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The Year in Trade 2008: Operation of the Trade Agreements Program

Abstract

[Excerpt] This report is the 60th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation. Section 163(c) of the Trade Act of 1974 states that “the International Trade Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.”

This report is one of the principal means by which the U.S. International Trade Commission provides Congress with factual information on trade policy and its administration for calendar year 2008. The trade agreements program includes “all activities consisting of, or related to, the administration of international agreements which primarily concern trade and which are concluded pursuant to the authority vested in the President by the Constitution” and congressional legislation.

Keywords

trade, merchandise, commodities, manufacturing, globalization, Trade Agreements Program

Comments

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United States International Trade Commission

THE YEAR IN TRADE 2008

Operation of the Trade
Agreements Program

60TH REPORT

USITC Publication 4091
July 2009



U.S. International Trade Commission

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The Year in Trade 2008 Operation of the Trade Agreements Program

60th Report

Publication 4091



July 2009

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PREFACE

This report is the 60th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation. Section 163(c) of the Trade Act of 1974 states that “the International Trade Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.”

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List of Frequently Used Abbreviations and Acronyms

AD	Antidumping
AGOA	African Growth and Opportunity Act
AIT	American Institute in Taiwan
ANVISA	National Health Surveillance Agency (Brazil)
APEC	Asia-Pacific Economic Cooperation
APHIS	Animal and Plant Health Inspection Service (USDA)
ATAA	Alternative Trade Adjustment Assistance
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BEA	Bureau of Economic Analysis (USDOC)
BECC	Border Environment Cooperation Commission
BIAC	Business and Industry Advisory Committee (OECD)
BSE	Bovine Spongiform Encephalopathy
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CBERA	Caribbean Basin Economic Recovery Act
CBTPA	Caribbean Basin Trade Partnership Act
CD	Compact Disc
CEC	Commission for Environmental Cooperation (NAFTA)
CITA	Committee for the Implementation of Textile Agreements
CLC	Commission for Labor Cooperation (NAFTA)
CNL	Competitive Need Limitation
COOL	Country-of-origin Labeling
CSR	Corporate Social Responsibility
CSQ	Country Specific Quota
CTD	Committee on Trade and Development (WTO)
CTI	Committee on Trade and Investment (APEC)
CVD	Countervailing Duty
DDA	Doha Development Agenda
DSB	WTO Dispute Settlement Body
DSU	WTO Dispute Settlement Understanding
DTAA	Division of Trade Adjustment Assistance (USDOL)
DVD	Digital Video Disc
EC	European Communities
EDA	Economic Development Administration (USDOC)
ECHA	European Chemicals Agency
EIAP	Earned Import Allowance Program
EIF	Enhanced Integrated Framework
ETA	Employment and Training Administration
EU	European Union
FAS	Foreign Agricultural Service (USDA)
FMCSA	Federal Motor Carrier Safety Administration (USDOT)
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FTC	Free Trade Commission (NAFTA)
FY	Fiscal Year
G-20	G-20 Bloc of Developing Countries

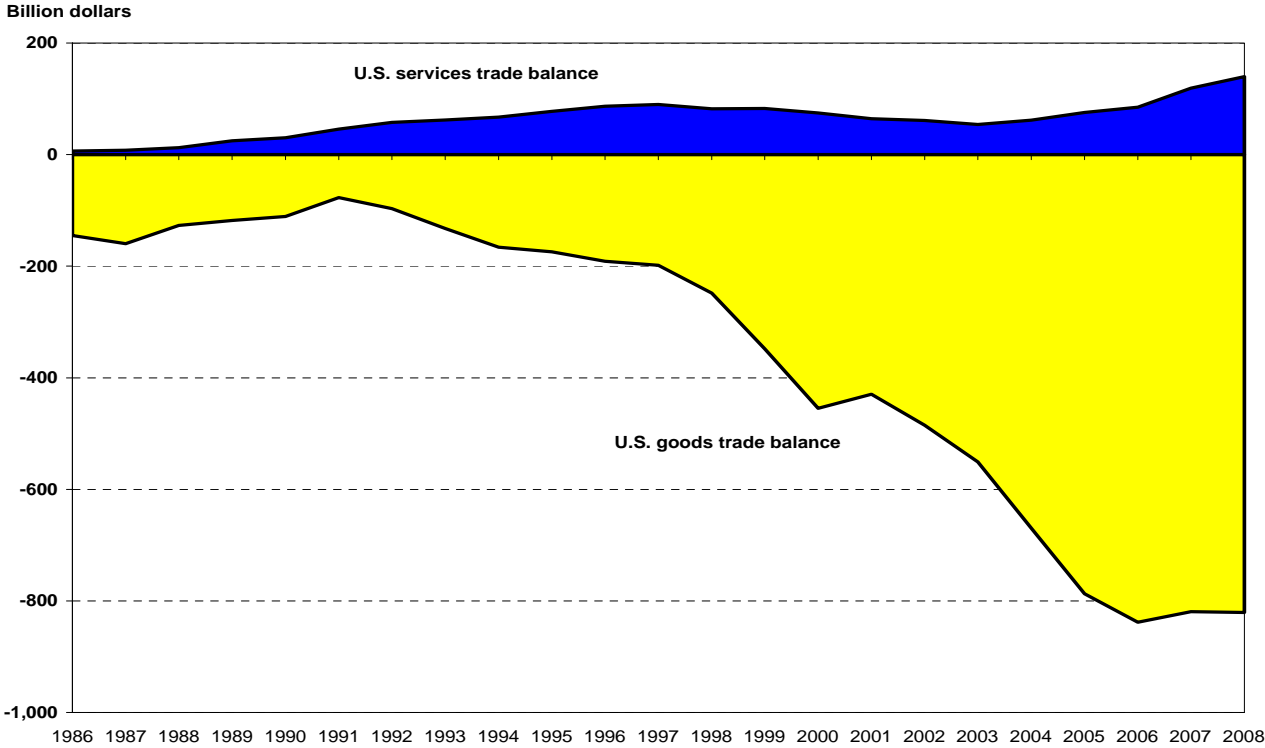
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
HCTC	Health Coverage Tax Credit
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act
HS	Harmonized System
HTS	Harmonized Tariff Schedule of the United States
IF	Integrated Framework
IIPA	International Intellectual Property Alliance
IMF	International Monetary Fund
IPR	Intellectual Property Rights
IT	Information Technology
ITA	International Trade Administration (USDOC)
JCCT	U.S.-China Joint Commission on Commerce and Trade
LCIA	London Court of International Arbitration
LDBDC	Least-Developed Beneficiary Developing Country
LTFV	Less Than Fair Value
MOU	Memorandum of Understanding
NAAEC	North American Agreement on Environmental Cooperation
NAALC	North American Agreement on Labor Cooperation
NADB	North American Development Bank
NAFTA	North American Free Trade Agreement
NAMA	Non-Agricultural Market Access
NAO	National Administrative Office
NTR	Normal Trade Relations
OECD	Organization for Economic Cooperation and Development
OIE	World Organization for Animal Health
OOS	Out of Service
PRT	Pathogen Reduction Treatments
PSAG	Private Sector Advisory Group
REACH	Registration, Evaluation, and Authorization of Chemicals
SCM	Subsidies and Countervailing Measures
SED	U.S.-China Strategic Economic Dialogue
SITC	Standard Industrial Trade Classification
SLA	Softwood Lumber Agreement
SMEs	Square Meter Equivalents
SPS	Sanitary and Phytosanitary Standards
SSA	Sub-Saharan Africa
SVE	Small and Vulnerable Economy
TAA	Trade Adjustment Assistance
TAAC	Trade Adjustment Assistance Center
TAATC	Division of Trade Agreement Administration and Technical Cooperation (USDOL)
TEC	Transatlantic Economic Council
TIFA	Trade and Investment Framework Agreement
TNC	Trade Negotiations Committee
TPA	Trade Promotion Agreement
TPF	Trade Policy Forum
TPP	Trans-Pacific Strategic Economic Partnership
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TRQ	Tariff Rate Quota

UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USDA	United States Department of Agriculture
USDOC	United States Department of Commerce
USDOL	United States Department of Labor
USDOS	United States Department of State
USDOT	United States Department of Transportation
USITC	United States International Trade Commission
USTR	United States Trade Representative
VOIP	Voice Over Internet Protocol
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY

The expansion of the U.S. economy that began in November 2001 slowed notably in 2008, particularly in the second half of the year as financial market instability deepened, credit tightened, and asset values declined at an accelerating pace. Slower growth in both the U.S. and world economies contributed to the decline in both U.S. exports and imports in the fourth quarter of 2008. For the year as a whole, the U.S. trade deficit for goods and services decreased for a second consecutive year as the surplus in services grew more than the deficit in goods (figure ES.1). There was a small increase in the merchandise trade deficit from 2007 to 2008 (\$819.4 billion in 2007 to \$820.8 billion in 2008) as the increase in U.S. imports exceeded the increase in U.S. exports; the deficit increased slightly even though U.S. exports grew more rapidly than U.S. imports (12 percent for exports versus 7 percent for imports) for the third year in a row. Increases in U.S. exports of oil and other mineral fuels, lubricants, and related materials; chemicals and related products; food and live animals; machinery and transport equipment; and crude materials (except fuels) represented about 80 percent of the total increase in exports in 2008, while increases in U.S. imports of oil and other mineral fuels, lubricants, and related materials, and chemicals and related products represented most of the increase in imports for the same year. Much of the growth in the value of U.S. exports and imports of oil and other mineral fuels, lubricants, and related products was due to the substantial increase in the

FIGURE ES.1 U.S. trade balance in goods and services, 1986-2008



Source: U.S. Department of Commerce.

price of petroleum products from 2007 to 2008. U.S. imports of machinery and transport equipment decreased substantially (\$20.8 billion) in 2008. The U.S. surplus in services trade increased by \$20.6 billion to \$139.7 billion in 2008.

In 2008, the U.S. dollar appreciated approximately 9 percent, on a trade-weighted average basis, against a group of major currencies including the Canadian dollar, the euro, the Japanese yen, and the Chinese yuan. This reflects a sharp reversal in the value of the U.S. dollar, which continued to fall through the second and third quarters before appreciating substantially during the fourth quarter of the year. By year-end the largest appreciation was against the British pound, the Mexican peso, and the currency of the United States' largest trading partner, Canada. In contrast, the U.S. dollar depreciated against the Japanese yen and the Chinese yuan.

A summary of U.S. trade agreement activities in 2008 is presented below, followed by a table summarizing key developments on a monthly basis for the year. Trade agreement activities during 2008 included the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum; U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

Key Trade Developments in 2008

Administration of U.S. Trade Laws and Regulations

Section 301: There was one active case under section 301 in 2008. This case concerned the European Union's (EU) meat hormone directive. A WTO panel issued a report on the matter in March 2008, and the panel report was appealed to the Appellate Body, which issued its report in October 2008. The Appellate Body was unable to determine whether the EU's modified hormone regime was WTO-consistent, but confirmed that the original authorization to impose additional duties was still valid. In May 2009, the United States and EU signed a Memorandum of Understanding to settle the dispute.

Special 301: The USTR's 2008 special 301 report identified nine countries on the priority watch list and highlighted weak intellectual property rights (IPR) protection and enforcement in China and Russia, both of which were maintained on the priority watch list. In addition, Argentina, Chile, India, Israel, Thailand, and Venezuela were maintained on the priority watch list due to significant concerns regarding IPR protection. Pakistan was elevated to the priority watch list from the watch list because Pakistan failed to make progress in enacting legislation to provide more effective protection for patented pharmaceuticals. Thirty-six countries were placed on the watch list, including Egypt, Lebanon, Turkey, and Ukraine, which were downgraded from the priority watch list, and Algeria, Greece, Norway, and Spain, which were added to the watch list. Belize and Lithuania were removed from the watch list due to improved IPR enforcement.

Antidumping investigations: The Commission instituted 13 new antidumping investigations and completed 32 during 2008. Antidumping duty orders were issued by the U.S. Department of Commerce (Commerce) in 2008 in 23 of those completed investigations.

Countervailing duty investigations: The Commission instituted six new countervailing duty investigations and completed seven investigations during 2008. Countervailing duty orders were issued by Commerce in 2008 in all seven completed investigations.

Sunset reviews: During 2008, Commerce and the Commission instituted 26 sunset reviews of existing antidumping and countervailing duty orders and suspension agreements and the Commission completed 25 reviews, resulting in 16 antidumping and countervailing duty orders and suspension agreements being continued for five additional years.

Section 337 investigations: During 2008, there were 89 active section 337 investigations and ancillary proceedings, 47 of which were instituted in 2008. Of these 47, there were 41 new section 337 investigations and 6 new ancillary proceedings relating to previously concluded investigations. Approximately one-third of the active investigations in 2008 concerned products in the semiconductor, telecommunications, computer, and consumer electronics fields. At the close of 2008, 52 section 337 investigations and related proceedings were pending.

Trade adjustment assistance (TAA): In 2008, the U.S. Department of Labor instituted investigations in response to 2,129 petitions for TAA that it received during 2008. A total of 1,469 petitions were certified as eligible for the affected workers to apply for TAA benefits and services, and 464 petitions were denied.

Trade Preference Programs

Generalized System of Preferences (GSP): Duty-free U.S. imports entered under the GSP program totaled \$31.7 billion in 2008. Angola was the leading GSP beneficiary in 2008, followed by India, Thailand, Equatorial Guinea, Brazil, and Indonesia. During 2008, Solomon Islands was designated a least-developed GSP beneficiary (Solomon Islands was already a GSP beneficiary), and Kosovo and Azerbaijan were designated GSP beneficiaries. Trinidad and Tobago was graduated from the GSP program effective January 1, 2010, for reaching high income. Authorization for the GSP program is currently set to expire on December 31, 2009.

African Growth and Opportunity Act (AGOA): A total of 41 sub-Saharan African (SSA) countries were designated for benefits under AGOA during 2008, and 27 SSA countries were eligible for AGOA textile and apparel benefits. Duty-free U.S. imports under AGOA, including GSP, were valued at \$66.3 billion in 2008. U.S. imports under AGOA, exclusive of GSP, were valued at \$56.4 billion in 2008, a 33.4 percent increase from 2007. The increase in imports under AGOA was driven mainly by increases in the value of U.S. imports of petroleum-related products, which made up more than 93 percent of imports under AGOA in 2008.

Andean Trade Preference Act (ATPA): ATPA, as amended by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), provides duty-free treatment for certain products of Bolivia, Colombia, Ecuador, and Peru. U.S. imports under ATPA were valued at \$17.2 billion in 2008, up 40.1 percent from \$12.3 billion in 2007. U.S. imports under ATPA increased from all of the beneficiary countries except Bolivia in 2008. The increase in imports under ATPA was driven primarily by increases in the value of petroleum-related imports, which accounted for 77 percent of imports under ATPA in 2008. Other leading imports under ATPA in 2008 included apparel, copper cathodes, fresh cut flowers, and asparagus. On October 16, 2008, ATPA was extended until

December 31, 2009, for Colombia and Peru, and until June 30, 2009, for Bolivia and Ecuador, with provisions for reviews of their eligibility under ATPA requirements. Effective December 15, 2008, President Bush suspended Bolivia from eligibility for failing to meet ATPA's counternarcotics cooperation criteria.

Caribbean Basin Economic Recovery Act (CBERA): CBERA, as amended by the Caribbean Basin Trade Partnership Act (CBTPA), provides duty-free and reduced-duty treatment for certain products of designated Caribbean Basin countries. In 2008, articles from 19 countries and territories were eligible for CBERA preferences. U.S. imports under CBERA were valued at \$4.7 billion in 2008, a 14.0 percent decline from \$5.5 billion in 2007. The decline in U.S. imports under CBERA was due primarily to the fact that the Dominican Republic was a CBERA beneficiary for only part of 2007 before the United States-Dominican Republic-Central America Free Trade Agreement (U.S.-CAFTA-DR) entered into force for that country. Trinidad and Tobago was the leading supplier of U.S. imports under CBERA in 2008. Methanol, mineral fuels, fuel-grade ethanol, and apparel products ranked as the leading U.S. imports under CBERA in 2008. In May, special preferences for imports from Haiti were extended through September 30, 2018, in amendments to CBERA under the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act). Also in May, the CBTPA provisions of CBERA were extended through September 30, 2010.

WTO and OECD

WTO developments: The Doha Development Agenda of multilateral trade negotiations resumed in February 2008 after the negotiating texts for the Agriculture Negotiating Group and the Non-Agricultural Market Access Group were revised. However, the talks reached an impasse on July 29, 2008. The WTO Director-General announced that fundamental differences between parties had not been overcome, citing in particular a lack of convergence regarding the selective safeguard mechanism in the agriculture negotiations. The WTO announced in July 2008 the first Executive Director of the Enhanced Integrated Framework, an initiative by six multilateral economic and financial institutions—including the WTO—to help least-developed country governments better integrate trade-related technical assistance into their overall national development strategies. Ukraine and Cape Verde acceded to the WTO in 2008 as the 152nd and 153rd WTO members, respectively.

WTO dispute settlement: During 2008, WTO members filed 19 new requests for WTO dispute settlement consultations, compared to 13 in 2007, 22 in 2006, and 12 in 2005. The United States filed 3 of the 19 requests, with two directed against China and one against the EU. Six requests for consultations were filed against the United States. Five new dispute settlement panels were established in 2008, compared to 14 in 2007, 14 in 2006, and 7 in 2005. One of the five panels was established in 2008 at the request of the United States to examine EU tariff treatment of certain information technology products. Two panels were established at the request of Japan and Chinese Taipei to examine the same EU matter. The remaining two panels were established at the request of New Zealand to examine Australia's import measures on apples from New Zealand and at the request of the Philippines to examine Thailand's customs and fiscal measures on cigarettes from the Philippines.

