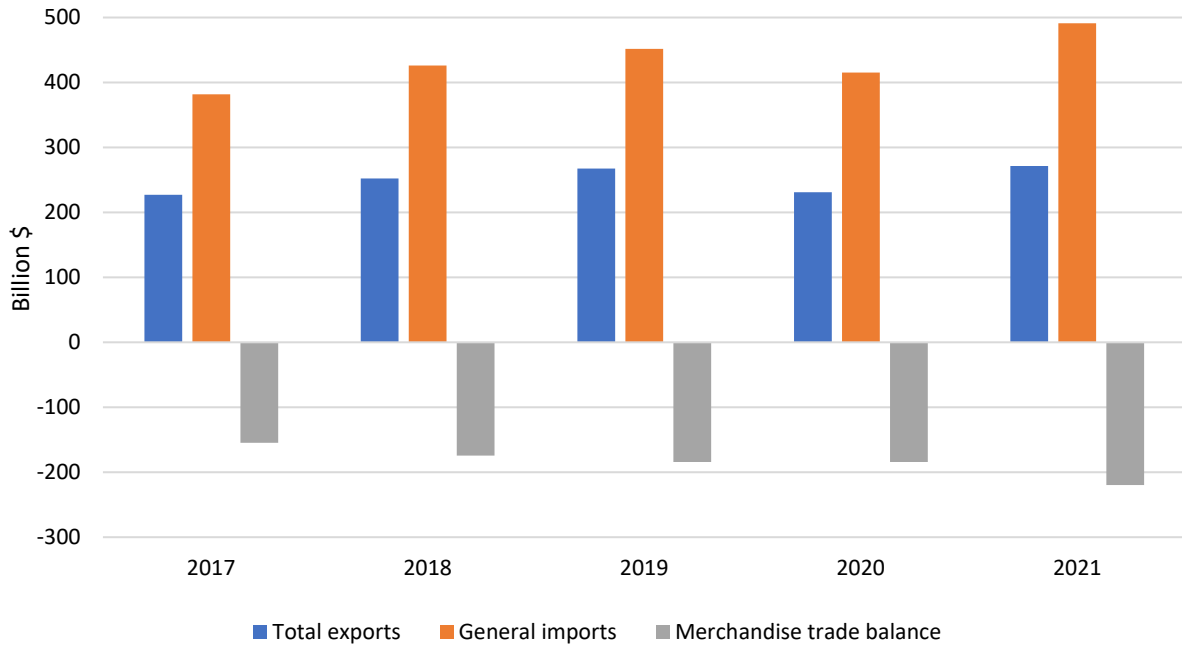
⁶⁹⁵ The UK formally withdrew from the EU on January 31, 2020. In this report, the EU refers to the remaining 27 member countries, and EU data exclude the UK for the entire time series.

⁶⁹⁶ USITC DataWeb/Census, total exports and general imports, accessed March 30, 2022.

⁶⁹⁷ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.11 U.S. merchandise trade with the EU, annual, 2017–21

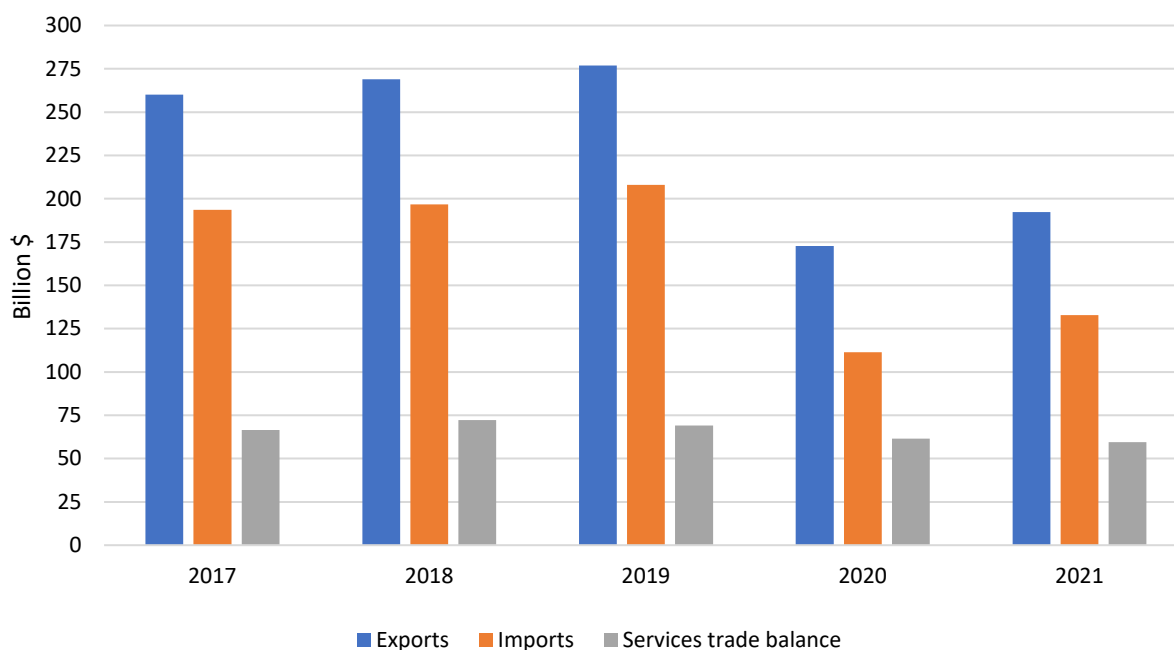
In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.17](#).



Source: USITC DataWeb/Census, accessed February 17, 2022.

Figure 6.12 U.S. total services trade with the EU, annual, 2017–21

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments in 2021

This section summarizes major trade events in U.S.-EU trade relations during 2021. The United States and the EU renewed their bilateral relationship through the establishment of the U.S.-EU Trade and Technology Council and the relaunching of the U.S.-EU-Japan Trilateral partnership. Through continued U.S. engagement during 2021, the EU determined to extend a deadline on U.S. implementation of new animal product certificate requirements and made improvements in the issuing of biotechnology approvals. The two major trade partners also worked to resolve longstanding issues concerning steel and aluminum overcapacity, disputes over government subsidies to producers of large civil aircraft, and digital services taxes.

- On January 13, 2021, USTR published a status update regarding the section 301 investigation into the EU's proposed digital services tax (DST), providing a summary of preliminary concerns. However, given that the EU had not adopted a DST as of March 25, 2021, the U.S. Trade Representative determined that it was appropriate to terminate the EU DST investigation and continue monitoring the situation.⁶⁹⁸ For more information, see [chapters 2](#) and [4](#) of this report.
- On June 15, 2021, following a 17-year World Trade Organization (WTO) dispute, the United States and the EU announced a cooperative framework for large civil aircraft disputes, which included the

⁶⁹⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 70.

mutual suspension of countermeasures related to the dispute for five years beginning on July 11, 2021.⁶⁹⁹ The joint framework also established a working group to serve as a forum for ongoing collaboration on this issue, including cooperation on nonmarket economies.⁷⁰⁰ For more information, see [chapter 3](#).

- The Joint U.S.-EU Statement on Trade in Steel and Aluminum was released on October 31, 2021, announcing steps to (1) reestablish bilateral trade flows in these sectors; (2) create a technical working group to further assess global challenges in overcapacity and related emissions; and (3) negotiate a global arrangement to address carbon intensity.⁷⁰¹ As part of this agreement, the United States and the EU suspended tariffs and WTO dispute proceedings related to section 232 and certain U.S. products, respectively. The agreement also established a tariff rate quota (TRQ) for U.S. imports of steel from the EU, which was based on historically traded volumes to govern future bilateral trade in these sectors.⁷⁰² For more information, see [chapter 2](#).
- On November 17, 2021, the United States, the EU, and Japan reinforced their commitments to addressing nonmarket policies and practices of third countries by agreeing to renew their trilateral relationship and hold ministerial meetings shortly thereafter.⁷⁰³

Agriculture

Throughout 2021, the United States remained engaged with the EU on a range of agricultural trade issues. In December 2020, the EU updated its animal health certification requirement—covering nearly \$500 million in potential U.S. exports of products of animal origin.⁷⁰⁴ Following months of bilateral discussion, the EU twice extended the implementation deadline for these new certification requirements to August 2021 and then to January 2022.⁷⁰⁵ Such extensions provided more time for relevant U.S. export verification programs to update certificate templates, and for further bilateral discussions regarding U.S. concerns.

The EU, as part of a 2008 U.S. decision to suspend WTO arbitration proceedings associated with DS291: European Communities—Measures Affecting the Approval and Marketing of Biotech Products, previously agreed to hold semiannual consultations with the United States aimed at normalizing trade in agricultural biotechnology products. However, in recent years significant delays in EU approvals of such products had remained a barrier to U.S. market access. After consultations in June and December 2021, the EU resumed regular scheduled meetings of the Standing and Appeals Committees responsible for agricultural biotechnology approvals. As a result, EU committees issued 18 product approvals and renewals in 2021, an increase from one approval in 2020.⁷⁰⁶

⁶⁹⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 23.

⁷⁰⁰ USTR, “Joint U.S.-E.U. Cooperative Framework for Large Civil Aircraft,” June 15, 2021; USTR, “Understanding on Principles Relating to Large Civil Aircraft,” June 15, 2021.

⁷⁰¹ USTR, “Joint US-EU Statement on Trade in Steel and Aluminum,” October 31, 2021.

⁷⁰² The TRQ went into effect on January 1, 2022. USTR, “Announcement of Actions on EU Imports Under Section 232,” October 31, 2021.

⁷⁰³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 52.

⁷⁰⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 147.

⁷⁰⁵ In January 2022, the EU issued another set of changes to the requirements under the implementing regulation governing changes to its animal health certifications. It also further extended the deadline for implementation on a subset of products to June 15, 2022. USTR, *2022 National Trade Estimate Report*, March 2022, 200.

⁷⁰⁶ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 152.

Post-Brexit TRQs

On March 8, 2021, the United States announced the conclusion of negotiations with the UK and the EU related to the post-Brexit allocation and functioning of the EU's existing WTO TRQs. The EU's initial TRQ apportionment between the UK and the EU was based on pre-Brexit TRQ import quantities. The United States negotiated separately with the EU and the UK for more favorable outcomes for products such as pork, beef, rice and grape juice. By July 2021 and January 2022, the UK had implemented most of its TRQs, in accordance with traditional timeframes used to administer the UK's various TRQs. At the time of writing, the EU TRQs were still being finalized.⁷⁰⁷

Trade and Technology Council

In June 2021 at the U.S.-EU Summit in Brussels, the United States and the EU announced the creation of the U.S.-EU Trade and Technology Council (TTC). The inaugural TTC ministerial meeting was held in Pittsburgh, Pennsylvania, on September 29, 2021, during which leaders from both economies outlined their major areas of focus: (1) nonmarket economy policies and practices, (2) barriers to trade in emerging technology products and services, (3) labor rights and “decent work,” (4) child and forced labor, (5) resilient and sustainable global supply chains, and (6) trade and environment. The inaugural meeting produced 10 working groups that covered a myriad of issues related to the major focus areas, as well as five annexes identifying desired outcomes on the topics of investment screening, export control cooperation, artificial intelligence, semiconductor supply chains, and global trade challenges.⁷⁰⁸

Canada

U.S.-Canada Trade Overview

In 2021, Canada was the second-largest U.S. merchandise trading partner in total trade after the EU. U.S. merchandise exports to Canada grew by 20.2 percent to \$307.0 billion in 2021, while U.S. merchandise imports from Canada grew by 32.1 percent to \$357.2 billion in 2021, resulting in a bilateral U.S. merchandise trade deficit of \$50.2 billion (figure 6.13). The top U.S. exports to Canada included motor vehicles for transporting goods not over 5 metric tons (\$8.0 billion), crude petroleum (\$7.7 billion), and light petroleum oils (\$7.5 billion). The top U.S. imports from Canada were crude petroleum (\$76.0 billion), other coniferous wood (\$10.8 billion), and passenger motor vehicles with spark-ignition internal combustion engines over 3,000 cc (\$9.6 billion).⁷⁰⁹

In 2021, Canada was the third-largest U.S. services trading partner. U.S. services exports to Canada increased by 2.4 percent to \$55.0 billion in 2021, while U.S. services imports from Canada grew by 4.5 percent to \$30.6 billion in 2021, resulting in a bilateral U.S. services trade surplus of \$24.4 billion (figure 6.14). The top three U.S. services exports to Canada were other business services (\$17.6 billion), financial services (\$10.8 billion), and charges for IP use (\$7.7 billion). The leading services imports from

⁷⁰⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 146–47; USTR, “USTR Announces Conclusion of WTO Quota Negotiations with the European Union,” March 8, 2021.

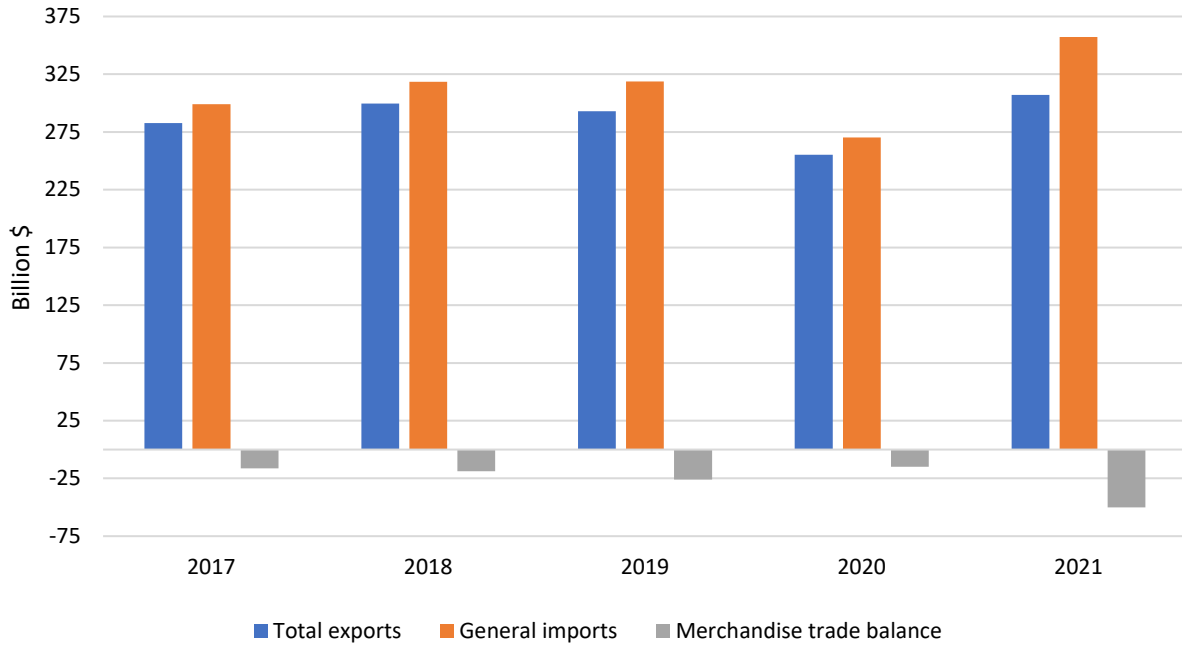
⁷⁰⁸ USTR, “U.S.-EU Trade and Technology Council Inaugural Joint Statement,” September 29, 2021; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 23; USTR, “U.S.-EU Common Principles for the 21st Century Economy,” September 29, 2021.

⁷⁰⁹ USITC DataWeb/Census, total exports and general imports, accessed March 30, 2022.

Canada were other business services (\$9.2 billion), telecommunications, computer, and information services (\$5.9 billion), and transport (\$5.6 billion).⁷¹⁰

Figure 6.13 U.S. merchandise trade with Canada, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).

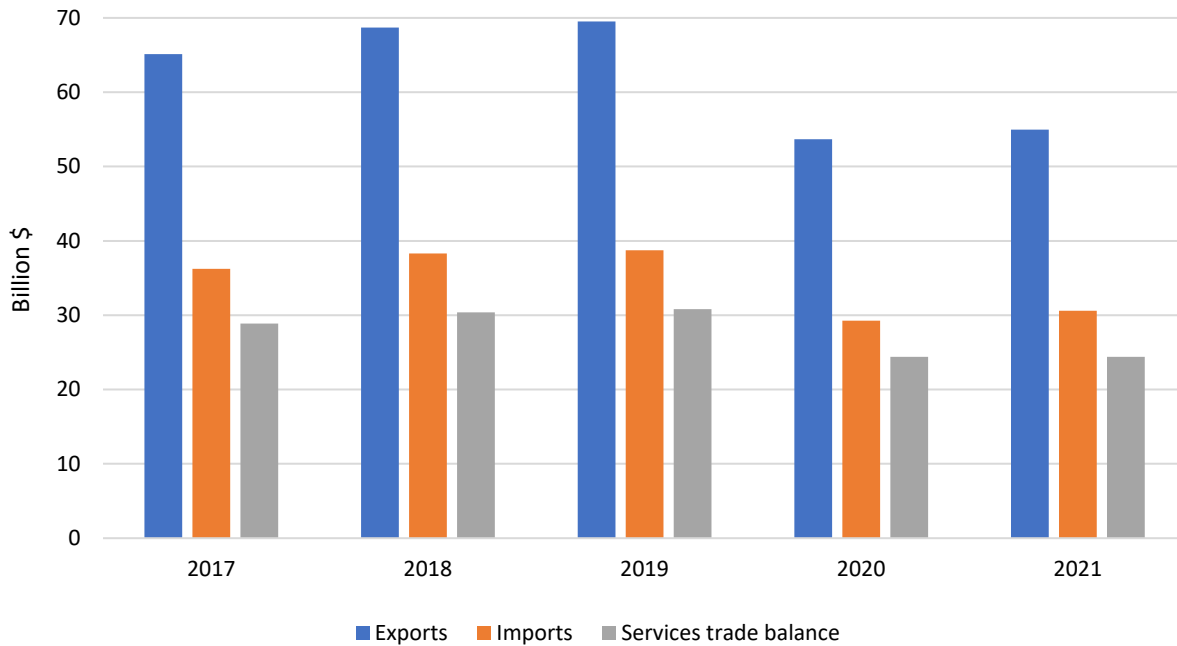


Source: USITC DataWeb/Census, accessed February 17, 2022.

⁷¹⁰ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.14 U.S. services trade with Canada, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments in 2021

The major focus of the U.S.-Canada bilateral relationship in 2021 was the implementation of the dispute settlement and enforceable labor provisions in the USMCA.⁷¹¹ Other major developments included changes to Canada’s sanitary and phytosanitary measures and digital services taxes.

Agricultural Supply Management

Following concerns raised by multiple WTO members in 2019 regarding Canada’s supply-management systems used to regulate its dairy, chicken, turkey, and egg industries, the United States and Canada held USMCA Chapter 31 consultations in 2020 to discuss Canada’s allocation of dairy tariff-rate quotas (TRQs).⁷¹² After the parties failed to resolve the matter via consultations, the United States requested and established a dispute settlement panel on May 25, 2021, which was subsequently composed on July 5, 2021.⁷¹³

During the October 2021 panel hearing, the United States argued that Canada reserved access to in-quota dairy quantities exclusively for Canadian processors, ultimately undermining the ability of

⁷¹¹ For more information about major developments under the USMCA, see [chapter 5](#) of this report.

⁷¹² USITC, *Year in Trade 2020*, September 2021, 173.

⁷¹³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 79; USTR, “USMCA Dispute Panel To Enforce Canada’s Dairy Commitments,” May 25, 2021.

American producers to utilize the TRQs and access the Canadian market.⁷¹⁴ The panel agreed with the United States, and in its final report released in December 2021, found the allocation of Canada’s dairy TRQ inconsistent with Article 3.A.2.11(b) of the USMCA not to “limit access to an allocation to processors.”⁷¹⁵

Sanitary and Phytosanitary Measures

Canada’s Seeds Act generally prohibits the sale or advertising for sale in Canada, or import into Canada, of any variety of seed that is not registered with Canada’s Food Inspection Agency. U.S. producers have expressed concern that the variety registration system administered by Canada’s Food Inspection Agency is “slow and cumbersome, and disadvantages U.S. seed and grain exports to Canada.”⁷¹⁶ Under the USMCA, parties made commitments to discuss issues related to seed regulatory systems and in January 2021, Canada’s Food Inspection Agency announced that it would start seed regulatory modernization efforts.⁷¹⁷ In March 2021, the U.S. Department of Agriculture Foreign Agricultural Service encouraged U.S. farmers, seed industries, producer groups, commodity/value chain associations, breeders, government organizations, and other special interest groups to participate in the Seed and Seed Potato Regulation Modernization Survey announced by Canada’s Food Inspection Agency.⁷¹⁸

Solar Photovoltaic Products

In late 2020, Canada requested USMCA Chapter 31 consultations with the United States concerning the implementation of a 2018 safeguard measure on imports of certain crystalline silicon photovoltaic cells (whether or not partially or fully assembled into other products) into the United States.⁷¹⁹ Canada alleged that the safeguard implementation actions violate the USMCA’s provisions on U.S. trade remedies applied to Canadian imports, which state that safeguard measures cannot be applied to imports from Canada if those imports did not account for both a substantial share of total imports and contribute to serious injury of U.S. industry.⁷²⁰

The United States and Canada held consultations in the matter on January 28, 2021, but they failed to resolve the dispute. Canada then requested the establishment of a USMCA Chapter 31 dispute settlement panel. In its panel request and subsequent written submissions, Canada alleged that the President’s decision in 2018 to include Canadian products in the safeguard measure was inconsistent with USMCA Articles 10.2.1, 10.2.2, 10.2.5(b), 10.3, and 2.4.2. Canada also alleged that section 312 of

⁷¹⁴ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 79.

⁷¹⁵ On March 2, 2022, in response to the findings of the USMCA panel, Global Affairs Canada began public consultations concerning proposed changes to its USMCA dairy TRQs. On May 16, 2022, Canada published the changes as final and, having rejected these changes, the United States requested dispute settlement consultations with Canada for the second time under USMCA on May 2, 2022. TAS e-Filing, “Public Reading Room, Disputes, Dairy TRQ Allocation Measures, Docket Filing #23,” January 4, 2022; USTR, “Second USMCA Dispute on Canadian Dairy TRQs,” May 25, 2022; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 79. For more information on the USMCA developments in 2021, see [chapter 5](#) of this report.

⁷¹⁶ USTR, *2022 National Trade Estimate Report*, March 2022, 80.

⁷¹⁷ USTR, *2022 National Trade Estimate Report*, March 2022, 80.

⁷¹⁸ USDA, FAS, *Canada Announces Seed Regulatory Modernization Review*, by Philip Hayes, March 3, 2021.

⁷¹⁹ Proclamation No. 9693, 83 Fed. Reg. 3541 (January 25, 2018); USITC, *Crystalline Silicon Photovoltaic Cells Volume 1*, November 2017; USITC, *Crystalline Silicon Photovoltaic Cells Volume 2*, November 2017.

⁷²⁰ Government of Canada, “United States Solar Products Safeguard Consultations Request,” January 6, 2021.

the USMCA Implementation Act (19 U.S.C. § 4552), which provides the President with definitive authority to determine whether to exclude USMCA parties from safeguard actions, is inconsistent with Article 10.3 of the USMCA. The Panel was composed on August 3, 2021, and as of December 2021, panel proceedings were ongoing.⁷²¹

Barriers to Digital Trade and Digital Services Taxation

In September 2021, the Province of Quebec adopted a law that amends its data protection regime.⁷²² The law limits the data transfers outside of Quebec to jurisdictions with data protection regimes deemed equivalent to Quebec's. Furthermore, on October 8, 2021, Canada joined the Organisation for Economic Co-operation and Development/Group of Twenty (OECD/G20) Statement on a "Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy," which called for all parties to commit not to introduce digital services taxes (DSTs).⁷²³ However, the Canadian Government published draft legislation for a unilateral DST on December 14, 2021.⁷²⁴ USTR has indicated that the United States is committed to monitoring the implementation of the law—which is to be phased in over the next three years—for possible inconsistencies with USMCA commitments, such as restrictions of cross-border data transfer.⁷²⁵

Mexico

U.S.-Mexico Trade Overview

In 2021, Mexico was the third-largest partner in total U.S. merchandise trade. U.S. merchandise exports to Mexico increased by 30.7 percent to \$276.5 billion in 2021, while U.S. merchandise imports from Mexico increased by 18.3 percent to \$384.7 billion in 2021, resulting in a U.S. merchandise trade deficit of \$108.2 billion (figure 6.15). U.S. top exports to Mexico included light oils (\$15.3 billion), petroleum oils other than crude (\$12.0 billion), and natural gas (\$10.6 billion). U.S. top imports from Mexico were computers (\$25.3 billion), passenger motor vehicles with spark-ignition internal combustion engines between 1,500 cc (cubic centimeters) and 3,000 cc (\$18.2 billion), and motor vehicles for transporting goods not over 5 metric tons (\$16.7 billion).⁷²⁶

In 2021, Mexico was the fifth-largest partner in U.S. cross-border services trade. U.S. services exports to Mexico increased by 27.7 percent to \$29.9 billion in 2021, while U.S. services imports from Mexico increased by 60.6 percent to \$27.7 billion in 2021, resulting in U.S. services trade surplus of \$2.3 billion (figure 6.16). The top three U.S. services exports to Mexico were travel (\$10.6 billion), other business

⁷²¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 80–81. On February 15, 2022, Canada announced that the USMCA Chapter 31 dispute settlement panel found in favor of Canada in the solar dispute, and USTR negotiated a suspension of the safeguard measure with Canada. Shumkov, "Canada Wins Solar Tariffs Dispute with US," February 16, 2022.

⁷²² USTR, *2022 National Trade Estimate Report*, March 2022, 82.

⁷²³ USTR, *2022 National Trade Estimate Report*, March 2022, 82. For more information on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), see [chapter 4](#) of this report.

⁷²⁴ Canada's proposed DST was open to public comment until February 22, 2022. Government of Canada, Department of Finance, "Canadian DST Proposal," December 2021.

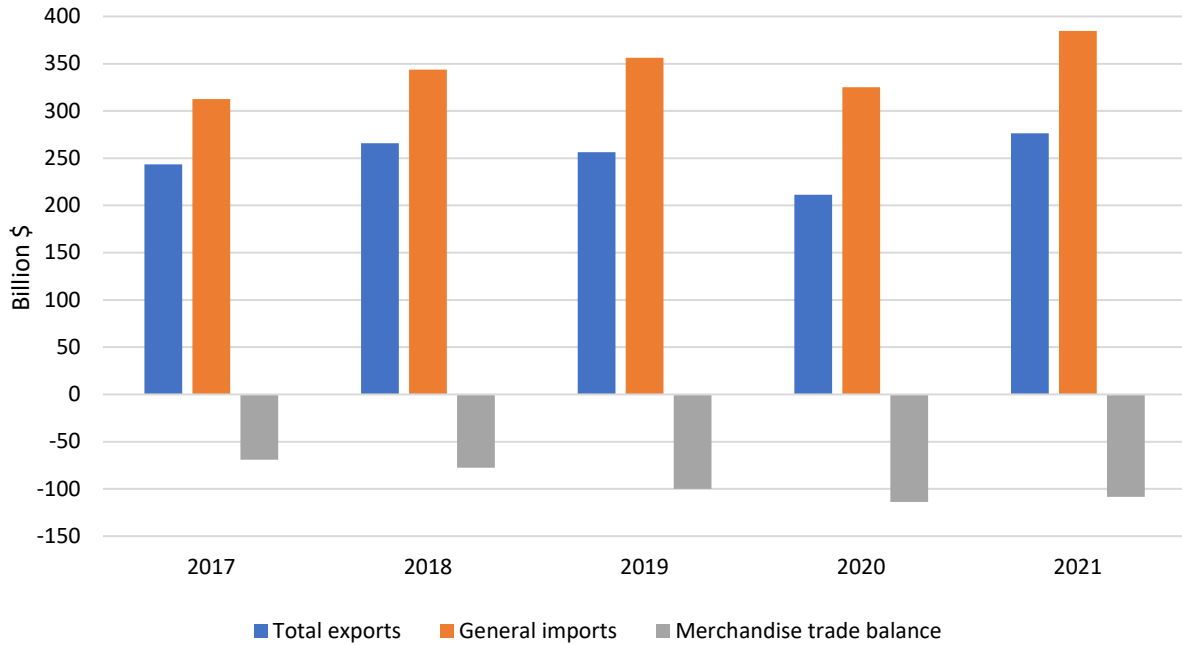
⁷²⁵ USTR, *2022 National Trade Estimate Report*, March 2022, 82.