OECD developments: The OECD Trade Committee held discussions focused on systemic policy issues relating to trade agreements and nontariff measures. The committee continued its Global Forum on Trade, bringing together public and private groups on particular trade topics, and considered inviting certain nonmember governments as ad hoc observers to the OECD as part of its outreach program. The committee also reviewed Aid for Trade issues, and selected trade issues concerning the trade policy of Brazil (a non-OECD country).

FTA Developments During 2008

U.S. FTAs in force in 2008: The United States was a party to nine FTAs as of December 31, 2008. These included a multiparty agreement with the countries of Central America and the Dominican Republic (U.S.-CAFTA-DR), entered into force with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006-07); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); the North American Free Trade Agreement (NAFTA) (1994); and the U.S.-Israel FTA (1985).

FTA developments: In September 2008, the United States announced the launch of negotiations to join the Trans-Pacific Strategic Economic Partnership Agreement between Brunei Darussalam, Chile, New Zealand, and Singapore. In December 2008, the President issued proclamations implementing U.S.-CAFTA-DR for Costa Rica and the U.S.-Oman FTA effective January 1, 2009.

U.S. merchandise trade flows with FTA partners: In 2008, U.S. merchandise exports to FTA partners increased 8.0 percent to \$444.2 billion or 38 percent of total U.S. exports. U.S. imports of goods from FTA partners increased 4.7 percent to \$625.8 billion or 30 percent of total U.S. imports. The United States registered a merchandise trade deficit with its FTA partners of \$181.6 billion in 2008, including a record deficit with its NAFTA partners of \$197.2 billion. Excluding NAFTA, the United States registered a trade surplus with the rest of the FTA partners of \$15.6 billion, up from \$3.9 billion in 2007.

NAFTA developments: NAFTA entered into force on January 1, 1994, and the last of its trade provisions was fully implemented by January 1, 2008, with the exception of the NAFTA cross-border trucking provisions. In 2008, U.S. two-way merchandise trade (exports plus imports) with NAFTA partners totaled \$905.1 billion, a 5.8 percent increase over 2007.

NAFTA dispute settlement: Chapter 11 of NAFTA includes provisions designed to protect cross-border investors and facilitate the settlement of investment disputes. In 2008, there were five active chapter 11 cases—two cases against the United States by Canadian investors and three cases filed by U.S. investors against Mexico. Chapter 19 of NAFTA contains a mechanism that provides for review by a binational panel of antidumping and countervailing duty determinations under the law of the importing country. At the end of 2008, the NAFTA Secretariat listed 10 active binational panels under chapter 19. Of the four binational panels formed in 2008 under chapter 19, three challenged U.S. agencies' determinations on products from Mexico and one involved products from Canada.

Trade Activities with Major Trading Partners

European Union

The EU¹ as a unit was the largest two-way (exports and imports) U.S. merchandise trading partner in 2008. U.S. trade with the EU was valued at \$615 billion in 2008, accounting for 18.9 percent of U.S. merchandise trade with the world. U.S. exports to the EU amounted to \$251 billion and U.S. imports from the EU were \$364 billion, resulting in a U.S. merchandise trade deficit with the EU of \$112 billion in 2008. Leading U.S. exports included certain medicaments, petroleum products, aircraft and parts, blood fractions (e.g., antiserum), and passenger cars. Leading U.S. imports were certain medicaments, petroleum products, passenger cars, nucleic acids and their salts, and airplanes and parts. The EU was also the United States' largest trading partner in terms of services in 2008, accounting for 37.4 percent of U.S. services trade with the world. The United States registered a trade surplus in services of \$58.0 billion with the EU in 2008.

The Transatlantic Economic Council, established in 2007 to guide efforts to lower bilateral trade and investment barriers, addressed a number of topics in 2008, including regulatory cooperation, the EU chemicals regulation known as REACH (Registration, Evaluation and Authorization of Chemicals), and the EU ban on imports of U.S. poultry meat treated with pathogen reduction substances.

Canada

Canada was the largest single-country two-way U.S. merchandise trading partner in 2008. U.S. merchandise trade with Canada was valued at \$557 billion in 2008, accounting for 17.1 percent of total U.S. merchandise trade. U.S. exports to Canada were valued at \$222 billion and U.S. imports from Canada amounted to \$335 billion, resulting in a merchandise trade deficit of \$112 billion. Leading U.S. exports to Canada in 2008 included motor vehicles and related products as well as energy products, including petroleum, natural gas, and electricity. Leading U.S. imports included crude petroleum, natural gas, and passenger vehicles. The United States registered a trade surplus in services of \$22.7 billion with Canada in 2008.

Under dispute settlement procedures of the 2006 U.S.-Canada Softwood Lumber Agreement, the London Court of International Arbitration determined in March 2008 that Canada failed to properly adjust its export quota levels for softwood lumber in the first half of 2007, as the United States contended. In February 2009, the tribunal issued its determination concerning an appropriate remedy to correct the breach in the agreement. In January 2008, the United States requested a second arbitration tribunal to consider a U.S. challenge of several Canadian provincial programs concerning softwood lumber.

¹ The 27 members of the EU in 2008 were Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom.

China

In 2008, U.S. merchandise trade with China was valued at \$405 billion, accounting for approximately 12.4 percent of U.S. merchandise trade with the world. U.S. exports to China were valued at \$67.2 billion and U.S. imports from China amounted to \$338 billion, resulting in a merchandise trade deficit of \$270 billion. Leading U.S. exports in 2008 included soybeans, computer chips, passenger airplanes, and copper and aluminum waste and scrap. Leading U.S. imports from China in 2008 were computers and their parts, wireless telephones, toys, and video games and their parts. The United States registered a trade surplus in services of \$6.2 billion with China in 2008.

China's compliance with its WTO commitments remained a focus of U.S.-China trade relations in 2008. Notable areas of U.S. concern were China's IPR enforcement policies, textile and apparel trade, financial sector liberalization, product safety, and environmental sustainability. Also during 2008, U.S. and Chinese officials held bilateral discussions to address global trade imbalances and China's exchange rate policy.

Mexico

In 2008, U.S. merchandise trade with Mexico was valued at \$348 billion, accounting for approximately 10.7 percent of U.S. merchandise trade with the world. U.S. exports to Mexico were \$132 billion and U.S. imports from Mexico were \$216 billion, resulting in a merchandise trade deficit of \$84.8 billion. Leading U.S. exports to Mexico included refined petroleum products, motor vehicles and parts, corn, computer components, and soybeans. Leading U.S. imports from Mexico included crude petroleum, motor vehicles and parts, televisions, cellular telephones, and medical instruments. The United States registered a trade surplus in services of \$8.3 billion with Mexico in 2008.

In 2008, the U.S. Department of Transportation evaluated the one-year Cross-Border Trucking Demonstration Project. In August 2008, the U.S. Department of Transportation extended the demonstration program for two years until 2010; however, the program was terminated in January 2009, when the Congress discontinued its funding.

Japan

U.S. merchandise trade with Japan was valued at \$201 billion, accounting for approximately 6.2 percent of U.S. merchandise trade with the world in 2008. U.S. exports to Japan amounted to \$61.4 billion and U.S. imports from Japan were \$139 billion, resulting in a U.S. merchandise trade deficit of \$77.7 billion. Leading exports to Japan were corn, aircraft and parts, wheat, soybeans, and pharmaceuticals. Leading imports from Japan were motor vehicles and parts, printer parts, digital cameras, and airplane and jet parts. The U.S. services trade surplus with Japan was \$17.3 billion in 2008.

The U.S.-Japan Economic Partnership for Growth has served as the primary forum for trade and economic dialogue between the two countries since its establishment in 2001. In 2008, discussions under this framework focused on U.S. beef exports to Japan and deregulation of Japan's economy, including economy-wide and sector-specific reforms.

Korea

U.S. merchandise trade with Korea was valued at \$79.8 billion, accounting for approximately 2.4 percent of U.S. merchandise trade with the world in 2008. U.S. exports to Korea amounted to \$33.1 billion and U.S. imports from Korea were \$46.7 billion, resulting in a U.S. merchandise trade deficit of \$13.6 billion. Leading U.S. exports to Korea during the year included corn, aircraft, transistors, and ferrous waste and scrap. Leading U.S. imports from Korea included cellular phones, automobiles, computer parts and accessories (mainly memory modules), and computer chips. The U.S. trade surplus in services with Korea was \$7.0 billion.

U.S. trade relations with Korea in 2008 were dominated by the status of the U.S.-Korea FTA that was signed in June 2007, and the agreement on a protocol to resume exports of U.S. beef to Korea that had been suspended originally over bovine spongiform encephalopathy (BSE) concerns in late 2003.

Taiwan

U.S. merchandise trade with Taiwan was valued at \$59.8 billion, accounting for approximately 1.8 percent of U.S. merchandise trade with the world in 2008. U.S. exports to Taiwan amounted to \$23.6 billion and U.S. imports from Taiwan were \$36.2 billion, resulting in a U.S. merchandise trade deficit of \$12.6 billion. Leading U.S. exports to Taiwan included processors and controllers for computers, electronic integrated circuits, semiconductor manufacturing and assembly equipment, soybeans, and aircraft. Leading U.S. imports from Taiwan included electronic digital integrated circuits, wireless telephones, reception apparatuses for navigational radios, parts for data processing machines, and reception apparatuses for televisions. The U.S. registered a trade deficit in services with Taiwan of \$291.0 million.

U.S. trade relations with Taiwan during 2008 focused on the USTR's removal of Taiwan from the watch list of IPR violators, providing U.S. beef and beef product companies with more comprehensive market access, and reforming Taiwan's rice procurement practices.

Brazil

U.S. merchandise trade with Brazil was valued at \$59.1 billion in 2008, accounting for approximately 1.8 percent of U.S. merchandise trade with the world. U.S. exports to Brazil amounted to \$29.0 billion and U.S. imports from Brazil were \$30.1 billion, resulting in a U.S. merchandise trade deficit of \$1.0 billion. Leading U.S. exports to Brazil included aircraft and aircraft parts (including jet engines and parts), refined petroleum products, and coal. Leading U.S. imports from Brazil included crude petroleum, pig iron, aircraft, and refined petroleum products. The U.S. trade surplus in services with Brazil was \$7.4 billion.

In 2008, the USTR noted that Brazil had made important progress in improving the effectiveness of IPR enforcement, but also noted that more progress could be made.

India

U.S. merchandise trade with India was valued at \$43.2 billion, accounting for approximately 1.3 percent of U.S. merchandise trade with the world in 2008. U.S. exports to India amounted to \$17.3 billion and U.S. imports from India were \$25.9 billion, resulting in a U.S. merchandise trade deficit of \$8.5 billion. Leading U.S. exports to India included fertilizers, aircraft, nonindustrial diamonds, and nonmonetary gold. Leading U.S. imports from India included nonindustrial diamonds, gold jewelry, certain medicaments, linen, pipe for oil and gas lines, and apparel. The United States registered a trade deficit in services with India of \$1.6 billion.

U.S. trade relations with India during 2008 focused on negotiating a Bilateral Investment Treaty, continuing to promote sectoral openings (including alcoholic beverages), promoting regulatory cooperation, and cooperating on all aspects of protection of intellectual property and promotion of technology transfer.

Table ES.1 Summary of 2008 trade agreement activities

January

1-The North American Free Trade Agreement is fully implemented.

1-United States-Japan Agreement on Mutual Recognition of the Results of Conformity Assessment Procedures (MRA) for telecommunications equipment entered into force.

22-The Czech Republic is placed on the USTR “Special 301” watch list as a result of an out-of-cycle review of intellectual property rights protection and enforcement.

28-Antigua, Bermuda, and Costa Rica ask the WTO for dispute settlement arbitration in their efforts to seek compensation from the United States on its decision to alter its WTO services schedule by eliminating commitments on cross-border gambling services.

February

18-The United States and the EU agree to suspend WTO dispute settlement arbitration proceedings concerning the EU’s implementation of the Dispute Settlement Body findings against measures affecting the approval and marketing of biotechnology products.

19-The United States and Rwanda sign a Bilateral Investment Treaty.

19-The fifth ministerial meeting is held under the U.S.-India Trade Policy Forum.

29-President Bush signs legislation to extend trade preferences under ATPA until December 31, 2008.

March

4-The London Court of International Arbitration finds that Canada violated the Softwood Lumber Agreement by failing to adjust quota volumes of the Eastern Canadian provinces in the first six months of 2007 to account for rapidly changing market conditions. However, it also finds that this same condition does not apply to the Western provinces.

14-Canada enacts a law to implement the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

27-Mexico agrees to open its market to all U.S. cattle younger than 30 months.

April

1-The United States and Ukraine sign a Trade and Investment Cooperation Agreement.

7-President Bush sends the U.S.-Colombia Free Trade Agreement to Congress.

10-The U.S. House of Representatives votes to remove the timelines mandated by Trade Promotion Authority for consideration of the Free Trade Agreement with Colombia, effectively postponing a vote indefinitely.

10-Mexico, Canada, and the United States amend NAFTA’s rules of procedure for AD/CVD panels.

10-Chile opens its market to poultry from the United States after it approves U.S. control, inspection, and certification systems.

18-The United States and Korea conclude an agreement on a protocol to fully reopen South Korea’s market to all U.S. beef and beef products consistent with international standards and the World Organization for Animal Health (OIE) guidelines.

April—Continued

25-In USTR’s annual “Special 301” report on intellectual property, the United States adds Algeria, Greece, Norway, and Spain to its watch list and Pakistan to its priority watch list. Egypt, Lebanon, Turkey, and Ukraine are moved from the priority watch list to the watch list. Belize and Lithuania are removed from the watch list. USTR announces out-of-cycle reviews for Taiwan and Israel to monitor progress on outstanding IPR issues.

30-The WTO Appellate Body rules that U.S. use of “model zeroing” in antidumping proceedings against Mexican stainless steel is inconsistent with U.S. WTO obligations.

May

16-Ukraine becomes a member of the WTO.

22-CBTPA provisions of the Caribbean Basin Economic Recovery Act are extended through September 30, 2010.

22-HOPE II Act passes Congress, extending and enhancing trade benefits for Haiti until September 30, 2018.

June

4-OECD Ministerial Council meeting discusses trade, growth, and development issues, with special focus on the economics of climate change, sovereign wealth funds, and the current economic situation.

9-U.S. Trade Policy Review held at the WTO.

17-U.S.-China Strategic Economic Dialogue takes place in Annapolis, MD.

June—Continued

20-After public controversy in Korea about the April 18 U.S.-Korea beef protocol, Korean beef importers and U.S. exporters reach a commercial understanding that only U.S. beef from cattle under 30-months of age will be shipped to Korea, as a transitional measure, to improve Korean consumer confidence in U.S. beef.

20-The WTO DSB adopts the findings of the compliance panel and Appellate Body in favor of Brazil’s allegations that the United States had not implemented earlier WTO findings against U.S. agricultural support measures, including support for cotton farmers.

July

14-The seventh annual AGOA Forum is held in Washington, DC.

16-The United States signs a Trade and Investment Framework Agreement with the East African Community (Burundi, Kenya, Rwanda, Tanzania, and Uganda).

16-The United States signs a Trade, Investment, and Development Cooperation Agreement with the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

23-Congress extends restrictions on imports from Burma for another year.

23-Cape Verde becomes a member of the WTO.

29-The WTO Doha trade negotiations in Geneva reach an impasse over a U.S. and India dispute on agricultural safeguards.

August

1-The WTO DSB adopts the findings of the panel and Appellate Body in favor of Thailand and India in two separate cases addressing U.S. measures on imported shrimp, ruling that the United States violated its obligations under the WTO Antidumping Agreement.

12-Jordan ratifies the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

18-The United States, Japan, and Chinese Taipei request a WTO dispute settlement panel to review whether the EU has failed to accord required duty-free treatment of certain products covered by the WTO Information Technology Agreement.

September

22-U.S. negotiations are launched to join the comprehensive Trans-Pacific Strategic Economic Partnership Agreement.

October

1-The United States and Costa Rica reach an agreement on an extension of time for Costa Rica to join the U.S.-CAFTA-DR.

16-President Bush signs legislation to extend trade preferences under ATPA and GSP, and to amend AGOA.

16-The WTO Appellate Body issues a report largely affirming the earlier panel report that the United States did not violate its WTO obligations by maintaining sanctions on certain EU products after the EU claimed it had come into compliance by amending its ban on beef from animals treated with growth-promoting hormones.

24-Mexico requests WTO consultations with the United States concerning U.S. limitations on the use of a dolphin-safe label for tuna and tuna products.

October—Continued

30-The WTO Appellate Body rules in favor of the United States in its challenge against India's "additional" and "extra-additional" duties on imports of wine, spirits, and other agricultural and manufactured products, but did not recommend that India be asked to remove the duties because neither side provided the necessary evidence to reach a factual finding.

November

11-Costa Rica's national assembly passes the final piece of legislation needed to implement U.S.-CAFTA-DR.

13-China agrees to eliminate discriminatory restrictions on how U.S. and other foreign suppliers of financial information services do business in China, which the United States had challenged in a WTO dispute brought earlier in the year.

19-The 20th APEC ministerial meeting takes place in Lima, Peru.

21-Based on a final review of data collected through an import-monitoring program covering certain apparel products from Vietnam, the U.S. Department of Commerce finds insufficient evidence to self-initiate an antidumping investigation.

26-The WTO Appellate Body rules against the EU in the compliance proceeding brought by the United States against its banana import regime. The Appellate Body also rules against the EU in a parallel proceeding brought by Ecuador.

26-Thailand requests WTO dispute settlement consultations with the United States concerning certain issues (U.S. antidumping "zeroing methodology") relating to the imposition of antidumping measures on polyethylene retail carrier bags.

November—Continued

27-Brazil requests WTO dispute settlement consultations with the United States regarding the antidumping administrative review on certain orange juice from Brazil and various related U.S. laws, regulations, administrative procedures, practices, and methodologies.