⁷²⁶ USITC DataWeb/Census, total exports and general imports, accessed February 25, 2022.

services (\$6.0 billion), and financial services (\$3.2 billion). The leading services imports from Mexico were travel (\$16.8 billion), transport (\$4.9 billion), and other business services (\$3.2 billion).⁷²⁷

Figure 6.15 U.S. merchandise trade with Mexico, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).

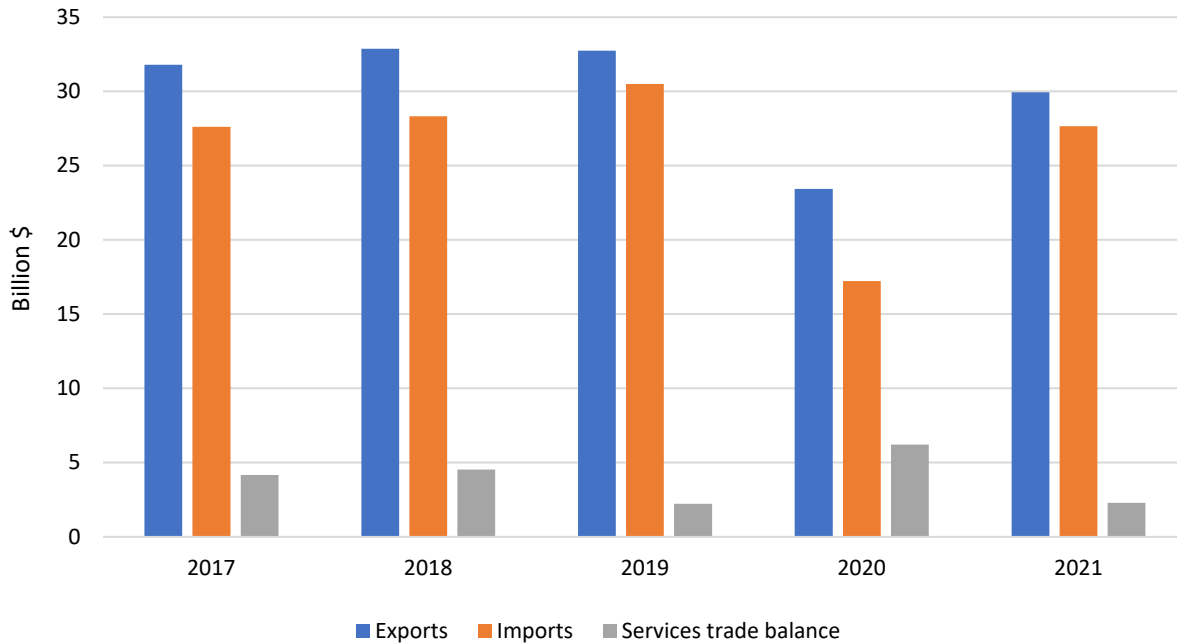


Source: USITC DataWeb/Census, accessed February 17, 2022.

⁷²⁷ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.16 U.S. total services trade with Mexico, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments in 2021

This section summarizes major trade events in U.S.-Mexico trade relations during 2021. Although the major focus was the implementation of the USMCA (see [chapter 5](#)), another major event was the relaunching of the U.S.-Mexico High-Level Economic Dialogue (HLED) by the United States and Mexico. The HLED is described as an opportunity to build on the USMCA, institutionalize an economic relationship, and create an institutional forum where areas of disagreement can be addressed in a collaborative manner. In addition, this section discusses recent energy reforms regarding the legal treatment of state companies in Mexico’s energy sector and the potential barriers for U.S. investors in energy-related products. Further details on these two major developments are provided below.

Other major trade developments in 2021 between the United States and Mexico included:

- During 2021, the United States initiated the Rapid Response Mechanism (RRM) under the USMCA in two cases. In the first case the United States initiated the RRM seeking review of alleged denial of rights at a General Motors facility in Silao, Mexico. This marked the first self-initiated labor enforcement action by the United States under a free trade agreement. In the second case, the United States initiated the RRM in seeking review of alleged denial of rights at the Tridonex automotive parts facility in Matamoros, Mexico. The United States initiated the RRM in response to a joint petition filed by labor unions in the United States and Mexico.⁷²⁸ For more detailed discussion

⁷²⁸ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 42.

of these disputes, see the Dispute Settlement segment in the USMCA section of [chapter 5](#) in this report.

- In May 2021, Mexico drafted a proposal to modify an implementing measure which lists the organic products classified under the 10-digit Harmonized System (HS) statistical reporting number descriptions that would be required to show certification under Mexico’s Organic Products Law (LPO) in order to be imported as an organic product into the Mexican market. The modification extended the deadline for imported organic products listed in the implementing measure to comply with the LPO from June 2021 to January 2022.⁷²⁹

High-Level Economic Dialogue

The U.S.-Mexico High-Level Economic Dialogue (HLED) was established in 2013 but was suspended during the Trump administration. On June 8, 2021, the governments of the United States and Mexico announced that they had agreed to hold a HLED in September—fulfilling their March 2021 commitment to revive this forum with the aim of expanding bilateral economic cooperation and collaboration.⁷³⁰

According to the White House, the “HLED advances strategic economic and commercial priorities for both countries, with the shared goal of fostering economic development and growth, job creation, global competitiveness, and reduction of poverty and inequality.”⁷³¹ The proposed agenda included trade facilitation, telecommunications and interconnectivity, and supply chain resiliency. The relaunched HLED has four pillars, (1) Build Back Together, (2) Promoting Sustainable Economic and Social Development in Southern Mexico and Central America, (3) Securing the Tools for Future Prosperity, and (4) Investing in Our People. The HLED proposed agenda indicated that the United States and Mexico will build back from the impact of the global pandemic, promote inclusive trade and investment, prepare workforces for the future, and strengthen regional supply chains.⁷³² Further, the United States and Mexico agreed to engage with the civil society, private sector, academia, and other nongovernmental organizations to solicit contributions to the HLED. The statement notes that the HLED will foster an open dialogue that values inclusion and diverse points of view that will ensure transparency in decision-making.⁷³³ Following the conclusion of the HLED on September 9, 2021, Ambassador Tai noted that it, “underscores the importance and breadth of the economic relationship between [the] two countries, [and that] this work is as an important complement to [the] bilateral cooperation in other areas.”⁷³⁴

Energy Reforms

On March 9, 2021, Mexico’s President signed into law the Decree that Amends and Adds Various Provisions to the Electric Industry Law (Electricity Reform).⁷³⁵ The Electricity Reform prioritizes the dispatch of electricity generated by the state-owned Federal Electricity Commission (CFE) over private

⁷²⁹ USDA, FAS, *Update to Mexico LPO Compliance*, May 11, 2021. For more information on the Measure that establishes the merchandise whose importation is subject to regulation by the Secretariat of Agriculture and Rural Development, see USITC, *Year in Trade 2020*, September 2021.

⁷³⁰ White House, “Fact Sheet: U.S.-Mexico Bilateral Cooperation,” June 8, 2021.

⁷³¹ White House, “Fact Sheet: U.S.-Mexico HLED,” September 9, 2021.

⁷³² White House, “Fact Sheet: U.S.-Mexico HLED,” September 9, 2021.

⁷³³ White House, “Fact Sheet: U.S.-Mexico HLED,” September 9, 2021.

⁷³⁴ USTR, “Ambassador Tai Statement on Re-Launch of U.S.-Mexico HLED,” September 9, 2021.

⁷³⁵ USTR, *2022 National Trade Estimate Report*, March 2022, 354. See Government of Mexico, Decree That Amends and Adds Various Provisions to the Electric Industry Law, March 9, 2021.

options, including U.S. renewable energy companies with investments in Mexico. In response, the United States has expressed concern over the closure by Mexican authorities of numerous U.S. investor-owned fuel terminals near the border affecting fuel trade and, “continues to analyze these actions and measures for consistency with Mexico’s USMCA obligations.”⁷³⁶

Prior to the Electricity Reform, the Electric Industry Law⁷³⁷ allowed access to the grid based on power generation costs with priority to the least expensive generated electricity. However, the Electricity Reform prioritizes the energy produced by the CFE plants, regardless of generation costs, as follows: first, energy produced by hydroelectric facilities owned by CFE; second, energy generated by other CFE generation facilities such as nuclear, geothermal, and thermoelectric; third, privately owned wind and solar energy; and finally, privately owned generators with other energy generation technologies. The CFE is the main owner and operator of hydroelectric facilities in the country, while the other CFE facilities that generate electricity are mostly fuel-based.⁷³⁸ The Electricity Reform also provides the government the ability to revoke permits for power purchase agreements between private entities and authorizes CFE to renegotiate its independent power purchase agreements with private generators. Although the Mexican Supreme Court subsequently enjoined the law for constitutional review when the Mexican Federal Economic Competition Commission (COFECE) challenged the law, a proposed constitutional amendment could supersede such review.⁷³⁹

On September 30, 2021, the President of Mexico sent a constitutional reform proposal to Mexico’s Chamber of Deputies that would amend articles 25, 27, and 28 of the Mexican Constitution, which govern the Mexican energy sector (Reform Initiative).⁷⁴⁰ If passed, the Reform Initiative would transform the electricity sector in Mexico by leaving control of the sector to the state and imposing several restrictions to private investment.⁷⁴¹ Although the Reform Initiative addresses Mexico’s energy and renewables sector, the initiative impacts the entire hydrocarbon sector value chain as well. The Reform Initiative would cancel all power generation permits and power purchase agreements currently in place. Further, CFE would have a constitutional right to generate at least 54 percent of Mexico’s energy, so that, at most, 46 percent will be left for private sector participation. The CFE and PEMEX, would then be considered government entities, rather than productive state companies.⁷⁴² Mexico’s Chamber of Deputies voted against the Reform Initiative on April 17, 2022.⁷⁴³

⁷³⁶ USTR, *2022 National Trade Estimate Report*, March 2022, 354.

⁷³⁷ Government of Mexico, *Electric Industry Law*, August 11, 2014.

⁷³⁸ Government of Mexico, *Decree That Amends and Adds Various Provisions to the Electric Industry Law*, March 9, 2021.

⁷³⁹ USTR, *2022 National Trade Estimate Report*, March 2022, 354.

⁷⁴⁰ Government of Mexico, *Federal Executive Initiative*, October 1, 2021.

⁷⁴¹ The legislation of 2013 amended the Mexican constitution to allow private sector participation in Mexico’s oil and gas sector; to enter into contracts, including profit-sharing, production-sharing, and license contracts, with the government, or with the state-owned petroleum company Pemex for the exploration and extraction of hydrocarbons; as well as to allow private companies to participate in Mexico’s refining, petrochemicals, transport, retail, and supply of energy products. See Government of Mexico, “Decree That Amends and Adds Various Provisions of the Political Constitution in Energy Matters,” December 20, 2013.

⁷⁴² Government of Mexico, *Federal Executive Initiative*, October 1, 2021.

⁷⁴³ Government of Mexico, Chamber of Deputies, “Plenary Chamber Rejects Ruling on Energy and Access to Electricity,” April 17, 2022. On March 25, 2022, during a virtual roundtable convened by USTR, members of

Regarding the hydrocarbons industry, on May 19, 2021, the Mexican government published the Decree that reforms the Hydrocarbons Law of August 11, 2014.⁷⁴⁴ The Decree gives the state-owned oil company PEMEX increased control over Mexico’s fuel market and gives the government authority to revoke existing permits held by private firms when national security, energy security, or the economy are at risk.⁷⁴⁵ The Decree also terminated the authorities of the Energy Regulatory Commission to enforce regulation in the hydrocarbon, petroleum products, and petrochemical markets.⁷⁴⁶ As affected investors filed injunctions, Mexican federal courts enjoined the law for review. The U.S. Government reportedly is highly concerned about these developments and continues to monitor the situation.⁷⁴⁷

China

U.S.-China Trade Overview

In 2021, China was the fourth-largest U.S. merchandise trading partner in total trade. U.S. merchandise exports to China grew by 21.4 percent to \$151.1 billion in 2021, while U.S. merchandise imports from China grew by 16.5 percent to \$506.4 billion in 2021, resulting in a bilateral U.S. merchandise trade deficit of \$355.3 billion (figure 6.17). The top U.S. exports to China included soybeans (\$14.1 billion), processors and controllers (\$9.7 billion), and crude petroleum (\$5.9 billion). The top U.S. imports from China were portable computers and tablets (\$55.7 billion), cellphones (\$48.0 billion), and wheeled and other toys (\$14.6 billion).⁷⁴⁸

In 2021, China was the sixth-largest U.S. services trading partner. U.S. services exports to China fell by 10.4 percent to \$36.2 billion in 2021, while U.S. services imports from China grew by 33.3 percent to \$20.8 billion in 2021, resulting in a bilateral U.S. services trade surplus of \$15.4 billion (figure 6.18). The top three U.S. services exports to China were charges for IP use (\$9.1 billion), travel (\$8.4 billion), and financial services (\$4.6 billion). The leading services imports from China were transport (\$8.5 billion), other business services (\$8.2 billion), and financial services (\$1.2 billion).⁷⁴⁹

Congress, environmental nongovernmental organizations, business associations, and U.S. companies discussed the development in Mexico’s energy sector. Among the issues discussed were the 2021 changes to Mexico Electric Power Industry Law, permit delays for renewable energy installations, and closures of numerous fuel terminals near the U.S. border. USTR Ambassador Tai “noted that Mexico’s energy policies damage the environment, U.S. business and investor interests in multiple sectors, and hamper joint efforts to mitigate climate change. Ambassador Tai concluded that she would take the input shared today into account as USTR continues to analyze Mexico’s compliance with its USMCA obligations.” See USTR, “Readout of Roundtable on Issues in Mexican Energy Sector,” March 25, 2022.

⁷⁴⁴ Government of Mexico, “Decree Amended the Thirteenth Transitory Article of the Hydrocarbons Law,” May 19, 2021.

⁷⁴⁵ USTR, *2022 National Trade Estimate Report*, March 2022, 354.

⁷⁴⁶ Government of Mexico, “Decree Amended the Thirteenth Transitory Article of the Hydrocarbons Law,” May 19, 2021.

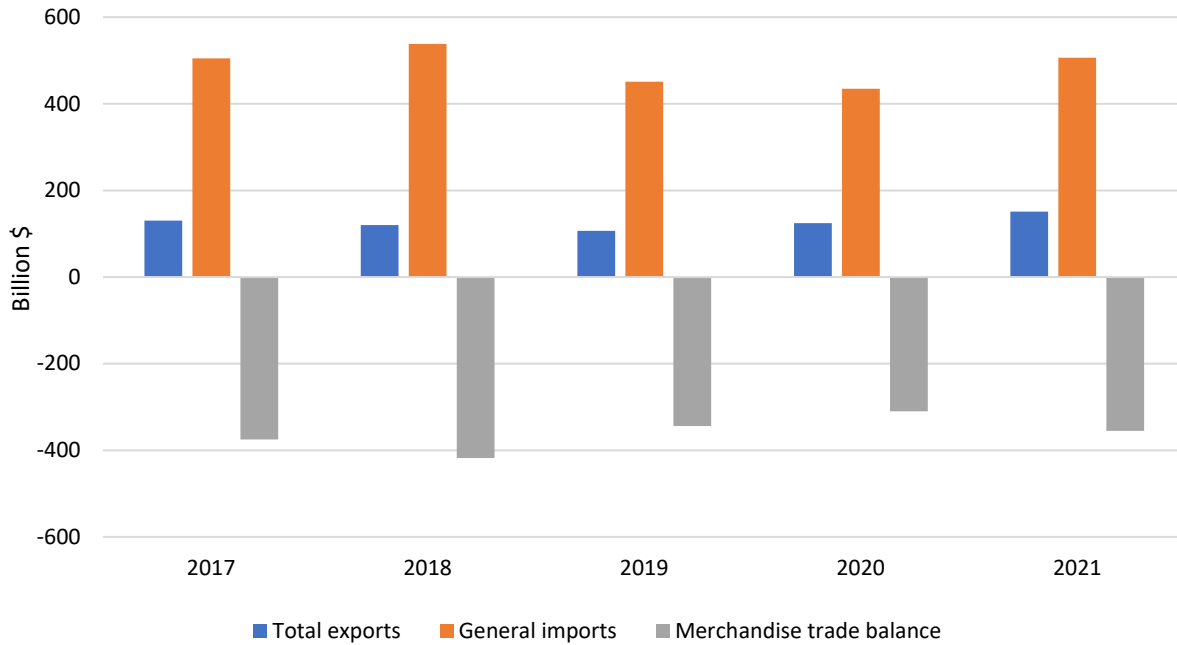
⁷⁴⁷ USTR, *2022 National Trade Estimate Report*, March 2022, 354.

⁷⁴⁸ USITC DataWeb/Census, total exports and general imports, accessed March 30, 2022.

⁷⁴⁹ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.17 U.S. merchandise trade with China, annual, 2017–21

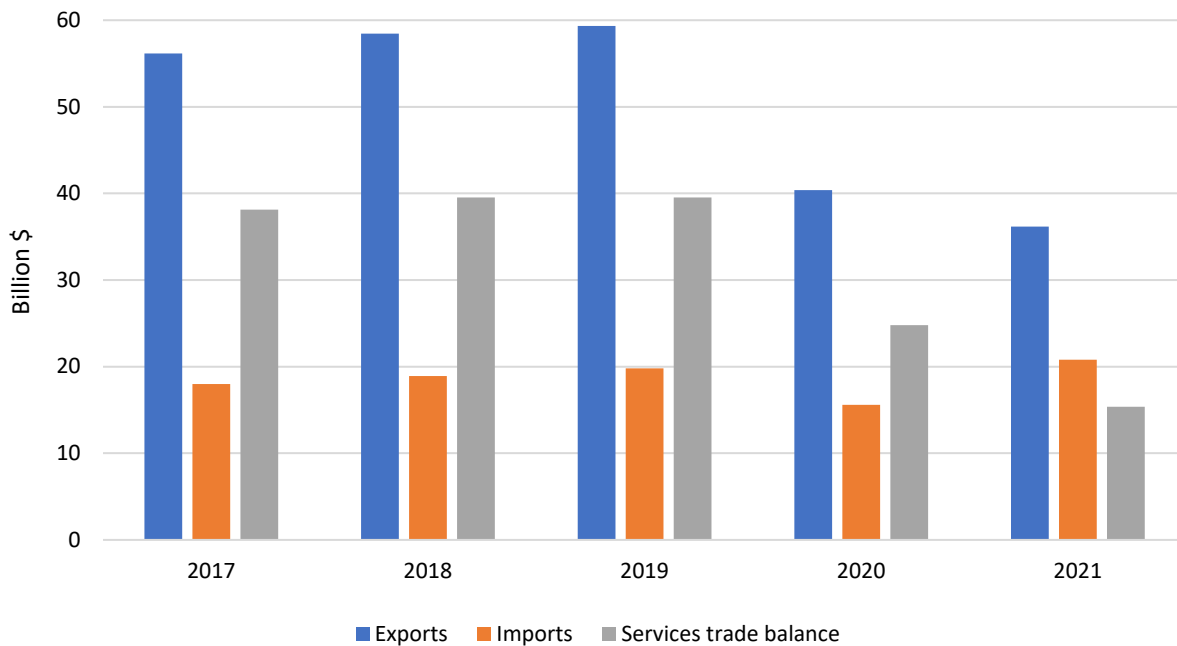
In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).



Source: USITC DataWeb/Census, accessed February 17, 2022.

Figure 6.18 U.S. total services trade with China, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments in 2021

This section summarizes the major trade events in the U.S.-China trade relations in 2021. During the year, two major focuses were the efforts to implement the U.S.-China “Phase One” Agreement, as well as the various measures taken by the U.S. government to prohibit the importation of goods produced by forced or convict labor in China’s Xinjiang region. Further details on these two major developments are provided below.

Other major trade developments in 2021 between the United States and China included:

- On March 10, 2021, the U.S. Trade Representative extended the tariff exclusions on about 99 categories of medical-care products from China until September 30, 2021, to support the efforts in combating the transmission of COVID-19 during the pandemic.⁷⁵⁰ On September 16, 2021, China’s Ministry of Finance announced the extension of a tariff exemption on 81 products from the United States until April 16, 2022. The products include certain kinds of shrimp, timber, microscopes, electric vehicle batteries, and medical testing equipment.⁷⁵¹
- In early 2018, the United States imposed the solar safeguard measure to help U.S. domestic solar industry adjust to import competition, mainly due to excess solar cell and module capacity by Chinese producers in China and around the world, and complicated by China’s nonmarket practices.⁷⁵² In July 2019, China requested the establishment of a WTO panel challenging the U.S. solar safeguard measure. On September 2, 2021, a WTO dispute settlement panel issued a report to WTO members rejecting all of China’s claims challenging a U.S. safeguard measure imposed in February 2018 on imports of certain solar cells and modules. On September 16, 2021, China notified the WTO Dispute Settlement Body of its decision to appeal to the WTO Appellate Body certain issues of law and legal interpretation in the panel report.⁷⁵³

Efforts to Implement the U.S.-China “Phase One” Agreement

On January 15, 2020, the United States and China signed an economic and trade agreement, known as the “Phase One Agreement.” This Phase One Agreement requires structural reforms and other changes to China’s economic and trade regime in the areas of (1) IP, (2) technology transfer, (3) agriculture, (4) financial services, and (5) currency and foreign exchange. It also includes commitments from China to import various U.S. goods and services in 2020 and 2021 in a total amount that exceeds China’s annual level of imports for those goods and services in 2017 by no less than \$200 billion.⁷⁵⁴ According to analysis from the Peterson Institute for International Economics, from January 2020 through December 2021, China’s purchases of all covered products reached about 60 percent of its commitment under the “Phase One” Agreement.⁷⁵⁵ In particular, China’s purchases of covered agricultural products, manufacturing products and energy-related products reached 77 percent, 61 percent and 47 percent,

⁷⁵⁰ 86 Fed. Reg. 13785 (March 10, 2021).

⁷⁵¹ Government of China, Ministry of Finance, “The Customs Tariff Commission of the State Council Announces the List of the 5th Tariff Exemptions on Products from the United States,” September 16, 2021.

⁷⁵² USTR, “WTO Panel Rejects China’s Solar Safeguard Challenge,” September 2, 2021.

⁷⁵³ WTO, “DS562: United States,” accessed March 29, 2022. For further information on WTO disputes, see [chapter 3](#) of this report. See also USTR, “WTO Panel Rejects China’s Solar Safeguard Challenge,” September 2, 2021.

⁷⁵⁴ USTR, *U.S.-China Economic and Trade Agreements*, accessed April 3, 2022.

⁷⁵⁵ Bown, *US-China Phase One Tracker*, March 11, 2022.

respectively, of its commitment under the Agreement.⁷⁵⁶ However, China’s imports of certain U.S. products, including meat and poultry products, and corn, still exceeded 2020 levels and reached record highs in 2021.⁷⁵⁷ Beyond the purchase commitments discussed above, limited progress has been made in implementing the structural reforms and other changes to China’s economic and trade regime, as outlined in the Phase One Agreement.⁷⁵⁸ On the other hand, some Phase One commitments have reportedly resulted in changes for U.S. firms operating in China. For example, in 2021, multiple U.S. banks including Goldman Sachs and J.P. Morgan, received approval to launch wholly owned China-based securities firms as a result of the elimination of the foreign ownership cap on futures companies under the Phase One Agreement.⁷⁵⁹

USTR announced in October 2021 that it will continue working to enforce the terms in the “Phase One” Agreement.⁷⁶⁰ In addition, USTR indicated that it would also raise broader concerns with China’s non-market policies and practices, noting that the United States continues “to have serious concerns with China that were not addressed in the Phase One deal, specifically related to its state-centered and nonmarket trade practices including Beijing’s nonmarket policies and practices that distort competition by propping up state-owned enterprises, limiting market access, and other coercive and predatory practices in trade and technology.”⁷⁶¹ Furthermore, USTR stated the intention for the United States to work with allies and partners, including the G7, the U.S.-EU Summit, the Quad, the OECD, and the U.S.-EU Trade and Technology Council, to collectively promote a fair and competitive global market.⁷⁶²

Import Ban on Products from China’s Xinjiang Region

In 2021, the U.S. government took various measures to prohibit the importation of goods produced by forced or convict labor in China’s Xinjiang region. On January 13, 2021, U.S. Customs and Border Protection issued several withhold release orders (WROs) pursuant to section 307 of the Tariff Act of 1930, according to evidence of the use of forced labor in Xinjiang, including a region-wide WRO on

⁷⁵⁶ The statistics are calculated using Chinese import statistics. China’s purchases of covered agricultural products, manufacturing products, and energy products reached 83 percent, 59 percent and 37 percent, respectively, of its commitment under the Agreement, if calculated using U.S. export statistics. Bown, *US-China Phase One Tracker*, March 11, 2022.

⁷⁵⁷ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 146.

⁷⁵⁸ CRS, *Phase One Progress Limited for US Horticultural Products*, August 9, 2021; USDA, “Actuality,” March 5, 2021; USDA, “Continued Focus on U.S.-China Phase One Commitments,” January 10, 2022; USTR, “Ambassador Tai Remarks on Biden-Harris Administration’s “New Approach to the U.S.-China Trade Relationship,” October 4, 2021; USTR, “Tai Testimony on the President’s 2022 Trade Policy Agenda,” March 30, 2022.

⁷⁵⁹ Goldman Sachs, “Goldman Sachs Receives Approval for Full Ownership of China Joint Venture,” October 17, 2021; J.P. Morgan, “J.P. Morgan Receives Approval from the China Securities Regulatory Commission,” August 6, 2022.

⁷⁶⁰ USTR, “Fact Sheet: New Approach to the U.S.-China Trade Relationship,” October 4, 2021.

⁷⁶¹ USTR, “Fact Sheet: New Approach to the U.S.-China Trade Relationship,” October 4, 2021.

⁷⁶² The Quad, officially the Quadrilateral Security Dialogue, is a group of four countries: the United States, Australia, India, and Japan, which engage on issues relating to security, economics, and health. USTR, “Fact Sheet: New Approach to the U.S.-China Trade Relationship,” October 4, 2021; CFR, “The Quad in the Indo-Pacific,” May 27, 2021.

cotton and tomato products from Xinjiang.⁷⁶³ The scope of this WRO includes not only cotton and tomatoes, but also downstream products that use such commodities as intermediary inputs.⁷⁶⁴

On July 13, 2021, the United States issued an updated Xinjiang Supply Chain Business Advisory for U.S. businesses which have supply chains and investment links to China's Xinjiang region.⁷⁶⁵ The advisory highlights information "related to widespread, state-sponsored forced labor and intrusive surveillance in and related to Xinjiang," in particular "forced labor in the Xinjiang silicon and polysilicon supply chain and the prevalence of inputs sourced from Xinjiang."⁷⁶⁶ The advisory also summarizes actions taken by the U.S. government to counter the use of forced labor in China's Xinjiang region, as well as to prohibit the importation of goods produced in whole or in part with forced or convict labor.⁷⁶⁷

On December 23, 2021, President Biden signed into law the "Uyghur Forced Labor Prevention Act."⁷⁶⁸ The Act aims to "prevent goods made with forced labor in Xinjiang from entering U.S. markets and to further promote accountability for persons and entities responsible for these abuses."⁷⁶⁹ In particular, the Act establishes a rebuttal presumption that "all goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of China, or by persons working with the Xinjiang Uyghur Autonomous Region government for purposes of the 'poverty alleviation' program or the 'pairing-assistance' program" would be considered as produced with forced labor and therefore prohibited from entering the United States under section 307 of the Tariff Act of 1930.⁷⁷⁰

Japan

U.S.-Japan Trade Overview

In 2021, Japan was the fifth-largest U.S. merchandise trading partner in total trade. U.S. merchandise exports to Japan rose 17.6 percent from 2020 to \$75.0 billion in 2021, while U.S. merchandise imports from Japan rose by 13.1 percent to \$135.1 billion in 2021, resulting in a \$60.2 billion trade deficit (figure 6.19). The leading U.S. exports to Japan in 2021 were liquified propane (\$6.1 billion), aircraft and aircraft engines and parts (\$3.2 billion), and corn (\$3.2 billion). The leading U.S. imports from Japan in 2021 were passenger motor vehicles with cylinder capacity between 1,500 and 3,000 cc (\$18.2 billion), passenger motor vehicles with cylinder capacity greater than 3,000 cc (\$8.6 billion), and hybrid passenger motor vehicles (\$3.8 billion).⁷⁷¹

⁷⁶³ USTR, *2022 National Trade Estimate Report*, March 2022, 118.

⁷⁶⁴ USTR, *2022 National Trade Estimate Report*, March 2022, 118.

⁷⁶⁵ USTR, *2022 National Trade Estimate Report*, March 2022, 118. USDOS, "Xinjiang Supply Chain Business Advisory," accessed April 3, 2022.

⁷⁶⁶ USDOS, "Xinjiang Supply Chain Business Advisory," accessed April 3, 2022.

⁷⁶⁷ USTR, *2022 National Trade Estimate Report*, March 2022, 118.

⁷⁶⁸ The Uyghur Forced Labor Prevention Act entered into force on June 21, 2022. CBP, "Uyghur Forced Labor Prevention Act," June 28, 2022.

⁷⁶⁹ USDOS, "The Signing of the Uyghur Forced Labor Prevention Act," December 23, 2021.

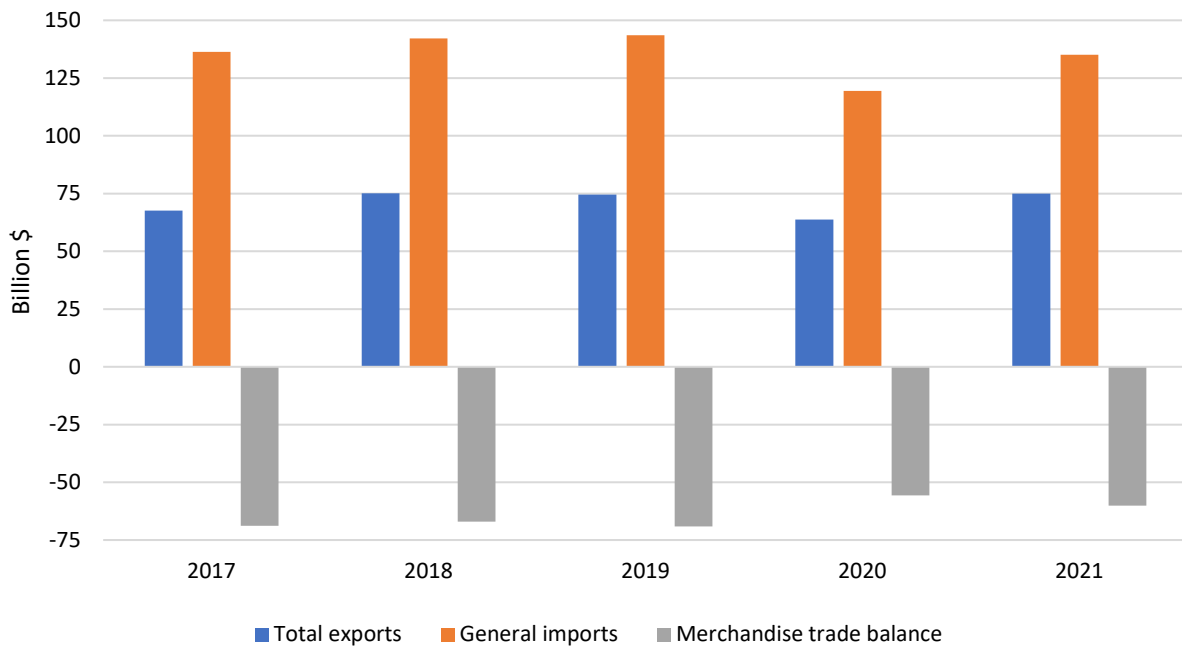
⁷⁷⁰; Pub. L. 117-78, § 2, 135 Stat. 1525 (amending 22 U.S.C. § 6901); USTR, *2022 National Trade Estimate Report*, March 2022, 118.

⁷⁷¹ USITC DataWeb/Census, total exports and general imports, accessed March 1, 2022.

In 2021, Japan was the fourth-largest trading partner in U.S. cross-border services trade. Levels of U.S. services exports to Japan as well as services imports from Japan were relatively constant from 2020 to 2021. Exports to Japan fell by 3.2 percent to \$36.6 billion, and imports from Japan rose by 2.6 percent to \$31.7 billion in 2021 (figure 6.20). The resulting trade surplus fell 29.1 percent to \$4.9 billion. The top U.S. services exports to Japan in 2021 were other business services (\$9.4 billion), charges for IP use (\$5.9 billion), and financial services (\$5.5 billion). The leading services imports from Japan in 2021 were transport (\$9.2 billion), charges for IP use (\$8.4 billion), and government goods and services (\$5.0 billion).⁷⁷²

Figure 6.19 U.S. merchandise trade with Japan, annual, 2017-21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).

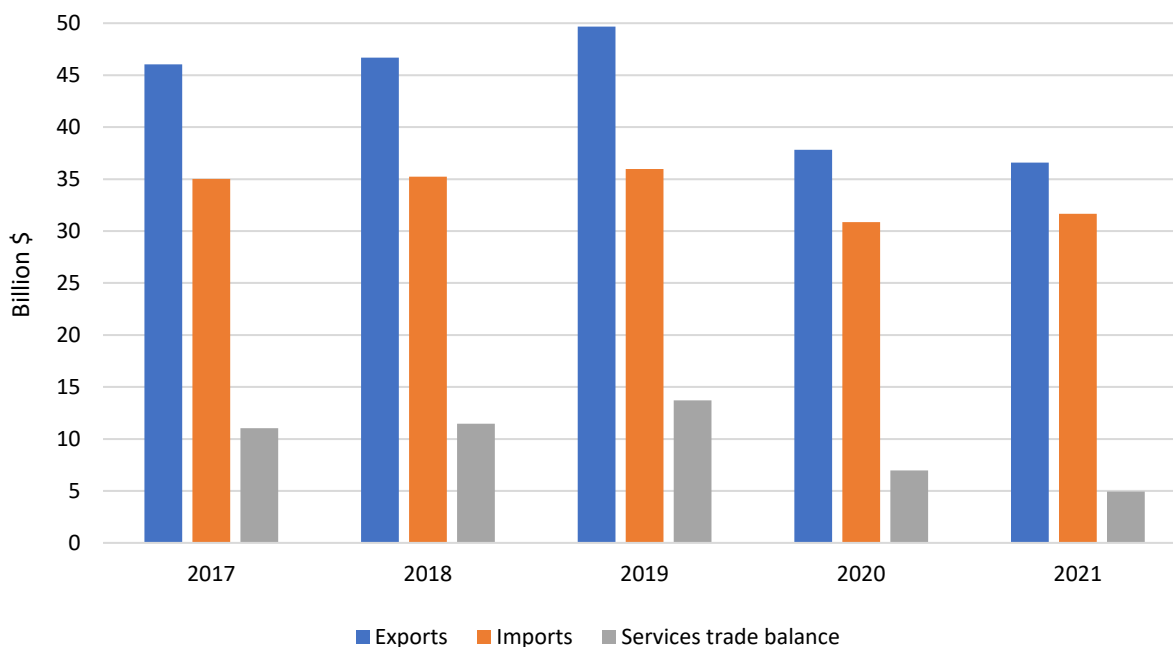


Source: USITC DataWeb/Census, accessed February 17, 2022.

⁷⁷² USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.20 U.S. services trade with Japan, annual, 2017-21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments in 2021

This section summarizes the major trade events in U.S.-Japan trade relations in 2021. There were several ministerial-level engagements throughout the year that addressed cooperation on multilateral and bilateral issues. These engagements culminated in the launch of the U.S.-Japan Partnership on Trade and renewal of a Trilateral partnership with the EU in November. There were several agriculture-related developments in 2021, including consultations following the trigger of the beef safeguard under the U.S.-Japan Trade Agreement (USJTA).

Other significant trade developments between the United States and Japan in 2021 include:

- In November, the United States and Japan began consultations to address global steel and aluminum capacity, including impacts of nonmarket excess capacity.⁷⁷³ At yearend 2021, consultations were still ongoing.⁷⁷⁴
- In 2021 there were improvements in market access for some U.S. agricultural products. In April 2021, Japan lifted a mandatory aflatoxin inspection requirement for imports of U.S. walnuts for the first time since it was implemented in 2004.⁷⁷⁵ In August 2021, Japan

⁷⁷³ USTR, “U.S.-Japan Work on Global Steel and Aluminum Excess Capacity,” November 12, 2021.

⁷⁷⁴ Ambassador Tai and U.S. Secretary of Commerce Raimondo announced a new 232 tariff agreement with Japan in early 2022. USTR, “Tai, Raimondo Statements on 232 Tariff Agreement with Japan,” February 7, 2022.

⁷⁷⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 147.

granted market access for imported U.S. Japanese plums; previously market access was limited to the European plum.⁷⁷⁶

The following sections discuss other major trade developments in greater detail, including agricultural issues and multilateral cooperation.

Agriculture under the U.S.-Japan Trade Agreement

The U.S.-Japan Trade Agreement (USJTA), which entered into force on January 1, 2020, gives expanded market access for U.S. agricultural products in Japan.⁷⁷⁷ This expanded market access covers over 90 percent of U.S. food and agricultural products imported by Japan. Provisions provide preferential access for these products through either immediate elimination of tariffs, staged tariff eliminations, reduction on import mark-ups, reduced tariffs, or a country-specific quota. The agreement also specifies limited use of safeguard actions by Japan.⁷⁷⁸

Japan is a top market for U.S. beef exports. Under the USJTA, the Japanese tariff on imports of fresh, chilled, and frozen beef from the United States will be reduced from 38.5 percent to 9 percent over 15 years, which is equivalent to the tariff treatment under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Under the USJTA, a safeguard allows Japan to temporarily increase tariffs if imports surpass a specific trigger level that increases annually.⁷⁷⁹ Japan announced that U.S. beef imports exceeded the safeguard trigger level on March 10, 2021, and temporarily increased tariffs levels for a 30-day period.⁷⁸⁰ The trigger also led to consultations between the two countries throughout 2021.⁷⁸¹

The USJTA includes nine TRQs for select U.S. agricultural products that provide duty-free or reduced-duty market access.⁷⁸² The nine products are: wheat; wheat products; malt, roasted; malt, not roasted; processed cheese; whey; glucose and fructose; corn and potato starch; and inulin.⁷⁸³ Many of these

⁷⁷⁶ Japanese plums (*Prunus salicina*) and European plums (*Prunus domestica*) are different species of plums. U.S. European plums were granted access to the Japanese market in 2001. USDA, FAS, *Japan Grants Market Access for US Japanese Plums*, August 20, 2021.

⁷⁷⁷ Proclamation No. 9974, December 26, 2019.

⁷⁷⁸ USTR, "Fact Sheet on U.S.-Japan Trade Agreement," September 2019; USITC, *Year in Trade 2019*, August 2020.

⁷⁷⁹ The safeguard volume is measured by Japan fiscal year, which runs April 1–March 31. Triggering the safeguard leads to a temporary increase in tariffs, where the duration depends on the date the safeguard level was passed.

⁷⁸⁰ The safeguard level established in Year 2 of the USJTA was 242,000 metric tons (MT). On March 17, 2021, Japan Customs announced that Japan's imports of U.S. beef from April 1, 2020 to March 10, 2021 exceeded the safeguard level by reaching 242,229 MT and triggered a temporary increase in the tariff from 25.8 percent to 38.5 percent. USDA, FAS, *Tariffs on US Beef Rise as USJTA Safeguard Triggers*, by Aki Imaizumi, March 16, 2021.

⁷⁸¹ The United States and Japan reached an agreement to a new three-trigger safeguard mechanism under the USJTA on March 25, 2022. USDA, FAS, "U.S., Japan Reach Deal on Beef Tariff Safeguard," March 24, 2022.

⁷⁸² TRQs provide duty-free access for: glucose and fructose; wheat; mixes, doughs, and cake mixes; malt, not roasted; malt, roasted; corn and potato starch; and inulin. Wheat is subject a price mark-up and some starches face a 25 percent tariff depending on use. TRQs currently provide reduced duty access for whey and processed cheese. In-quota imports of whey will be duty free in year 5 of the USJTA and in-quota imports of processed cheese will enter duty free in year 10. United States-Japan Trade Agreement, Annex I, October 7, 2019.

⁷⁸³ Wheat products include mixes, doughs, and cake mixes. Inulin is a type of dietary fiber used as an ingredient in processed foods.

TRQs were not fully utilized during the first two years of the USJTA.⁷⁸⁴ In Japanese fiscal year (JFY) 2020 and the first half of JFY 2021, there were no in-quota imports of malt, processed cheese, or inulin; only 4 percent of the starch quota was allocated in 2021.⁷⁸⁵ Allocations for the wheat products, whey, and glucose and fructose quotas ranged from 17 to 39 percent in 2020, and from 22 to 39 percent in JFY2021.⁷⁸⁶ In both years, the majority of imports of these products were out of quota. Only the wheat quota filled in 2020, and substantial out-of-quota imports comprised 95 percent of total Japanese imports of U.S. wheat in JFY2020.⁷⁸⁷ Wheat quota allocation in 2021 is lower than in first half of JFY2020 and in-quota imports comprise 3 percent of total wheat imports from the United States.⁷⁸⁸

Cooperation on Multilateral Issues

On November 17, 2021, USTR announced the launch of the U.S.-Japan Partnership on Trade (Partnership).⁷⁸⁹ The Partnership provides avenues for cooperation among USTR and the Japanese Ministries of Foreign Affairs, and of Economy, Trade and Industry, providing a framework to discuss trade issues, including an economic framework for the Indo-Pacific region.⁷⁹⁰ The initial areas of discussion include: third-country concerns; cooperation in multilateral trade fora; labor; environment; trade facilitation; and the digital ecosystem. The first round of meetings under the partnership took place on February 28, 2022.⁷⁹¹

The United States and Japan discussed cooperation on a variety of issues through a series of ministerial-level meetings in March and November 2021.⁷⁹² Japan appointed new cabinet members in the fall of 2021, following designation of a new prime minister in October 2021. Issues discussed include:

- Unfair trading practices from nonmarket economies;
- Digital trade, including plurilateral efforts at the Asia-Pacific Economic Cooperation (APEC) and the WTO;
- Regional initiatives, including support of APEC and OECD, and priorities in the Indo-Pacific region including labor, environment, and resilient supply chains; and

⁷⁸⁴ The fill rate is the in-quota imported volume divided by the total TRQ volume. In-quota imports are the volume of products imports with the in-quota tariff applied. USDA, FAS, *USJTA TRQs Underutilized in First Half of JFY 2021*, December 21, 2021.

⁷⁸⁵ Japan's fiscal year runs April 1–March 31. USDA, FAS, *USJTA TRQs Underutilized in First Half of JFY 2021*, December 21, 2021; USDA, FAS, *TRQ Allocation Rates for FTAs in JFY 2021*, April 13, 2022.

⁷⁸⁶ USDA, FAS, *TRQ Allocation Rates for FTAs in JFY 2021*, April 13, 2022.

⁷⁸⁷ USDA, FAS, *Most USJTA TRQs Underfilled in JFY 2020*, June 16, 2021; USDA, FAS, *USJTA TRQs Underutilized in First Half of JFY 2021*, December 21, 2021.

⁷⁸⁸ In-quota and out-of-quota wheat face different prices. USDA, FAS, *USJTA TRQs Underutilized in First Half of JFY 2021*, December 21, 2021; USDA, FAS, *TRQ Allocation Rates for FTAs in JFY 2021*, April 13, 2022.

⁷⁸⁹ USTR, "Formation of the U.S.-Japan Partnership on Trade," November 17, 2021.

⁷⁹⁰ Government of Japan, Ministry of Foreign Affairs, "The Launch of Japan-U.S. Partnership on Trade," November 17, 2021; USDA, FAS, *USJTA TRQs Underutilized in First Half of JFY 2021*, December 21, 2021; USDA, FAS, *TRQ Allocation Rates for FTAs in JFY 2021*, April 13, 2022.

⁷⁹¹ USTR, "Readout of First Round of the U.S.-Japan Partnership on Trade," March 1, 2022.

⁷⁹² USTR, "Ambassador Tai's Call with Japan Foreign Minister," March 23, 2021; USTR, "Ambassador Tai's Call with Japan Ministry of Economy, Trade and Industry Minister," March 23, 2021; USTR, "Ambassador Tai's Meeting with Japanese Minister of Economy, Trade, And Industry," November 4, 2021; USTR, "Ambassador Tai's Meeting with Japanese Chief Cabinet Secretary," November 17, 2021; USTR, "Readout of Ambassador Tai's Meeting with Japanese Minister of Foreign Affairs Hayashi Yoshimasa," November 17, 2021.

- Bilateral issues, including the USJTA beef safeguard and steel.⁷⁹³

The discussions of nonmarket practices continued in November through the U.S.-Japan-E.U. Trilateral partnership, which met for the sixth time since 2018.⁷⁹⁴ The talks focused on identifying issues arising from nonmarket practices, gaps in enforcement tools and cooperation in using existing tools, and areas where rules can be developed to address nonmarket practices.⁷⁹⁵

United Kingdom

U.S.-UK Trade Overview

In 2021, the UK was the seventh-largest U.S. merchandise trading partner in total trade. U.S. merchandise exports to the UK grew by 5.2 percent to \$61.5 billion in 2021, while U.S. merchandise imports from the UK grew by 12.1 percent to \$56.4 billion in 2021, resulting in a bilateral U.S. merchandise trade surplus of \$5.1 billion (figure 6.21). The top U.S. exports to the UK included gold (\$8.6 billion), aircraft and aircraft engines and parts (\$5.5 billion), and crude petroleum (\$5.3 billion). The top U.S. imports from the UK were medicaments (\$2.9 billion), passenger motor vehicles with cylinder capacity over 3,000 cc (\$2.8 billion), and aircraft and helicopter parts (\$1.9 billion).⁷⁹⁶

In 2021, the UK was the second-largest U.S. services trading partner. U.S. services exports to the UK grew by 7.0 percent to \$67.1 billion in 2021, while U.S. services imports from the UK grew by 5.7 percent to \$55.5 billion in 2021, resulting in a bilateral U.S. services trade surplus of \$11.6 billion (figure 6.22). The top three U.S. services exports to the UK were financial services (\$22.3 billion), other business services (\$17.2 billion), and telecommunications, computer, and information services (\$5.9 billion). The leading services imports from the UK were other business services (\$16.2 billion), financial services (\$14.1 billion), and insurance services (\$5.6 billion).⁷⁹⁷

⁷⁹³ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 52.

⁷⁹⁴ USTR, "Joint Statement of the Trade Ministers of the United States, Japan, and the European Union After a Trilateral Meeting," November 30, 2021; USITC, *Year in Trade 2020*, September 2021, 177.

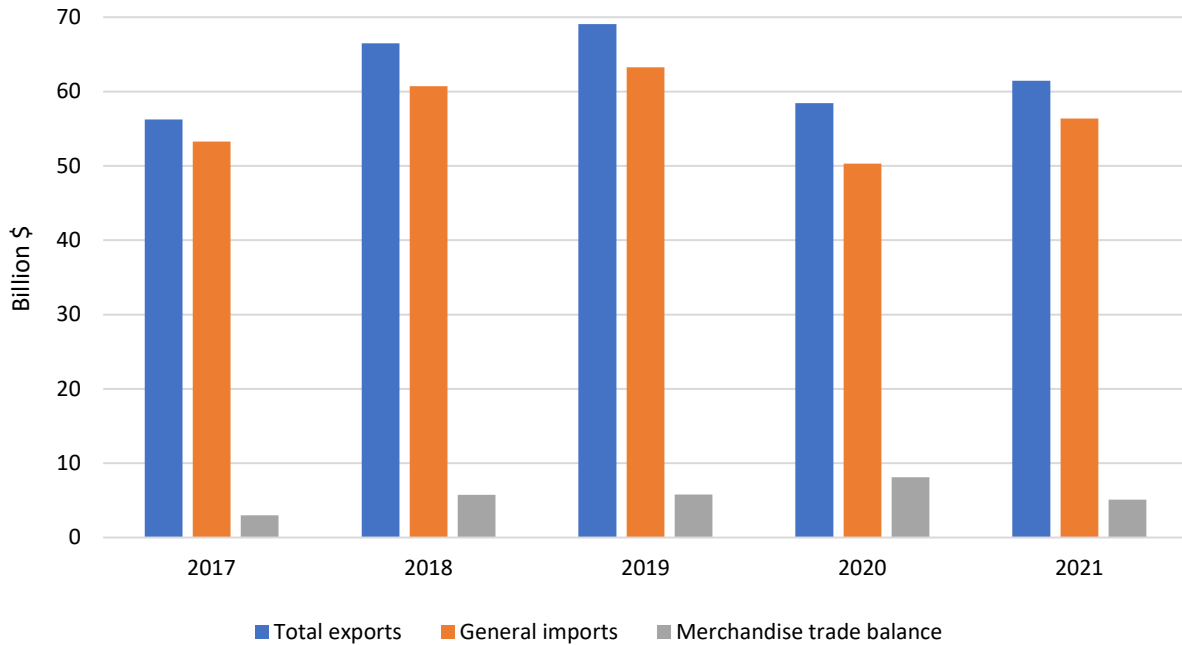
⁷⁹⁵ The previous meeting of the Trilateral partnership focused on industrial subsidies, particularly prohibited subsidies in Article 3.1 of the WTO Agreement on Subsidies and Countervailing Measures. See USITC, *Year in Trade 2020*, September 2021.

⁷⁹⁶ USITC DataWeb/Census, total exports and general imports, accessed March 30, 2022.

⁷⁹⁷ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.21 U.S. merchandise trade with the UK, annual, 2017–21

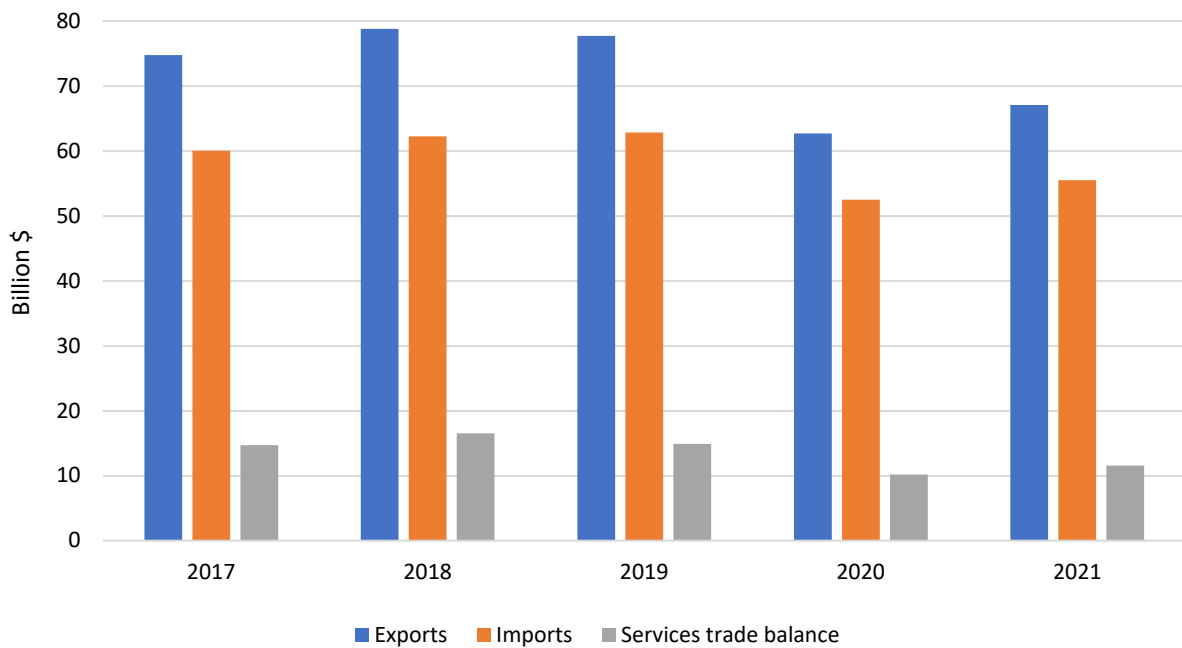
In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).



Source: USITC DataWeb/Census, accessed February 17, 2022.

Figure 6.22 U.S. total services trade with the UK, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments

This section summarizes major trade events in U.S.-UK trade relations during 2021. The ongoing transition of the UK's withdrawal from the EU ("Brexit") remained a major factor of U.S.-UK trade engagement in 2021, as the two countries worked to establish new TRQ arrangements and held inaugural meetings under post-Brexit agreements. With the end of the Brexit transition period on December 31, 2020, multiple new trade procedures concerning border inspections, customs requirements, and geographical indications came into effect on January 1, 2021. The two major trade partners also worked to resolve longstanding issues concerning disputes over government subsidies to producers of large civil aircrafts and digital services taxes (DST).

- On March 4, 2021, the United States and the UK (and the United States and the EU), issued joint statements promoting the resolution of a longstanding WTO dispute on large civilian aircraft and announcing a four-month suspension of tariffs related to the disputes.⁷⁹⁸ On June 15 and 17, 2021, the United States, the UK, and the EU reached understandings on cooperative frameworks regarding the dispute, which included the mutual suspension of countermeasures related to the dispute for five years beginning on July 4, 2021.⁷⁹⁹ The joint framework also established a working group to serve as a forum for ongoing collaboration on this issue, including cooperation on nonmarket economies.⁸⁰⁰ For more information, see [chapter 3](#) in this report.
- In October 2021, USTR announced the termination of the section 301 investigation into the UK's DST. This investigation was initiated after the UK adopted its DST in July 2020 and had previously been suspended. This decision followed the UK's participation in a political agreement to address DST challenges under Pillar 1 of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). On October 21, 2022, the U.S. Treasury released a joint statement with five countries, including the UK, on a transitional approach to those countries' DSTs prior to entry into force of Pillar 1.⁸⁰¹ For more information, see [chapters 2](#) and [4](#).

Post-Brexit Trade Standards and Policies

Throughout 2021, the United States and the UK worked to establish aspects of their bilateral trade relationship independent of the EU, especially concerning TRQ arrangements and agreements previously covered under the U.S.-EU trading relationship. Furthermore, the Brexit transition period ended on December 31, 2020, making January 1, 2021, the effective date for a multitude of independent UK trade policies and procedures, concerning border inspections and customs requirements and the UK scheme for geographical indications.

On March 8, 2021, the United States announced the conclusion of negotiations related to the post-Brexit allocation and functioning of the EU's existing WTO TRQs. The negotiated TRQ arrangements resulted in what USTR considered to be favorable outcomes on U.S. market access for U.S. products including pork, beef, rice, wheat, corn, and grape juice, and were memorialized in a Memorandum of

⁷⁹⁸ USTR, "Joint US-UK Statement on Suspension of Large Civilian Aircraft Tariffs," March 4, 2021.

⁷⁹⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 75; USTR, "Joint US-UK Cooperative Framework for Large Civil Aircraft," June 17, 2021.

⁸⁰⁰ USTR, "US-UK Cooperative Framework for Large Civil Aircraft," June 17, 2021.

⁸⁰¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 73.