December

1-Canada requests WTO dispute settlement consultations with the United States on country-of-origin labeling (COOL) measures.

4-U.S.-China Strategic Economic Dialogue takes place in Beijing, China.

9-China requests the establishment of a WTO dispute settlement panel concerning U.S. final antidumping and countervailing duty orders on steel pipe, off-the-road tires, light-walled rectangular pipe and tube, and laminated woven sacks.

10-Chinese Taipei accedes to the WTO Agreement on Government Procurement.

15-Bolivia is suspended from ATPA eligibility for failing to meet the program's counternarcotics cooperation criteria.

15-The WTO Appellate Body generally upholds panel findings that China's treatment of imports of U.S. and other foreign auto parts is inconsistent with China's WTO obligations.

17-A WTO compliance panel finds that the United States has failed to comply fully with the Appellate Body ruling concerning U.S. antidumping "zeroing methodology" in a successful challenge mounted by the EU.

19-The United States requests WTO dispute settlement consultations with China regarding China's "Famous Brands" programs.

December—Continued

22-China requests a WTO dispute settlement panel to investigate U.S. antidumping and countervailing duties on Chinese products.

23-The United States Trade Representative releases its seventh annual report on China's compliance with its WTO accession obligations.

23-The President issues a proclamation implementing the U.S.-CAFTA-DR for Costa Rica on January 1, 2009.

29-The United States and Russia sign a protocol to the 2005 U.S.-Russia agreement on trade in certain types of poultry, beef, and pork.

29-The President issues a proclamation implementing the U.S.-Oman FTA on January 1, 2009.

31-U.S. quotas on textile and apparel imports from China expire.

Sources: Compiled from multiple U.S. government sources, including the Office of the U.S. Trade Representative. Other sources include Inside Washington Publishers, *Inside U.S. Trade*; Bureau of National Affairs, *International Trade Daily*; Foreign Affairs and International Trade Canada; the Organization for Economic Cooperation and Development; and the World Trade Organization.

CHAPTER 1

Overview of U.S. Trade

Scope and Approach of the Report

This report provides factual information on the operation of the U.S. trade agreements program and its administration for calendar year 2008.¹ Trade agreement activities during 2008 include the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum; U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

The report is based on primary source materials about U.S. trade programs and administrative actions there under, including U.S. government reports, notices, and news releases, and publications and news releases by the U.S. International Trade Commission (USITC or the Commission). Additional primary sources of information include publications of international institutions, including the International Monetary Fund (IMF), World Bank, OECD, WTO, United Nations (UN), and official publications of foreign governments. Professional journals, trade publications, and news reports are used to provide supplemental factual information when primary source information is unavailable.

Merchandise trade data are provided the primary focus throughout the report except for chapters 1 and 5, which also provide data on services trade as compiled by the Commission primarily from the U.S. Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce and the IMF.

Overview of the U.S. Economy in 2008

The expansion of the U.S. economy that began in November 2001 slowed notably in 2008.² In particular, U.S. economic activity dropped sharply at the end of 2008, as financial market instability intensified, credit conditions tightened, and asset values declined at an accelerating pace.³ The first half of the year saw increasing inflationary

¹ This is the 60th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation.

² White House, *Economic Report of the President*, January 2009, 20. In 2008, the U.S. economy underwent severe economic and financial turmoil. In response, the Federal Reserve Bank and the U.S. Department of the Treasury implemented various programs to address the situation. White House, *Economic Report of the President*, January 2009 and Board of Governors of the Federal Reserve System, *Monetary Policy Report to the Congress*, February 2009. In addition, the Business Cycle Committee of the National Bureau of Economic Research (NBER) determined that a peak in economic activity occurred in the U.S. economy in December 2007. The peak marked the end of the expansion that began in November 2001 and the beginning of a recession. NBER, Business Cycle Dating Committee, "Determination of the December 2007 Peak in Economic Activity."

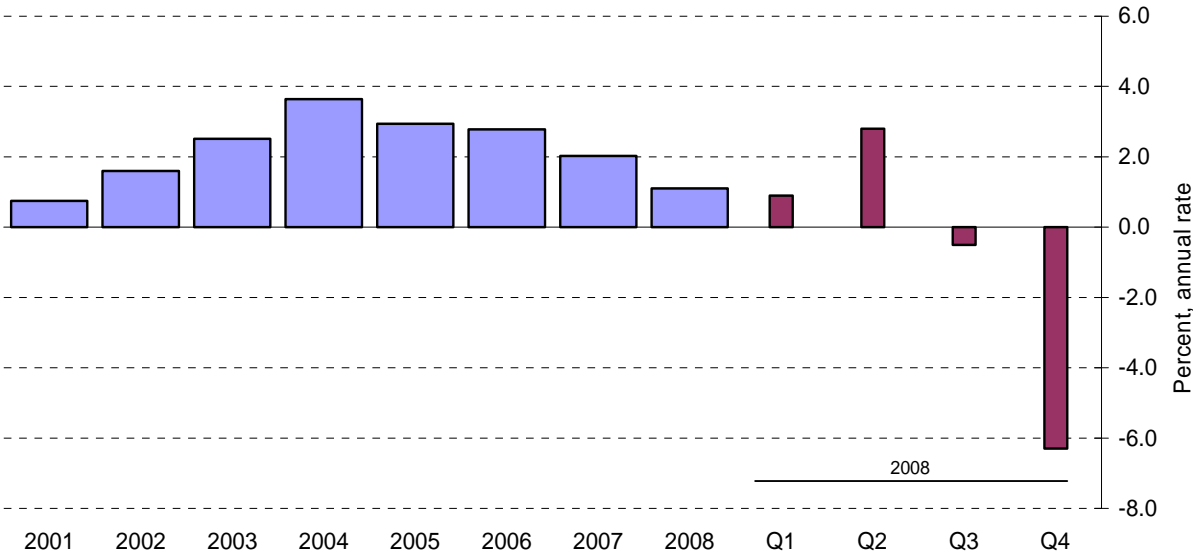
³ U.S. Board of Governors of the Federal Reserve System, *Monetary Policy Report*, February 2009, 1.

pressure as a result of higher prices for energy and other commodities and depreciation of the U.S. dollar against most other major currencies. The second half of the year saw declining prices for energy and other commodities and strengthening of the U.S. dollar in most foreign exchange markets.⁴

U.S. real gross domestic product (GDP)—the output of goods and services produced by labor and property located in the United States—increased by 1.1 percent in 2008, following 2.0 percent growth in 2007.⁵ Exports of goods and services, personal consumption expenditures for services, and federal, state, and local government spending were the leading contributors to real growth in 2008. This overall growth was partially offset by declines in residential fixed investment, personal consumption expenditures for goods, and an increase in imports of goods and services.⁶ Notably, in the second half of 2008, the financial and economic strains—initially triggered by the end of the housing boom in the United States and other countries, together with the problems in mortgage markets—intensified.⁷

Growth in the first half of 2008 was followed by a 0.5 percent decline in real GDP in the third quarter and a sharp 6.3 percent decline in the fourth quarter (figure 1.1).⁸ The fourth quarter decline reflected negative contributions from exports of goods and services, residential and nonresidential fixed investment, and personal consumption expenditures, which were partially offset by positive contributions from federal government spending.⁹

FIGURE 1.1 U.S. real gross domestic product, in percent change, 2001-08



Source: U.S. Department of Commerce.

⁴ Ibid.
⁵ USDOC, BEA, “Gross Domestic Product,” March 26, 2009, table 1.
⁶ Ibid.
⁷ Board of Governors of the Federal Reserve System, *Monetary Policy Report*, February 2009, 1.
⁸ USDOC, BEA, “Gross Domestic Product,” March 26, 2009, table 1.
⁹ Ibid. According to the BEA, gross private domestic investment declined by 20.8 percent and personal consumption expenditures decreased by 4.3 percent, whereas government spending increased by 1.6 percent in the fourth quarter of 2008.

In contrast to the first half of the year when there was a robust global demand for U.S. exports in part due to the depreciation of the dollar, U.S. exports decreased by 23.6 percent in the fourth quarter of 2008 compared to the same period in 2007, in response to a robust re-appreciation of the dollar and the decline in foreign economic activity. The decline in trade flows in the latter part of the year was widespread as the global economic downturn affected most U.S. trade partners. World real GDP growth declined from 4.1 percent in 2007 to 2.2 percent in 2008 and world real trade growth declined from 6.9 percent in 2007 to 2.5 percent in 2008.¹⁰ In 2008, the U.S. economy again recorded growth (1.1 percent) that either equaled or exceeded that of some other major industrialized countries and areas, including the euro area (0.7 percent), the OECD (0.8 percent), Canada (0.5 percent), and Japan (-0.7 percent).¹¹ However, U.S. economic growth was below the world average GDP growth rate of 3.4 percent, as well as that of Mexico (1.3 percent) and China (9.0 percent).¹²

Exchange Rate Trends

The U.S. dollar appreciated 9 percent in 2008 on a trade-weighted average basis against a basket of currencies including the Canadian dollar, the euro, the Japanese yen, and the Chinese yuan.¹³ This reflects a sharp reversal in the value of the U.S. dollar from a small relative depreciation—against the euro, peso, yen, and yuan through the second and third quarters—to a substantial appreciation in the fourth quarter of 2008 against most major currencies, except the yen and the yuan (figure 1.2).¹⁴ For the year as a whole, the U.S. dollar appreciated 35.6 percent against the British pound, 26.9 percent against the Mexican peso, 23.4 percent against the Canadian dollar, and 5.9 percent against the euro (figure 1.2).¹⁵ The strengthening of the dollar during the second half of the year was attributable to, among other factors, the expectation by foreign investors that the decline in foreign economic growth relative to the decline in U.S. economic growth would be more severe than previously anticipated and to an increase in demand for the relative safety of U.S. assets such as Treasury securities.¹⁶ In contrast, the dollar depreciated 17.2 percent against the Japanese yen, as Japanese investors sold foreign assets mainly in response to market volatility. The dollar also depreciated 6.5 percent against the Chinese yuan, the majority of which took place in the first half of the year.

¹⁰ OECD Economic Outlook, *Interim Report*, 9.

¹¹ OECD Annual National Accounts, 2009.

¹² *Ibid.*

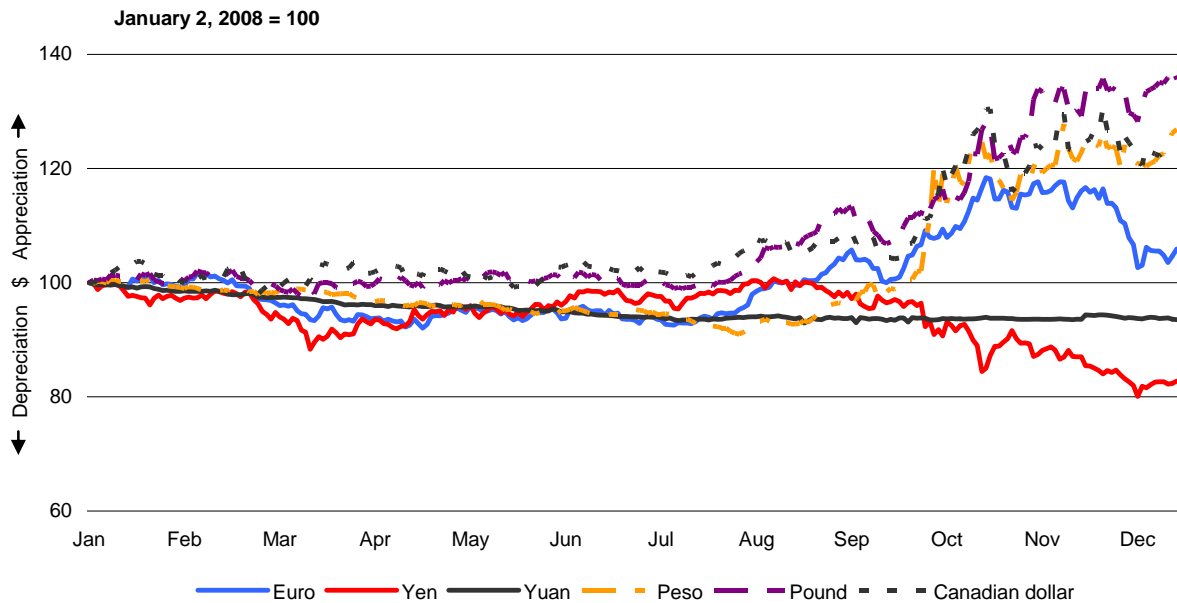
¹³ According to the Federal Reserve's broadest measure of the nominal trade-weighted foreign exchange value of the dollar. U.S. Federal Reserve Board, "Foreign Exchange Rates-Broad Index."

¹⁴ *Ibid.*

¹⁵ U.S. Federal Reserve Board, "Foreign Exchange Rates-Historical Data."

¹⁶ Board of Governors of the Federal Reserve System, *Monetary Policy Report*, February 2009, 29.

FIGURE 1.2 Indices of exchange rates for selected major currencies in relation to the U.S. dollar, daily, 2008^a



Source: U.S. Federal Reserve Board.

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

Balance of Payments¹⁷

The U.S. current account deficit—the combined balances in trade in goods and services, income, and net current unilateral transfers—decreased from \$731.2 billion in 2007 to \$673.3 billion in 2008.¹⁸ As a share of U.S. GDP, the current account deficit was 4.7 percent in 2008, down from 5.3 percent in 2007. The decline was due to the increases in surpluses in income and in services. The deficit in goods trade increased slightly from

¹⁷ Trade data in this section of the report may not match data in other sections or in the report appendix because it is reported on a balance of payments (BOP) basis. Total goods data are reported on a BOP basis whereas commodity and country detailed data for goods are on a Census basis. The Census basis data for goods used elsewhere in this report are compiled from the documents collected by the U.S. Customs Service and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. foreign trade zones. Data on goods compiled on a Census basis are adjusted by the USDOC BEA to a BOP basis to bring the data in line with the concepts and definitions used to prepare the international and national accounts. These adjustments are made to supplement coverage of the Census basis data, to eliminate duplication of transactions recorded elsewhere in the international accounts, and to value transactions according to a standard definition. For a more detailed discussion of the differences between BOP basis and Census basis data, see USDOC, BEA, “Information on Goods and Services” in USDOC, BEA, “International Economic Accounts,” December 2008. For further information on data sources and definitions, see USDOC, Census Bureau (CB), BEA, “International Economic Accounts—U.S. International Trade in Goods and Services: December 2008,” March 2009, A-1.

¹⁸ USDOC, BEA, “International Economic Accounts—U.S. International Transactions: Fourth Quarter and Year 2008, Current Account.” March 18, 2009.

\$819.4 billion in 2007 to \$820.8 billion in 2008. The surplus in income increased from \$81.7 billion in 2007 to \$127.6 billion in 2008.¹⁹

The trade surplus in services increased from \$119.1 billion in 2007 to \$139.7 billion in 2008.²⁰ Exports of services increased to \$544.4 billion in 2008 from \$497.2 billion in 2007. Although nearly all service categories experienced an increase in exports, the largest increases were in “other” private services (which includes business, professional, and technical services; insurance services; and financial services); travel; “other” transportation (such as freight and port services); passenger fares; royalties; and license fees. Imports of services increased from \$378.1 billion in 2007 to \$404.7 billion in 2008. All import service categories increased, and the largest increases were in “other” private services, “other” transportation, passenger fares, travel, and direct defense expenditures.²¹ In 2008, net financial inflows were \$546.6 billion, down from \$774.3 billion in 2007.²²

Trade in Goods and Services

The U.S. trade deficit for goods and services decreased in 2008 for a second consecutive year as the surplus in services grew more than the deficit in goods. The goods and services deficit decreased by \$19.1 billion in 2008 to \$681.1 billion (4.8 percent of GDP), from \$700.3 billion in 2007 (5.1 percent of GDP).²³ U.S. exports of goods and services, on a seasonally adjusted U.S. balance-of-payments (BOP) basis, were valued at \$1,835.8 billion in 2008, and U.S. imports of goods and services were valued at \$2,516.9 billion. Goods exports and imports were \$1,291.4 billion and \$2,112.2 billion, respectively, resulting in a goods deficit of \$820.8 billion, up \$1.4 billion from 2007. For services, exports exceeded imports, which resulted in a services trade surplus of \$139.7 billion—\$20.6 billion more than the 2007 surplus of \$119.1 billion.²⁴

The trade deficit decreased considerably at the end of 2008, due in part to a sharp decline in the price of oil.²⁵ However, during the first half of the year the price of oil rose to historic levels, reaching a monthly average of \$134 per barrel in July, and then fell sharply during the second half to \$41 per barrel in December (figure 1.3). For the year as a whole, the value of imports of petroleum and petroleum products increased by 37.0 percent to \$453.3 billion, reflecting an increase in the price of oil (the volume of imports

¹⁹ The balance in income is income receipts (including income receipts on U.S.-owned assets abroad and compensation of U.S. employees abroad) less income payments (including income payments on foreign-owned assets in the United States and compensation of foreign employees in the United States).

²⁰ Services trade data are reported here on a BOP basis for purposes of comparison with merchandise trade figures. BOP data include trade in private services, as well as transfers under U.S. military agency sales contracts and U.S. government purchases of miscellaneous services. USDOC, BEA, “International Economic Accounts—U.S. International Transactions: Current Account,” March 18, 2009, table 1.

²¹ U.S. trade in services is described in detail below.