Understanding in the form of an exchange of letters between the two governments signed June 30–July 1, 2021. By July 2021 and January 2022, the UK had implemented most of its TRQs.⁸⁰²

The Bilateral Agreement between the United States of America and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance, which replaced an equivalent U.S.-EU agreement, entered into force on December 31, 2020. Its provisions aim to ensure the benefits of the U.S.-EU agreement continue to be afforded to U.S. companies operating in the UK or assuming business from UK ceding insurers.⁸⁰³ The first U.S.-UK Joint Committee Meeting under the Bilateral Agreement was held on March 30, 2021, during which participants discussed implementation issues including the removal of collateral and local presence requirements for reinsurers and the provisions on group supervision measures.⁸⁰⁴

Beginning on January 1, 2021, the UK was officially operating an external border with the EU. However, in the subsequent months the UK repeatedly delayed the phased introduction of new border controls for the movement of goods across this border. In the interim, traders importing standard goods were required to follow basic customs rules, including proof of origin and sufficient record keeping, and were given up to six months to complete standard customs declarations for controlled and excise goods. The requirements for animal and plant products, including those related to specified locations for border inspection and prenotification, were similarly delayed to July 1, 2022. In the meantime, physical checks of safety and security declarations continued to take place at the point of destination rather than at Great Britain Border Control Posts.⁸⁰⁵

The UK set up its own geographical indications (GI) scheme on January 1, 2021, limiting the use of specific geographical names for food, drink, and agricultural products including beer, cider, and perry, spirit drinks, wine, and aromatized wine. Producers of all countries, including the UK and United States, must apply to the UK scheme to secure protection of exclusive geographical product names. As with the EU GI scheme, the UK scheme has the potential to affect prior trademark rights and market access for U.S. goods that rely on the use of common names.⁸⁰⁶

The U.S.-UK Mutual Recognition Agreement Sectoral Annex for Pharmaceutical Good Manufacturing Practices, which generally contains the conditions under which each country will accept conformity assessment results from the other, entered into force on January 1, 2021. Although it initially covered pharmaceuticals intended only for human use, the U.S. Food and Drug Administration and the UK's Veterinary Medicines Directorate on September 27, 2021, announced a decision to expand the scope to include animal drugs as well. This expansion in scope is intended to produce greater efficiencies for both U.S. and UK regulatory systems by utilizing each other's inspection reports and avoiding information duplication.⁸⁰⁷

⁸⁰² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 146–47, 254; USTR, “USTR Announces Conclusion of WTO Quota Negotiations with the European Union,” March 8, 2021.

⁸⁰³ Bilateral Agreement between the United States of America and the United Kingdom, December 21, 2020; U.S. Treasury, “U.S.-UK Covered Agreement,” accessed June 8, 2021.

⁸⁰⁴ USTR, “First U.S.-UK Joint Committee Meeting on Insurance and Reinsurance,” March 30, 2021.

⁸⁰⁵ USTR, *2022 National Trade Estimate Report*, March 2022, 520.

⁸⁰⁶ USTR, *2022 National Trade Estimate Report*, March 2022, 521.

⁸⁰⁷ USFDA, CVM, “FDA and UK Announce MRA Expansion Covering Animal Drugs,” September 27, 2021.

India

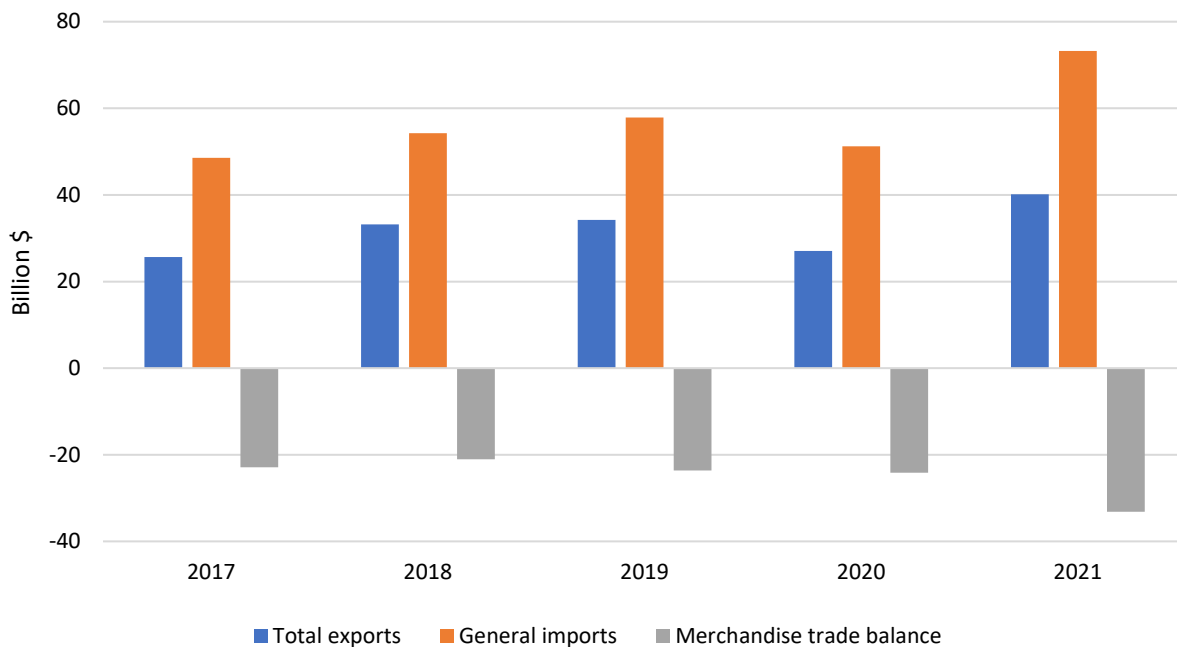
U.S.-India Trade Overview

In 2021, India was the United States’ ninth-largest trading partner in merchandise trade, rising from the 10th place in 2020. U.S. merchandise exports to India rose by 48.2 percent to \$40.1 billion in 2021, while U.S. merchandise imports from India rose by 43.1 percent to \$73.3 billion in 2021, resulting in a bilateral U.S. merchandise trade deficit of \$33.1 billion (figure 6.23). U.S. top exports to India included crude petroleum (\$9.5 billion), nonindustrial diamonds (\$5.3 billion), and liquified natural gas (\$1.4 billion). The top U.S. imports from India were nonindustrial diamonds (\$10.8 billion), medicaments (\$7.4 billion), and precious metal jewelry other than silver (\$3.2 billion).⁸⁰⁸

In 2021, India was the United States’ seventh-largest partner in cross-border services trade. U.S. services exports to India rose by 2.1 percent to \$16.7 billion in 2021, while U.S. services imports from India rose by 12.0 percent to \$29.0 billion in 2021, resulting in a bilateral U.S. services trade deficit of \$12.3 billion (figure 6.24). The top U.S. services exports to India were travel (\$5.4 billion), charges for IP use (\$2.7 billion), and other business services (\$2.4 billion). The leading U.S. services imports from India were other business services (\$12.5 billion), telecommunications, computer, and information services (\$12.1 billion), and charges for IP use (\$1.6 billion).⁸⁰⁹

Figure 6.23 U.S. merchandise trade with the India, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.17](#).



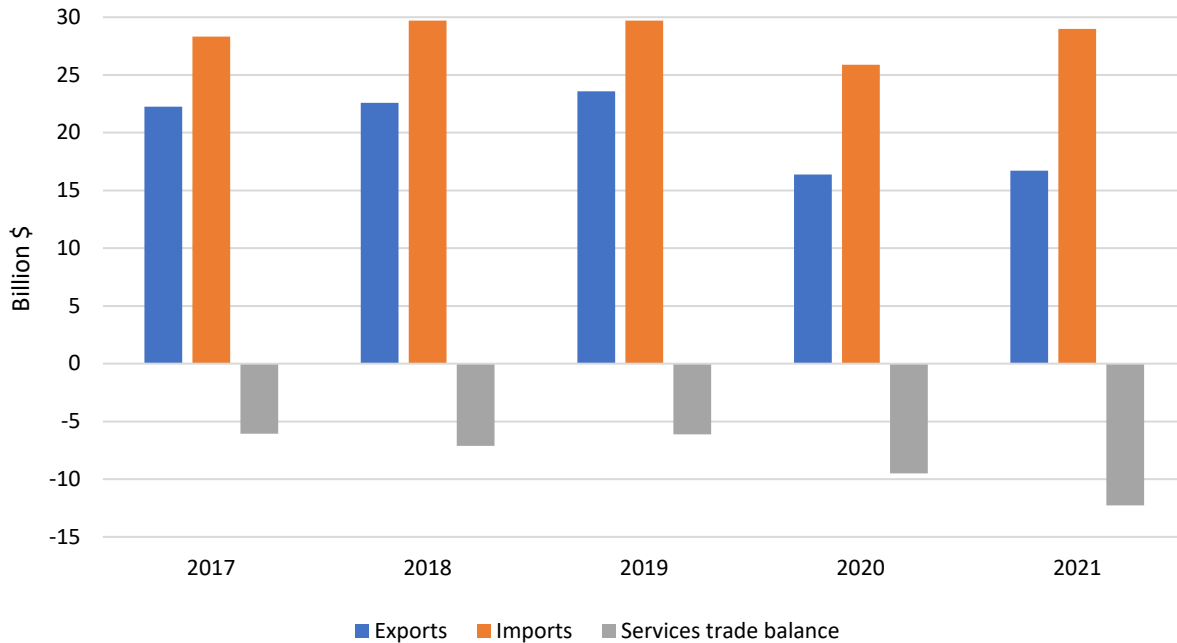
Source: USITC DataWeb/Census, accessed February 17, 2022.

⁸⁰⁸ USITC DataWeb/Census, accessed February 25, 2021.

⁸⁰⁹ USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Figure 6.24 U.S. services trade with the India, annual, 2017–21

In billions of dollars. Underlying data for this figure can be found in appendix table [B.22](#).



Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Note: Beginning in the *Year in Trade 2020* report U.S. cross-border trade in services information includes data on U.S. exports and imports of government goods and services as well as private services, due to data suppression by BEA. Previous editions included private services only.

Major Trade Developments in 2021

In 2021, there were several significant events in U.S.-India trade relations. Among the important developments were joint U.S.-India work on climate change and the environment, updates in the barriers to digital trade and e-commerce, and changes in the technical barriers to trade. In addition to these major developments described below, the two countries in 2021 successfully relaunched the U.S.-India Trade Policy Forum (TPF) and its four working groups on agriculture, non-agriculture goods, services and investment, and IP.⁸¹⁰ The TPF serves as the principal bilateral forum for discussing issues related to trade, investment, labor, and the environment.⁸¹¹ In November 2021—at the first ministerial-level TPF meeting since 2017—senior government representatives of each country committed to finalizing work on market access facilitation for various agriculture products, among other issues.⁸¹²

⁸¹⁰ USTR, “Joint Statement from the United States-India Trade Policy Forum,” November 23, 2021.

⁸¹¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 24.

⁸¹² On January 10, 2022, following commitments made at the 12th U.S.-India TPF, Ambassador Tai and USDA Secretary Vilsack announced that India agreed to allow imports of U.S. pork and pork products into India. USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 58; USTR, “Joint Statement from the United States-India Trade Policy Forum,” November 23, 2021; USTR, “New India Agreement to Allow U.S. Pork and Pork Products Into India,” January 10, 2022.

Climate Change and the Environment

During discussions between President Biden and Indian Prime Minister Narendra Modi on February 8, 2021, the two identified addressing climate change as one of their top priorities and agreed to renew their respective countries' partnership on climate change.⁸¹³ This joint affirmation was further developed through the launch of the U.S.-India Climate and Clean Energy Agenda 2030 Partnership, which occurred at the Leaders' Summit on Climate on April 22–23, 2021. The partnership, which is comprised of two tracks, commits to bilateral action in the current decade to meet the Paris Agreement goals.⁸¹⁴ One track focuses on the Strategic Clean Energy Partnership, and the other focuses on the Climate Action and Finance Mobilization Dialogue. The Strategic Clean Energy Partnership was launched in September, with responsible oil and gas, power and energy efficiency, renewable energy, and sustainable growth as pillars of the Partnership.⁸¹⁵ The Climate Action and Finance Mobilization Dialogue was also launched in September, and has climate action, finance mobilization, adaptation and resilience, and forestry as its pillars.⁸¹⁶

Digital Services Tax

In 2017, India began to implement a 6 percent withholding tax on advertising platforms not established in India.⁸¹⁷ The digital services tax (DST), termed an “equalization levy” by the Indian government, was established with the purported objective of “leveling the playing field” between resident and nonresident service suppliers.⁸¹⁸ In March 2020, the Indian government announced an added two percent equalization levy on foreign e-commerce and digital services providers.⁸¹⁹ After determining that this DST is unreasonable or discriminatory under section 301 of the Trade Act, the U.S. Trade Representative determined to take action on June 2, 2021, in the form of additional duties on certain products of India.⁸²⁰

On October 8, 2021, India joined the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, a two-pillar solution to address tax issues arising from the digitalization of the global economy.⁸²¹ Pillar One of this framework includes a commitment to remove existing DSTs and related similar measures, in favor of a unified and harmonized approach across all participating member countries.⁸²² Furthermore, in November 2021, the United States and India reached a political agreement to transition from the Indian DST to a multilateral solution that “will provide for a tax framework that is fairer, more stable,

⁸¹³ CAP, “Renewed U.S.-India Climate Cooperation,” February 18, 2021; White House, “Readout of President Joseph R. Biden, Jr. Call with Prime Minister Narendra Modi of India,” February 8, 2021.

⁸¹⁴ USDOS, “U.S.-India Climate and Clean Energy Agenda 2030 Partnership,” April 22, 2021.

⁸¹⁵ U.S. Embassy & Consulates in Italy, “Special Presidential Envoy for Climate Travels to UAE, India and Bangladesh,” March 31, 2021; USAID, USDOS, USDOE, USTDA, USDFC, EXIM, Treasury, USDOC, MOPNG, *U.S.-India SCEP: Responsible Oil and Gas Pillar*, September 2021.

⁸¹⁶ USDOS, “Special Presidential Envoy for Climate John Kerry’s Trip to India,” September 15, 2021.

⁸¹⁷ USTR, *2021 National Trade Estimate Report on Foreign Trade Barriers*, March 2021, 268.

⁸¹⁸ USITC, *Year in Trade 2020*, September 2021, 186; USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 136–37.

⁸¹⁹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 136–37.

⁸²⁰ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 70.

⁸²¹ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 70.

⁸²² USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 70. For more information on the OECD/G20 Inclusive Framework on BEPS, see [chapter 4](#) of this report.

and better equipped to meet the needs of a 21st century global economy.”⁸²³ This multilateral solution was agreed upon by 137 countries under the OECD-G20 Inclusive Framework, and will be implemented in 2023.⁸²⁴ As a result of these agreements, the U.S. Trade Representative determined to terminate the section 301 action taken in the investigation of India’s DST, as of November 28, 2021.⁸²⁵

Technical Barriers to Trade

Two of the major technical barriers to trade are quality control orders (QCOs) and registration requirements.

Quality Control Orders

In March 2021, the United States notified to the WTO its concerns over India’s QCO on polyethylene, the most commonly used plastic material.⁸²⁶ The current QCO is unique to India and requires manufacturers to use a designation code, detailing technical information about the product, to label individual packages of polyethylene. The implementation date of the QCO was postponed until April 15, 2022.⁸²⁷

Implementation of 2020 QCO on toys had been postponed until January 1, 2021.⁸²⁸ While some inspections of domestic Indian factories began in 2021, U.S. toy manufacturers’ ability to comply with the QCO was hampered by a backlog of factory audits due to travel bans associated with the COVID-19 pandemic. Until audits are conducted, and toys remain unable to be certified as fulfilling the QCO, the U.S. toy manufacturers will be unable to export to India.⁸²⁹

Registration Requirements

Certification requirements of organic products have also proven problematic for U.S. exporters. In 2020, the Food Safety and Standards Authority of India detained at port two U.S. organic shipments. While the Indian government’s Agricultural and Processed Food Products Export Development Authority (APEDA) had previously approved import of U.S. organic shipments, the organization stated that shipments could not be marked as organic without an equivalency agreement between APEDA and U.S. Department of Agriculture National Organic Program (USDA-NOP).⁸³⁰ In January 2021, USDA-NOP ended its organic recognition agreement with APEDA.⁸³¹ USDA-NOP cited an outstanding need for more active oversight presence in India to ensure the integrity of organic products sold to the U.S. market.⁸³² USDA-NOP’s

⁸²³ Treasury, “Agreement on the Transition from Existing Indian Equalization Levy to New Multilateral Solution,” November 24, 2021.

⁸²⁴ OECD, “Statement on a Two-Pillar Solution to Address the Tax Challenges,” October 8, 2021.

⁸²⁵ USTR, *2022 Trade Policy Agenda and 2021 Annual Report*, March 2022, 70.

⁸²⁶ ScienceDirect, “Polyethylene,” 2016; USTR, *2022 National Trade Estimate Report*, March 2022, 249.

⁸²⁷ USTR, *2022 National Trade Estimate Report*, March 2022, 249.

⁸²⁸ USTR, *2022 National Trade Estimate Report*, March 2022, 249; Government of India, Ministry of Commerce and Industry, Office Memorandum—Quality Control Amendment Order in respect of Toys, September 18, 2020.

⁸²⁹ USTR, *2022 National Trade Estimate Report*, March 2022, 249.

⁸³⁰ USTR, *2022 National Trade Estimate Report*, March 2022, 250.

⁸³¹ USDA, FAS, *USDA AMS Ends Organic Recognition Agreement with India*, January 11, 2021.

⁸³² USDA, FAS, *USDA AMS Ends Organic Recognition Agreement with India*, January 11, 2021.

January decision started an 18-month transition period for APEDA-accredited certified Indian organic operations to become directly certified by USDA-accredited certifiers.⁸³³

⁸³³ USDA, AMS, "International Trade Policies: India, Updated: April 18, 2021," accessed April 20, 2022.

Bibliography

- Andersson-Manjang, Simon, and Nika Naghavi. *State of the Industry Report on Mobile Money-2021*. Global System for Mobile Communications (GSMA), 2021. https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2021/03/GSMA_State-of-the-Industry-Report-on-Mobile-Money-2021_Full-report.pdf.
- Anguiano, Dani. “‘Like a Freeway in Traffic’: America’s Busiest Ports Choked by a Pandemic Holiday.” *The Guardian*, December 22, 2021. <https://www.theguardian.com/business/2021/dec/21/inside-americas-busiest-port-during-holidays>.
- Anguiano, Dani. “Backlog of Cargo Ships at Southern California Ports Reaches an All-Time High.” *The Guardian*, October 20, 2021. <https://www.theguardian.com/business/2021/oct/20/supply-chain-crisis-california-ports-cargo-ships>.
- Asia-Pacific Economic Cooperation (APEC). “2021 Leaders’ Declaration.” APEC, November 12, 2021. <https://www.apec.org/meeting-papers/leaders-declarations/2021/2021-leaders-declaration>.
- Asia-Pacific Economic Cooperation (APEC). “About APEC: About APEC.” APEC, September 2021. <https://www.apec.org/About-Us/About-APEC>.
- Asia-Pacific Economic Cooperation (APEC). “About APEC: APEC Secretariat.” APEC, September 2021. <https://www.apec.org/About-Us/APEC-Secretariat>.
- Asia-Pacific Economic Cooperation (APEC). “About APEC: How APEC Operates.” APEC, September 2021. <https://www.apec.org/About-Us/How-APEC-Operates>.
- Asia-Pacific Economic Cooperation (APEC). “Annex 1: APEC MRT Statement on COVID-19 Vaccine Supply Chains.” APEC, June 5, 2021. https://www.apec.org/meeting-papers/sectoral-ministerial-meetings/trade/2021_mrt/annex-1.
- Asia-Pacific Economic Cooperation (APEC). “Annex 2: APEC MRT Statement on Services to Support the Movement of Essential Goods.” APEC, June 5, 2021. https://www.apec.org/meeting-papers/sectoral-ministerial-meetings/trade/2021_mrt/annex-2.
- Asia-Pacific Economic Cooperation (APEC). *APEC Committee on Trade and Investment 2021 Annual Report to Ministers*. APEC#221-CT-01.15. Singapore, November 2021. https://www.apec.org/docs/default-source/publications/2021/11/2021-cti-annual-report-to-ministers/2021-cti-annual-report-to-ministers---main-report.pdf?sfvrsn=82fc5d80_2.
- Asia-Pacific Economic Cooperation (APEC). “APEC Ministers Responsible for Trade Meeting Joint Statement 2021.” APEC, June 5, 2021. https://www.apec.org/meeting-papers/sectoral-ministerial-meetings/trade/2021_mrt.
- Asia-Pacific Economic Cooperation (APEC). “APEC Putrajaya Vision 2040.” APEC, November 20, 2020. https://www.apec.org/meeting-papers/leaders-declarations/2020/2020_aelm/annex-a.

- Asia-Pacific Economic Cooperation (APEC). *Final Review for the APEC Supply-Chain Connectivity Framework Action Plan II 2017-2020 (SCFAP II)*. Singapore, November 2021. [https://www.apec.org/docs/default-source/publications/2021/11/final-review-of-the-apec-supply-chain-connectivity-framework-action-plan-2017-2020-\(scfap-ii\)/221_psu_final-review-of-scfap-ii.pdf?sfvrsn=9921e935_2](https://www.apec.org/docs/default-source/publications/2021/11/final-review-of-the-apec-supply-chain-connectivity-framework-action-plan-2017-2020-(scfap-ii)/221_psu_final-review-of-scfap-ii.pdf?sfvrsn=9921e935_2).
- Asia-Pacific Economic Cooperation (APEC). “New Zealand Confirms APEC Host Year Priorities.” APEC, December 11, 2020. https://www.apec.org/press/news-releases/2020/1211_isom.
- Asia-Pacific Economic Cooperation (APEC). “Our Roadmap to APEC 2021.” Accessed February 22, 2022. <https://apec2021nz.org/apec-nz-2021>.
- Asia-Pacific Economic Cooperation (APEC). “Welcome to APEC 2021.” APEC 2021 NZ: Welcome to APEC 2021. Accessed February 22, 2022. <https://apec2021nz.org/>.
- Association of Southeast Asian Nations (ASEAN). “Joint Media Statement for the AEM-USTR Consultations,” September 14, 2021. https://asean.org/wp-content/uploads/2021/09/Joint-Media-Statement-for-the-AEM-USTR-Consultations_Adopted.pdf.
- Awanis, Aramé, Christopher Lowe, Simon Andersson-Manjang, and Dominica Lindsey. *State of the Industry Report on Mobile Money-2022*. Global System for Mobile Communications (GSMA), 2022. https://www.gsma.com/sotir/wp-content/uploads/2022/03/GSMA_State_of_the_Industry_2022_English.pdf.
- BBC News. “Joe Biden Plays down Chances of UK-US Trade Deal.” September 22, 2021. <https://www.bbc.com/news/uk-politics-58646017>.
- Bethmann, Erika, Chang Hong, Lin Jones, and Joann Peterson. “Challenges Facing Selected Industries and Related Global Supply Chains During the Ongoing COVID-19 Pandemic.” USITC Working Paper 2022-02-C, February 2022. https://www.usitc.gov/publications/332/working_papers/industries_and_gvcs_in_focus_final_t.c.pdf.
- Bilateral Agreement between the United States of America and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance. U.S. Trade Representative, December 21, 2020. <https://ustr.gov/sites/default/files/US-UK-Covered-Agreement.pdf>.
- Bown, Chad. *US-China Phase One Tracker: China’s Purchases of US Goods*. Peterson Institute for International Economics (PIIE), March 11, 2022. <https://www.piie.com/research/piie-charts/us-china-phase-one-tracker-chinas-purchases-us-goods>.
- Celasun, Oya, Niels-Jakob Hansen, Aiko Mineshima, Mariano Spector, and Jing Zhou. “Supply Bottlenecks: Where, Why, How Much, and What Next?” International Monetary Fund (IMF), February 2022. <https://www.imf.org/en/Publications/WP/Issues/2022/02/15/Supply-Bottlenecks-Where-Why-How-Much-and-What-Next-513188>.
- Center for American Progress (CAP). “Renewed U.S.-India Climate Cooperation,” February 18, 2021. <https://www.americanprogress.org/article/renewed-u-s-india-climate-cooperation/>.

- Chartered Institute of Procurement & Supply (CIPS). "Glossary of Procurement Terms." The Chartered Institute of Procurement and Supply. Accessed March 29, 2022. <https://www.cips.org/knowledge/glossary-of-procurement-terms/>.
- Chin, Spencer. "Chip, Component Shortages See No Quick End in Sight." Fierce Electronics, August 20, 2021. <https://www.fierceelectronics.com/electronics/chip-component-shortages-see-no-quick-end-sight>.
- China Business Review. "Reflections on the Phase One Agreement." *U.S.-China Business Council*, January 20, 2022. <https://www.chinabusinessreview.com/reflections-on-the-phase-one-agreement/>.
- Commission for Environmental Cooperation (CEC). "Registry of Submissions on Enforcement Matters." Accessed March 9, 2022. <http://www.cec.org/submissions-on-enforcement/registry-of-submissions/>.
- Commission for Environmental Cooperation (CEC). "Climate Change and Environmental Justice Solutions for North America: Commission for Environmental Cooperation Council Session Chair Summary," September 9, 2021. <http://www.cec.org/files/documents/chair-summary-of-the-twenty-eighth-regular-session-of-the-cec-council.pdf>.
- Congressional Research Service (CRS). *Phase One Progress Limited for US Horticultural Products*. CRS Report CH2021-0089, August 9, 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Phase%20One%20Progress%20Limited%20for%20US%20Horticultural%20Products_Beijing_China%20-%20People%27s%20Republic%20of_07-23-2021.pdf.
- Congressional Research Service (CRS). *Section 232 Investigations: Overview and Issues for Congress*, by Fefer et. al. CRS Report R45249, May 18, 2021. <https://sgp.fas.org/crs/misc/R45249.pdf>.
- Congressional Research Service (CRS). *Section 301 Tariffs on Goods from China: International and Domestic Legal Challenges*, by Nina M. Hart and Brandon J. Murrill. CRS Report LSB10553, April 5, 2022. <https://crsreports.congress.gov/product/pdf/LSB/LSB10553>.
- Congressional Research Service (CRS). *U.S.-EU Trade and Economic Relations*, by Shayerah I. Akhtar. In Focus 10931, December 21, 2021. <https://crsreports.congress.gov/product/pdf/IF/IF10931>.
- Council on Foreign Relations (CFR). "The Quad in the Indo-Pacific: What to Know." In Brief by Sheila A. Smith, May 27, 2021. <https://www.cfr.org/in-brief/quad-indo-pacific-what-know>.
- Economist*. "A Perfect Storm for Container Shipping," September 16, 2021. <https://www.economist.com/finance-and-economics/a-perfect-storm-for-container-shipping/21804500>.
- Emont, Jon, and Lam Le. "Delta Variant Outbreaks in Sparsely Vaccinated Asian Countries Disrupt Production." *The Wall Street Journal (WSJ)*, August 25, 2021. <https://www.wsj.com/articles/delta-variant-outbreaks-in-sparsely-vaccinated-asian-countries-disrupt-production-11629807725?page=1>.

Energy Information Administration (EIA). "Crude Oil Prices Increased in 2021 as Global Crude Oil Demand Outpaced Supply," January 4, 2022.

<https://www.eia.gov/todayinenergy/detail.php?id=50738>.

European Commission (EC). *Overview of FTA and Other Trade Negotiations*, February 2022.

https://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf.

European Commission (EC). "Answer Given by Executive Vice-President Dombrovskis on Behalf of the European Commission: Question Reference: E-005595/2020," December 23, 2020.

https://www.europarl.europa.eu/doceo/document/E-9-2020-005595-ASW_EN.html.

European Commission (EC). "Glossary: EU Enlargements." Accessed April 4, 2022.

https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:EU_enlargements.

Ernst and Young (EY). "Are You Running an Analogue Supply Chain for a Digital Economy?," November 23, 2021. https://www.ey.com/en_us/supply-chain/are-you-running-an-analogue-supply-chain-for-a-digital-economy.

Ernst and Young (EY). "How COVID-19 Impacted Supply Chains and What Comes Next," February 18,

2021. https://www.ey.com/en_us/supply-chain/how-covid-19-impacted-supply-chains-and-what-comes-next.

Federal Reserve Board of Governors. "Foreign Exchange Rates -H.10," January 23, 2022.

<https://www.federalreserve.gov/releases/h10/current/>.

Fictiv. *2021 State of Manufacturing Report*, 2021. <https://www.fictiv.com/ebooks/2021-state-of-manufacturing>.

Food and Agriculture Organization of the United Nations (FAO). "What Is IUU Fishing?" Accessed May

13, 2021. <http://www.fao.org/iuu-fishing/background/what-is-iuu-fishing/en/>.

Financial Times (FT). "Inflation and the Supply Chain," October 22, 2021. <https://www.ft.com/intel/inflation-and-the-supply-chain>.

G20. "About The G20." Accessed February 7, 2022. <https://g20.org/about-the-g20/>.

Gartner. "Gartner Forecasts 51% of Global Knowledge Workers Will Be Remote by the End of 2021."

Press release, June 22, 2021. <https://www.gartner.com/en/newsroom/press-releases/2021-06-22-gartner-forecasts-51-percent-of-global-knowledge-workers-will-be-remote-by-2021>.