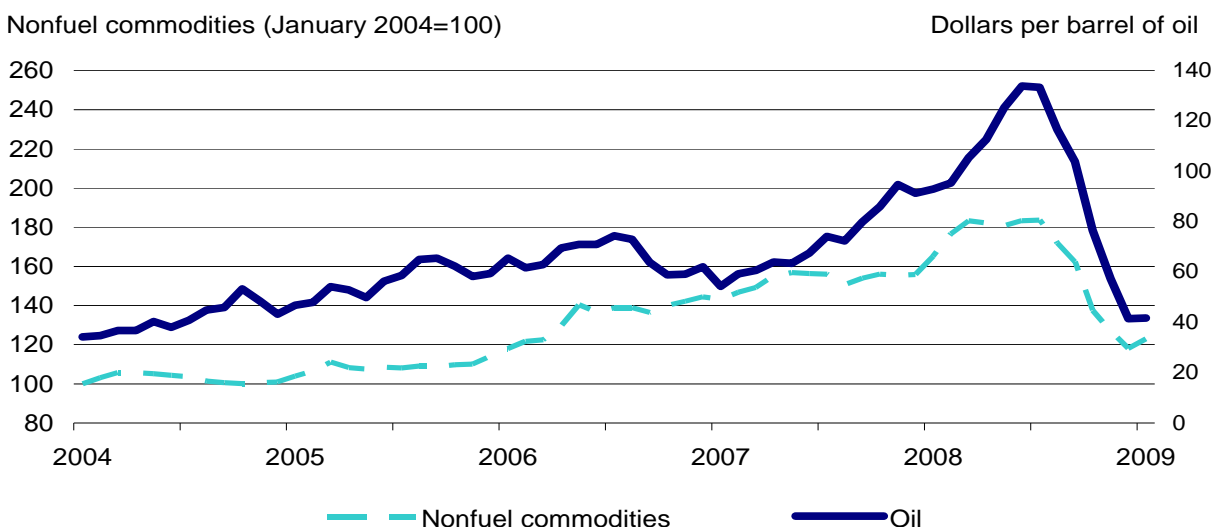
²² Net financial inflows are net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad. The main components of the financial account are capital transfers, foreign direct investment, portfolio investment, banking and other flows, statistical discrepancies, and official reserve assets. USDOC, BEA, “International Economic Accounts—U.S. International Transactions: Current Account,” March 18, 2009, 7 and table 1.

²³ USDOC, CB, BEA, “International Economic Accounts—U.S. International Trade in Goods and Services: December 2008 and January 2009,” February 11, 2009, and March 13, 2009.

²⁴ *Ibid.*

²⁵ Board of Governors of the Federal Reserve System, *Monetary Policy Report*, February 2009, 22.

FIGURE 1.3 Prices of oil and nonfuel commodities, 2004-09



Source: The International Monetary Fund, International Financial Statistics.

Note: The data are monthly. The oil price is the spot price of West Texas intermediate crude oil. The price of nonfuel commodities is an index of 45 primary-commodity prices.

actually declined slightly), while imports of nonpetroleum-related products increased by only 1.3 percent to \$1,646.8 billion.²⁶ As a result, imports of petroleum and petroleum products accounted for 21.5 percent of total imports by value in 2008, up from 16.8 percent in 2007. The deficit in petroleum and petroleum products increased from \$293.2 billion in 2007 to \$386.3 billion in 2008 and rose as a share of the total goods deficit, from 35.8 percent in 2007 to 47.1 percent in 2008.²⁷ U.S. trade in goods and services is discussed in more detail below.

U.S. Trade in Goods in 2008

U.S. merchandise exports increased to \$1,169.8 billion (8.2 percent of GDP) in 2008 from \$1,046.4 billion (7.6 percent of GDP) in 2007 (figure 1.4).²⁸ U.S. merchandise imports increased to \$2,090.5 billion (14.7 percent of GDP) in 2008 from \$1,942.9 billion (14.0 percent of GDP) in 2007. Exports increased more rapidly than imports for the third year in a row. Exports increased by 15.6 percent between 2005 and 2006, 12.6 percent over the 2006-07 period, and 11.8 percent over the 2007-08 period. Imports increased by 11.0 percent, 5.3 percent, and 7.6 percent, respectively, during the same periods.

²⁶ USDOC, CB, BEA, "International Economic Accounts—Trade in Goods and Services, December 2008 and January 2009," February 11, 2009, and March 13, 2009.

²⁷ Ibid.

²⁸ Merchandise trade data in this section do not match the seasonally adjusted BOP basis data presented above because of adjustments made to the data as described in footnote 17.

FIGURE 1.4 U.S. merchandise trade with the world, 2006-08



Source: U.S. Department of Commerce.

Although U.S. trade in goods increased for the year as a whole, exports and imports each declined in the fourth quarter of 2008. This reversal reflected the sharp decline in U.S. economic activity in the second half of the year, but particularly in the fourth quarter of 2008 (figure 1.1). U.S. goods exports increased by 17.9 percent through the third quarter of 2008, but decreased by 5 percent in the fourth quarter.²⁹ Similarly, U.S. goods imports rose by 13.2 percent through the third quarter of 2008, but declined by 7.8 percent in the last quarter of the year.

U.S. Merchandise Trade by Product Category³⁰

Exports

Machinery and transport equipment, which consistently ranks as the largest U.S. export by Standard International Trade Classification (SITC) group, accounted for 40.8 percent of total U.S. exports in 2008 (appendix table A.1). U.S. exports of machinery and transport equipment were valued at \$477.1 billion in 2008, up 3.1 percent from \$462.7 billion in 2007. Growth in the exports of mineral fuels, lubricants, and related materials contributed the most to the overall increase in exports, accounting for 27.9 percent of total export growth. Approximately 80 percent of the total increase in exports in 2008 was accounted for by increased U.S. exports of goods from the following five SITC groups: mineral fuels, lubricants, and related materials; chemicals and related products; food and live animals; machinery and transport equipment; and crude materials (except fuels). No SITC group registered a decline in exports from 2007 to 2008.

²⁹ Percent changes calculated with respect to the same period of the previous year.

³⁰ U.S. trade in services is described below.

Imports

While U.S. imports of most SITC groups increased from 2007 to 2008, imports decreased modestly in the categories of machinery and transport equipment, consistently the largest U.S. import by SITC group; beverages and tobacco; and miscellaneous manufactured articles. U.S. imports of machinery and transport equipment were valued at \$718.3 billion in 2008, down 2.8 percent from \$739.1 billion in 2007, and accounted for 34.3 percent of total U.S. imports in 2008. The 7.6 percent increase in total U.S. imports in 2008 was due almost entirely to increases in imports of mineral fuels, lubricants, and other materials, as well as chemicals and related products.

U.S. imports under the four preferential trade programs with developing countries totaled \$110.0 billion in 2008 and accounted for 5.3 percent of total U.S. imports during the year. In 2007, such imports were valued at \$90.7 billion. Duty-free imports totaled \$31.7 billion under the Generalized System of Preferences (GSP) program (appendix table A.11), \$56.4 billion (excluding GSP imports) under the African Growth and Opportunity Act (AGOA) (appendix table A.13), and \$17.2 billion under the Andean Trade Preference Act (ATPA) (appendix table A.15). In addition, imports that entered free of duty or at reduced rates under the Caribbean Basin Economic Recovery Act (CBERA) totaled \$4.7 billion (appendix table A.17). U.S. imports under free trade agreement (FTA) provisions amounted to \$329.8 billion in 2008.³¹

*U.S. Merchandise Trade with Leading Partners*³²

Table 1.1 shows U.S. trade with selected major trading partners, ranked by total trade (exports and imports) in 2008.³³ The European Union (EU) as a unit remained the largest global market for U.S. exports and largest source of U.S. imports in 2008. Canada remained the largest single-country two-way trading partner of the United States, followed by China and Mexico. Figures 1.5 and 1.6 show leading U.S. export markets and import suppliers, respectively, by share in 2008.

Foreign economic growth in 2008 fell largely as a result of the widespread financial instability and ensuing economic downturn.³⁴ Nevertheless, U.S. exports increased by 11.8 percent and U.S. imports increased by 7.6 percent over the 2007–08 period. U.S. exports to some major trading partners (China, EU-27, Mexico, and Japan) grew faster than imports from these countries, but for other major trading partners (Canada and Korea) imports grew faster than exports.

³¹ See chap. 2 of this report for further information on the trade preference programs and chap. 4 for information on U.S. FTAs.

³² See chap. 5 for further information on U.S. merchandise trade with major trading partners, i.e., EU-27, Canada, China, Mexico, and other countries. Venezuela and Saudi Arabia are also leading trading countries of the United States but are not discussed because most of these countries' trade with the United States consists of petroleum and petroleum products.

³³ Leading U.S. exports to and imports from these partners are presented in appendix tables A.21 through A.47.

³⁴ Board of Governors of the Federal Reserve System, *Monetary Policy Report to the Congress*, February 2009.

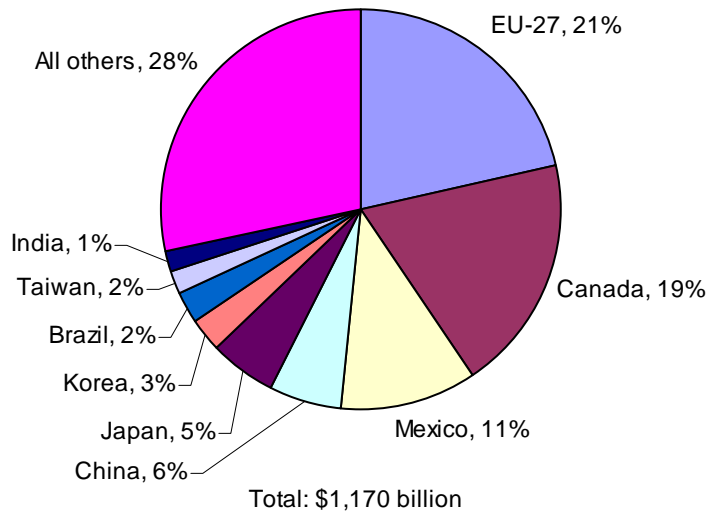
TABLE 1.1 U.S. merchandise trade with major trading partners and the world, 2008

Major trading partner	Exports	Imports	Trade balance	Two-way (exports plus imports)
Billions of \$				
EU-27	251.2	363.7	-112.5	614.9
Canada	222.4	334.8	-112.4	557.3
China	67.2	337.5	-270.3	404.7
Mexico	131.5	216.3	-84.8	347.8
Japan	61.4	139.1	-77.7	200.5
Korea	33.1	46.7	-13.6	79.8
Taiwan	23.6	36.2	-12.6	59.8
Brazil	29.0	30.1	-1.0	59.1
India	17.3	25.9	-8.5	43.2
All others	333.0	560.2	-227.2	893.2
World	1,169.8	2,090.5	-920.7	3,260.3

Source: Compiled from official statistics of the U.S. Department of Commerce

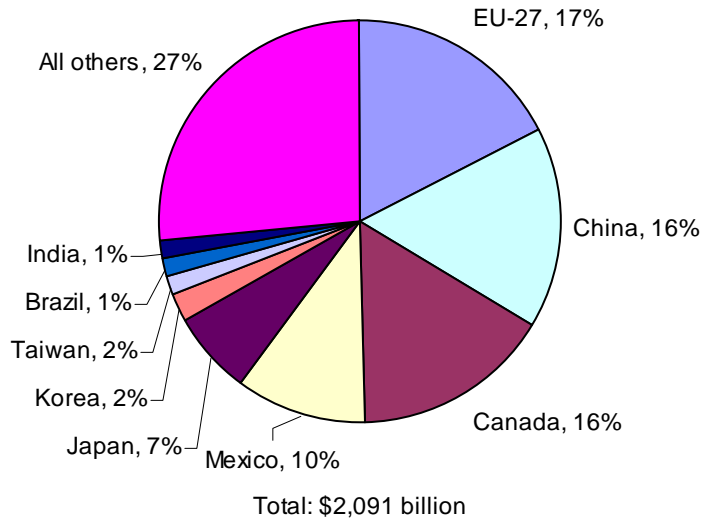
Note: Because of rounding, figures may not add to totals shown.

FIGURE 1.5 Leading U.S. merchandise export markets, by share, 2008



Source: U.S. Department of Commerce.

FIGURE 1.6 Leading U.S. merchandise import sources, by share, 2008



Source: U.S. Department of Commerce.

China alone accounted for 29.4 percent of the total U.S. merchandise deficit of \$920.7 billion in 2008, and NAFTA partners Canada and Mexico together accounted for 21.4 percent of the deficit. The U.S. trade deficit with China rose from \$262.1 billion in 2007 to \$270.3 billion in 2008, even though U.S. exports to China grew faster (10.1 percent) than U.S. imports from China (4.5 percent) over the 2007-08 period.

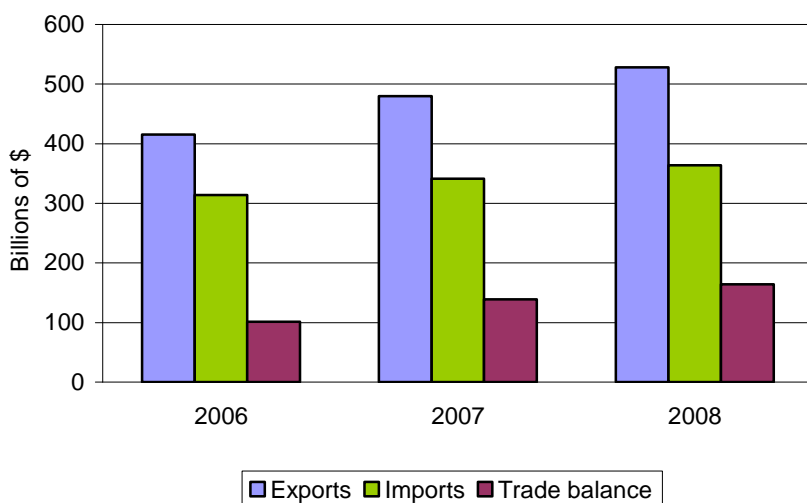
U.S. Trade in Services in 2008³⁵

The U.S. surplus in cross-border private services trade increased 18.3 percent in 2008, reaching \$164.3 billion (figure 1.7).³⁶ Export growth in most services categories combined with significantly slower growth in imports of insurance; telecommunications;

³⁵ This section focuses primarily on cross-border transactions in private services, which exclude government sales and purchases of services. Services trade data are drawn from the BEA. In these national accounts data, “cross-border transactions” occur when firms resident in one country provide services to consumers in another, with people, information, or money crossing U.S. boundaries in the process. Cross-border transactions appear explicitly as imports and exports in the balance of payments. U.S. firms also provide services to foreign consumers through affiliates established in host countries, with the income generated through “affiliate transactions” appearing as investment income in the balance of payments. The channel of delivery used by service providers depends primarily on the nature of the service. For example, many financial services, such as retail banking services, are supplied most effectively by affiliates located close to the consumer. Conversely, trade in education services predominantly takes the form of cross-border transactions, with students traveling abroad to attend foreign universities.

³⁶ USDOC, BEA, “U.S. International Transactions,” U.S. International Transactions Accounts Data, Table 1 (accessed March 30, 2009).

FIGURE 1.7 U.S. private cross-border services trade with the world, 2006-08^a



Source: U.S. Department of Commerce, Bureau of Economic Analysis website, "Table 1: U.S. International Transactions" (accessed March 19, 2009).

^a Data for 2008 are preliminary.

business, professional, and technical services;³⁷ and other services contributed to the fifth consecutive annual increase in the U.S. services trade surplus. U.S. cross-border exports of private services increased 10.0 percent, from \$480.0 billion in 2007 to \$528.1 billion in 2008. U.S. cross-border imports of services increased 6.6 percent, from \$341.1 billion to \$363.8 billion during the same period. Appendix tables A.2 and A.3 show U.S. trade in private services by product category.

U.S. Services Trade by Product Category

Exports

Business, professional, and technical services led U.S. cross-border services exports, accounting for 22.7 percent of the total in 2008, followed closely by exports of travel services,³⁸ which accounted for 20.9 percent of total U.S. cross-border services exports. Exports of business, professional, and technical services increased 11.5 percent to \$120.0 billion in 2008. Management and consulting services constitutes the largest sector within

³⁷ Business, professional, and technical services include accounting, auditing, and bookkeeping services; advertising; construction, architectural, and engineering services; computer and information services; installation, maintenance, and repair of equipment; legal services; management and consulting services; medical services; operational leasing; sports and performing arts; trade-related services; and other miscellaneous services.

³⁸ Travel services comprise purchases of goods and services by U.S. persons traveling abroad and by foreign travelers in the United States. These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the country of travel, and other items incidental to a foreign visit.

business, professional, and technical services, and was likely a key contributor to export growth in 2008, as international demand for such services continued to increase.³⁹ Exports of travel services increased 14.2 percent in 2008, reaching \$110.5 billion. Such growth is attributable to an increase in both the number of foreign visitors to the United States and their expenditures, in part encouraged by the appreciation of foreign currencies against the U.S. dollar, especially during the first half of the year.⁴⁰ Exports of passenger fares⁴¹ reached \$31.6 billion in 2008, representing an increase of 23.7 percent—the most rapid growth among all categories of U.S. private services. Similar to exports of travel services, this growth is due to a greater number of foreign visitors attracted by the strength of many foreign currencies against the U.S. dollar during the first half of 2008, as well as higher airfare prices resulting from higher fuel prices and lower carrier capacity.⁴²

Imports

Travel services ranked as the largest single category of U.S. cross-border services imports, increasing by 5.0 percent from \$76.2 billion in 2007 to \$80.0 billion in 2008, or 22.0 percent of total services imports. The lower rate of this increase relative to exports is due to the decline in outbound U.S. tourism in the second half of the year, likely a result of multiple factors including the slowdown in U.S. economic growth.⁴³ Other significant categories of U.S. imports in 2008 were business, professional, and technical services, which totaled \$75.3 billion, and other transportation services, which totaled \$71.8 billion. U.S. imports of these categories increased 9.6 percent and 7.1 percent, respectively, over 2007. However, overall growth in imports was moderated by sharply lower growth and declines across a range of private services, such as financial services,⁴⁴ demand for which decreased due to the onset of the economic recession.