Georgieva, Kristalina, Oya Celasun, and Alfred Kammer. "Supply Disruptions Add to Inflation, Undermine Recovery in Europe." International Monetary Fund, *IMF Blog* (blog), February 17, 2022.

<https://blogs.imf.org/2022/02/17/supply-disruptions-add-to-inflation-undermine-recovery-in-europe/>.

Government of Canada. "United States Solar Products Safeguard Consultations Request." The

Secretariat, USMCA, January 6, 2021. <https://can-mex-usa-sec.org/secretariat/pubs/consult/2020-12-22.aspx?lang=eng>.

- Government of Canada. Department of Finance. “Notice of Ways and Means Motion to Introduce an Act to Implement a Digital Services Tax,” December 2021. <https://fin.canada.ca/drleg-apl/2021/bialeb-1221-1-eng.html>.
- Government of Canada. Global Affairs Canada. “Notice of Intention to Join as a Complaining Party— Rules of Origin for Motor Vehicles,” January 13, 2022. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/rules_origi_motor_vehicles-regles_origine_vehicules-moteur.aspx?lang=eng.
- Government of China. Ministry of Finance. “The Customs Tariff Commission of the State Council Announces the List of the 5th Tariff Exemptions on Products from the United States,” September 16, 2021. http://gss.mof.gov.cn/gzdt/zhengcejiedu/202109/t20210916_3753343.htm?mc_cid=b694e108d7&mc_eid=9cddb941a.
- Government of Fiji. Ministry of Commerce Trade Tourism and Transport. “Fiji and the United States of America Meet under the Trade and Investment Framework Agreement (TIFA) for the First Time.” Press release, February 11, 2021. <https://www.mcttt.gov.fj/publications-resources/press-release/press-release-fiji-and-the-united-states-of-america-meet-under-the-trade-and-investment-framework-agreement-tifa-for-the-first-time/>.
- Government of India. Ministry of Commerce and Industry. Office Memorandum—Quality Control Amendment Order in respect of Toys. September 18, 2020. https://dpiit.gov.in/sites/default/files/orderToy-26February2021_0.pdf.
- Government of Japan. Ministry of Foreign Affairs. “The Launch of Japan-U.S. Partnership on Trade.” Press release, November 17, 2021. https://www.mofa.go.jp/press/release/press4e_003058.html.
- Government of Mexico. “Decree Amended the Thirteenth Transitory Article of the Hydrocarbons Law,” May 19, 2021. https://www.dof.gob.mx/nota_detalle.php?codigo=5618799&fecha=19/05/2021.
- Government of Mexico. “Decree That Amends and Adds Various Provisions of the Political Constitution in Energy Matters,” December 20, 2013. http://dof.gob.mx/nota_detalle.php?codigo=5327463&fecha=20/12/2013.
- Government of Mexico. “Decree That Amends and Adds Various Provisions to the Electric Industry Law.” March 9, 2021. https://www.dof.gob.mx/nota_detalle.php?codigo=5613245&fecha=09/03/2021.
- Government of Mexico. Electric Industry Law. August 11, 2014. http://www.diputados.gob.mx/LeyesBiblio/ref/lielec/LIElec_orig_11ago14.pdf.
- Government of Mexico. Federal Executive Initiative. October 1, 2021. <http://gaceta.diputados.gob.mx/PDF/65/2021/oct/20211001-I.pdf>.
- Government of Mexico, Chamber of Deputies. “Plenary Chamber Rejects Ruling on Energy and Access to Electricity,” April 17, 2022. <http://comunicacionsocial.diputados.gob.mx/index.php/mesa/pleno-cameral-desecha-dictamen-en-materia-de-energia-y-de-acceso-a-la-energia-electrica>.

Government of Mexico. Secretaría de Economía [Secretariat of Economy]. “Comprometidos Con El Correcto Funcionamiento Del T-MEC, Se Anuncian Acuerdos Respecto a Petición Laboral de Empresa de Autopartes [Committed to the Proper Functioning of the T-MEC, Agreements Are Announced Regarding the Labor Petition of an Auto Parts Company],” August 10, 2021. <http://www.gob.mx/se/prensa/comprometidos-con-el-correcto-funcionamiento-del-t-mec-se-anuncian-acuerdos-respecto-a-peticion-laboral-de-empresa-de-autopartes?idiom=es>.

Government of Mexico. Secretaría de Economía [Secretariat of Economy]. “Letter from Secretary of Economy to U.S. Trade Representative,” August 20, 2021. https://www.gob.mx/cms/uploads/attachment/file/663260/Request_for_consultation_RVC_US_MCA_05_08_21_fecha_20.pdf.

Government of Mexico. Secretaría de Economía [Secretariat of Economy]. “México Está Comprometido Con El T-MEC, Admite Solicitud de Revisión Por Parte de EE.UU. Sobre Empresa Autopartista En Matamoros, Tamaulipas [Mexico Is Committed to the T-MEC, Admits Request for Review by the U.S. on Auto Parts Company in Matamoros, Tamaulipas],” June 19, 2021. <http://www.gob.mx/se/prensa/mexico-esta-comprometido-con-el-t-mec-admite-solicitud-de-revision-por-parte-de-ee-uu-sobre-empresa-autopartista-en-matamoros-tamaulipas?state=published>.

Government of Mexico. Secretaría de Economía [Secretariat of Economy]. “México Solicita El Establecimiento de Un Panel de Solución de Controversias Del T-MEC [Mexico Requests the Establishment of a T-MEC Dispute Settlement Panel],” January 6, 2022. <http://www.gob.mx/se/prensa/mexico-solicita-el-establecimiento-de-un-panel-de-solucion-de-controversias-del-t-mec?idiom=es>.

Government of the United Kingdom. G7 UK 2021. “What Is the G7?” Accessed February 7, 2022. <https://www.g7uk.org/what-is-the-g7/>.

Government of the United Kingdom (UK). House of Commons Library. *Progress on UK Free Trade Agreement Negotiations*, by Dominic Webb. Research Briefing. Number 9314., March 24, 2022. <https://researchbriefings.files.parliament.uk/documents/CBP-9314/CBP-9314.pdf>.

Hanna, Katie Terrell. “Supply Chain Visibility (SCV).” TechTarget. Accessed August 2, 2022. <https://www.techtarget.com/searcherp/definition/supply-chain-visibility-SCV>.

Hubs. “About Hubs,” Accessed March 23, 2022. <https://www.hubs.com/about/>.

Hubs. *Supply Chain Resilience Report 2021 Update*, 2021. <https://www.hubs.com/get/supply-chain-resilience-report>.

IHS Markit. “Critical Supply Chains: The Semiconductor Shortage,” June 10, 2021. <https://ihsmarkit.com/research-analysis/critical-supply-chains-the-semiconductor-shortage.html>.

IHS Markit. “Global Economic Activity Improves as Service Sector Strengthens, but Inflation Remains Elevated,” November 4, 2021. <https://www.markiteconomics.com/Public/Home/PressRelease/a5e131eb783a40d6941551dc0ad5ed91>.

- IHS Markit. "Global Electronics Industry Faces Continuing Supply Disruptions," July 26, 2021. <https://ihsmarkit.com/research-analysis/global-electronics-industry-faces-continuing-supply-disruptions-jul21.html>.
- IHS Markit. "Global Price Gauge Hits New High as Input Cost Inflation Accelerates Sharply," April 8, 2021. <https://ihsmarkit.com/research-analysis/global-price-gauge-hits-new-high-as-input-cost-inflation-accelerates-sharply-apr21.html>.
- IMPAQ. "IMPAQ International." IMPAQ International. Accessed June 20, 2022. <https://impaint.com/research-evaluation-and-technical-assistance-firm-helps-develop-policies-and-programs-government-and>.
- Independent Mexico Labor Expert Board (IMLEB). *Interim Report*, December 15, 2020. <https://aflcio.org/sites/default/files/2020-12/IMLEB%20Interim%20Report%20%26%20Separate%20Statement%20of%20Members%20Marculewicz%20%26%20Miscimarra.pdf>.
- Independent Mexico Labor Expert Board (IMLEB). *Report to the Interagency Labor Committee and Congress*, July 7, 2021. https://insidetrade.com/sites/insidetrade.com/files/documents/2021/jul/wto2021_0310a.pdf.
- Institute for Supply Management (ISM). "December 2021 Manufacturing ISM Report On Business," December 2021. <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/pmi/december/>.
- Institute for Supply Management (ISM). "October 2021 Manufacturing ISM Report On Business," October 2021. <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/pmi/october/>.
- International Labour Organization (ILO). *ILO Monitor: COVID-19 and the World of Work. Eighth Edition*, October 27, 2021. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_824092.pdf.
- International Labour Organization (ILO), ILOSTAT. "Working Hours Lost Due to the COVID-19 Crisis, ILO Modelled Estimates (%), Annual." Accessed April 8, 2022. <https://ilostat.ilo.org/topics/covid-19/>.
- International Monetary Fund (IMF). *World Economic Outlook, April 2022*, April 19, 2022. <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>.
- International Monetary Fund (IMF). "World Economic Outlook Database April 2022—WEO Groups and Aggregates Information," April 2022. <https://www.imf.org/external/pubs/ft/weo/2022/01/weodata/groups.htm>.
- International Monetary Fund (IMF). *World Economic Outlook Update, January 2022: Rising Caseloads, a Disrupted Recovery, and Higher Inflation*, January 25, 2022. <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>.

- International Monetary Fund (IMF). "IMF Primary Commodity Prices." Accessed March 18, 2022. <https://www.imf.org/en/Research/commodity-prices>.
- International Monetary Fund (IMF). *World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation*, January 2022. <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>.
- International Trade Centre (ITC Geneva). "ITC Monthly Briefs on the Global State of Trade, August 2021," August 2021. <https://tradebriefs.intracen.org/2021/8#change-export-potential-chart>.
- International Trade Centre (ITC Geneva). "ITC Monthly Briefs on the Global State of Trade, December 2021," December 2021. <https://tradebriefs.intracen.org/2021/12>.
- International Trade Centre (ITC Geneva). "ITC Monthly Briefs on the Global State of Trade, July 2021," July 2021. <https://tradebriefs.intracen.org/2021/7>.
- International Trade Centre (ITC Geneva). "ITC Monthly Briefs on the Global State of Trade, October 2021," October 2021. <https://tradebriefs.intracen.org/2021/10#change-export-potential-chart>.
- Inverto. "Raw Material Prices and Supply Shortages Skyrocket," December 9, 2021. <https://www.consultancy.eu/news/7143/raw-material-prices-and-supply-shortages-skyrocket-in-7-charts>.
- Kamali, Parisa, and Alex (Shiyao) Wang. "Longer Delivery Times Reflect Supply Chain Disruptions." International Monetary Fund, *IMF Blog* (blog), October 25, 2021. <https://blogs.imf.org/2021/10/25/longer-delivery-times-reflect-supply-chain-disruptions/>.
- Knowler, Greg. "Container Shipping: Global Vessel Arrival Times Slump to Record Low," *Journal of Commerce*, January 26, 2022. https://www.joc.com/maritime-news/global-vessel-arrival-times-s slump-record-low-sea-intelligence_20220126.html.
- Lynch, David J. "Wall Street's March into China Increasingly at Odds with Biden's Tough Stance." *Washington Post*, March 21, 2021. <https://www.washingtonpost.com/business/2021/03/23/goldman-sachs-china-biden/>.
- Martel, Mirka. "International Student Enrollment Snapshot." *Institute of International Education (IIE)*, November 2021, 13. https://www.iie.org/-/media/Files/Corporate/Publications/IIE_FallSnapshot_2021_Report.ashx?la=en&hash=296D44AE7E1483DADAA6E216653198CBCD956BDE.
- Ngugi, Brian. "Kenya: No Clear Timelines for U.S.-Kenya Trade Deal After Key Meeting." *The East African*, August 25, 2021. <https://allafrica.com/stories/202108260621.html>.
- Office of the U.S. Trade Representative (USTR). *2018 Trade Policy Agenda and 2017 Annual Report of the President of the United States on the Trade Agreements Program*. Washington, DC: USTR, March 2018. <https://ustr.gov/sites/default/files/files/Press/Reports/2018/AR/2018%20Annual%20Report%20FINAL.PDF>.

- Office of the U.S. Trade Representative (USTR). *2019 Trade Policy Agenda and 2018 Annual Report of the President of the United States on the Trade Agreements Program*. Washington, DC: USTR, March 2019.
[https://ustr.gov/sites/default/files/2019 Trade Policy Agenda and 2018 Annual Report.pdf](https://ustr.gov/sites/default/files/2019%20Trade%20Policy%20Agenda%20and%202018%20Annual%20Report.pdf).
- Office of the U.S. Trade Representative (USTR). *2020 Special 301 Report*. Washington, DC: USTR, April 29, 2020. [https://ustr.gov/sites/default/files/2020 Special 301 Report.pdf](https://ustr.gov/sites/default/files/2020%20Special%20301%20Report.pdf).
- Office of the U.S. Trade Representative (USTR). *2020 Trade Policy Agenda and 2019 Annual Report of the President of the United States on the Trade Agreements Program*. Washington, DC: USTR, February 2020.
[https://ustr.gov/sites/default/files/2020 Trade Policy Agenda and 2019 Annual Report.pdf](https://ustr.gov/sites/default/files/2020%20Trade%20Policy%20Agenda%20and%202019%20Annual%20Report.pdf).
- Office of the U.S. Trade Representative (USTR). *2021 National Trade Estimate Report on Foreign Trade Barriers*. Washington, DC: USTR, March 2021.
<https://ustr.gov/sites/default/files/files/reports/2021/2021NTE.pdf>.
- Office of the U.S. Trade Representative (USTR). *2021 Special 301 Report*. Washington, DC: USTR, April 30, 2021.
[https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20\(final\).pdf](https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20(final).pdf).
- Office of the U.S. Trade Representative (USTR). *2021 Trade Policy Agenda and 2020 Annual Report of the President of the United States on the Trade Agreements Program*. Washington, DC: USTR, March 2021.
<https://ustr.gov/sites/default/files/files/reports/2021/2021%20Trade%20Agenda/Online%20PDF%202021%20Trade%20Policy%20Agenda%20and%202020%20Annual%20Report.pdf>.
- Office of the U.S. Trade Representative (USTR). *2022 National Trade Estimate Report on Foreign Trade Barriers*. Washington, DC: USTR, March 2022.
<https://ustr.gov/sites/default/files/2022%20National%20Trade%20Estimate%20Report%20on%20Foreign%20Trade%20Barriers.pdf>.
- Office of the U.S. Trade Representative (USTR). *2022 Trade Policy Agenda and 2021 Annual Report of the President of the United States on the Trade Agreements Program*. Washington, DC: USTR, March 2022.
[https://ustr.gov/sites/default/files/2022%20Trade%20Policy%20Agenda%20and%202021%20Annual%20Report%20\(1\).pdf](https://ustr.gov/sites/default/files/2022%20Trade%20Policy%20Agenda%20and%202021%20Annual%20Report%20(1).pdf).
- Office of the U.S. Trade Representative (USTR). "Agreement between the United States of America and the People's Republic of China," December 13, 2019. <https://ustr.gov/sites/default/files/US-China-Agreement-Fact-Sheet.pdf>.
- Office of the U.S. Trade Representative (USTR). "Ambassador Katherine Tai and Secretary Tom Vilsack Announce New India Agreement to Allow U.S. Pork and Pork Products Into India." Press release, January 10, 2022. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/january/ambassador-katherine-tai-and-secretary-tom-vilsack-announce-new-india-agreement-allow-us-pork-and>.

Office of the U.S. Trade Representative (USTR). “Ambassador Tai, Secretary Walsh Applaud Successful First Course of Remediation under USMCA’s Rapid Response Mechanism.” Press release, September 22, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/september/ambassador-tai-secretary-walsh-applaud-successful-first-course-remediation-under-usmcas-rapid>.

Office of the U.S. Trade Representative (USTR). “Announcement of Actions on EU Imports Under Section 232,” October 31, 2021. <https://ustr.gov/sites/default/files/files/Statements/US%20232%20EU%20Statement.pdf>.

Office of the U.S. Trade Representative (USTR). “Chapter 31 Annex A; Facility-Specific Rapid-Response Labor Mechanism.” FTA Dispute Settlement-USMCA. Accessed June 20, 2022. <http://ustr.gov/issue-areas/enforcement/dispute-settlement-proceedings/fta-dispute-settlement/usmca/chapter-31-annex-facility-specific-rapid-response-labor-mechanism>.

Office of the U.S. Trade Representative (USTR). “Current Reviews.” Generalized System of Preferences (GSP) Reviews, December 31, 2020. <http://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/>.

Office of the U.S. Trade Representative (USTR). “Fact Sheet: Biden Administration Reaches Agreement with Mexico on GM Silao Rapid Response Action and Delivers Results for Workers,” July 8, 2021. <http://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2021/july/fact-sheet-biden-administration-reaches-agreement-mexico-gm-silao-rapid-response-action-and-delivers>.

Office of the U.S. Trade Representative (USTR). “Fact Sheet on U.S.-Japan Trade Agreement.” Press release, September 2019. <https://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2019/september/fact-sheet-us-japan-trade-agreement>.

Office of the U.S. Trade Representative (USTR). “Fact Sheet: The Biden-Harris Administration’s New Approach to the U.S.-China Trade Relationship.” Press release, October 4, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/fact-sheet-biden-harris-administrations-new-approach-us-china-trade-relationship>.

Office of the U.S. Trade Representative (USTR). “Fact Sheet: U.S.-EU Establish Common Principles to Update the Rules for the 21st Century Economy at Inaugural Trade and Technology Council Meeting.” Press release, September 29, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/september/fact-sheet-us-eu-establish-common-principles-update-rules-21st-century-economy-inaugural-trade-and>.

Office of the U.S. Trade Representative (USTR). *Findings of the Investigation into China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation under Section 301 of the Trade Act of 1974*. Washington, DC: USTR, March 22, 2018. <https://ustr.gov/sites/default/files/Section%20301%20FINAL.PDF>.

Office of the U.S. Trade Representative (USTR). “First Joint Committee Meeting Under the Bilateral U.S.-UK Agreement on Prudential Measures Regarding Insurance and Reinsurance.” Press release, March 30, 2021. <http://ustr.gov/index.php/about-us/policy-offices/press-office/press-releases/2021/march/first-joint-committee-meeting-under-bilateral-us-uk-agreement-prudential-measures-regarding>.

- Office of the U.S. Trade Representative (USTR). "Free Trade Agreements." Accessed April 14, 2022. <https://ustr.gov/trade-agreements/free-trade-agreements>.
- Office of the U.S. Trade Representative (USTR). "GSP-Eligible Products." Generalized System of Preferences (GSP) Reviews, accessed March 31, 2022. <http://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0>.
- Office of the U.S. Trade Representative (USTR). "Joint Public Statement on the Inaugural Meeting of the Environment Committee of the United States-Mexico-Canada Agreement." Press release, June 17, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/joint-public-statement-inaugural-meeting-environment-committee-united-states-mexico-canada-agreement>.
- Office of the U.S. Trade Representative (USTR). "Joint Statement of the European Union and the United States on the Large Civil Aircraft WTO Disputes." Press release, March 5, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/joint-statement-european-union-and-united-states-large-civil-aircraft-wto-disputes>.
- Office of the U.S. Trade Representative (USTR). "Joint Statement by the Trade Ministers of the United States of America and the Republic of Korea on the Occasion of the Sixth Meeting of the Joint Committee of the U.S.-Korea Free Trade Agreement." Press release, November 19, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-trade-ministers-united-states-america-and-republic-korea-occasion-sixth-meeting>.
- Office of the U.S. Trade Representative (USTR). "Joint Statement by the United States and Ecuador." Press release, August 16, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/august/joint-statement-united-states-and-ecuador>.
- Office of the U.S. Trade Representative (USTR). "Joint Statement by the United States and Mexico on Section 232 Duties on Steel and Aluminum," May 17, 2019. [https://ustr.gov/sites/default/files/Joint Statement by the United States and Mexico.pdf](https://ustr.gov/sites/default/files/Joint%20Statement%20by%20the%20United%20States%20and%20Mexico.pdf).
- Office of the U.S. Trade Representative (USTR). "Joint Statement from the United States-India Trade Policy Forum." Press release, November 23, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-united-states-india-trade-policy-forum>.
- Office of the U.S. Trade Representative (USTR). "Joint Statement of the Labor Council," June 29, 2021. <https://ustr.gov/sites/default/files/enforcement/USMCA/FINAL%20Joint%20Statement%20of%20the%20Labor%20Council.pdf>.
- Office of the U.S. Trade Representative (USTR). "Joint Statement of the Trade Ministers of the United States, Japan, and the European Union After a Trilateral Meeting." Press release, November 30, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-trade-ministers-united-states-japan-and-european-union-after-trilateral-meeting>.

Office of the U.S. Trade Representative (USTR). “Joint Statement On The Tenth Meeting Of The United States-Ukraine Trade And Investment Council.” Press release, November 10, 2021.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-tenth-meeting-united-states-ukraine-trade-and-investment-council>.

Office of the U.S. Trade Representative (USTR). “Joint US-EU Statement on Trade in Steel and Aluminum.” Press release, October 31, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/joint-us-eu-statement-trade-steel-and-aluminum>.

Office of the U.S. Trade Representative (USTR). “Joint US-UK Statement on a Cooperative Framework for Large Civil Aircraft.” Press release, June 17, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/joint-us-uk-statement-cooperative-framework-large-civil-aircraft>.

Office of the U.S. Trade Representative (USTR). “Joint US-UK Statement on Suspension of Large Civilian Aircraft Tariffs.” Press release, March 4, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/joint-us-uk-statement-suspension-large-civilian-aircraft-tariffs>.

Office of the U.S. Trade Representative (USTR). “Letter to the Secretary of Treasury,” September 21, 2021.

<https://ustr.gov/sites/default/files/files/Press/Releases/Letter%20to%20Secretary%20Yellen%20-%202009.21.21.pdf>.

Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Call with Japan Foreign Minister Motegi Toshimitsu.” Press release, March 23, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/readout-ambassador-katherine-tais-call-japan-foreign-minister-motegi-toshimitsu>.

Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Meeting with Japanese Chief Cabinet Secretary Matsuno Hirokazu.” Press release, November 17, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/readout-ambassador-katherine-tais-meeting-japanese-chief-cabinet-secretary-matsuno-hirokazu>.

Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Meeting with OECD Secretary-General Mathias Cormann.” Press release, July 21, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/july/readout-ambassador-katherine-tais-meeting-oecd-secretary-general-mathias-cormann>.

Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Participation in the OECD Ministerial Meeting.” Press release, October 6, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/readout-ambassador-katherine-tais-participation-oecd-ministerial-meeting>.

Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Virtual Call with Japan Ministry of Economy, Trade and Industry Minister Kajiyama Hiroshi.” Press release, March 23, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/readout-ambassador-katherine-tais-virtual-call-japan-ministry-economy-trade-and-industry-minister>.

- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Virtual Meeting with Japanese Minister of Economy, Trade, And Industry Hagiuda Koichi.” Press release, November 4, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/readout-ambassador-katherine-tais-virtual-meeting-japanese-minister-economy-trade-and-industry>.
- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Virtual Meeting with Kenya Minister of Industrialization, Trade, and Enterprise Development Betty Maina.” Press release, April 1, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/readout-ambassador-katherine-tais-virtual-meeting-kenyan-minister-industrialization-trade-and>.
- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Virtual Meeting with Kenya’s Ministry of Industrialization, Trade and Enterprise Development Cabinet Secretary Betty Maina.” Press release, August 23, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/august/readout-ambassador-katherine-tais-virtual-meeting-kenyas-ministry-industrialization-trade-and>.
- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Virtual Meeting with Nigeria Minister of Industry, Trade and Investment Adeniyi Adebayo.” Press release, October 28, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/readout-ambassador-katherine-tais-virtual-meeting-nigeria-minister-industry-trade-and-investment>.
- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Katherine Tai’s Virtual Roundtable on Issues in Energy Sector in Mexico.” Press release, March 25, 2022. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/readout-ambassador-katherine-tais-virtual-roundtable-issues-energy-sector-mexico>.
- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Tai’s Meeting with Japanese Minister of Foreign Affairs Hayashi Yoshimasa.” Press release, November 17, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/readout-ambassador-tais-meeting-japanese-minister-foreign-affairs-hayashi-yoshimasa>.
- Office of the U.S. Trade Representative (USTR). “Readout of Ambassador Tai’s Virtual Meeting with Executives from the U.S.-APEC Business Coalition.” Press release, June 8, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/readout-ambassador-tais-virtual-meeting-executives-us-apec-business-coalition>.
- Office of the U.S. Trade Representative (USTR). “Readout of the First Round of Meetings of the U.S.-Japan Partnership on Trade.” Press Releases, March 1, 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/readout-first-round-meetings-us-japan-partnership-trade>.
- Office of the U.S. Trade Representative (USTR). “Remarks of Ambassador Katherine Tai at the Start of the KORUS Joint Committee.” Press release, November 19, 2021. <http://ustr.gov/about-us/policy-offices/press-office/speeches-and-remarks/2021/november/remarks-ambassador-katherine-tai-start-korus-joint-committee>.

Office of the U.S. Trade Representative (USTR). “Remarks As Prepared for Delivery of Ambassador Katherine Tai Outlining the Biden-Harris Administration’s ‘New Approach to the U.S.-China Trade Relationship.’” Press release, October 4, 2021. <http://ustr.gov/about-us/policy-offices/press-office/speeches-and-remarks/2021/october/remarks-prepared-delivery-ambassador-katherine-tai-outlining-biden-harris-administrations-new>.

Office of the U.S. Trade Representative (USTR). *Report on France’s Digital Services Tax Prepared in the Investigation under Section 301 of the Trade Act of 1974*. Washington, DC: USTR, December 2, 2019. [https://ustr.gov/sites/default/files/Report On France%27s Digital Services Tax.pdf](https://ustr.gov/sites/default/files/Report%20On%20France%27s%20Digital%20Services%20Tax.pdf).

Office of the U.S. Trade Representative (USTR). *Report on the Appellate Body of the World Trade Organization*. Washington, DC: USTR, February 2020. [https://ustr.gov/sites/default/files/Report on the Appellate Body of the World Trade Organization.pdf](https://ustr.gov/sites/default/files/Report%20on%20the%20Appellate%20Body%20of%20the%20World%20Trade%20Organization.pdf).

Office of the U.S. Trade Representative (USTR). “Section 301—Digital Services Taxes.” Accessed April 8, 2022. <http://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-digital-services-taxes>.

Office of the U.S. Trade Representative (USTR). “Statement from Ambassador Katherine Tai on February 1-2 Vote by Workers in Silao, Mexico.” Press release, February 3, 2022. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/february/statement-ambassador-katherine-tai-february-1-2-vote-workers-silao-mexico>.

Office of the U.S. Trade Representative (USTR). “Statement from Ambassador Katherine Tai on the Covid-19 Trips Waiver.” Press release, May 5, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/may/statement-ambassador-katherine-tai-covid-19-trips-waiver>.

Office of the U.S. Trade Representative (USTR). “Statement from Ambassador Katherine Tai on the Re-Launch of the U.S.-Mexico High-Level Economic Dialogue.” Press release, September 9, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/september/statement-ambassador-katherine-tai-re-launch-us-mexico-high-level-economic-dialogue>.

Office of the U.S. Trade Representative (USTR). “Tai, Raimondo Statements on 232 Tariff Agreement with Japan.” Press release, February 7, 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/february/tai-raimondo-statements-232-tariff-agreement-japan>.

Office of the U.S. Trade Representative (USTR). “Testimony of Ambassador Katherine Tai Before the House Ways and Means Committee Hearing on the President’s 2022 Trade Policy Agenda.” Press release, March 30, 2022. <http://ustr.gov/about-us/policy-offices/press-office/speeches-and-remarks/2022/march/testimony-ambassador-katherine-tai-house-ways-means-committee-hearing-presidents-2022-trade-policy>.