³⁹ IBISWorld, “Global Management Consultants,” November 6, 2008, 19; Macris, “Private Practice: How the Consulting Business is Faring in Bleak Economic Times,” February 2009, 23; USDOC, BEA, “Transactions in Private Services, By Type of Service and Affiliation, 1992–2007,” Supplemental Information, October 24, 2008. Management and consulting services accounted for 15 percent of total business, professional, and technical services exports in 2007, the most recent year for which data are available. Such exports likely continued to increase in 2008 as developing economies in the Middle East and Asia experienced continued high demand for such services.

⁴⁰ USDOC, BEA, *Survey of Current Business* 89, no.1, 28, and *Survey of Current Business* 88, no.10, 23.

⁴¹ Fares received by U.S. carriers from foreign residents for travel between the United States and foreign countries and between two foreign points

⁴² USDOC, BEA, “Continued Decline in Tourism Spending in Fourth Quarter 2008,” March 19, 2009; USDOC, BEA, *Survey of Current Business* 89, no.4, 25; and U.S. Government Accountability Office, *Commercial Aviation*, April 2009.

⁴³ USDOC, ITA, OTTI, “Preliminary U.S. Citizen Air Traffic to Overseas Regions, Canada, and Mexico 2008,” March 2009.

⁴⁴ Financial services include non-insurance, non-deposit financial services provided by banks and securities firms.

U.S. Services Trade with Leading Partners

The EU was both the United States' largest export market and largest import supplier in 2008 (table 1.2), accounting for 37.1 percent of total U.S. services exports and 37.9 percent of total U.S. services imports (figures 1.8 and 1.9).⁴⁵ Canada and Japan followed the EU as the second and third most significant markets for U.S. services trade in 2008. In addition to a large regional services trade surplus with the EU (\$58.0 billion), the United States maintained large bilateral services trade surpluses with Canada (\$22.7 billion), Japan (\$17.3 billion), Mexico (\$8.3 billion), and Brazil (\$7.4 billion). Small deficits were registered with India and Taiwan. The deficit with India is driven by the large volume of U.S. imports of other private services. Although 2008 data for sectors that make up this category are not yet available, data from previous years suggest that the deficit is due to the outsourcing of information technology (IT) services by U.S. firms, resulting in higher imports of computer and data processing services.⁴⁶ The small deficit maintained with Taiwan is due to imports of other transportation services, or transactions resulting from the transportation of goods by ocean, air, land, pipeline, and inland waterways.⁴⁷

TABLE 1.2 U.S. private services trade with major trading partners and the world, 2008^a

Major trading partner	Exports	Imports	Trade balance	Two-way (exports plus imports)
	Billions of \$			
EU-27	195.7	137.7	58.0	333.4
Canada	46.6	23.9	22.7	70.4
Japan	42.6	25.3	17.3	67.9
Mexico	24.7	16.4	8.3	41.2
China	16.1	9.9	6.2	25.9
India	10.4	12.1	-1.6	22.5
Korea	14.1	7.1	7.0	21.2
Brazil	12.5	5.1	7.4	17.6
Taiwan	7.4	7.7	-0.3	15.1
All others	158.0	118.7	39.3	276.6
World	528.1	363.8	164.3	891.8

Source: U.S. Department of Commerce, Bureau of Economic Analysis website, "Table 1: U.S. International Transactions" (accessed March 19, 2009).

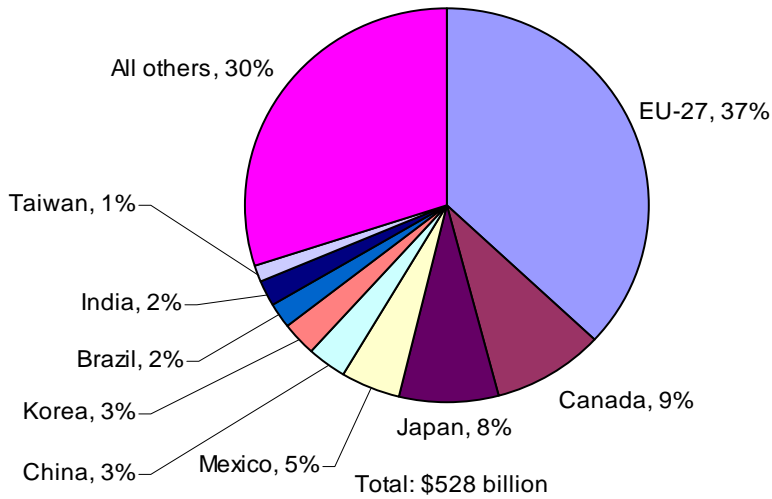
^a Data are preliminary.

⁴⁵ In terms of single countries, the United Kingdom (a member of the EU) is the United States' largest export market and largest import supplier of private services.

⁴⁶ USDOC, BEA, *Survey of Current Business* 88, no. 10, 57; Economist Intelligence Unit, "Outsourcing: Tougher Times," January 7, 2009.

⁴⁷ USDOC, BEA, table 12, interactive tables, March 18, 2009 (accessed April 27, 2009); USDOC, BEA, *Survey of Current Business* 88, no. 10, 19.

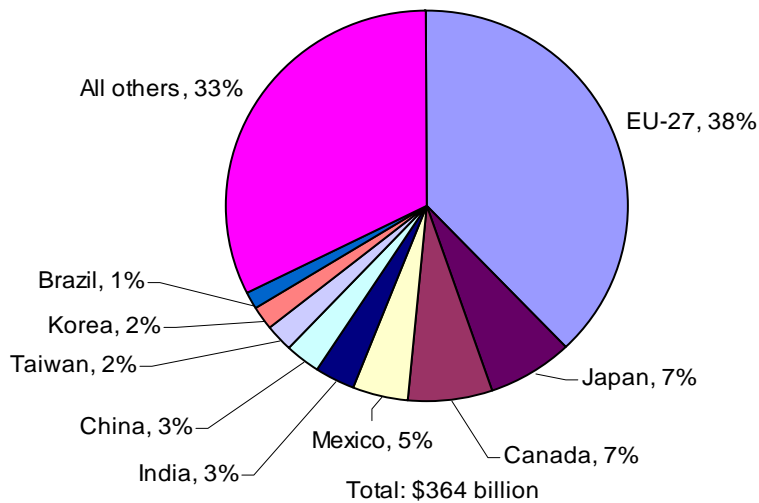
FIGURE 1.8 Leading U.S. export markets for private services, by share, 2008^a



Source: U.S. Department of Commerce, Bureau of Economic Analysis website, "Table 1: U.S. International Transactions" (accessed March 19, 2009).

^a Data are preliminary.

FIGURE 1.9 Leading U.S. import sources of private services, by share, 2008^a



Source: U.S. Department of Commerce, Bureau of Economic Analysis website, "Table 1: U.S. International Transactions" (accessed March 19, 2009).

^a Data are preliminary.

CHAPTER 2

Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration of U.S. trade laws during 2008. It covers import relief laws; unfair trade laws; and certain other trade provisions, including the U.S. Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Andean Trade Preference Act (ATPA), and the Caribbean Basin Economic Recovery Act (CBERA).

Import Relief Laws

Safeguard Actions

This section covers only safeguard actions under provisions administered by the Commission, including global safeguards provided for in sections 201-204 of the Trade Act of 1974, China safeguards provided for in section 421 of the Trade Act of 1974, and safeguards provided for in various bilateral free trade agreements involving the United States. Safeguard actions under provisions administered by other U.S. government agencies, such as the China textile safeguard actions by the U.S. Department of Commerce (Commerce), are described elsewhere in this report.¹

The Commission did not conduct any safeguard investigations during 2008, no safeguard measures under provisions administered by the Commission were in effect at any time during calendar year 2008, and no safeguard petitions filed under these provisions were pending before the Commission at the end of 2008.

Trade Adjustment Assistance

The United States provides trade adjustment assistance (TAA) for the purpose of assisting U.S. workers, manufacturing firms, and farmers adversely affected by import competition or when production shifts to foreign countries.² In 2008, TAA comprised the following programs: TAA for Workers and Alternative Trade Adjustment Assistance (ATAA); the Health Coverage Tax Credit (HCTC) for certain trade-impacted workers

¹ The U.S.-China Memorandum of Understanding establishing quotas on U.S. imports of selected textile and apparel products from China is covered in the chap. 5 section on China.

² TAA was formally established by the Trade Expansion Act of 1962 (Pub. L. 87-794) but was little used until the Trade Act of 1974 (Pub. L. 93-618) expanded program benefits and eligibility. The TAA program was amended by the Trade Adjustment Assistance Reform Act (TAA Reform Act), which was part of the Trade Act of 2002 (Pub. L. 107-210). The TAA Reform Act reauthorized and expanded TAA; it also consolidated the TAA and the North American Free Trade Agreement (NAFTA) TAA programs. *Economic Report of the President*, 2009, box 8-2, 232-33; Topoleski, "TAA for Workers," February 20, 2008.

and others; TAA for Firms; and TAA for Farmers.³ These programs are described separately below.

Assistance for Workers

The TAA for Workers and ATAA programs are administered by the U.S. Department of Labor through the Employment and Training Administration (ETA).⁴ The TAA for Workers program provides training and income support through a variety of benefits and services⁵ for manufacturing sector workers who lose their jobs, or whose hours of work and wages are reduced, as a result of increased imports.⁶ TAA also extends to eligible secondary workers—workers whose layoff was caused by the loss of business as a supplier of component parts, a final assembler, or a finisher for a firm employing a worker group with a current TAA certification.⁷ Benefits and services also are available for workers who lose their jobs, or whose hours of work and wages are reduced, as a result of shifts in production to foreign countries that are party to a free trade agreement (FTA) with the United States or a country that is named as a beneficiary under the AGOA, the ATPA, or the CBERA.⁸

The ATAA program for workers age 50 and older provides an alternative to the benefits offered under the regular TAA program.⁹ Participation in ATAA allows workers for whom retraining may not be suitable to accept reemployment at a lower wage and receive a wage subsidy.¹⁰

The HCTC is administered by the Internal Revenue Service (IRS) of the U.S. Department of the Treasury.¹¹ The HCTC helps certain trade-affected workers pay for health

³ President Obama signed the Trade and Globalization Adjustment Assistance Act of 2009 on February 17, 2009, as part of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). This new legislation reauthorized and changed certain provisions of the TAA programs for workers, firms, and farmers beginning in 2009. For more information, see USDOL, ETA, “Important Information for Individuals Considering Filing a Petition,” March 5, 2009; USDOL, ETA, “Upcoming Changes to Trade Adjustment Assistance Questions and Answers,” April 2, 2009; and U.S. Department of Commerce, EDA, “Congress Makes Changes to Trade Adjustment Assistance for Firms Program,” undated.

⁴ States serve as agents to the U.S. Department of Labor (USDOL) in administering the TAA for Workers program. USDOL, ETA, “Fact Sheet,” undated. For additional information, see USDOL, ETA website, <http://www.doleta.gov/tradeact/>.

⁵ For TAA certified workers, services and benefits include income support, relocation allowances, job search allowances, and the HCTC. TAA participants that require retraining in order to obtain suitable employment may receive occupational training. USDOL, ETA, “TAA and ATAA for Workers—Who We Serve,” January 13, 2009.

⁶ Workers must meet two group eligibility requirements: (1) the workers’ company produces a product, and (2) a required minimum of the workforce has been laid off or is threatened with layoffs (3 workers in groups of fewer than 50, or 5 percent of the workforce in groups of 50 or more) in the 12 months preceding the date a petition for TAA is filed. USDOL, ETA, “TAA and ATAA Application Process,” January 13, 2009.

⁷ USDOL, ETA, “Trade Adjustment Assistance: Application Process,” undated.

⁸ USDOL, ETA, “Trade Adjustment Assistance Reform Act of 2002,” January 13, 2009. Countries that are party to an FTA with the United States are discussed in chap. 4 of this report. The AGOA, ATPA, and CBERA programs are discussed later in this chapter.

⁹ ATAA was established by the Trade Adjustment Assistance Reform Act of 2002 (Pub. L. 107-210), which was part of the Trade Act of 2002.

¹⁰ USDOL, ETA, “TAA and ATAA Services and Benefits,” January 13, 2009.

¹¹ The HCTC was established by the Trade Adjustment Assistance Reform Act of 2002 (Pub. L. 107-210), which was part of the Trade Act of 2002. For additional information on the HCTC, see U.S. Department of the Treasury, Internal Revenue Service (IRS) website, <http://www.irs.gov/individuals/article/0,,id=187948,00.html>.

insurance premiums.¹² In order to receive the HCTC, eligible individuals must be enrolled in a qualified health plan and be a TAA or ATAA recipient.¹³

To obtain TAA or ATAA services and benefits, a group of workers must first file a petition requesting certification as workers adversely affected by foreign trade with the U.S. Department of Labor's Division of Trade Adjustment Assistance (DTAA). If the petition is certified by DTAA, each worker in the group may then apply separately for individual services and benefits. Workers age 50 and older who are certified as eligible to apply for both TAA and ATAA may choose whether to participate in the TAA program or the ATAA program, but may not participate in both.¹⁴ The Department of Labor instituted investigations for 2,129 petitions for TAA it received during 2008.¹⁵ Of that number, it issued 1,469 certifications for TAA and denied 464 petitions.¹⁶ According to the U.S. Department of Labor, approximately 80,000 trade-affected workers receive TAA benefits in any given year.¹⁷

Assistance for Farmers

TAA for Farmers is administered by the U.S. Department of Agriculture through the Foreign Agricultural Service (FAS).¹⁸ The TAA for Farmers program was in effect from October 1, 2002, through December 31, 2007, when its statutory authority expired.¹⁹ The program provided free technical assistance in the development of business adjustment plans to producers of raw agricultural commodities, including farmers, ranchers, fish farmers, and fishermen, who had been adversely affected by import competition.²⁰

¹² The HCTC is disbursed as an annual tax credit when individual recipients file their federal tax returns, monthly as premiums become due, or a combination of both. IRS, "HCTC Information for Individuals," January 16, 2009.

¹³ In 2008, the HCTC paid 65 percent of an eligible individual's qualified health plan premium. The tax credit was increased to 80 percent of qualified premiums beginning in April 2009. This increase was a result of changes introduced by the American Recovery and Reinvestment Act of 2009. IRS, "HCTC Latest News, Overview and Background," March 4, 2009.

¹⁴ USDOL, ETA, "TAA and ATAA Services and Benefits," January 13, 2009.

¹⁵ Because of the timing of the application process, the adverse trade impact cited in some of the petitions occurred in 2007. Also because of the timing of the process, not all of the investigations instituted by DTAA in 2008 were completed that year. For additional information, see USDOL, ETA, "Search for Trade Adjustment Assistance Cases," http://www.doleta.gov/tradeact/taa/taa_search_form.cfm (accessed April 15, 2009).

¹⁶ Workers may file for administrative reconsideration if their petition is denied. Workers who are dissatisfied with the result of the administrative reconsideration, or who missed the deadline for administrative reconsideration, may seek judicial review of the petition denial. USDOL, ETA, "Trade Act Programs: Appeal Rights," January 13, 2009.

¹⁷ USDOL, "2009 Congressional Budget Justification: ETA," undated, 13.

¹⁸ For additional information, see U.S. Department of Agriculture, FAS website, <http://www.fas.usda.gov/ITP/TAA/taafaqs.asp>.

¹⁹ The Trade and Globalization Adjustment Assistance Act of 2009 reauthorized and modified the TAA for Farmers program.

²⁰ U.S. Department of Agriculture, FAS, "Trade Adjustment Assistance for Farmers Program: Frequently Asked Questions," March 19, 2009.

Assistance for Firms

TAA for Firms is administered by the U.S. Department of Commerce through the Economic Development Administration (EDA).²¹ The TAA for Firms program provides financial assistance in the form of matching funds to help eligible import-impacted manufacturers.²² The matching funds are intended to help firms offset the costs of projects aimed at improving a manufacturer's competitive position. Funds may be applied toward the cost of consultants, engineers, designers, or industry experts for improvement projects in areas such as manufacturing, engineering, marketing, information technology, and quality.²³

In FY 2008, the EDA announced that it would allocate \$14.1 million in TAA program funds, an increase from \$12.9 million in FY 2007, to its national network of 11 Trade Adjustment Assistance Centers (TAACs). TAACs, typically sponsored by universities or nonprofit organizations, are the primary point of contact for firms during the certification and adjustment proposal processes under the TAA program.²⁴

Laws Against Unfair Trade Practices

Section 301 Investigations

Section 301 of the Trade Act of 1974 is the principal U.S. statute for addressing foreign unfair practices affecting U.S. exports of goods or services.²⁵ Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and also may be used to respond to unreasonable, unjustifiable, or discriminatory foreign government practices that burden or restrict U.S. commerce. Interested persons may petition the United States Trade Representative (USTR) to investigate foreign government policies or practices, or the USTR may initiate an investigation.

If the investigation involves a trade agreement and consultations do not result in a settlement, section 303 of the Trade Act of 1974 requires the USTR to use the dispute settlement procedures that are available under the subject agreement. If the matter is not resolved by the conclusion of the investigation, section 304 of the Trade Act of 1974 requires the USTR to determine whether the practices in question deny U.S. rights under a trade agreement; whether they are unjustifiable, unreasonable, or discriminatory; and whether they burden or restrict U.S. commerce. If the practices are determined to violate a trade agreement or to be unjustifiable, the USTR must take action.²⁶ If the practices are determined to be unreasonable or discriminatory and to burden or restrict U.S. commerce, the USTR must determine whether action is appropriate and, if so, what type of action to

²¹ For additional information, see U.S. Department of Commerce, EDA website, <http://www.taacenters.org/index.html>.