- Office of the U.S. Trade Representative (USTR). “The Office of the U.S. Trade Representative and the U.S. Department of State Participate in the Fourteenth Meeting of Dominican Republic–Central America–United States Free Trade Agreement’s Environmental Affairs Council.” Press release, October 14, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/office-us-trade-representative-and-us-department-state-participate-fourteenth-meeting-dominican>.
- Office of the U.S. Trade Representative (USTR). “The United States and Colombia Meet to Review Implementation of the United States—Colombia Trade Promotion Agreement.” Press release, October 22, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/united-states-and-colombia-meet-review-implementation-united-states-colombia-trade-promotion>.
- Office of the U.S. Trade Representative (USTR). “Trade and Investment Framework Agreements.” Accessed March 9, 2022. <https://ustr.gov/trade-agreements/trade-investment-framework-agreements>.
- Office of the U.S. Trade Representative (USTR). “Tridonex Action Plan,” August 10, 2021. <https://ustr.gov/sites/default/files/enforcement/USMCA/Tridonex%20Action%20Plan.pdf>.
- Office of the U.S. Trade Representative (USTR). “Tridonex Request for Review,” June 9, 2021. <https://ustr.gov/sites/default/files/enforcement/USMCA/Tridonex%20Request%20for%20Review%202021-06-09%20-%20for%20web%20posting.pdf>.
- Office of the U.S. Trade Representative (USTR). “Trilateral Statement of the USMCA Free Trade Agreement.” Press release, May 18, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/may/trilateral-statement-usmca-free-trade-agreement>.
- Office of the U.S. Trade Representative (USTR). “Trump Administration Announces Intent to Negotiate Trade Agreements with Japan, the European Union and the United Kingdom.” Press release, October 16, 2018. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/october/trump-administration-announces>.
- Office of the U.S. Trade Representative (USTR). “Trump Administration Notifies Congress of Intent to Negotiate Trade Agreement with Kenya.” Press release, March 17, 2020. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/march/trump-administration-notifies-congress-intent-negotiate-trade-agreement-kenya>.
- Office of the U.S. Trade Representative (USTR). “Understanding on Principles Relating to Large Civil Aircraft,” June 15, 2021. <https://ustr.gov/sites/default/files/files/FINAL%20Understanding%20on%20Principles%20relating%20to%20Large%20Civil%20Aircraft.pdf>.
- Office of the U.S. Trade Representative (USTR). “United States Advances First USMCA Dispute Panel To Enforce Canada’s Dairy Commitments.” Press release, May 25, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/may/united-states-advances-first-usmca-dispute-panel-enforce-canadas-dairy-commitments>.

Office of the U.S. Trade Representative (USTR). “United States and Canada Announce a Memorandum of Understanding on Trade in Solar Products.” Press release, July 7, 2022. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/july/united-states-and-canada-announce-memorandum-understanding-trade-solar-products>.

Office of the U.S. Trade Representative (USTR). “United States and Japan Announce The Formation Of The U.S.-Japan Partnership On Trade.” Press release, November 17, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/united-states-and-japan-announce-formation-us-japan-partnership-trade-0>.

Office of the U.S. Trade Representative (USTR). “United States and Mexico Announce Course of Remediation for Workers’ Rights Denial at Auto Manufacturing Facility in Silao.” Press release, July 8, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/july/united-states-and-mexico-announce-course-remediation-workers-rights-denial-auto-manufacturing>.

Office of the U.S. Trade Representative (USTR). “United States and Taiwan Hold Dialogue on Trade and Investment Priorities.” Press release, June 30, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/united-states-and-taiwan-hold-dialogue-trade-and-investment-priorities>.

Office of the U.S. Trade Representative (USTR). “United States Initiates Second USMCA Dispute on Canadian Dairy Tariff-Rate Quota Policies.” Press release, May 25, 2022. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/may/united-states-initiates-second-usmca-dispute-canadian-dairy-tariff-rate-quota-policies>.

Office of the U.S. Trade Representative (USTR). “United States Modifies Tariffs on EU Products in Large Civil Aircraft Dispute.” Press release, December 30, 2020. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/december/united-states-modifies-tariffs-eu-products-large-civil-aircraft-dispute>.

Office of the U.S. Trade Representative (USTR). “United States Reaches Agreement with Mexican Auto Parts Company to Protect Workers’ Rights.” Press release, August 10, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/august/united-states-reaches-agreement-mexican-auto-parts-company-protect-workers-rights>.

Office of the U.S. Trade Representative (USTR). “United States Seeks Mexico’s Review of Alleged Freedom of Association Violations at Mexican Automotive Parts Factory.” Press release, June 9, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/united-states-seeks-mexicos-review-alleged-freedom-association-violations-mexican-automotive-parts>.

Office of the U.S. Trade Representative (USTR). “United States Seeks Mexico’s Review of Alleged Worker’s Rights Denial at Auto Manufacturing Facility.” Press release, May 13, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/may/united-states-seeks-mexicos-review-alleged-workers-rights-denial-auto-manufacturing-facility-0>.

- Office of the U.S. Trade Representative (USTR). *United States-European Union Negotiations: Summary of Specific Negotiating Objectives*, January 2019. https://ustr.gov/sites/default/files/01.11.2019_Summary_of_U.S.-EU_Negotiating_Objectives.pdf.
- Office of the U.S. Trade Representative (USTR). United States-Japan Digital Trade Agreement. <https://ustr.gov/countries-regions/japan-korea-apec/japan/us-japan-trade-agreement-negotiations/us-japan-digital-trade-agreement-text>.
- Office of the U.S. Trade Representative (USTR). United States-Japan Trade Agreement. <https://ustr.gov/countries-regions/japan-korea-apec/japan/us-japan-trade-agreement-negotiations/us-japan-trade-agreement-text#:~:text=The%20U.S.-Japan%20Trade%20Agreement%20will%20eliminate%20or%20reduce,global%20gross%20domestic%20product.%20United%20States-Japan%20Trade%20Agreement>.
- Office of the U.S. Trade Representative (USTR). *United States-Japan Trade Agreement (USJTA) Negotiations: Summary of Specific Negotiating Objectives*, December 2018. https://ustr.gov/sites/default/files/2018.12.21_Summary_of_U.S.-Japan_Negotiating_Objectives.pdf.
- Office of the U.S. Trade Representative (USTR). *United States-Kenya Negotiations: Summary of Specific Negotiating Objectives*, May 2020. https://ustr.gov/sites/default/files/Summary_of_U.S.-Kenya_Negotiating_Objectives.pdf.
- Office of the U.S. Trade Representative (USTR). *United States-United Kingdom Negotiations: Summary of Specific Negotiating Objectives*, February 2019. https://ustr.gov/sites/default/files/Summary_of_U.S.-UK_Negotiating_Objectives.pdf.
- Office of the U.S. Trade Representative (USTR). *U.S. Generalized System of Preferences (GSP) Guidebook*. Washington, DC: USTR, November 2020. https://ustr.gov/sites/default/files/gsp/GSPGuidebook_0.pdf.
- Office of the U.S. Trade Representative (USTR). “U.S. Statement on Working With Japan to Address Global Steel and Aluminum Excess Capacity.” Press release, November 12, 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/us-statement-working-japan-address-global-steel-and-aluminum-excess-capacity>.
- Office of the U.S. Trade Representative (USTR). *U.S.-China Economic and Trade Agreements*. Accessed April 3, 2022. https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic_And_Trade_Agreement_Between_The_United_States_And_China_Text.pdf.
- Office of the U.S. Trade Representative (USTR). “U.S.-EU Trade and Technology Council Inaugural Joint Statement.” Press release, September 29, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/september/us-eu-trade-and-technology-council-inaugural-joint-statement>.

Office of the U.S. Trade Representative (USTR). "USMCA Free Trade Commission Decision No. 1." USMCA Free Trade Commission Decisions, July 2, 2020. <http://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/free-trade-commission-decisions/usmca-free-trade-commission-decision-no-1>.

Office of the U.S. Trade Representative (USTR). "USMCA Free Trade Commission Decision No. 2." USMCA Free Trade Commission Decisions, May 18, 2021. <http://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/free-trade-commission-decisions/usmca-free-trade-commission-decision-no-2>.

Office of the U.S. Trade Representative (USTR). "USMCA Labor Fact Sheet." USMCA Issue-Specific Fact Sheets. Accessed August 5, 2022. https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA_Labor.pdf.

Office of the U.S. Trade Representative (USTR). "USTR Announces Agreement Between the United States and Vietnam to Resolve Timber Section 301 Investigation." Press release, October 1, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/ustr-announces-agreement-between-united-states-and-vietnam-resolve-timber-section-301-investigation>.

Office of the U.S. Trade Representative (USTR). "USTR Announces Conclusion of WTO Quota Negotiations with the European Union." Press release, March 8, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/ustr-announces-conclusion-wto-quota-negotiations-european-union>.

Office of the U.S. Trade Representative (USTR). "USTR Announces Joint U.S.-E.U. Cooperative Framework for Large Civil Aircraft." Press release, June 15, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/ustr-announces-joint-us-eu-cooperative-framework-large-civil-aircraft>.

Office of the U.S. Trade Representative (USTR). "USTR Requests the International Trade Commission Commence a Section 201 Global Safeguard Investigation for Blueberries." Press release, September 29, 2020. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/september/ustr-requests-international-trade-commission-commence-section-201-global-safeguard-investigation>.

Office of the U.S. Trade Representative (USTR). "USTR, SBA and Commerce Convene the First USMCA Small and Medium-Sized Enterprise Dialogue in San Antonio, Texas." Press release, April 22, 2022. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/april/ustr-sba-and-commerce-convene-first-usmca-small-and-medium-sized-enterprise-dialogue-san-antonio>.

Office of the U.S. Trade Representative (USTR). "USTR Statement on Successful Conclusion of Steel Negotiations with Mexico." Press release, November 5, 2020. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/november/ustr-statement-successful-conclusion-steel-negotiations-mexico>.

Office of the U.S. Trade Representative (USTR). "USTR USMCA RRM Letter to Treasury," May 12, 2021. <https://ustr.gov/sites/default/files/enforcement/USMCA/USTR%20USMCA%20RRM%20Ltr%20to%20Treasury%20for%20posting.pdf>.

- Office of the U.S. Trade Representative (USTR). "USTR USMCA RRM Request: General Motors, Mexico," May 10, 2021. <https://ustr.gov/sites/default/files/assets/usmca/USTR%20USMCA%20RRM%20Req%20Mex%20for%20posting2.pdf>.
- Office of the U.S. Trade Representative (USTR). "US-UK Understanding on a Cooperative Framework for Large Civil Aircraft," June 17, 2021. <https://ustr.gov/sites/default/files/files/agreements/usuk/US-UK%20Understanding%20on%20a%20Cooperative%20Framework%20for%20Large%20Civil%20Aircraft.pdf>.
- Office of the U.S. Trade Representative (USTR). "Vietnam's Import and Use of Illegal Timber: Virtual Public Hearing on December 28." Section 301. Accessed April 4, 2022. <http://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-vietnam/vietnams-import-and-use-illegal-timber-virtual-public-hearing-december-28>.
- Office of the U.S. Trade Representative (USTR). "WTO Panel Rejects China's Solar Safeguard Challenge." Press release, September 2, 2021. <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/september/wto-panel-rejects-chinas-solar-safeguard-challenge>.
- Organisation for Economic Co-operation and Development (OECD). "130 Countries and Jurisdictions Join Bold New Framework for International Tax Reform." OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), July 1, 2021. <https://www.oecd.org/tax/beps/130-countries-and-jurisdictions-join-bold-new-framework-for-international-tax-reform.htm>.
- Organisation for Economic Co-operation and Development (OECD). "2021 Ministerial Council Statement," October 6, 2021. <https://www.oecd.org/mcm/MCM-2021-Part-2-Final-Statement.EN.pdf>.
- Organisation for Economic Co-operation and Development (OECD). "About: How We Work." Accessed February 7, 2022. <https://www.oecd.org/about/how-we-work/>.
- Organisation for Economic Co-operation and Development (OECD). "About: Our Global Reach." Accessed February 7, 2022. <https://www.oecd.org/about/members-and-partners/>.
- Organisation for Economic Co-operation and Development (OECD). "About: Our Impact." Accessed February 8, 2022. <https://www.oecd.org/about/impact/>.
- Organisation for Economic Co-operation and Development (OECD). "About the OECD: Topics." Accessed May 12, 2022. <https://www.oecd.org/about/>.
- Organisation for Economic Co-operation and Development (OECD). "About: Who We Are." Accessed February 7, 2022. <https://www.oecd.org/about/>.
- Organisation for Economic Co-operation and Development (OECD). *Global Anti-Base Erosion Model Rules (Pillar Two)*. OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), Paris, 2021. <https://www.oecd.org/tax/beps/tax-challenges-arising-from-the-digitalisation-of-the-economy-global-anti-base-erosion-model-rules-pillar-two.htm>.

Organisation for Economic Co-operation and Development (OECD). “International Programme for Action on Climate Dashboard.” Accessed February 8, 2022. <https://www.oecd.org/climate-action/ipac/dashboard>.

Organisation for Economic Co-operation and Development (OECD). “Mathias Cormann Takes Office as OECD Secretary-General,” June 1, 2021. <https://www.oecd.org/newsroom/mathias-cormann-takes-office-as-oecd-secretary-general.htm>.

Organisation for Economic Co-operation and Development (OECD). “Ocean Shipping and Shipbuilding.” Accessed January 27, 2022. <https://www.oecd.org/ocean/topics/ocean-shipping/>.

Organisation for Economic Co-operation and Development (OECD). “OECD COVID-19 Recovery Dashboard.” Accessed February 8, 2022. <https://www.oecd.org/coronavirus/en/recovery-dashboard>.

Organisation for Economic Co-operation and Development (OECD). “OECD Releases Pillar Two Model Rules for Domestic Implementation of 15% Global Minimum Tax.” OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), December 20, 2021. <https://www.oecd.org/tax/beps/oecd-releases-pillar-two-model-rules-for-domestic-implementation-of-15-percent-global-minimum-tax.htm>.

Organisation for Economic Co-operation and Development (OECD). “OECD Welcomes Costa Rica as Its 38th Member,” May 25, 2021. <https://www.oecd.org/newsroom/oecd-welcomes-costa-rica-as-its-38th-member.htm>.

Organisation for Economic Co-operation and Development (OECD). “Organisational Structure.” Accessed February 7, 2022. <https://www.oecd.org/about/structure/>.

Organisation for Economic Co-operation and Development (OECD). *Policy Framework for Gender Sensitive Public Governance*, September 27, 2021. <https://www.oecd.org/mcm/Policy-Framework-for-Gender-Sensitive-Public-Governance.pdf>.

Organisation for Economic Co-operation and Development (OECD). *Recommendation of the Council on Integrated Mental Health, Skills and Work Policy*, 2022. <https://legalinstruments.oecd.org/public/doc/334/334.en.pdf>.

Organisation for Economic Co-operation and Development (OECD). “Schedule of Meetings & Remote Conferences for Wednesday 06 October 2021,” October 5, 2021. [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=EXD/CSD/D\(2021\)158&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=EXD/CSD/D(2021)158&docLanguage=En).

Organisation for Economic Co-operation and Development (OECD). “Shared Values: Building a Green and Inclusive Future.” October 5–6, 2021. <https://www.oecd.org/mcm/MCM-2021-Part-2-Final-Statement.EN.pdf>.

- Organisation for Economic Co-operation and Development (OECD). "Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy." OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), October 8, 2021. <https://www.oecd.org/tax/beps/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.pdf>.
- Organisation for Economic Co-operation and Development (OECD). "Understanding Tax Avoidance." OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). Accessed February 17, 2022. <https://www.oecd.org/tax/beps/>.
- Paris, Costas. "Tight Capacity on Shipping Lines Brings Record Rates, Delays." *Wall Street Journal*, June 30, 2021. <https://www.wsj.com/articles/tight-capacity-on-shipping-lines-brings-record-rates-delays-11625058004>.
- Phelim, Kine. "From 'Momentous' to 'Meh'—Trump's China Trade Deal Letdown." *POLITICO*, January 13, 2022. <https://politi.co/31UQPel>.
- PricewaterhouseCoopers (PwC). "What Does Biden's Executive Order on America's Supply Chains Mean for Business?" Accessed February 1, 2022. <https://www.pwc.com/us/en/services/consulting/cybersecurity-risk-regulatory/library/biden-executive-order-supply-chain.html>.
- Reinhart, Carmen, and Clemens Graf Von Luckner. "The Return of Global Inflation." *World Bank Voices (blog)*, February 11, 2022. <https://blogs.worldbank.org/voices/return-global-inflation>.
- Reuters. "COVID-19 Rattles Major Chinese Manufacturing Province." December 14, 2021. <https://www.reuters.com/world/china/production-suspensions-chinese-manufacturing-hub-amid-covid-19-outbreak-2021-12-14/>.
- Reuters. "Worsening Shortages, High Prices Restrain U.S. Manufacturing Activity." November 1, 2021. <https://www.reuters.com/world/us/us-manufacturing-sector-slows-moderately-october-ism-2021-11-01/>.
- Sandler, Travis & Rosenberg, P.A. "Section 301 Tariffs on China." Accessed April 1, 2022. <https://www.strtrade.com/trade-news-resources/tariff-actions-resources/section-301-tariffs-on-china>.
- ScienceDirect. "Polyethylene," 2016. <https://www.sciencedirect.com/topics/materials-science/polyethylene>.
- Sea-Intelligence. "NEW Record-Low Global Schedule Reliability of 44.6% in December 2020," January 29, 2021. <https://sea-intelligence.com/press-room/45-december-schedule-reliability-hits-new-all-time-low>.
- Shipping and Freight Resource. "2021 - The Year of the Carrier and Supply Disruptions. Annual Review 2021." Shipping and Freight Resource, December 20, 2021. <https://www.shippingandfreightresource.com/2021-the-year-of-the-carrier-and-congestions-shipping-and-freight-resource-annual-review-2021/>.

- Shumkov, Ivan. "Canada Wins Solar Tariffs Dispute with US." *Renewables Now*, February 16, 2022. <https://renewablesnow.com/news/canada-wins-solar-tariffs-dispute-with-us-773472/>.
- Solomon, Daina Beth. "'Fed up' GM Workers in Mexico Pick New Union in Historic Vote." *Reuters*, February 4, 2022. <https://www.reuters.com/business/autos-transportation/gm-workers-mexico-elect-independent-union-historic-labor-vote-2022-02-03/>.
- Statista. "Digital Media—United States." *Statista Market Forecast*, November 2021. <https://www.statista.com/outlook/dmo/digital-media/united-states>.
- Statista. "Digital Music—United States." *Statista Market Forecast*, July 2021. <https://www.statista.com/outlook/dmo/digital-media/digital-music/united-states>.
- Supply Chain Dive. "Coronavirus Surge in India Hits Raw Materials, Manufacturing across Multiple Industries." News release, May 28, 2021. <https://www.supplychaindive.com/news/india-covid-coronavirus-manufacturing-production-williams-sonoma-gap-automotive-vaccine/600986/>.
- Supply Management. "Five Trends Impacting Global Supply Chains in 2021." News release, May 4, 2021. <https://www.cips.org/supply-management/news/2021/april/five-trends-impacting-global-supply-chains-in-2021/>.
- TAS e-Filing. "Public Reading Room, Disputes, Crystalline Silicon Photovoltaic Cells Safeguard Measure, Docket Filing #1," June 18, 2021. <https://tasefiling.gov/publicCases/17cb7de6-394f-4d67-8991-9ebdd78fcf47>.
- TAS e-Filing. "Public Reading Room, Disputes, Dairy TRQ Allocation Measures, Docket Filing #23," January 4, 2022. <https://tasefiling.gov/publicCases/2f049049-e102-4c8a-9d83-6e81b308788f>.
- Tavernise, Sabrina. "The Great Supply Chain Disruption." *The New York Times*, October 15, 2021. <https://www.nytimes.com/2021/10/15/podcasts/the-daily/supply-chain.html>.
- Tirschwell, Peter. "US Port Congestion Solutions Bump into Third Rail of Labor." *Journal of Commerce*, April 13, 2021. https://www.joc.com/port-news/port-productivity/us-port-congestion-solutions-bump-third-rail-labor_20210413.html.
- Tita, Bob. "Unfinished Tractors, Pickup Trucks Pile Up as Components Run Short." *The Wall Street Journal (WSJ)*, August 30, 2021. <https://www.wsj.com/articles/unfinished-tractors-pickup-trucks-pile-up-as-components-run-short-11630321200>.
- Trading Economics. "JPMorgan Global Composite PMI - February 2022 Data - 2013-2021 Historical." Accessed March 21, 2022. <https://tradingeconomics.com/world/composite-pmi>.
- United Nations Conference on Trade and Development (UNCTAD). *Investment Trends Monitor, January 2022*, January 2022. https://unctad.org/system/files/official-document/diaeiainf2021d3_en.pdf.
- United Nations Conference on Trade and Development (UNCTAD). *World Investment Report 2022: International Tax Reforms and Sustainable Investment*, June 9, 2022. https://unctad.org/system/files/official-document/wir2022_en.pdf.

- United Nations Conference on Trade and Development (UNCTAD). UNCTADstat. “UNCTADstat Classifications.” Accessed May 16, 2022. <https://unctadstat.unctad.org/en/classifications.html>.
- United Nations Conference on Trade and Development (UNCTAD). UNCTADstat. “Volume Growth Rates of Merchandise Exports and Imports, Quarterly.” Accessed March 31, 2022. <https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=99>.
- United Nations Conference on Trade and Development (UNCTAD). *Global Trade Update: Q1 2021*, May 2021. https://unctad.org/system/files/official-document/ditcinf2021d2_en.pdf.
- United Nations Conference on Trade and Development (UNCTAD). *Global Trade Update: Q3 2021*, November 2021. https://unctad.org/system/files/official-document/ditcinf2021d4_en.pdf.
- United Nations Conference on Trade and Development (UNCTAD). *Review of Maritime Transport 2021*. Geneva, Switzerland, November 20, 2021. https://unctad.org/system/files/official-document/rmt2021_en_0.pdf.
- United Nations Conference on Trade and Development (UNCTAD). *Trade and Development Report 2021: From Recovery to Resilience: The Development Dimension*. Geneva, 2021. https://unctad.org/system/files/official-document/tdr2021_en.pdf.
- United Nations Economic Commission for Latin America and the Caribbean (ECLAC). “The Region’s Trade Will Increase Significantly in 2021, but the Recovery Will be Asymmetrical and Heterogeneous in a Context of Uncertainty.” Press release, December 7, 2021. <https://www.cepal.org/en/pressreleases/regions-trade-will-increase-significantly-2021-recovery-will-be-asymmetrical-and>.
- United Nations Industrial Development Organization (UNIDO). “How Does UNIDO Group Countries by Stage of Development?” Accessed May 16, 2022. <https://stat.unido.org/content/learning-center/how-unido-groups-the-countries-by-stage-of-development%253f>.
- United Nations Industrial Development Organization (UNIDO). UNIDO database. Seasonally Adjusted Quarterly Index of Industrial Production Database, March 17, 2022. <https://stat.unido.org/database/Quarterly%20IIP>.
- United Nations Industrial Development Organization (UNIDO). *World Manufacturing Production, Quarter IV 2019*, March 2020. <https://www.unido.org/api/opentext/documents/download/18637628/unido-file-18637628>.
- United Nations Industrial Development Organization (UNIDO). *World Manufacturing Production, Quarter IV 2021*, March 8, 2022. <https://stat.unido.org/content/publications/world-manufacturing-production>.
- United Nations Industrial Development Organization (UNIDO). *World Manufacturing Production, Quarter IV 2021*, March 8, 2022. <https://stat.unido.org/content/publications/world-manufacturing-production>.

- United Nations World Tourism Organization (UNWTO). "Tourism Grows 4% in 2021 but Remains Far Below Pre-Pandemic Levels," January 18, 2022. <https://www.unwto.org/news/tourism-grows-4-in-2021-but-remains-far-below-pre-pandemic-levels>.
- U.S. Agency for International Development (USAID), U.S. Department of State (USDOS), U.S. Department of Energy (USDOE), U.S. Trade and Development Agency (USTDA), U.S. International Development Finance Corporation (USDFC), Export-Import Bank of the United States (EXIM), U.S. Department of Treasury (Treasury), and U.S. Department of Commerce (USDOC). *U.S.-India Strategic Clean Energy Partnership (SCEP): Responsible Oil and Gas Pillar*, September 2021. https://www.energy.gov/sites/default/files/2021-09/SCEP%20Pillars_Accomplishments.pdf.
- U.S. Census Bureau. "Census Regions and Divisions of the United States." Accessed April 13, 2022. https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf.
- U.S. Copyright Office. "Compendium Chapter 1200: Mask Works," January 28, 2021. <https://www.copyright.gov/comp3/chap1200/ch1200-mask-works.pdf>.
- U.S. Customs and Border Protection (CBP). "Generalized System of Preferences (GSP)." Last modified March 22, 2021. <https://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>.
- U.S. Customs and Border Protection (CBP). "Uyghur Forced Labor Prevention Act," June 28, 2022. <https://www.cbp.gov/trade/forced-labor/UFLPA>.
- U.S. Department of Agriculture (USDA). "Actuality: Vilsack on U.S.-China Phase One Agreement." Radio News broadcast, March 5, 2021. <https://www.usda.gov/media/radio/daily-newsline/2021-03-05/actuality-vilsack-us-china-phase-one-agreement>.
- U.S. Department of Agriculture (USDA). "Continued Focus on U.S.-China Phase One Commitments." Radio News broadcast, January 10, 2022. <https://www.usda.gov/media/radio/daily-newsline/2022-01-10/continued-focus-us-china-phase-one-commitments>.
- U.S. Department of Agriculture (USDA). Agricultural Marketing Service (AMS). "International Trade Policies: India, Updated: April 18, 2021." Accessed April 20, 2022. <https://www.ams.usda.gov/services/organic-certification/international-trade/India>.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *CAFTA-DR Tariff Line Classification Issue*, by Karla Tay. GAIN Report no. GT2021-0006, February 9, 2021. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=CAFTA-DR%20Tariff%20Line%20Classification%20Issue%20Guatemala%20City%20Guatemala%2002-09-2021>.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *Canada Announces Seed Regulatory Modernization Review*, by Philip Hayes. GAIN Report no. CA2021-0010, March 3, 2021. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Canada%20Announces%20Seed%20Regulatory%20Modernization%20Review%20Ottawa%20Canada%2003-01-2021>.

- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *India: USDA AMS Ends Organic Recognition Agreement with India*, by Mark Rosmann and Ankit Chandra. GAIN Report no. IN2021-0007, January 11, 2021. <https://www.fas.usda.gov/data/india-usda-ams-ends-organic-recognition-agreement-india>.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *Japan Grants Market Access for US Japanese Plums*, by Tomohiro Kurai. GAIN Report no. JA2021-0018, August 20, 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Japan%20Grants%20Market%20Access%20for%20US%20Japanese%20Plums_Tokyo_Japan_08-19-2021.pdf.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *Most USJTA TRQs Underfilled in JFY 2020*, by Akiko Satake. GAIN Report no. JA2021-0095, June 16, 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Most%20USJTA%20TRQs%20Underfilled%20in%20JFY%202020_Tokyo_Japan_06-09-2021.pdf.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *Tariffs on US Beef Rise as USJTA Safeguard Triggers*, by Aki Imaizumi. GAIN Report no. JA2021-0038, March 16, 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Tariffs%20on%20US%20Beef%20Rise%20as%20USJTA%20Safeguard%20Triggers_Tokyo_Japan_03-14-2021.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *TRQ Allocation Rates for FTAs in JFY 2021*, by Akiko Satake. GAIN Report no. JA2022-0034, April 13, 2022. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=TRQ%20Allocation%20Rates%20for%20FTAs%20in%20JFY%202021_Tokyo_Japan_JA2022-0034.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *Update to Mexico Organic Products Law "LPO" Compliance - Proposed January 2022 Extension*, by Adriana Otero. GAIN Report no. MX2021-0025, May 11, 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Update%20to%20Mexico%20Organic%20Products%20Law%20%27LPO%27%20Compliance%20-%20Proposed%20January%202022%20Extension_Mexico%20City_Mexico_05-11-2021.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). "U.S., Japan Reach Deal on Beef Tariff Safeguard," March 24, 2022. <https://www.fas.usda.gov/newsroom/us-japan-reach-deal-beef-tariff-safeguard#:~:text=WASHINGTON%2C%20March%2024%2C%202022%20%E2%80%93,the%20U.S.%2DJapan%20Trade%20Agreement>.
- U.S. Department of Agriculture (USDA). Foreign Agricultural Service (FAS). *USJTA TRQs Underutilized in First Half of JFY 2021*, by Akiko Satake. GAIN Report no. JA2021-0162, December 21, 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=USJT%20A%20TRQs%20Underutilized%20in%20First%20Half%20of%20JFY%202021_Tokyo_Japan_12-13-2021.pdf.
- U.S. Department of Commerce (USDOC). Economic Development Administration (EDA). *Fiscal Year 2019 Annual Report to Congress: Trade Adjustment Assistance for Firms Program*, 2020. <https://eda.gov/files/annual-reports/taaf/FY19-TAAF-Annual-Report-to-Congress.pdf>.

- U.S. Department of Commerce (USDOC). Economic Development Administration (EDA). *Trade Adjustment Assistance for Firms*. Accessed April 13, 2022. <https://www.eda.gov/pdf/about/TAAF-Program-1-Page.pdf>.
- U.S. Department of Commerce (USDOC). “Fact Sheet: U.S.-EU Arrangements on Global Steel and Aluminum Excess Capacity and Carbon Intensity,” October 31, 2021. <https://www.commerce.gov/news/fact-sheets/2021/10/fact-sheet-us-eu-arrangements-global-steel-and-aluminum-excess-capacity>.
- U.S. Department of Commerce (USDOC). “U.S. Department of Commerce Announces Section 232 Investigation into the Effect of Imports of Neodymium Magnets on U.S. National Security.” Press release, September 24, 2021. <https://www.commerce.gov/news/press-releases/2021/09/us-department-commerce-announces-section-232-investigation-effect>.
- U.S. Department of Commerce (USDOC). Bureau of Economic Analysis (BEA). U.S. International Trade in Goods and Services, January 2022, March 8, 2022. <https://www.bea.gov/news/2022/us-international-trade-goods-and-services-january-2022>.
- U.S. Department of Commerce (USDOC). Bureau of Economic Analysis (BEA). “International Transactions, International Services, and International Investment Position Tables,” March 25, 2022. <https://apps.bea.gov/iTable/iTable.cfm?reqid=62&step=6&isuri=1&tablelist=45&product=1>.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). “Section 232 National Security Investigation of Aluminum Imports: Information on the Exclusion Process.” Accessed April 18, 2022. <https://www.bis.doc.gov/index.php/232-aluminum>.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). “Section 232 National Security Investigation of Steel Imports: Information on the Exclusion Process.” Accessed April 18, 2022. <https://www.bis.doc.gov/index.php/232-steel>.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). Office of Technology Evaluation (OTE). *The Effect of Imports of Automobiles and Automobile Parts on the National Security*, February 17, 2019. <https://www.bis.doc.gov/index.php/documents/section-232-investigations/2774-redacted-autos-232-final-and-appendix-a-july-2021/file>.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). Office of Technology Evaluation (OTE). *The Effect of Imports of Steel on the National Security*, January 11, 2018. https://www.commerce.gov/sites/default/files/the_effect_of_imports_of_steel_on_the_national_security_-_with_redactions_-_20180111.pdf.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). Office of Technology Evaluation (OTE). *The Effect of Imports of Titanium Sponge on the National Security*, November 29, 2019. <https://www.bis.doc.gov/index.php/documents/section-232-investigations/2792-titanium-sponge-232-report-and-appendices-7-26-2021-redacted/file>.

- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). Office of Technology Evaluation (OTE). *The Effect of Imports of Transformers and Transformer Components on the National Security*, October 15, 2020. <https://www.bis.doc.gov/index.php/documents/section-232-investigations/2790-redacted-goes-report-20210723-ab-redacted/file>.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). Office of Technology Evaluation (OTE). *The Effect of Imports of Uranium on the National Security*, April 14, 2019. <https://www.bis.doc.gov/index.php/documents/section-232-investigations/2791-uranium-section-232-report-and-appendices-april-2019-redacted/file>.
- U.S. Department of Commerce (USDOC). Bureau of Industry and Security (BIS). Office of Technology Evaluation (OTE). *The Effect of Imports of Vanadium on the National Security*, February 22, 2021. <https://www.bis.doc.gov/index.php/documents/section-232-investigations/2793-vanadium-section-232-report-public-with-appendices/file>.
- U.S. Department of Commerce (USDOC). Economic Development Administration (EDA). “Programs and Initiatives-TAA for Firms.” Accessed June 17, 2022. <https://eda.gov/taaf/>.
- U.S. Department of Commerce (USDOC). Economic Development Administration (EDA). “TAA for Firms.” Accessed June 17, 2022. <http://www.taacenters.org/index.html>.
- U.S. Department of Commerce (USDOC). International Trade Administration (ITA). Office of Textiles and Apparel (OTEXA). “AGOA Preferences: Country Eligibility, Apparel Eligibility, and Textile Eligibility (Category 0 and Category 9).” Accessed April 14, 2022. https://otexa.trade.gov/AGOA_Trade_Preference.htm.
- U.S. Department of Commerce (USDOC). International Trade Administration (ITA). Office of Textiles and Apparel (OTEXA). “Trade Preference Programs—U.S. General Imports—Category 1,” June 7, 2022. <https://otexa.trade.gov/agoa-cbtpa/catv1.htm>.
- U.S. Department of Commerce (USDOC). International Trade Administration (ITA). Office of Textiles and Apparel (OTEXA). “Trade Preference Programs—U.S. General Imports—Category 2,” June 7, 2022. <https://otexa.trade.gov/agoa-cbtpa/catv2.htm>.
- U.S. Department of Energy (USDOE). *Restoring America’s Competitive Nuclear Advantage*, April 22, 2020. https://www.energy.gov/sites/prod/files/2020/04/f74/Restoring%20America%27s%20Competitive%20Nuclear%20Advantage_1.pdf.
- U.S. Department of Labor (USDOL). Bureau of International Labor Affairs (ILAB). *Second Periodic Review of Progress to Address Issues Identified in the U.S. Department of Labor’s Public Report of Review of Submission 2016-02 (Colombia)*, October 7, 2021. https://www.dol.gov/sites/dolgov/files/ILAB/CTPA_Second_Periodic_Review_of_Progress_October_2021.pdf.
- U.S. Department of Labor (USDOL). Bureau of International Labor Affairs (ILAB). “Trade Adjustment Assistance for Workers.” Accessed April 12, 2022. <https://www.dol.gov/agencies/eta/tradeact>.

- U.S. Department of Labor (USDOL). Bureau of International Labor Affairs (ILAB). “US Department of Labor, Office of the US Trade Representative Convene Inaugural Meeting of US-Mexico-Canada Agreement’s Labor Council.” News release no. 21-1226-NAT, June 29, 2021. <https://www.dol.gov/newsroom/releases/ilab/ilab20210629>.
- U.S. Department of Labor (USDOL). Bureau of International Labor Affairs (ILAB). “USMCA Cases.” Accessed April 25, 2022. <https://www.dol.gov/agencies/ilab/our-work/trade/labor-rights-usmca-cases#Tridonex>.
- U.S. Department of Labor (USDOL). Employment and Training Administration (ETA). *Side-by-Side Comparison of TAA Program Benefits under the 2002 Program, 2009 Program, 2011 Program, 2015 Program, and Reversion 2021*. Accessed April 13, 2022. <https://www.dol.gov/sites/dolgov/files/ETA/tradeact/pdfs/side-by-side.pdf>.
- U.S. Department of Labor (USDOL). Employment and Training Administration (ETA). “TAA Employment and Training Administration.” Accessed June 16, 2022. <https://www.dol.gov/agencies/eta/tradeact/benefits/2015-amendments>.
- U.S. Department of Labor (USDOL). Employment and Training Administration (ETA). “TAA Petition Process.” Accessed April 13, 2022. <https://www.dol.gov/agencies/eta/tradeact/petitioners/petition-process>.
- U.S. Department of State (USDOS). “Xinjiang Supply Chain Business Advisory.” Accessed April 3, 2022. <https://www.state.gov/xinjiang-supply-chain-business-advisory/>.
- U.S. Department of State (USDOS). “Cases Filed Against the Government of Canada.” NAFTA Investor—State Arbitrations. Accessed April 25, 2022. <https://www.state.gov/cases-filed-against-the-government-of-canada/>.
- U.S. Department of State (USDOS). “Cases Filed Against the Government of Mexico.” NAFTA Investor—State Arbitrations. Accessed April 25, 2022. <https://www.state.gov/cases-filed-against-the-united-mexican-states/>.
- U.S. Department of State (USDOS). “Cases Filed Against the Government of the United States.” NAFTA Investor—State Arbitrations. Accessed April 25, 2022. <https://www.state.gov/cases-filed-against-the-united-states-of-america-5/>.
- U.S. Department of State (USDOS). “Special Presidential Envoy for Climate John Kerry’s Trip to India.” Press release, September 15, 2021. <https://www.state.gov/special-presidential-envoy-for-climate-john-kerrys-trip-to-india/>.
- U.S. Department of State (USDOS). “The Signing of the Uyghur Forced Labor Prevention Act.” United States Department of State, December 23, 2021. <https://www.state.gov/the-signing-of-the-uyghur-forced-labor-prevention-act/>.
- U.S. Department of State (USDOS). “U.S.-India Joint Statement on Launching the ‘U.S.-India Climate and Clean Energy Agenda 2030 Partnership,’” April 22, 2021. <https://www.state.gov/u-s-india-joint-statement-on-launching-the-u-s-india-climate-and-clean-energy-agenda-2030-partnership/>.

- U.S. Department of State (USDOS), Bureau of East Asian and Pacific Affairs (EAP). "U.S. Relations with Hong Kong," August 28, 2020. <https://www.state.gov/u-s-relations-with-hong-kong/>.
- U.S. Department of State (USDOS), Bureau of Economic and Business Affairs (EB). *2021 Investment Climate Statements: Paraguay*. Washington, DC, 2021. <https://www.state.gov/reports/2021-investment-climate-statements/paraguay/>.
- U.S. Department of the Treasury (Treasury). "Joint Statement from the United States and Turkey Regarding a Compromise on a Transitional Approach to Existing Unilateral Measures During the Interim Period Before Pillar 1 Is in Effect." Press release, November 22, 2021. <https://home.treasury.gov/news/press-releases/jy0500>.
- U.S. Department of the Treasury (Treasury). "Joint Statement from the United States, Austria, France, Italy, Spain, and the United Kingdom, Regarding a Compromise on a Transitional Approach to Existing Unilateral Measures During the Interim Period Before Pillar 1 Is in Effect." Press release, October 21, 2021. <https://home.treasury.gov/news/press-releases/jy0419>.
- U.S. Department of the Treasury (Treasury). "Treasury Announces Agreement on the Transition from Existing Indian Equalization Levy to New Multilateral Solution Agreed by the OECD-G20 Inclusive Framework." Press release, November 24, 2021. <https://home.treasury.gov/news/press-releases/jy0504>.
- U.S. Department of the Treasury (Treasury). "U.S.-UK Covered Agreement." Accessed June 8, 2021. <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/federal-insurance-office/covered-agreements/us-uk-covered-agreement>.
- U.S. Department of Treasury (Treasury). "Statement from Secretary of the Treasury Janet L. Yellen on the Global Minimum Tax Agreement." Press release, October 30, 2021. <https://home.treasury.gov/news/press-releases/jy0447>.
- U.S. Embassy and Consulates in Italy. "Special Presidential Envoy for Climate John Kerry Travels to UAE, India and Bangladesh to Discuss the Climate Crisis." Press release, March 31, 2021. <https://it.usembassy.gov/special-presidential-envoy-for-climate-john-kerry-travels-to-uae-india-and-bangladesh-to-discuss-the-climate-crisis-%E2%80%AF/>.
- U.S. Energy Information Administration (EIA). "U.S. Exported Record Amounts of Liquefied Natural Gas in 2021," March 28, 2022. <https://www.eia.gov/todayinenergy/detail.php?id=51818>.
- U.S. Food and Drug Administration (USFDA). Center for Veterinary Medicine (CVM). "FDA and United Kingdom Announce Mutual Recognition Agreement for Pharmaceutical Good Manufacturing Practice Inspections of Animal Drugs," September 27, 2021. <https://www.fda.gov/animal-veterinary/cvm-updates/fda-and-united-kingdom-announce-mutual-recognition-agreement-pharmaceutical-good-manufacturing>.
- U.S. International Trade Commission (USITC). "337Info Database." Accessed June 17, 2022. <https://pubapps2.usitc.gov/337external/>.

U.S. International Trade Commission (USITC). *A Centennial History of the United States International Trade Commission*. USITC Publication 4744. Washington, DC: USITC, November 2017. https://www.usitc.gov/documents/final_centennial_history_508_compliant_v2.pdf.

U.S. International Trade Commission (USITC). "A Note on Trade Statistics," August 22, 2014. <https://www.usitc.gov/publications/research/tradestatsnote.pdf>.

U.S. International Trade Commission (USITC). *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries: 25th Report, 2019-20*. Investigation No. 332-227. USITC Publication 5231. Washington, DC: USITC, September 2021. <https://usitc.gov/publications/332/pub5231.pdf>.

U.S. International Trade Commission (USITC). *Crystalline Silicon Photovoltaic Cells, Whether or Not Partially or Fully Assembled Into Other Products*. Investigation No. TA-201-075 (Extension). USITC Publication 5266. Washington, DC: USITC, December 2021. <https://www.usitc.gov/publications/other/pub5266.pdf>.

U.S. International Trade Commission (USITC). *Crystalline Silicon Photovoltaic Cells (Whether or Not Partially or Fully Assembled into Other Products) Volume 2*. Investigation No. TA-201-75. USITC Publication 4739. Washington, DC: USITC, November 2017. https://www.usitc.gov/publications/safeguards/pub4739-vol_ii.pdf.

U.S. International Trade Commission (USITC). *Crystalline Silicon Photovoltaic Cells (Whether or Not Partially or Fully Assembled into Other Products) Volume 1*. Investigation No. TA-201-75. USITC Publication 4739. Washington, DC: USITC, November 2017. https://www.usitc.gov/publications/safeguards/pub4739-vol_i.pdf.

U.S. International Trade Commission (USITC). *Economic Impact of Trade Agreements Implemented under Trade Authorities Procedures, 2021 Report*. Investigation No. TPA 105-008. USITC Publication 5199. Washington, DC: USITC, June 2021. <https://www.usitc.gov/publications/332/pub5199.pdf>.

U.S. International Trade Commission (USITC). *Fresh, Chilled, or Frozen Blueberries*. Investigation No. TA-201-077. USITC Publication 5164. Washington, DC: USITC, March 2021. <https://usitc.gov/publications/safeguards/pub5164.pdf>.

U.S. International Trade Commission (USITC). *Harmonized Tariff Schedule of the United States (2022) Revision 4*. Publication 5318. Washington, DC: USITC, April 2022. <https://hts.usitc.gov/current>.

U.S. International Trade Commission (USITC). *Large Residential Washers: Extension of Action*. Investigation No. TA-201-076 (Extension). USITC Publication 5144. Washington, DC: USITC, December 2020. <https://www.usitc.gov/publications/safeguards/pub5144.pdf>.

U.S. International Trade Commission (USITC). "Miscellaneous Tariff Bill (MTB) Reports." Accessed April 15, 2022. https://www.usitc.gov/trade_tariffs/mtb_program_information/reports?items_per_page=All.

- U.S. International Trade Commission (USITC). *Modifications to the Harmonized Tariff Schedule of the United States under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988 and for Other Purposes*. USITC Publication 5240. Washington, DC: USITC, December 2021. https://www.usitc.gov/publications/tariff_affairs/pub5240.pdf.
- U.S. International Trade Commission (USITC). *Recommended Modifications to the Harmonized Tariff Schedule, 2020*. Investigation No. 1205-13. USITC Publication 5139. Washington, DC: USITC, November 2020. https://www.usitc.gov/publications/tariff_affairs/pub5139.pdf.
- U.S. International Trade Commission (USITC). *Recommended Modifications to the Harmonized Tariff Schedule, 2021*. Investigation No. 1205-13. USITC Publication 5171. Washington, DC: USITC, April 2021. <https://www.usitc.gov/publications/other/pub5171.pdf>.
- U.S. International Trade Commission (USITC). *Seafood Obtained via Illegal, Unreported, and Unregulated Fishing: U.S. Imports and Economic Impact on U.S. Commercial Fisheries*. Investigation No. 332-575. USITC Publication 5168. Washington, DC: USITC, February 2021. <https://www.usitc.gov/publications/332/pub5168.pdf>.
- U.S. International Trade Commission (USITC). *Shifts in U.S. Merchandise Trade, 2014*. Investigation No. 332-345. USITC Publication 4536. Washington, DC: USITC, June 2015. https://www.usitc.gov/research_and_analysis/trade_shifts_2014/index.htm.
- U.S. International Trade Commission (USITC). *Shifts in U.S. Merchandise Trade, 2020*. Investigation No. 332-345. USITC Publication 5239. Washington, DC: USITC, November 2021. https://www.usitc.gov/research_and_analysis/tradeshifts/2020/index.html.
- U.S. International Trade Commission (USITC). *Shifts in U.S. Merchandise Trade, 2021*. Investigation No. 332-345. USITC Publication 5332. Washington, DC: USITC, June 2022. https://www.usitc.gov/research_and_analysis/tradeshifts/2021/index.
- U.S. International Trade Commission (USITC). "The 2021 Harmonized Tariff Schedule of the United States (HTS) Item Count." Accessed March 18, 2022. https://www.usitc.gov/tariff_affairs/documents/2021_hts_item_count.pdf.
- U.S. International Trade Commission (USITC). *The Year in Trade 2015: Operation of the Trade Agreement Program, 67th Report*. USITC Publication 4627. Washington, DC: USITC, July 2016. <https://www.usitc.gov/publications/332/pub4627.pdf>.
- U.S. International Trade Commission (USITC). *The Year in Trade 2018, Operation of the Trade Agreement Program, 70th Report*. USITC Publication 4986. Washington, DC: USITC, October 2019. <https://www.usitc.gov/publications/332/pub4986.pdf>.
- U.S. International Trade Commission (USITC). *The Year in Trade 2019: Operation of the Trade Agreements Program, 71st Report*. USITC Publication 5055. Washington, DC: USITC, August 2020. <https://www.usitc.gov/publications/332/pub5055.pdf>.
- U.S. International Trade Commission (USITC). *The Year in Trade 2020: Operation of the Trade Agreement Program, 72nd Report*. USITC Publication 5228. Washington, DC, September 2021. <https://www.usitc.gov/publications/332/pub5228.pdf>.

U.S. International Trade Commission (USITC). “USITC Delivers Final Report on Miscellaneous Tariff Bill Petitions to Congressional Committees.” News release 20-085, August 10, 2020. https://www.usitc.gov/press_room/news_release/2020/er081011622.htm.

U.S. International Trade Commission (USITC). “USITC to Monitor U.S. Imports of Fresh or Chilled Strawberries and Bell Peppers.” News release 20-141, December 2, 2020. https://www.usitc.gov/press_room/news_release/2020/er120211684.htm.

U.S. International Trade Commission Interactive Tariff and Trade DataWeb (USITC DataWeb)/U.S. Census Bureau (Census). Accessed various dates. <http://dataweb.usitc.gov>.

U.S. Small Business Administration (SBA). Office of Advocacy (OA). “USMCA Small and Medium Enterprise Dialogue,” March 25, 2022. <https://advocacy.sba.gov/2022/03/25/usmca-small-and-medium-enterprise-dialogue/>.

USMCA Secretariat. “Active Chapter 10 Article 10.12 Panel Reviews through 2021.” Decisions and Reports. Accessed April 25, 2022. <https://can-mex-usa-sec.org/secretariat/report-rapport-reporte.aspx?lang=eng>.

USMCA Secretariat. “Active Chapter 31 Dispute Settlement Binational Panel Reviews through 2021.” Decisions and Reports. Accessed April 25, 2022. <https://can-mex-usa-sec.org/secretariat/report-rapport-reporte.aspx?lang=eng>.

USMCA Secretariat. “Dispute Settlement,” September 29, 2020. <https://can-mex-usa-sec.org/secretariat/dispute-differends-controversias/index.aspx?lang=eng>.

USMCA Secretariat. “Publications.” NAFTA-Chapter 19-Article 1904. Accessed April 25, 2022. <https://can-mex-usa-sec.org/secretariat/report-rapport-reporte.aspx?lang=eng>.

White House. “Fact Sheet: Biden Administration Efforts to Address Bottlenecks at Ports of Los Angeles and Long Beach, Moving Goods from Ship to Shelf,” October 13, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/10/13/fact-sheet-biden-administration-efforts-to-address-bottlenecks-at-ports-of-los-angeles-and-long-beach-moving-goods-from-ship-to-shelf/>.

White House. “Fact Sheet: Biden-Harris Administration Announces Supply Chain Disruptions Task Force to Address Short-Term Supply Chain Discontinuities,” June 8, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/08/fact-sheet-biden-harris-administration-announces-supply-chain-disruptions-task-force-to-address-short-term-supply-chain-discontinuities/>.

White House. “Fact Sheet: Summit on Global Supply Chain Resilience to Address Near-Term Bottlenecks and Tackle Long-Term Challenges,” October 31, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/10/31/fact-sheet-summit-on-global-supply-chain-resilience-to-address-near-term-bottlenecks-and-tackle-long-term-challenges/>.

White House. “Fact Sheet: U.S.-Mexico Bilateral Cooperation,” June 8, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/08/fact-sheet-u-s-mexico-bilateral-cooperation-2/>.

- White House. "Fact Sheet: U.S.-Mexico High-Level Economic Dialogue," September 9, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/09/fact-sheet-u-s-mexico-high-level-economic-dialogue/>.
- White House. "Memorandum on the Effect of Titanium Sponge Imports on the National Security," February 27, 2020. <https://trumpwhitehouse.archives.gov/presidential-actions/memorandum-effect-titanium-sponge-imports-national-security/>.
- White House. "Memorandum on the Effect of Uranium Imports on the National Security and Establishment of the United States Nuclear Fuel Working Group," July 12, 2019. <https://trumpwhitehouse.archives.gov/presidential-actions/memorandum-effect-uranium-imports-national-security-establishment-united-states-nuclear-fuel-working-group/>.
- White House. "President Trump Signs Proclamation to Pursue Negotiations on Automobiles," May 17, 2019. <https://trumpwhitehouse.archives.gov/briefings-statements/president-trump-signs-proclamation-pursue-negotiations-automobiles/>.
- White House. "Readout of President Joe Biden's Participation in the APEC Virtual Leaders' Meeting," November 12, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/12/readout-of-president-joe-bidens-participation-in-the-apec-virtual-leaders-meeting/>.
- White House. "Readout of President Joseph R. Biden, Jr. Call with Prime Minister Narendra Modi of India," February 8, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/08/readout-of-president-joseph-r-biden-jr-call-with-prime-minister-narendra-modi-of-india/>.
- World Bank. "Forms of Import Tariffs." Accessed April 18, 2022. https://wits.worldbank.org/wits/wits/witshelp/content/data_retrieval/p/intro/C2.Forms_of_Import_Tariffs.htm.
- World Bank. "New World Bank Country Classifications by Income Level: 2021–2022." *Data Blog*, July 1, 2021. <https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2021-2022>.
- World Bank. "World Bank Country and Lending Groups." Accessed May 12, 2022. <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.
- World Customs Organization (WCO). "The New 2022 Edition of the Harmonized System Has Been Accepted," January 8, 2020. <http://www.wcoomd.org/en/media/newsroom/2020/january/the-new-2022-edition-of-the-harmonized-system-has-been-accepted.aspx>.
- World Customs Organization (WCO). "World Customs Organization About Us." Accessed April 1, 2022. <http://www.wcoomd.org/en/about-us/what-is-the-wco/discover-the-wco.aspx>.
- World Customs Organization (WCO). "World Customs Organization, Amending the Harmonized System." Accessed April 1, 2022. http://www.wcoomd.org/en/topics/nomenclature/activities-and-programmes/amending_hs.aspx.

World Customs Organization (WCO). “World Customs Organization Harmonized System.” Accessed April 1, 2022. <http://www.wcoomd.org/en/topics/nomenclature/overview/what-is-the-harmonized-system.aspx>.

World Health Organization (WHO). “Tracking SARS-CoV-2 Variants.” Accessed March 30, 2022. <https://www.who.int/health-topics/typhoid/tracking-SARS-CoV-2-variants>.

World Trade Organization (WTO). “Chair Introduces Revised Fishing Subsidies Text to Facilitate 15 July Ministerial Meeting.” News release, June 30, 2021. https://www.wto.org/english/news_e/news21_e/fish_30jun21_e.htm.

World Trade Organization (WTO). “Chronological List of Disputes Cases.” Trade Topics. Accessed March 29, 2022. https://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

World Trade Organization (WTO). Council for Trade Related Aspects of Intellectual Property Rights. IP/C/W/688, “Communication from the Chairperson,” May 3, 2021. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/IP/C/W688.pdf&Open=True>.

World Trade Organization (WTO). Council for Trade-Related Aspects of Intellectual Property Rights. IP/C/W/669, “Waiver from Certain Provisions of the TRIPS Agreement,” October 2, 2020. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/IP/C/W669.pdf>.

World Trade Organization (WTO). Decision by the Arbitrator, European Communities and Certain Member States—Measures Affecting Trade in Large Civil Aircraft, ¶ 9.2, WTO Doc. WT/DS316/ARB (adopted October 2, 2019). <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/DS/316ARB.pdf&Open=True>.

World Trade Organization (WTO). Declaration on the Conclusion of Negotiations on Services Domestic Regulation, WT/L/1129, December 2, 2021. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/L/1129.pdf&Open=True>.

World Trade Organization (WTO). “DG Azevêdo and Chair Call on Members to Intensify Fisheries Subsidies Negotiations.” News release, March 6, 2020. https://www.wto.org/english/news_e/news20_e/fish_06mar20_e.htm.

World Trade Organization (WTO). “DG Calls on Members to Agree on Pandemic Response, Fisheries Subsidies by End-February.” News release, December 2, 2021. https://www.wto.org/english/news_e/news21_e/hod_02dec21_e.htm.

World Trade Organization (WTO). “Dispute Settlement Activity—Some Figures; Chart 2: Requests for Consultations (1995–2020).” Trade Topics. Accessed March 29, 2022. https://www.wto.org/english/tratop_e/dispu_e/dispustats_e.htm.

World Trade Organization (WTO). “Dispute Settlement: DS316: European Communities—Measures Affecting Trade in Large Civil Aircraft.” Trade Topics. Accessed March 29, 2022. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds316_e.htm.

- World Trade Organization (WTO). "Dispute Settlement: DS353: United States—Measures Affecting Trade in Large Civil Aircraft (Second Complaint)." Trade Topics. Accessed March 29, 2022. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds353_e.htm.
- World Trade Organization (WTO). "Dispute Settlement: DS539: United States—Anti-Dumping and Countervailing Duties on Certain Products and the Use of Facts Available." Trade Topics. Accessed April 6, 2022. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds539_e.htm.
- World Trade Organization (WTO). "Dispute Settlement: DS542: China—Certain Measures Concerning the Protection of Intellectual Property Rights." Trade Topics. Accessed April 8, 2022. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds542_e.htm.
- World Trade Organization (WTO). "Dispute Settlement: DS562: United States—Safeguard Measure on Imports of Crystalline Silicon Photovoltaic Products." Trade Topics. Accessed March 29, 2022. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds562_e.htm.
- World Trade Organization (WTO). "Dispute Settlement: DS577: United States—Anti-Dumping and Countervailing Duties on Ripe Olives from Spain." Trade Topics. Accessed April 6, 2022. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds577_e.htm.
- World Trade Organization (WTO). "Draft Agreement on Fisheries Subsidies Submitted for Ministers' Attention Ahead of MC12." News release, November 25, 2021. https://www.wto.org/english/news_e/news21_e/fish_25nov21_e.htm.
- World Trade Organization (WTO). "E-Commerce Co-Convenors Welcome Substantial Progress in Negotiations." News release, December 14, 2021. https://www.wto.org/english/news_e/news21_e/ecom_14dec21_e.htm.
- World Trade Organization (WTO). "E-Commerce Negotiations: Members Finalise 'Clean Text' on e-Signatures and Authentication." News release, April 20, 2021. https://www.wto.org/english/news_e/news21_e/ecom_20apr21_e.htm.
- World Trade Organization (WTO). "E-Commerce Negotiations: Members Finalise 'Clean Text' on Unsolicited Commercial Messages." News release, February 5, 2021. https://www.wto.org/english/news_e/news21_e/ecom_05feb21_e.htm.
- World Trade Organization (WTO). "E-Commerce Talks: Two 'Foundational' Articles Cleaned; Development Issues Discussed." News release, September 13, 2021. https://www.wto.org/english/news_e/news21_e/jsec_12sep21_e.htm.
- World Trade Organization (WTO). "Flow Chart of the Dispute Settlement Process." Trade Topics. Accessed March 29, 2022. https://www.wto.org/english/tratop_e/dispu_e/disp_settlement_cbt_e/c6s1p1_e.htm.
- World Trade Organization (WTO). "Global Trade Rebound Beats Expectations but Marked by Regional Divergences." News release, October 4, 2021. https://www.wto.org/english/news_e/pres21_e/pr889_e.htm.