²² According to the U.S. Department of Commerce, “[w]e work with a variety of manufacturers and for some, imports represent only a minor challenge. For others, they pose a serious threat. Regardless of the degree of impact, a firm may be eligible if it experienced sales and employment declines at least partially due to imports over the last two years.” U.S. Department of Commerce, EDA, “Trade Adjustment Assistance for Firms: Frequently Asked Questions,” undated.

²³ TAA pays for half of the cost of these services, up to \$150,000 in projects with a maximum TAA share of \$75,000. Actual levels of assistance depend on a variety of factors. U.S. Department of Commerce, EDA, “Trade Adjustment Assistance for Firms: Program Benefits,” undated.

²⁴ U.S. Department of Commerce, EDA, “Announcement of Federal Funding Opportunity,” undated.

²⁵ Section 301 refers to sections 301-310 of the Trade Act of 1974, as amended (19 U.S.C. 2411-2420).

²⁶ Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(a)).

take.²⁷ The time period for making these determinations varies according to the type of practices alleged.

There was one active section 301 case in 2008, which is described below. There were no new section 301 petitions filed in 2008.

Active Section 301 Case in 2008

The one section 301 case active in 2008 concerned the European Union's (EU) meat hormone directive. Under section 301, the United States had imposed additional 100 percent ad valorem duties in 1999 on about \$117 million in imports from the EU, following a successful WTO challenge of an EU law that bans imports of meat from animals that have been treated with certain hormones.²⁸ Thereafter, the EU modified its hormone directive and initiated the dispute settlement process at the WTO to consider whether the EU's modified hormone regime complied with the EU's WTO obligations. A WTO panel issued a report in March 2008, and the panel report was appealed to the Appellate Body, which issued its report in October 2008. The Appellate Body was unable to determine whether the EU's modified hormone regime was WTO-consistent but confirmed that the original authorization to impose additional duties was still valid. Therefore, the additional duties remained in effect throughout 2008.²⁹ The WTO Dispute Settlement Body approved the Appellate Body report in November 2008. As provided under sections 306 and 307 of the Trade Act of 1974, USTR initiated a review of the actions taken under section 301 in the beef hormone case and solicited public comments on the advisability of modifying the list of products that are subject to additional duties.³⁰ At year-end, that process was ongoing, while the United States and the EU continued consultations to resolve the dispute.³¹

Special 301

The Special 301 law³² requires the USTR each year to identify foreign countries that deny adequate and effective protection of intellectual property rights (IPR) or deny fair and equitable market access to U.S. persons who rely on IPR protection.³³ Under the statute, countries are considered to deny adequate and effective IPR protection if they do not allow foreign persons "to secure, exercise, and enforce rights related to patents, process patents, registered trademarks, copyrights, and mask works."³⁴ Countries are

²⁷ Section 301(b) of the Trade Act of 1974, as amended (19 U.S.C. 2411(b)).

²⁸ 64 Fed. Reg. 40638 (July 27, 1999).

²⁹ The additional duties are set forth in subheadings 9903.02.21 through 9903.02.47 of the Harmonized Tariff Schedule of the United States (2009).

³⁰ 73 Fed. Reg. 66066 (November 6, 2008).

³¹ The United States and EU signed a Memorandum of Understanding on May 13, 2009. For more information on this dispute, see chap. 3 section on WTO dispute settlement and chap. 5 section on the EU.

³² The Special 301 law is set forth in Section 182 of the Trade Act of 1974, as amended (19 U.S.C. 2242).

³³ Persons who rely on IPR protection means persons involved in: "(A) the creation, production or licensing of works of authorship ... that are copyrighted, or (B) the manufacture of products that are patented or for which there are process patents." Section 182(d)(1) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(1)).

³⁴ A "mask work" is a "series of related images, however fixed or encoded—(A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and (B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product." Section 901(a)(2) of the Semiconductor Chip Protection Act (14 U.S.C. 901(a)(2)) and Section 182(d)(2) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(2)).

considered to deny fair and equitable market access if they deny access to a market for a product that is protected by a copyright or related right, patent, trademark, mask work, trade secret, or plant breeder's right through the use of laws and practices that violate international agreements or that constitute discriminatory nontariff trade barriers. A country can be found to deny adequate and effective IPR protection even if it is in compliance with its obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).³⁵

In addition, the Special 301 law directs the USTR to identify so-called priority foreign countries.³⁶ Priority foreign countries are countries that have the most onerous or egregious acts, policies, or practices that have the greatest adverse impact (actual or potential) on the relevant U.S. products. Such countries must be designated as priority foreign countries unless they are entering into good faith negotiations or making significant progress in bilateral or international negotiations to provide adequate and effective IPR protection. The identification of a country as a priority foreign country triggers a section 301 investigation, unless the USTR determines that the investigation would be detrimental to U.S. economic interests.

In addition to identifying priority foreign countries as required by statute, the USTR has adopted a practice of naming countries to either the so-called watch list or the priority watch list if the countries' IPR laws and practices do not provide adequate and effective IPR protection, but the deficiencies do not warrant identification of the countries as priority foreign countries. The priority watch list is for countries with significant IPR problems that warrant close monitoring and bilateral consultation. A country that is identified on the priority watch list may make progress and thereby be downgraded to the watch list or removed from any listing. Alternatively, a country that fails to make progress may be elevated from the watch list to the priority watch list or from the priority watch list to the list of priority foreign countries.

In the 2008 Special 301 review, the USTR examined the adequacy and effectiveness of IPR protection in 78 countries.³⁷ In conducting the review, the USTR focused on a wide range of issues and policy objectives, including the need for significantly improved enforcement against counterfeiting and piracy, Internet piracy, counterfeit pharmaceuticals, transshipment of pirated and counterfeit goods, ensuring that foreign government ministries only use legally authorized and properly licensed business software, proper implementation of the TRIPS Agreement by developed and developing countries, and full implementation of TRIPS Agreement standards by new WTO members at the time of their accession.³⁸

In the 2008 Special 301 review, no countries were identified as priority foreign countries. The 2008 Special 301 report identified nine countries on the priority watch list and highlighted weak IPR protection and enforcement in China and Russia, both of which were maintained on the priority watch list. In addition, Argentina, Chile, India, Israel, Thailand, and Venezuela were maintained on the priority watch list due to significant concerns regarding IPR protection. Pakistan was elevated to the priority watch list from the watch list because Pakistan failed to make progress in enacting legislation to provide more effective protection for patented pharmaceuticals. Thirty-six countries were placed on the watch list, including Egypt, Lebanon, Turkey, and Ukraine, which were downgraded from the priority watch list, and Algeria, Greece, Norway, and Spain, which

³⁵ Section 182(d)(4) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(4)).

³⁶ Section 182(a)(2) of the Trade Act of 1974, as amended (19 U.S.C. 2242(a)(2)).

³⁷ USTR, "2008 Special 301 Report."

³⁸ *Ibid.*

were added to the watch list. Lastly, Belize and Lithuania were removed from the watch list due to improved IPR enforcement.³⁹

Antidumping and Countervailing Duty Investigations and Reviews

Antidumping Investigations

The U.S. antidumping law is contained in Title VII of the Tariff Act of 1930, as amended.⁴⁰ The antidumping law provides relief in the form of special additional duties that are intended to offset margins of dumping. Antidumping duties are imposed when (1) Commerce, the administering authority, has determined that imports are being, or are likely to be, sold at less than fair value (LTFV) in the United States, and (2) the Commission has determined that a U.S. industry is materially injured or threatened with material injury or that the establishment of an industry in the United States is materially retarded by reason of such imports. Most investigations are conducted on the basis of a petition filed with Commerce and the Commission by or on behalf of a U.S. industry.

In general, imports are considered to be sold at LTFV when the U.S. price (i.e., the purchase price or the exporter's sales price, as adjusted) is less than the foreign market value, which is usually the home-market price or, in certain cases, the price in a third country, or a constructed value, calculated as set out by statute.⁴¹ The antidumping duty is calculated to equal the difference between the U.S. price and the foreign-market value. The duty specified in an antidumping order reflects the dumping margin found by Commerce during its period of investigation. This rate of duty will be applied to subsequent imports from the specified producers/exporters in the subject country, but this rate may be adjusted if Commerce receives a request for an annual review.

Commerce and the Commission each conduct preliminary and final antidumping investigations in making their separate determinations.⁴² The Commission instituted 13 new antidumping investigations and completed 32 investigations during 2008.⁴³ Antidumping duties were imposed in 2008 as a result of affirmative Commission determinations in 23 of those completed investigations on 13 products from 11 countries (table 2.1).

Details on all antidumping investigations active at the Commission during 2008 are presented in appendix table A.4. A list of all antidumping duty orders, including

³⁹ Ibid.

⁴⁰ 19 U.S.C. 1673 et seq.

⁴¹ 19 U.S.C. 1677b; 19 CFR part 353, subpart D.

⁴² Upon the filing of a petition, the Commission has 45 days to determine whether there is a reasonable indication that an industry in the United States 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 imports of the merchandise subject to the investigation. This is known as the preliminary phase of the investigation. If the Commission makes an affirmative determination, Commerce continues its investigation and makes preliminary and final determinations concerning whether the imported merchandise is being, or is likely to be, sold at LTFV. If Commerce reaches a final affirmative dumping determination, the Commission has 45 days to make its final injury determination. If the Commission's reasonable indication, or preliminary phase, determination is negative, both the Commission and Commerce terminate further investigation.

⁴³ 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.

suspension agreements,⁴⁴ in effect as of the end of the year is presented in appendix table A.5.

In 2008, the U.S. Supreme Court agreed to consider an appeal involving an antidumping determination of the Department of Commerce with respect to low-enriched uranium.⁴⁵ The Court last agreed to consider an appeal involving a countervailing duty or antidumping determination in the late 1970s. On January 26, 2009, the Supreme Court issued its decision in the Eurodif case, affirming Commerce's decision to treat certain sales of low-enriched uranium as sales of goods under the antidumping laws. The Court stated that, when an agency exercises this authority in the course of adjudication, "its interpretation governs in the absence of unambiguous statutory language to the contrary or unreasonable resolution of language that is ambiguous."⁴⁶

Countervailing Duty Investigations

The U.S. countervailing duty law is also set forth in Title VII of the Tariff Act of 1930, as amended. It provides for the levying of special additional duties to offset foreign subsidies on products imported into the United States.⁴⁷ In general, procedures for such investigations are similar to those under the antidumping law. Petitions are filed with Commerce (the administering authority) and with the Commission. Before a countervailing duty order can be issued, Commerce must find a countervailable subsidy and the Commission must make an affirmative determination of material injury, threat of material injury, or material retardation by reason of the subsidized imports.

The Commission instituted six new countervailing duty investigations and completed seven during 2008. Countervailing duties were imposed in 2008 as a result of affirmative Commission determinations in all seven completed investigations on seven products from China (table 2.2).

Details on all countervailing duty investigations active at the Commission during 2008 are presented in appendix table A.6, and a list of all countervailing duty orders, including suspension agreements,⁴⁸ in effect at the end of the year is presented in appendix table A.7.

⁴⁴ An antidumping investigation may be suspended if exporters accounting for substantially all of the imports of the merchandise under investigation agree either to eliminate the dumping or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if exporters agree to revise prices to eliminate completely the injurious effect of exports of the subject merchandise to the United States. A suspended investigation is reinstated if LTFV sales recur. See 19 U.S.C. 1673c.

⁴⁵ *United States v. Eurodif S.A.*, 129 S. Ct. 878 (2009).

⁴⁶ *Ibid.*, 886.

⁴⁷ A subsidy is defined as a "bounty or grant bestowed directly or indirectly by any country, dependency, colony, province, or other political subdivision on the manufacture, production, or export of products." See 19 U.S.C. 1677(5) and 1677-1(a).

⁴⁸ 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 agrees to eliminate the subsidy, to completely offset the net subsidy, or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if the government of the subsidizing country or exporters agrees to eliminate completely the injurious effect of exports of the subject merchandise to the United States. A suspended investigation is reinstated if subsidization recurs. See 19 U.S.C. 1671c.

TABLE 2.1 Antidumping duty orders that became effective during 2008

Country	Product	Range of duty (percent)
Australia	Electrolytic manganese dioxide	83.66
Brazil	Polyethylene terephthalate film, sheet, and strip	28.72 to 44.36
China	Circular welded carbon-quality steel pipe	69.20 to 85.55
China	Electrolytic manganese dioxide	149.92
China	Laminated woven sacks	64.28 to 91.73
China	Light-walled rectangular pipe and tube	249.12 to 264.64
China	Lightweight thermal paper	19.77 to 115.29
China	Off-the-road tires	0.00 to 210.48
China	Polyethylene terephthalate film, sheet, and strip	3.49 to 76.72
China	Raw flexible magnets	105.00 to 185.28
China	Sodium hexametaphosphate	92.02 to 188.05
China	Sodium nitrite	190.74
China	Steel nails	0.00 to 118.04
China	Steel wire garment hangers	15.83 to 187.25
Germany	Lightweight thermal paper	6.50
Germany	Sodium nitrite	150.82 to 237.00
Korea	Light-walled rectangular pipe and tube	0.92 (de minimis) to 30.66
Mexico	Light-walled rectangular pipe and tube	2.40 to 11.50
South Africa	Uncovered innerspring units	121.39
Taiwan	Raw flexible magnets	31.20 to 38.03
Turkey	Light-walled rectangular pipe and tube	27.04 to 41.71
United Arab Emirates	Polyethylene terephthalate film, sheet, and strip	4.05
Vietnam	Uncovered innerspring units	116.31

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

TABLE 2.2 Countervailing duty orders that became effective during 2008

Country	Product	Range of duty (percent)
China	Circular welded carbon-quality steel pipe	29.62 to 616.83
China	Laminated woven sacks	29.54 to 352.82
China	Light-walled rectangular pipe and tube	2.17 to 200.58
China	Lightweight thermal paper	0.57 (de minimis) to 138.53
China	Off-the-road tires	2.45 to 14.00
China	Raw flexible magnets	109.95
China	Sodium nitrite	169.01

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

Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements

Section 751 of the Tariff Act of 1930 requires Commerce, if requested, to conduct annual reviews of outstanding antidumping and countervailing duty orders to determine the amount of any net subsidy or dumping margin and to determine compliance with suspension agreements. Section 751 also authorizes Commerce and the Commission, as appropriate, to review certain outstanding determinations and agreements after receiving information or a petition that shows changed circumstances. In these circumstances, the party seeking revocation or modification of an antidumping or countervailing duty order or suspension agreement has the burden of persuading Commerce and the Commission that circumstances have changed sufficiently to warrant review and revocation. On the basis of either of these reviews, Commerce may revoke an antidumping or countervailing

duty order in whole or in part or terminate or resume a suspended investigation. No changed circumstances investigations were active at the Commission during 2008.

The Uruguay Round Agreements Act amended section 751 of the Tariff Act of 1930 to require both Commerce and the Commission to conduct sunset reviews of outstanding orders and suspension agreements five years after their publication to determine whether revocation of an order or termination of a suspension agreement would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy and material injury.⁴⁹ During 2008, Commerce and the Commission instituted 26 sunset reviews of existing antidumping and countervailing duty orders and suspension agreements and the Commission completed 25 reviews, resulting in 16 antidumping and countervailing duty orders and suspension agreements being continued for five additional years.⁵⁰ Appendix table A.8 shows completed reviews of antidumping and countervailing duty orders and suspension agreements in 2008.⁵¹

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended, authorizes the Commission, on the basis of a complaint or on its own initiative, to conduct investigations with respect to certain practices in import trade.⁵² Section 337 declares unlawful the importation into the United States, the sale for importation, or the sale within the United States after importation of articles that infringe a valid and enforceable U.S. patent, registered trademark, registered copyright, registered mask work, or registered vessel hull design, for which a domestic industry exists or is in the process of being established.⁵³

If the Commission determines that a violation exists, it can issue an order to exclude the subject imports from entry into the United States and order the violating parties to cease and desist from engaging in the unlawful practices.⁵⁴ The orders enter into force unless disapproved for “policy reasons” by the USTR within 60 days of issuance.

⁴⁹ 19 U.S.C. 1675c.

⁵⁰ Three of the 26 sunset reviews were subsequently terminated and the outstanding orders revoked because a domestic industry did not request that they be continued. The two revoked antidumping duty orders were on ceramic station post insulators from Japan and lawn and garden steel fence posts from China. The one revoked countervailing duty order was on DRAMs and DRAM modules from Korea.

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

⁵² 19 U.S.C. 1337.

⁵³ Also unlawful under section 337 are other unfair methods of competition and unfair acts in the importation of articles into the United States, or in the sale of imported articles, the threat or effect of which is to destroy or substantially injure a domestic industry, to prevent the establishment of an industry, or to restrain or monopolize trade and commerce in the United States. Examples of such other unfair acts are misappropriation of trade secrets, common law trademark infringement, trade dress infringement, false advertising, and false designation of origin. Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

⁵⁴ Section 337 proceedings at the Commission are conducted before an administrative law judge in accordance with the Administrative Procedure Act, 5 U.S.C. 551 et seq. The administrative law judge conducts an evidentiary hearing and makes an initial determination, which is transmitted to the Commission. The Commission may adopt the determination by deciding not to review it, or it may choose to review it. If the Commission finds a violation, it must determine the appropriate remedy, the amount of any bond to be collected while its determination is under review by the President, and whether public interest considerations preclude the issuance of a remedy.