Year in Trade, 2021

World Trade Organization (WTO). “Joint Initiative on E-Commerce.” Trade Topics. Accessed March 28, 2022. https://www.wto.org/english/tratop_e/ecom_e/joint_statement_e.htm.

World Trade Organization (WTO). “Joint Initiative on Services Domestic Regulation.” Trade Topics. December 2, 2021. https://www.wto.org/english/tratop_e/serv_e/jsdomreg_e.htm#participation.

World Trade Organization (WTO). Uruguay Round Agreement. Marrakesh Agreement Establishing the World Trade Organization. April 15, 1994. https://www.wto.org/english/docs_e/legal_e/04-wto_e.htm.

World Trade Organization (WTO). MC12 Outcome Document, WT/MIN(22)/24 and WT/L/1135, June 22, 2022. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/MIN22/24.pdf&Open=TRUE>.

World Trade Organization (WTO). “Members and Observers.” Accessed March 29, 2022. https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm.

World Trade Organization (WTO). “Members Discuss TRIPS Waiver Request, Exchange Views on IP Role amid a Pandemic.” News release, February 23, 2021. https://www.wto.org/english/news_e/news21_e/trip_23feb21_e.htm.

World Trade Organization (WTO). “Members Pursue Convergence for an IP COVID-19 Response.” News release, October 14, 2021. https://www.wto.org/english/news_e/news21_e/trip_14oct21_e.htm.

World Trade Organization (WTO). “Members to Continue Discussion on Proposal for Temporary IP Waiver in Response to COVID-19.” News release, December 10, 2020. https://www.wto.org/english/news_e/news20_e/trip_10dec20_e.htm.

World Trade Organization (WTO). “Ministerial Conferences.” Accessed March 29, 2022. https://www.wto.org/english/thewto_e/minist_e/minist_e.htm.

World Trade Organization (WTO). Ministerial Conference Twelfth Session. WT/MIN(22)/30; WT/L/1411, “Ministerial Decision on the TRIPS Agreement,” June 17, 2022. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/MIN22/30.pdf&Open=TRUE>.

World Trade Organization (WTO). “Ministerial Meeting Eyed for July as Fisheries Subsidies Negotiations Enter Final Phase.” News release, April 21, 2021. https://www.wto.org/english/news_e/news21_e/fish_21apr21_e.htm.

World Trade Organization (WTO). “Negotiations on E-Commerce Advance, Eyeing a Statement at MC12.” News release, November 10, 2021. https://www.wto.org/english/news_e/news21_e/ecom_10nov21_e.htm.

World Trade Organization (WTO). “Negotiations on Fisheries Subsidies.” Trade Topics. Accessed April 5, 2022. https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm.

- World Trade Organization (WTO). "Overview of the WTO Secretariat." Accessed March 29, 2022. https://www.wto.org/english/thewto_e/secre_e/intro_e.htm.
- World Trade Organization (WTO). Panel Request. China—Certain Measures Concerning the Protection of IP Rights, WT/DS542/8, October 19, 2018. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/DS/542-8.pdf&Open=True>.
- World Trade Organization (WTO). "Revised Fisheries Subsidies Text Kicks off Intensified Negotiations Ahead of MC12." News release, November 8, 2021. https://www.wto.org/english/news_e/news21_e/fish_08nov21_e.htm.
- World Trade Organization (WTO). "Services Negotiations." Trade Topics. Accessed April 2, 2022. https://www.wto.org/english/tratop_e/serv_e/s_negs_e.htm.
- World Trade Organization (WTO). "Summary of Statement of Ambassador Santiago Wills of Colombia, Negotiating Group on Rules Chair, at Meeting on Fisheries Subsidies." News release, April 21, 2021. https://www.wto.org/english/news_e/news21_e/fish_21apr21a_e.htm.
- World Trade Organization (WTO). "The European Union and the WTO." WTO Membership. Accessed June 17, 2022. https://www.wto.org/english//thewto_e/countries_e/european_communities_e.htm.
- World Trade Organization (WTO). "The WTO General Council." Accessed March 29, 2022. https://www.wto.org/english/thewto_e/gcounc_e/gcounc_e.htm.
- World Trade Organization (WTO). *Third Quarter 2021 Trade in Services*. WTO OMC, February 1, 2022. https://www.wto.org/english/res_e/statis_e/daily_update_e/serv_latest.pdf.
- World Trade Organization (WTO). "TRIPS Council to Continue to Discuss Temporary IP Waiver, Revised Proposal Expected in May." News release, April 30, 2021. https://www.wto.org/english/news_e/news21_e/trip_30apr21_e.htm.
- World Trade Organization (WTO). "Twelfth WTO Ministerial Conference." Accessed April 6, 2022. https://www.wto.org/english/thewto_e/minist_e/mc12_e/mc12_e.htm.
- World Trade Organization (WTO). "Understanding WTO: Whose WTO Is It Anyway?" Accessed May 13, 2022. https://www.wto.org/english/thewto_e/whatis_e/tif_e/org1_e.htm.
- World Trade Organization (WTO). "Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment, and Treatment of COVID-19, Communication from India and South Africa." Council for Trade-Related Aspects of Intellectual Property Rights, May 25, 2021. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/IP/C/W669R1.pdf&Open=True>.
- World Trade Organization (WTO). "What Is the WTO?: Overview." Accessed March 29, 2022. https://www.wto.org/english/thewto_e/whatis_e/wto_dg_stat_e.htm.

World Trade Organization (WTO). "WTO Accessions." Accessed March 28, 2022.
https://www.wto.org/english/thewto_e/acc_e/acc_e.htm.

World Trade Organization (WTO). "WTO Director-Ngozi Okonjo-Iweala." Accessed April 6, 2022.
https://www.wto.org/english/thewto_e/dg_e/dg_e.htm.

World Trade Organization (WTO). "WTO Members Continue Review of LDC Services Waiver, e-Commerce Work Programme." News release, July 1, 2021.
https://www.wto.org/english/news_e/news21_e/serv_01jul21_e.htm.

World Trade Organization (WTO). "WTO Members Hold February Cluster of Meetings for Fisheries Subsidies Negotiations." News release, February 24, 2021.
https://www.wto.org/english/news_e/news21_e/fish_24feb21_e.htm.

World Trade Organization (WTO). "WTO Members Hold March Cluster of Fisheries Subsidies Meetings." News release, March 19, 2021.
https://www.wto.org/english/news_e/news21_e/fish_19mar21_e.htm.

World Trade Organization (WTO). "WTO Members Resume Work on Fisheries Subsidies Negotiations Using Latest Revised Text." News release, January 22, 2021.
https://www.wto.org/english/news_e/news21_e/fish_22jan21_e.htm.

World Trade Organization (WTO). "WTO Members Support Maintaining Momentum of Discussions on Common IP COVID-19 Response." News release, November 29, 2021.
https://www.wto.org/english/news_e/news21_e/trip_30nov21_e.htm.

World Trade Organization (WTO). WTO Stats. *Commercial Service Exports by Main Sector-Preliminary Annual Estimates Based on Quarterly Statistics*, April 12, 2022. <https://stats.wto.org/>.

World Trade Organization (WTO). WTO Stats. International Trade Statistics. Accessed April 12, 2022.
<https://stats.wto.org/>.

Yang, Stephanie, and Jiyoung Sohn. "Global Chip Shortage 'Is Far From Over' as Wait Times Get Longer." *The Wall Street Journal (WSJ)*, October 29, 2021. <https://www.wsj.com/articles/global-chip-shortage-is-far-from-over-as-wait-times-get-longer-11635413402>.

Appendix A

Preparation of U.S. Trade Data for Special Import Preference Programs

Generally, U.S. importers pay the normal-trade-relations (NTR) rate of duty for imported goods, except in instances where Congress approved unilateral preference programs, or bilateral or multilateral free trade agreements (FTAs). Duty preference programs and FTAs are typically identified at the time of importation by U.S. importers using Special Program Indicator (SPI) symbols per General Note 3(c) of the *Harmonized Tariff Schedule of the United States* (HTS). For example, U.S. importers claiming duty preferences under the Caribbean Basin Economic Recovery Act (CBERA) would use the SPI code "E" or "E*" to designate a claim for CBERA duty preferences on entry summary documentation for U.S. Customs and Border Protection, which in turn then becomes part of official U.S. import statistics published by the U.S. Census Bureau.

When the Caribbean Basin Trade Partnership Act (CBTPA) was implemented, providing additional benefits to all Caribbean Basin Initiative (CBI) countries (including, but not limited to, Haiti), additional preferences specific to textiles and apparel were not identified via an SPI but rather through the use of Chapter 98 HTS subheadings, which require importers to specify exactly on which legal basis the textile or apparel goods qualify for the duty-free treatment under CBTPA. This approach was also used for additional Haiti-specific preferences within CBERA through the implementation of the Haiti HOPE, HOPE II, and HELP Acts. However, in the public U.S. Census Bureau data made available by the Commission via DataWeb, imports that received the Haiti-specific CBERA benefits (unlike the CBTPA preferences) are not separately reported as receiving special duty preferences. Rather, the data for HOPE/HOPE II/HELP textile and apparel goods are erroneously labeled as "No special import program claimed" since there is no SPI for the Haiti-specific CBERA preferences.

Although imports of textile and apparel goods benefitting from trade preferences under the Haiti HOPE, HOPE II, or HELP Acts are not flagged as part of CBERA/CBTPA under the special import program field in official U.S. import statistics, such goods may still be tracked by the use of a rate provision code filter in combination with a special programs filter. Rate provisions codes are a separate field within official U.S. import statistics that track and bucket imports based on what duty rates, if any, were applied. The data in this report measure the Haiti-specific tariff provisions granted under CBERA through the Haiti HOPE, HOPE II, and HELP Acts as the combination of (1) imports with country of origin Haiti, (2) imports coded as "no special import program claimed" within the special programs field (SPI code "00"), (3) imports coded as "free special duty programs" (rate provision code "18") within the rate provision code field, and (4) limiting the imports to the goods entered under the specific HTS chapters or HTS subheadings specified by the Chapter 98 provisions specific to Haiti HOPE/HOPE II/HELP Acts under CBERA (listed below).

- ☐ Textile luggage (all products under HTS subheadings 4202.12, 4202.22, 4202.32, 4202.92)
- ☐ Apparel (all products within HTS chapters 61 and 62)
- ☐ Certain home goods (select products reported in HTS chapters 56, 57, 58, 63, 64, and 94)

Data identified as described above for the "missing" Haiti-specific CBERA preferences must then be added to the other CBERA data identified using the special import programs filter to arrive at the total merchandise that benefitted from trade preferences under CBERA.

Appendix B

Tables for Figures

Table B.1 U.S. goods and services trade balance, annual, 2007–21In millions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [ES.1](#).

Year	Balance on goods	Balance on services	Net balance
2007	-790,991	110,200	-680,791
2008	-800,006	120,141	-679,865
2009	-500,944	114,923	-386,021
2010	-635,362	145,585	-489,777
2011	-725,447	186,477	-538,970
2012	-730,446	215,213	-515,233
2013	-689,470	253,677	-435,793
2014	-734,482	265,965	-468,517
2015	-745,483	270,447	-475,036
2016	-735,326	268,327	-466,999
2017	-792,396	286,603	-505,793
2018	-870,358	297,799	-572,559
2019	-850,917	285,174	-565,743
2020	-911,056	245,342	-665,714
2021	-1,078,933	230,000	-848,933

Source: USITC DataWeb/Census, accessed February 17, 2022; USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.2; U.S. Trade in Services, by Type of Service and by Country or Affiliation, March 25, 2022.

Table B.2 U.S. total merchandise trade with selected major trading partners, 2021In millions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [ES.2](#).

Trade flow	EU	China	Mexico	Canada	Japan	UK	India
Merchandise exports	271,614	151,065	276,459	307,001	74,970	61,463	40,130
Merchandise imports	491,256	506,367	384,705	357,160	135,133	56,369	73,261

Source: USITC DataWeb/Census, General imports and Total exports, accessed February 17, 2022.

Table B.3 U.S. total services trade with selected major trading partners, 2021In millions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [ES.3](#).

Trade flow	EU	China	Mexico	Canada	Japan	UK	India
Total services exports	192,326	36,179	29,935	54,982	36,595	67,052	16,720
Total services imports	132,765	20,807	27,652	30,590	31,662	55,488	28,989

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3; U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Table B.4 Change in real GDP of the world and selected major economies, 2019–21Change in percent. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [1.1](#).

Economy	2019	2020	2021
Japan	-0.2	-4.5	1.6
Canada	1.9	-5.2	4.6
Mexico	-0.2	-8.2	4.8
EU	2.0	-5.9	5.4
United States	2.3	-3.4	5.7
World	2.9	-3.1	6.1
UK	1.7	-9.3	7.4
China	6.0	2.2	8.1
India	3.7	-6.6	8.9

Source: IMF, *World Economic Outlook, April 2022*, April 19, 2022, 137–39.

Table B.5 Manufacturing output growth for the United States and selected major trading partners, annual, 2019–21

In percentages. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure 1.2.

Country	2019	2020	2021
China	6.2	0.8	12.3
EU average	1.5	-5.4	9.1
Mexico	0.2	-9.8	8.7
UK	3.1	-9.0	6.9
United States	-1.9	-6.4	6.4
Japan	-2.7	-10.6	5.7
Canada	-0.1	-9.7	4.5

Source: UNIDO, UNIDO database, *Seasonally Adjusted Quarterly Index of Industrial Production Database*, March 17, 2022.

Note: EU average represents a simple unweighted average manufacturing output growth across 27 member countries.

Table B.6 Percentage change in global manufacturing output, by ISIC industry, annual, 2020–21

In percentages. ISIC = the International Standard Industrial Classification; n.e.c. = not elsewhere classified; corresponds to figure 1.3.

ISIC Code	Sector description	Percentage change in 2019–20
27	Electrical equipment	13.8
29	Motor vehicles/trailers	13.0
32	Other manufacturing	10.9
23	Non-metallic mineral products	10.8
22	Rubber and plastics	10.5
24	Basic metals	10.3
31	Furniture	10.2
25	Fabricated metal products	9.7
30	Other transport equipment	9.6
16	Wood products	9.6
26	Computer, electronic, optical	9.4
13	Textiles	9.0
E	Water supply, waste management	8.9
14	Wearing apparel	8.9
17	Paper and paper products	8.1
C	Total manufacturing	8.0
11	Beverages	7.7
18	Printing and media reproduction	7.3
19	Coke/refined petroleum prod	6.8
15	Leather and related products	6.8
B	Mining and quarrying	5.6
D	Electricity, gas, steam, AC	5.3
33	Repair/installation of machinery	5.1
20	Chemicals and chemical products	4.7
10	Food products	3.8
21	Pharmaceuticals, etc.	2.7
12	Tobacco products	2.4

Source: USITC calculations from UNIDO, UNIDO database, *Seasonally Adjusted Quarterly Index of Industrial Production Database*, March 17, 2022.

Table B.7 Change in hours worked by country and world relative to pre-pandemic baseline, 2021

In percentages. European Union (EU) data exclude the United Kingdom (UK); the pre-pandemic baseline is based on annualized estimates of global working hours in the fourth quarter of 2019; corresponds to figure [1.4](#).

Economy	Percentage change in 2019–21
China	0.4
Canada	-1.7
EU	-2.7
World	-4.3
Mexico	-4.7
United States	-5.0
UK	-5.0
Japan	-5.3
India	-7.2

Source: ILO, ILOSTAT, “Working Hours Lost Due to the COVID-19 Crisis, Annual,” accessed April 8, 2022.

Table B.8 FDI inflows, by the world and selected major economies, 2019–20

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [1.5](#).

Economy	2019	2020	2021
World	1,480.6	963.1	1582.31
United States	225.1	150.8	367.4
China	141.2	149.3	181.0
EU	401.7	209.5	137.5
Canada	50.1	23.2	59.7
Mexico	34.4	27.9	31.6
India	50.6	64.1	44.7
UK	45.4	18.2	27.6
Japan	13.8	10.7	24.6

Source: UNCTAD, *World Investment Report 2022*, June 9, 2022, 210–11.

Table B.9 Global merchandise trade, annual, 2019–21

In trillions of dollars. This figure represents two-way trade, which is the overall total exports and general imports combined; corresponds to figure [1.7](#).

	2019	2020	2021
Global two-way merchandise trade	38.3	35.5	44.8

Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Annual, accessed April 12, 2022.

Table B.10 Global merchandise trade, quarterly (Q), 2007 Q1–2021 Q4In trillions of dollars. Corresponds to figure [1.8](#).

Year	Q1	Q2	Q3	Q4
2007	6.4	6.9	7.1	7.8
2008	7.9	8.8	8.7	7.0
2009	5.5	5.9	6.5	7.1
2010	7.0	7.5	7.7	8.4
2011	8.6	9.3	9.4	9.3
2012	9.1	9.2	9.1	9.4
2013	9.1	9.4	9.4	9.7
2014	9.3	9.6	9.6	9.3
2015	8.1	8.3	8.2	8.2
2016	7.4	8.1	8.1	8.4
2017	8.3	8.7	9.0	9.5
2018	9.5	9.8	9.8	9.9
2019	9.3	9.5	9.5	9.7
2020	8.7	7.5	9.0	9.9
2021	10.1	11.0	11.2	11.3

Source: WTO, WTO Stats, International Trade Statistics, Merchandise Trade Value, Monthly, accessed March 24, 2022.

Table B.11 Merchandise exports, by top five global exporters, annual, 2020–21In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [1.9](#).

Economy	2020	2021
China	2,590.0	3,364.0
EU	2,210.7	2,577.1
United States	1,424.9	1,754.6
Japan	641.3	756.0
Hong Kong	548.8	669.9

Source: WTO, "International Trade Statistics, Merchandise Trade Value," Monthly, accessed March 24, 2022; USITC DataWeb/Census, accessed February 17, 2022.

Table B.12 Merchandise imports, by top five global importers, annual, 2020–21In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [1.10](#).

Economy	2020	2021
United States	2,336.0	2,832.9
China	2,066.0	2,687.5
European Union	1,961.3	2,492.9
Japan	635.5	769.0
Hong Kong	569.8	712.4

Source: WTO, "International Trade Statistics, Merchandise Trade Value," Monthly, accessed March 24, 2022; USITC DataWeb/Census, accessed February 17, 2022.

Table B.13 Commercial services exports, by services trade category, annual, 2019–21In billions of dollars. Corresponds to figure [1.11](#).

Category	2019	2020	2021
Other commercial services	3,457	3,481	3,979
Travel	1,474	553	594
Transport	1,040	856	1,150
Goods-related services	231	196	219
Total	6,202	5,086	5,942

Source: WTO, WTO Stats, International Trade in Commercial Services, by Main Sector, Preliminary Annual Estimates, accessed April 12, 2022.

Table B.14 Services exports by top five global exporters, annual, 2020–21In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [1.12](#).

Economy	2020	2021
European Union	1,007.4	1,204.2
United States	705.6	771.2
United Kingdom	383.0	414.9
China	278.1	392.7
India	202.7	236.3

Source: WTO, WTO Stats, International Trade Statistics, Trade in Commercial Services, by Main Sector, Preliminary Annual Estimates Based on Quarterly Statistics, accessed April 12, 2022. USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.2, U.S. Trade in Services, by Type of Service and by Country or Affiliation, March 25, 2022.

Table B.15 Services imports by top five global importers, annual, 2020–21In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [1.13](#).

Economy	2020	2021
European Union	970.7	1,051.6
United States	460.3	541.2
China	377.5	423.8
United Kingdom	207.2	238.4
Singapore	203.8	223.3

Source: WTO, WTO Stats, International Trade Statistics, Trade in Commercial Services, by Main Sector, Preliminary Annual Estimates Based on Quarterly Statistics, accessed April 12, 2022. USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 2.2, U.S. Trade in Services, by Type of Service and by Country or Affiliation, March 25, 2022.

Table B.16 Share of Trade Adjustment Assistance (TAA) petitions certified by USDOL, by industry in FY 2021In percentages. “Other” includes all industry sectors where less than 10 petitions were certified in FY 2020; corresponds to figure [2.1](#).

Industry	Share of total
Manufacturing	66.8
Professional, scientific, and technical services	6.4
Finance and insurance	5.6
Wholesale trade	5.2
Real estate	3.7
Administrative and support and waste management services	2.6
Information	1.6
Retail trade	1.4
Transportation and warehousing	1.4
Other	5.2
Total	100.0

Source: USDOL, ETA, email message to USITC staff, March 10, 2021.

Table B.17 U.S. merchandise trade with major trading partners and the world, annual, 2017–21

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [6.1](#), [6.11](#), [6.13](#), [6.15](#), [6.17](#), [6.19](#), [6.21](#), [6.23](#).

Trading partner	Trade flow	2017	2018	2019	2020	2021
EU	Total exports	227.0	252.0	267.4	231.2	271.6
EU	General imports	381.6	426.2	451.8	415.5	491.3
EU	Merchandise trade balance	-154.6	-174.2	-184.4	-184.3	-219.6
UK	Total exports	56.3	66.5	69.1	58.4	61.5
UK	General imports	53.3	60.7	63.3	50.3	56.4
UK	Merchandise trade balance	3.0	5.8	5.8	8.1	5.1
Mexico	Total exports	243.6	266.0	256.3	211.5	276.5
Mexico	General imports	312.7	343.7	356.2	325.2	384.7
Mexico	Merchandise trade balance	-69.1	-77.7	-99.8	-113.7	-108.2
Canada	Total exports	282.8	299.7	292.8	255.4	307.0
Canada	General imports	299.1	318.6	318.8	270.3	357.2
Canada	Merchandise trade balance	-16.3	-18.8	-26.0	-14.9	-50.2
China	Total exports	130.0	120.3	106.4	124.5	151.1
China	General imports	505.2	538.5	450.8	434.7	506.4
China	Merchandise trade balance	-375.2	-418.2	-344.3	-310.3	-355.3
Japan	Total exports	67.6	75.2	74.5	63.8	75.0
Japan	General imports	136.4	142.2	143.6	119.5	135.1
Japan	Merchandise trade balance	-68.8	-67.1	-69.1	-55.7	-60.2
India	Total exports	25.6	33.2	34.2	27.1	40.1
India	General imports	48.5	54.2	57.9	51.2	73.3
India	Merchandise trade balance	-22.9	-21.1	-23.7	-24.1	-33.1
World	Total exports	1,547.2	1,665.8	1,642.8	1,424.9	1,753.9
World	General imports	2,339.6	2,536.1	2,493.7	2,336.0	2,832.9
World	Merchandise trade balance	-792.4	-870.4	-850.9	-911.1	-1,078.9

Source: USITC DataWeb/Census, accessed February 17, 2022.

Table B.18 U.S. merchandise exports, quarterly (Q), 2020–21

In billions of dollars. Corresponds to figure [6.2](#).

Quarter	2020	2021
Q1	392.2	403.2
Q2	289.9	436.8
Q3	351.7	434.0
Q4	479.9	391.2

Source: USITC DataWeb/Census, accessed February 17, 2022.

Table B.19 U.S. merchandise imports, quarterly (Q), 2020–21

In billions of dollars. Corresponds to figure [6.3](#).

Quarter	2020	2021
Q1	569.2	635.9
Q2	509.0	700.6
Q3	610.2	728.0
Q4	647.6	768.4

Source: USITC DataWeb/Census, accessed February 17, 2022.

Table B.20 Leading markets for U.S. merchandise total exports, by share, 2021In percentages. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [6.4](#).

Trading Partner	Share of total
European Union	15.5
Canada	17.5
Mexico	15.8
China	8.6
Japan	4.3
South Korea	3.7
United Kingdom	3.5
Taiwan	2.1
India	2.3
Vietnam	0.6
All other trading partners	26.1

Source: USITC DataWeb/Census, accessed February 17, 2022.

Table B.21 Leading markets for U.S. merchandise general imports, by share, 2021In percentages. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [6.5](#).

Trading Partner	Share of total
European Union	17.3
Canada	12.6
Mexico	13.6
China	17.9
Japan	4.8
South Korea	3.4
United Kingdom	2.0
Taiwan	2.7
India	2.6
Vietnam	3.6
All other trading partners	19.6

Source: USITC DataWeb/Census, accessed February 17, 2022.

Table B.22 U.S. total services trade with major trading partners and the world, annual, 2017–21

In billions of dollars. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [6.6](#), [6.12](#), [6.14](#), [6.16](#), [6.18](#), [6.20](#), [6.22](#), [6.24](#).

Trading partner	Trade flow	2017	2018	2019	2020	2021
EU	Exports	260.2	269.0	277.0	172.8	192.3
EU	Imports	193.6	196.7	207.9	111.3	132.8
EU	Services trade balance	66.5	72.3	69.0	61.5	59.6
UK	Exports	74.7	78.8	77.7	62.7	67.1
UK	Imports	60.0	62.2	62.8	52.5	55.5
UK	Services trade balance	14.7	16.6	14.9	10.2	11.6
Mexico	Exports	31.8	32.9	32.7	23.4	29.9
Mexico	Imports	27.6	28.3	30.5	17.2	27.7
Mexico	Services trade balance	4.2	4.5	2.2	6.2	2.3
Canada	Exports	65.1	68.7	69.5	53.7	55.0
Canada	Imports	36.3	38.3	38.7	29.3	30.6
Canada	Services trade balance	28.9	30.4	30.8	24.4	24.4
China	Exports	56.1	58.5	59.4	40.4	36.2
China	Imports	18.0	18.9	19.8	15.6	20.8
China	Services trade balance	38.1	39.6	39.5	24.8	15.4
Japan	Exports	46.0	46.7	49.7	37.8	36.6
Japan	Imports	35.0	35.2	36.0	30.9	31.7
Japan	Services trade balance	11.0	11.5	13.7	7.0	4.9
India	Exports	22.3	22.6	23.6	16.4	16.7
India	Imports	28.3	29.7	29.7	25.9	29.0
India	Services trade balance	-6.1	-7.1	-6.1	-9.5	-12.3
World	Exports	833.8	861.7	876.3	705.6	771.2
World	Imports	547.2	563.9	591.1	460.3	541.2
World	Services trade balance	286.6	297.8	285.2	245.3	230.0

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Table B.23 U.S. total services exports, quarterly (Q), 2020–21

In billions of dollars. Corresponds to figure [6.7](#).

Quarter	2020	2021
Q1	199.3	181.6
Q2	165.2	191.0
Q3	166.4	194.0
Q4	174.7	204.7

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Table B.24 U.S. total services imports, quarterly (Q), 2020–21

In billions of dollars. Corresponds to figure [6.8](#).

Quarter	2020	2021
Q1	133.2	118.6
Q2	100.5	128.2
Q3	108.2	144.2
Q4	118.4	150.2

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Table B.25 Leading markets for U.S. total services exports, by share, 2021In percentages. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [6.9](#).

Trading Partner	Share of total
European Union	24.9
United Kingdom	8.7
Canada	7.1
Japan	4.7
China	4.7
Mexico	3.9
Singapore	3.5
South Korea	2.5
India	2.2
Brazil	2.0
All other trading partners	35.7

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

Table B.26 Leading markets for U.S. total services imports, by share, 2021In percentages. European Union (EU) data exclude the United Kingdom (UK); corresponds to figure [6.10](#).

Trading Partner	Share of total
European Union	24.5
United Kingdom	10.3
Japan	5.8
Canada	5.7
India	5.4
Mexico	5.1
China	3.8
Singapore	2.3
South Korea	2.2
Hong Kong	2.1
All other trading partners	32.8

Source: USDOC, BEA, International Transactions, International Services, and International Investment Position Tables, table 1.3, U.S. International Transactions, Expanded by Area and Country, March 25, 2022.