During calendar year 2008, there were 89 active section 337 investigations and ancillary proceedings, 47 of which were instituted in 2008. Of these 47, there were 41 new section 337 investigations and 6 new ancillary proceedings relating to previously concluded investigations. Thirty-seven of the new section 337 institutions in 2008 included allegations of patent infringement, four involved registered trademarks, one involved trade secrets, and one involved trade dress.⁵⁵ The Commission completed a total of 38 investigations and ancillary proceedings under section 337 in 2008, including one advisory opinion proceeding, one bond forfeiture proceeding, and one remand proceeding. Four exclusion orders and two cease and desist orders were issued during 2008. Nineteen investigations were also terminated by the Commission without determining whether section 337 had been violated. Twelve of these investigations were terminated on the basis of settlement agreements or consent orders.

Approximately one-third of the active investigations in 2008 concerned products in the semiconductor, telecommunications, computer, and consumer electronics fields. These investigations concerned products such as digital televisions, cellular telephones, personal computers, global positioning system (GPS) devices, and flash memory controllers. There were also a number of investigations involving medical devices such as catheters used in cryosurgery and vein harvesting surgical systems. Another group of investigations involved chemical products, including sucralose and an automotive coolant. Other section 337 investigations active during the year focused on a variety of consumer items, including ground fault circuit interrupters, noise cancelling headphones, and self-cleaning litter boxes.

At the close of 2008, 52 section 337 investigations and related proceedings were pending at the Commission. Commission activities involving section 337 actions in 2008 are presented in appendix table A.9. As of December 31, 2008, exclusion orders based on violations of section 337 were in effect for 67 investigations. Appendix table A.10 lists the investigations in which these exclusion orders were issued.

Tariff Preference Programs

Generalized System of Preferences

The U.S. Generalized System of Preferences (GSP) program authorizes the President to grant duty-free access to the U.S. market for certain products that are imported from designated developing countries and territories. Authorization for the GSP program was extended in October 2008 and is currently set to expire on December 31, 2009.⁵⁶

The program is authorized by Title V of the Trade Act of 1974, as amended.⁵⁷ By offering unilateral tariff preferences, the GSP program reflects the U.S. commitment to three broad goals: (1) to promote economic development in developing and transitioning economies through increased trade, rather than foreign aid; (2) to reinforce U.S. trade policy objectives by encouraging beneficiaries to open their markets, to comply more fully with international trading rules, and to assume greater responsibility for the international trading system; and (3) to help maintain U.S. international competitiveness

⁵⁵ Two of the investigations involved more than one type of intellectual property right.

⁵⁶ Pub. L. 110-436.

⁵⁷ 19 U.S.C. 2461 et seq.

by lowering costs of imports for U.S. business and lowering prices for American consumers. Certain additional products are allowed duty-free treatment when imported only from countries designated as least-developed beneficiary developing countries (LDBDC).

Countries are designated as “beneficiary developing countries” under the GSP program by the President, although countries can be removed from designation based on petitions alleging improper country practices, including inadequate protection of intellectual property rights or internationally recognized worker rights. The President also designates the articles that are eligible for duty-free treatment, but may not designate articles that he determines to be “import-sensitive” in the context of the GSP. Certain articles (for example, footwear, textiles, and apparel) are designated by statute as “import-sensitive” and thus not eligible for duty-free treatment under the GSP program. The statute also provides for graduation of countries from the program when they become “high-income” countries and for removal of eligibility of articles, or articles from certain countries, under certain conditions. The extension of the GSP program in 2006 provided that a competitive need limitation (CNL) waiver in effect with respect to a product for five or more years should be revoked if U.S. imports from that supplier meet certain “super-competitive” value thresholds.⁵⁸ The following developments with respect to the U.S. GSP program occurred in 2008:

- On April 17, 2008, Solomon Islands was designated a least-developed GSP beneficiary (Solomon Islands was already a GSP beneficiary).⁵⁹
- On June 30, 2008, a number of changes were announced based on the 2007 Annual Review of GSP. The Republic of Serbia and the Republic of Montenegro were separately granted GSP beneficiary status (replacing beneficiary status for Serbia and Montenegro as one country). The graduation of Trinidad and Tobago from the GSP program, to be effective January 1, 2010, for reaching high income, was announced. In addition, a number of products were excluded for exceeding CNLs; other products were granted CNL waivers; still others, which had previously received CNL waivers, had those waivers revoked as “super-competitive.”⁶⁰
- On December 19, 2008, Kosovo and Azerbaijan were designated GSP beneficiaries.⁶¹

Duty-free imports entered under the GSP program totaled \$31.7 billion in 2008, accounting for 8.6 percent of total U.S. imports from GSP beneficiary countries and 1.5 percent of total imports (table 2.3). Angola was the leading GSP beneficiary in 2008, followed by India, Thailand, Equatorial Guinea, Brazil, and Indonesia. More than one-third of the total value of all duty-free entries under the GSP were petroleum products (which only enter free of duty under the GSP when imported from LDBDCs, including Angola and Equatorial Guinea). Appendix table A.11 shows the top 20 products imported under the GSP in 2008, and appendix table A.12 shows the overall sectoral distribution of GSP benefits.

⁵⁸ 19 U.S.C. 2463(d)(4)(B)(ii).

⁵⁹ Proclamation No. 8240, 73 Fed. Reg. 21515 (April 21, 2008).

⁶⁰ Proclamation No. 8272, 73 Fed. Reg. 38297 (July 3, 2008).

⁶¹ Proclamation No. 8330, 73 Fed. Reg. 78913 (December 23, 2008).

TABLE 2.3 U.S. imports for consumption from GSP beneficiaries and the world, 2008

Item	All GSP beneficiaries	World
	<i>(Millions of \$)</i>	
Total U.S. imports	369,697	2,073,837
Non-GSP eligible imports	310,355	1,103,350
GSP eligible products ^a	59,342	970,487
GSP Non-LDBDC eligible ^b	35,317	386,499
GSP LDBDC eligible ^c	24,025	583,988
Total GSP duty-free imports	31,652	31,652
Non-LDBDC GSP duty free	20,636	20,636
GSP LDBDC duty free	11,017	11,017
Total of GSP eligible products not benefitting from GSP duty-free treatment ^d	27,690	938,835
GSP program exclusions	9,312	9,312
All other	18,377	929,522

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Customs-value basis; excludes imports from the U.S. Virgin Islands

^a Includes imports from all beneficiary countries for the articles that are designated as eligible articles under GSP.

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

^c LDBDC eligible products are those for which a rate of duty "Free" appears in the Special rate column of the HTS followed by the symbol "A+" in parentheses (the symbol "A+" indicates that all LDBDCs (and only LDBDC's) are eligible for duty-free treatment with respect to all articles provided for in the designated provisions).

^d For a variety of reasons, all imports from beneficiary countries under HTS provisions that appear to be eligible for GSP treatment do not always and necessarily receive duty-free entry under the GSP. Such eligible imports may not receive duty-free treatment under GSP for at least five types of reasons: (1) the importers fail to claim GSP benefits affirmatively; (2) the goods are from a GSP beneficiary that lost GSP benefits on that product for exceeding the so-called competitive need limits; (3) the goods are from a GSP beneficiary country that lost GSP benefits on that product because of a petition to remove that country from GSP for that product or because of some other action by the President or USTR; (4) the GSP beneficiary country may claim duty-free treatment under some other program or provision of the HTS; and (5) the good fails to meet the rule of origin or direct shipment requirement of the GSP statute.

African Growth and Opportunity Act

In 2008, articles entering the United States free of duty under the African Growth and Opportunity Act (AGOA) were valued at \$56.4 billion; petroleum products accounted for more than 93 percent of such imports, down from about 95 percent in 2007. AGOA was enacted in 2000 to provide unilateral preferential trade benefits to eligible sub-Saharan African (SSA) countries pursuing political and economic reform.⁶² AGOA provides duty-free market access to all GSP eligible products and more than 1,800 additional qualifying

⁶² In addition to providing preferential access to the U.S. market for eligible SSA products, AGOA also includes a number of trade-facilitating provisions. For further information, see USTR, "2008 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act," 21.

tariff line-item products from designated SSA countries, and exempts these beneficiaries from GSP CNLs. AGOA also provides duty-free treatment for certain apparel articles made in qualifying SSA countries. AGOA is scheduled to be in effect until 2015.⁶³ Total U.S. imports from AGOA countries were valued at \$81.4 billion in 2008, an increase of 26.2 percent over 2007 (table 2.4). This increase in total imports was driven primarily by increased imports of petroleum products, which increased by approximately 30 percent, and represented more than 83 percent of total imports from AGOA countries.⁶⁴ Duty-free U.S. imports under AGOA, including under the GSP program, were valued at \$66.3 billion in 2008, accounting for 81 percent of total imports and representing an increase of 29.8 percent over 2007. U.S. imports under AGOA, exclusive of the GSP program, were valued at \$56.4 billion in 2008, a 33.4 percent increase over 2007, and accounted for 69.2 percent of all imports from AGOA countries.

The leading suppliers of duty-free U.S. imports under AGOA in 2008 were Nigeria (62.7 percent of total AGOA imports), Angola (17.4 percent), Republic of the Congo (4.7 percent), South Africa (4.3 percent), Chad (4.1 percent), and Gabon (3.8 percent). These six countries accounted for 97.0 percent of total imports by value under AGOA, a slight increase over 2007 (appendix table A.13). Of the leading imports under AGOA, petroleum-related products increased to \$52.8 billion in 2008, up 31.5 percent by value from 2007, and accounted for 93.7 percent of the total value of AGOA imports in 2008, a slight decrease over 2007 (appendix table A.14).⁶⁵ Imports of apparel in 2008 were

TABLE 2.4 U.S. imports for consumption from AGOA countries, 2006-08

Item	2006	2007	2008
Total imports from AGOA countries (<i>millions of \$</i>)	56,010	64,532	81,438
Total under AGOA, including GSP (<i>millions of \$</i>) ^a	44,239	51,051	66,259
Imports under AGOA, excluding GSP (<i>millions of \$</i>)	36,133	42,270	56,374
Total under AGOA as a percent of total	64.5	65.5	69.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

^a AGOA eligible products are those for which a rate of duty “Free” appears in the Special rate column of the HTS followed by the symbol “D” in parentheses (the symbol “D” indicates that all AGOA beneficiaries are eligible for duty-free treatment with respect to all articles provided for 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.

⁶³ AGOA was originally scheduled to be in effect through September 30, 2008. Section 3108 of the Trade Act of 2002 enhanced the original 2000 AGOA provisions and expanded preferential access for apparel imports from SSA beneficiaries (these modifications collectively are referred to as AGOA II). The AGOA Acceleration Act of 2004 (AGOA III) enhanced many of the original AGOA trade benefits and generally extended AGOA provisions until 2015. The Africa Investment Incentive Act of 2006 (AGOA IV) extended the textile and apparel provisions from September 2008 to September 2015, extended the provision allowing for the use of third-party fabric in qualifying duty-free apparel imports from September 2007 to September 2012, and expanded duty-free treatment for textiles and textile products originating entirely in one or more lesser-developed beneficiary countries (LDBCs). AGOA IV also increased the cap for apparel made from third-party fabric to 3.5 percent of U.S. apparel imported into the United States in the preceding 12-month period beginning October 1, 2006. In this report, the term AGOA refers to the original AGOA, AGOA II, AGOA III, and AGOA IV, as a group. For additional information, see USTR, “2008 Comprehensive Report.”

⁶⁴ Although petroleum products only enter duty free under GSP for LDBCs, the duty-free preference for petroleum products extends to all AGOA beneficiaries.

⁶⁵ The increase in imports of petroleum and related products reflects increasing prices. Import quantities from the five leading AGOA petroleum suppliers (Nigeria, Angola, Republic of the Congo, Chad, and Gabon) actually decreased from 675.1 million barrels in 2007 to 634.2 million barrels in 2008 (approximately -6.1 percent). U.S. Department of Energy, EIA, Official Energy Statistics Database, “U.S. Imports by Country of Origin,” (accessed April 3, 2009).

approximately \$1.1 billion, and accounted for 2.0 percent of total AGOA imports by value, compared to approximately \$1.3 billion, or 3.0 percent, in 2007.

Each year, the President must consider whether SSA countries⁶⁶ are, or remain, eligible for AGOA benefits based on specific criteria.⁶⁷ At the end of 2008, a total of 41 SSA countries were designated as eligible for AGOA benefits,⁶⁸ and 27 SSA countries were eligible for AGOA textile and apparel benefits.⁶⁹ During 2008, Comoros and Togo became eligible for AGOA benefits, and The Gambia became eligible for apparel benefits.

On October 16, 2008, President Bush signed legislation redesignating Mauritius as eligible for benefits under AGOA's third-country fabric provision.⁷⁰ The legislation also repealed amendments to AGOA that required Commission determinations with respect to the availability and use of regional SSA fabric, and related amendments (also known as the "abundant supply provision").⁷¹ The legislation also required the Commission to conduct a one-time review to identify yarns, fabrics, and other textile and apparel inputs that can be produced competitively in beneficiary sub-Saharan African countries through new or increased investment or other measures. The Commission delivered its report, *Sub-Saharan African Textile and Apparel Inputs: Potential for Competitive Production*, to the House of Representatives' Committee on Ways and Means, the Senate Committee on Finance, and the General Accounting Office on May 15, 2009.⁷²

Section 105 of AGOA requires the President to establish the U.S.-SSA Trade and Economic Cooperation Forum. AGOA also requires the USTR and the Secretaries of State, Commerce, and the Treasury to host meetings with senior-level officials from governments of countries that are eligible for AGOA benefits to discuss their trade, investment, and development relationships. The seventh AGOA Forum was held in Washington, DC, July 14-16, 2008. The theme of the forum was "Mobilizing Private Investment for Trade and Growth." The forum's focus was on "creating a business

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

⁶⁷ 19 U.S.C. 3703(a). See also USTR, "2008 Comprehensive Report," 21-22.

⁶⁸ The following 39 countries are listed in general note 16 of the 2008 HTS as designated AGOA eligible beneficiaries: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Democratic Republic of the Congo, Djibouti, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Republic of the Congo, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia. USITC, "HTS 2008 (Rev. 2)," April 1, 2008, 166. During 2008, Comoros and Togo were also designated as AGOA eligible beneficiaries. USITC, "HTS 2008 (Supplement-1)," July 1, 2008, 166. Effective January 1, 2009, Mauritania's designation as an AGOA beneficiary country was terminated. White House, "To Take Certain Actions Under the African Growth and Opportunity Act and the Generalized System of Preferences," December 19, 2008.

⁶⁹ The following 26 countries are listed in U.S. Note 7 of the HTS as eligible to receive AGOA apparel benefits during 2008: Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Chad, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia. USITC, "HTS 2008 (Rev. 2)," April 1, 2008, sect. xxii, 98-II-3. During 2008, The Gambia was also designated to receive AGOA apparel benefits. USITC, "HTS 2008 (Supplement-1)," July 1, 2008, sect. xxii, 98-II-3.

⁷⁰ Section 3 of the Andean Trade Preference Extension Act (Pub. L. 110-436). On December 3, 2004, the President signed into law the Miscellaneous Trade and Technical Corrections Act of 2004, which amended AGOA III to grant LDBDC status to Mauritius allowing producers there to use third-country fabric in qualifying apparel. The designation was only effective for a 1-year period beginning October 1, 2004.

⁷¹ Section 3 of the Andean Trade Preference Extension Act (Pub. L. 110-436). For information about these provisions, see USITC, *The Year in Trade 2007, 2008*, 2-15-2-16.

⁷² USITC, *Sub-Saharan African Textile and Apparel Inputs*, 2009.

climate that will encourage private investment and help mobilize capital to finance investment.”⁷³

Andean Trade Preference Act

In 2008, articles from Bolivia, Colombia, Ecuador, and Peru entering the United States free of duty under the Andean Trade Preference Act (ATPA) increased 40.1 percent to \$17.2 billion, driven primarily by increased imports of petroleum and petroleum products (table 2.5). ATPA was enacted in 1991 to promote broad-based economic development and viable economic alternatives to coca cultivation and cocaine production by offering Andean products broader access to the U.S. market.⁷⁴ ATPA expired on December 4, 2001, but was renewed and expanded by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), part of the Trade Act of 2002.⁷⁵ ATPA, as amended by ATPDEA, has expired several times.⁷⁶ On October 16, 2008, ATPA was extended through December 31, 2009, for Colombia and Peru and through June 30, 2009, for Bolivia and Ecuador with provisions for reviews of their eligibility under ATPA requirements. Benefits for Ecuador will continue unless the President determines that Ecuador does not satisfy the eligibility requirements set forth in the ATPA. ATPA benefits will continue for Bolivia only if the President determines that Bolivia has

TABLE 2.5 U.S. imports for consumption from ATPA countries, 2006-08

Item	2006	2007	2008
Total imports from ATPA countries (<i>millions of \$</i>)	22,511	20,923	28,483
Total under ATPA (<i>millions of \$</i>)	13,484	12,307	17,243
Imports under ATPDEA (<i>millions of \$</i>) ^a	10,559	9,497	14,570
Imports under ATPA, excluding ATPDEA (<i>millions of \$</i>) ^b	2,925	2,810	2,672
Total under ATPA as a percent of total	59.9	58.8	60.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

^a ATPDEA eligible products are those for which a rate of duty “Free” appears in the Special rate column of the HTS followed by the symbol “J+” in parentheses (the symbol “J+” indicates that all ATPDEA beneficiary countries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions).

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

⁷³ “Seventh AGOA Forum,” www.agoa.gov (accessed March 12, 2009). For more information, see USDOC, ITA, African Growth and Opportunity Act web site, http://www.agoa.gov/agoa_forum/agoa_forum7.html.

⁷⁴ For a more detailed description of ATPA, including country and product eligibility, see USITC, *Impact of the Andean Trade Preference Act*, 2008.

⁷⁵ Pub. L. 107-210, Title XXXI. The four ATPA beneficiaries are not automatically eligible for ATPDEA preferences. ATPDEA authorizes the President to designate any ATPA beneficiary as eligible for ATPDEA benefits provided the President determines the country has satisfied certain requirements, including protection of IPR and internationally recognized workers’ rights. The President designated all four ATPA beneficiaries as ATPDEA beneficiaries on October 31, 2002. President, Proclamation, “To Implement the Andean Trade Promotion and Drug Eradication Act, Proclamation 7616.” 67 Fed. Reg. 67283-67291 (October 31, 2002).

⁷⁶ Pub. L. 109-432, sect. 7001 et seq.; Pub. L. 110-42; and Pub. L. 110-191.

satisfied ATPA eligibility requirements.⁷⁷ Effective December 15, 2008, President Bush suspended Bolivia from eligibility for failing to meet ATPA's counternarcotics cooperation criteria.⁷⁸

A wide range of products is eligible for duty-free entry under ATPA. ATPDEA amended ATPA to provide duty-free treatment for certain products previously excluded from ATPA, including certain textiles and apparel, footwear, petroleum and petroleum derivatives, watches and watch parts assembled from parts originating in countries not eligible for normal trade relations (NTR) rates of duty, and certain tuna packaged in foil or other flexible airtight packages (not cans). In addition, certain products previously eligible for reduced-duty treatment became eligible for duty-free entry under ATPA, including certain handbags, luggage, flat goods (such as wallets, change purses, and eyeglass cases), work gloves, and leather wearing apparel. Products that continue to be excluded from ATPA preferential treatment include textile and apparel articles not otherwise eligible for preferential treatment under ATPDEA and certain agricultural products. Thus, canned tuna, rum and tafia, and above-quota imports of certain agricultural products subject to tariff rate quotas (primarily sugar, beef, and dairy products) continue to be excluded from the program.

Total (dutiable and duty-free) U.S. imports from Bolivia,⁷⁹ Colombia, Ecuador, and Peru were valued at \$28.5 billion in 2008, an increase of 36.1 percent from \$20.9 billion in 2007 (table 2.5). U.S. imports entered under ATPA preferences in 2008 were valued at \$17.2 billion and accounted for 60.5 percent of all imports from ATPA countries. U.S. imports under ATPDEA were valued at \$14.6 billion and accounted for 84.5 percent of imports under ATPA in 2008. U.S. imports under the original ATPA (ATPA excluding ATPDEA) accounted for the remaining 15.5 percent, valued at \$2.7 billion.

In 2008, U.S. imports under ATPA increased from all of the beneficiary countries except Bolivia (appendix table A.15). Colombia returned to being the largest source of U.S. imports under ATPA in 2008 after trailing Ecuador in 2006 and 2007. Imports from Colombia increased 62.1 percent in value during 2008 mainly because of higher petroleum shipments and prices. Ecuador fell to the second-leading supplier of ATPA imports in 2008. Petroleum products accounted for 77 percent of U.S. imports under ATPA in 2008 and represented 6 of the top 25 U.S. imports under the program (appendix table A.16). Apparel was the next-largest category of imports under ATPA, accounting for 6 percent of such imports and 5 of the 25 leading imports under ATPA. Other leading imports under ATPA in 2008 included copper cathodes, fresh cut flowers, asparagus, and pouched tuna.

Caribbean Basin Economic Recovery Act

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 as part of the Caribbean Basin Initiative (CBI) to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products through duty preferences. The Caribbean Basin Trade Partnership Act (CBTPA) amended CBERA in 2000 and expanded the list of qualifying articles, for

⁷⁷ Pub. L. 110-436. On June 30, 2009, the President did not revoke Ecuador's eligibility for ATPA benefits and did not reinstate ATPA eligibility for Bolivia.

⁷⁸ Proclamation No. 8323, 73 Fed. Reg. 72677 (November 25, 2008).

⁷⁹ Includes data for Bolivia after it lost beneficiary status on December 15, 2008.

eligible countries, to include certain apparel.⁸⁰ The CBTPA also extended NAFTA-equivalent treatment (that is, rates of duty equivalent to those accorded to goods under the same rules of origin applicable under NAFTA) to a number of other products previously excluded from CBERA, including certain tuna, petroleum and petroleum derivatives, certain footwear, watches and watch parts assembled from parts originating in countries not eligible for normal trade relations (NTR) rates of duty, and certain handbags, luggage, flat goods, work gloves, and leather wearing apparel. Products that continue to be excluded from CBERA preferential treatment include textile and apparel products not otherwise eligible for preferential treatment under the CBTPA and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products). CBTPA provisions were scheduled to expire on September 30, 2008, but were extended through September 30, 2010⁸¹—other parts of CBERA have no expiration date. In the discussions that follow, the term CBERA refers to CBERA as amended by the CBTPA.

TABLE 2.6 U.S. imports for consumption from CBERA countries, 2006-08

Item	2006 ^a	2007 ^a	2008
Total imports from CBERA countries (<i>millions of \$</i>)	25,755	19,058	19,486
Total under CBERA, including CBTPA (<i>millions of \$</i>)	9,915	5,496	4,726
Imports under CBTPA (<i>millions of \$</i>) ^b	5,961	2,662	1,702
Imports under CBERA, excluding CBTPA (<i>millions of \$</i>) ^c	3,955	2,834	3,024
Total under CBERA as a percent of total	38.5	28.8	24.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

^a Data for 2006 and 2007 include U.S. imports from El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic only for the period during which those countries were eligible for CBERA benefits before CAFTA-DR entered into force.

^b 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 provided for 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 these subchapters (and including the former CBTPA beneficiaries enumerated in footnote a above).

^c 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 provided for in the designated provisions and the symbol “E*” indicates that certain beneficiary countries or articles, specified in general note 7(d) of the HTS, are not eligible for special duty rate treatment with respect to any article provided for in the designated provision).

⁸⁰ Textiles and apparel not subject to textile agreements in 1983 (textiles and apparel of silk or noncotton vegetable fibers—mainly linen and ramie) are eligible for duty-free entry under original CBERA provisions, which do not have an expiration date.

⁸¹ Pub. L. 110-234, sect. 15408.

In 2008, 19 countries and territories were designated eligible for permanent CBERA preferences⁸² and 9 were designated eligible for CBTPA preferences.⁸³ U.S. imports under CBERA decreased by 14.0 percent to \$4.7 billion in 2008 (table 2.6).⁸⁴ The decline in U.S. imports under CBERA provisions in 2008 reflects the fact that the Dominican Republic was a beneficiary for only the first two months of 2007, and its imports since then have entered under U.S.-CAFTA-DR.⁸⁵ Over the past three years, U.S. imports under CBERA have declined in value and have accounted for a declining share of all U.S. imports from CBERA countries—38.5 percent in 2006, 28.8 percent in 2007, and 24.3 percent in 2008, mainly because the countries that left CBERA to become members of U.S.-CAFTA-DR over that period were major exporters of apparel under CBTPA provisions, whereas the remaining countries, except for Haiti, export very little apparel.

Appendix table A.17 shows U.S. imports entered under CBERA provisions from each of the CBERA countries from 2006 to 2008.⁸⁶ Trinidad and Tobago continued as the leading supplier of U.S. imports under CBERA in 2008. Appendix table A.18 shows the 25 leading U.S. imports entered under CBERA provisions from 2006 to 2008. Methanol, mineral fuels, fuel-grade ethanol, and apparel products dominated the list of duty-free imports in 2008. Three of the leading products were mineral fuels; 6 were knitted and nonknitted apparel; and the remaining 16 were products that had already qualified for benefits under the original CBERA before the implementation of the CBTPA.

HOPE Act

U.S. imports of apparel from Haiti decreased 8.8 percent to \$412.4 million in 2008. Imports of apparel in 2008 under provisions of the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act)⁸⁷ as amended by the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act)⁸⁸ rose to \$75.0 million from \$13.6 million in 2007.

The HOPE Act, which was signed into law on December 20, 2006, amended CBERA to provide expanded rules of origin for inputs to apparel and wire harness automotive components assembled in Haiti and imported into the United States.⁸⁹

The HOPE Act provided expanded trade benefits beyond what the country receives under the CBTPA for up to five years, extending duty-free treatment to U.S. imports of knit and

⁸² Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Costa Rica, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Netherlands Antilles, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands.

⁸³ Barbados, Belize, Costa Rica, Guyana, Haiti, Jamaica, Panama, St. Lucia, and Trinidad and Tobago.

⁸⁴ Table 2.6, and appendix tables A.17 and A.18 include data of four CAFTA-DR countries that were eligible for CBERA benefits during a portion of 2006 and data for the Dominican Republic, which was a CBERA beneficiary during part of 2007. When the U.S.-CAFTA-DR enters into force for a country, such country is removed from the enumeration of designated beneficiary countries under CBERA, CBTPA, and the GSP. U.S.-CAFTA-DR entered into force in 2006 for El Salvador, Guatemala, Honduras, and Nicaragua, in 2007 for the Dominican Republic, and in 2009 for Costa Rica. U.S. FTAs are discussed in more detail in chap. 4 of this report.

⁸⁵ For a description of the current level of economic development and some of the possible future trade and development strategies for CBERA beneficiary countries, see USITC, *Caribbean Growth and Development*, 2008.

⁸⁶ See footnote 80.

⁸⁷ Pub. L. 109-432, sect. 5001 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act).

⁸⁸ Pub. L. 110-234, sect. 15401, et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act).

⁸⁹ There were no imports of wire harness automotive components from Haiti in 2007 or 2008.

woven apparel assembled in Haiti from U.S., Haitian, or third-country inputs, subject to import caps, eligibility requirements, and in most cases, value-added content requirements. The Act provided for more flexible alternative sourcing of inputs (such as yarn and fabric) than the CBTPA and has the potential to improve the competitiveness of Haitian manufacturers by allowing the use of lower cost raw materials, a primary cost component in the production of apparel.⁹⁰

The HOPE II Act extended all tariff preferences through September 30, 2018. It allowed direct shipment of goods assembled in Haiti from either Haiti or the Dominican Republic and further expanded opportunities for duty-free imports of apparel, textile luggage, and textile headgear assembled in Haiti.

⁹⁰ For more details on the special rules for apparel imported directly from Haiti under the HOPE Act, see USITC, *Special Rules for Haiti*, 2008.

CHAPTER 3

Selected Trade Developments in the WTO, OECD, and APEC

In 2008, multilateral trade negotiations under the Doha Development Agenda (the Doha Round) resumed in February under the guidance of the World Trade Organization (WTO), but reached an impasse at mid-year. In addition, the WTO carried out its regular work, in particular welcoming Ukraine and Cape Verde as new WTO members in 2008 and finalizing details concerning the Enhanced Integrated Framework, a multilateral facility to help integrate least developed countries into the multilateral world trading system. This chapter also highlights developments in the Organization for Economic Cooperation and Development (OECD) that helped support activities in the world trading system, as well as similar developments in the Asia-Pacific Economic Cooperation forum (APEC).

World Trade Organization

Multilateral trade negotiations in the Doha Development Agenda (DDA) resumed in February 2008 in the two core areas of agriculture and nonmarket access negotiations. Nonetheless, negotiators were unable to sufficiently narrow their differences in the first half of the year, in particular over a selective safeguard mechanism for trade in agricultural products. At the end of July 2008, these talks reached an impasse that remained at year-end.

Doha Trade Negotiations

In his capacity as chairman of the Trade Negotiations Committee (TNC) overseeing the Doha Round, WTO Director-General Pascal Lamy reported in January 2008 on the state of play in the round. He cited positive political expressions of support for concluding the round by the end of 2008, as well as progress on technical matters that could provide a basis for reaching a consensus on “negotiating modalities” in both the agricultural and industrial products negotiations.¹ In February 2008, revised negotiating texts in both the Agriculture Negotiating Group and the Non-Agricultural Market Access (NAMA) Group were issued by their respective chairs, the first major revision since these texts were initially tabled in July 2007.²

In May 2008, the Director-General further reported that discussions conducted in the TNC since February had focused principally on finalizing these negotiating modalities in

¹ WTO, General Council, “Annual Report (2008),” 2-3; WTO, “Informal TNC Meeting at the Level of Head of Delegation—Chairman’s Remarks,” January 31, 2008, JOB(08)/2, 1.

² WTO, “Director-General—Lamy welcomes revised agriculture and NAMA negotiating texts,” February 8, 2008, Press release 513.

the two groups.³ A second revision of the negotiating texts under consideration in these groups was released in May 2008, including a draft assessment by the chairmen of what could be agreed upon regarding possible formulas for cutting tariffs and subsidies.⁴ The two papers were circulated at roughly the same time because members link the two subjects, in part because in both groups members are seeking a balance between the depth of cuts and the size of cuts to be undertaken.⁵

Director-General Lamy also signaled that work in other areas—such as services, rules, and intellectual property matters—would need to advance to clarify certain issues.⁶ In particular, the Director-General pointed out that consultations indicated that further work would be required on two matters related to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement): a register for geographical indications and the relation between the WTO TRIPS Agreement and the United Nations Convention on Biological Diversity.

On July 10, 2008, a third revision of negotiating texts for the Agriculture and NAMA groups was released⁷ but after intensive negotiations and consultations, the Director-General reported on July 30, 2008, that an impasse had been reached in establishing negotiating modalities in these groups.⁸ He cited in particular a lack of convergence over the special safeguard mechanism, which would permit developing country members to apply a temporary increase in import duties to address import surges of agricultural products. This impasse dealt a setback to the goal of concluding the Doha Round in 2008, despite the progress made during the intensive negotiations in the first half of 2008.⁹

In October 2008, the Director-General reported that, despite a quick resumption of talks in the negotiating groups, the July setback made it clear that the round would not be concluded by year-end 2008.¹⁰ He reiterated that the special safeguard mechanism was a key item in the discussions in the Agriculture group. The Director-General also reported that he convened a meeting of major providers of trade finance in November 2008 to examine the issue of availability of trade financing at affordable rates for developing countries, in view of the global financial crisis.

In December 2008, despite the release of the fourth version of negotiating texts in the Agriculture and NAMA groups,¹¹ the Director-General reported that the political drive to bridge remaining gaps was insufficient to finalize negotiating modalities by year-end 2008.¹² He pointed out that several rounds of intensive consultations had focused on sectorals, the special safeguard mechanism for agricultural products, and the cotton issue affecting several least-developed country members. He also made suggestions for possible “early outcome” agreements in areas such as trade facilitation, duty- and quota-

³ WTO, General Council, “Annual Report (2008),” 3.

⁴ WTO, “Negotiations: agriculture and non-agricultural market access—Negotiating texts move Doha round closer to end game, says Lamy,” May 20, 2008, Press release 526.

⁵ WTO, “Negotiations: agriculture and non-agricultural market access—Revised blueprints issued for final deal on agricultural and non-agricultural trade,” May 19, 2008, 2008 News item.

⁶ WTO, General Council, “General Council,” May 7, 2008, JOB(08)/37, 2.

⁷ WTO, “Director-General—Lamy says new negotiating texts set stage for crucial July talks,” July 10, 2008, Press release 536.

⁸ WTO, Trade Negotiations Committee, “Statement by the Chairman,” July 30, 2008, JOB(08)/94, 1.

⁹ WTO, General Council, “Annual Report (2008),” 3.

¹⁰ WTO, “Informal TNC Meeting at the Level of Head of Delegation—Chairman's Remarks,” October 10, 2008, JOB(08)/100, 1-2; WTO, General Council, “Annual Report (2008),” 4.

¹¹ WTO, “Director-General—Lamy welcomes revised agriculture and NAMA texts, considers next steps,” December 6, 2008, Press release 543.

¹² WTO, Trade Negotiations Committee, “Chairman's Introductory Statement,” December 17, 2008, JOB(08)/134, 1-3.

free market access, cotton, and bananas, and noted that the issue of trade facilitation was most advanced.

As a broader result of these consultations, the Director-General proposed that members move forward in 2009 on two fronts—one, to renew efforts in the Doha Round multilateral trade negotiations, but also more broadly to strengthen the systemic nature of the WTO as a central element of the multilateral trading system.¹³ Concerning the broader nature of the WTO, the Director-General related the formation of an internal WTO task force that would provide regular updates on trade measures taken as a consequence of the global financial crisis. He reiterated the need for WTO monitoring of trade finance developments to ensure that the trade flows of developing countries are not adversely affected. The Director-General also highlighted the need for an increased focus in 2009 on the issue of Aid for Trade—the effort to establish international trade as a central element in developing and least-developed country members’ economic development policies—and noted that the second Global Review of Aid for Trade would be held in July 2009.¹⁴

General Council

In 2008, the General Council announced the selection of the first Executive Director of the Enhanced Integrated Framework (EIF), a trade-related technical assistance program for least-developed countries established by the WTO and five other multilateral economic institutions. The WTO General Council also welcomed two new members, Ukraine, acceding in May 2008, and Cape Verde, acceding in July 2008, as the 152nd and 153rd WTO members, respectively. The council assessed reports on issues regarding small and vulnerable economies as well as special and differential treatment, and approved a number of waivers concerning various stages of adoption of newer versions of the Harmonized System (HS) tariff nomenclature.

Work Programs, Decisions, and Reviews

Enhanced Integrated Framework

In October 2008, the WTO Director-General announced the selection of Ms. Dorothy Tembo, of Zambia, as the first Executive Director of the EIF.¹⁵ The Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries (Integrated Framework, IF) was inaugurated in 1997 as a multilateral initiative by six multilateral institutions—the International Monetary Fund, International Trade Centre, United Nations Conference on Trade and Development, United Nations Development Program, World Bank, and World Trade Organization—to support the integration of the least-developed countries into the multilateral trading system. In December 2005, WTO members agreed at their Ministerial Conference in Hong Kong to broaden the capabilities of the IF by developing the EIF, a process approaching conclusion with the creation of the executive director post and the location of EIF offices on the premises of the WTO in

¹³ WTO, General Council, “Annual Report (2008),” 4.

¹⁴ WTO, General Council, “Agenda Item 1—Report by the Chairman of the Trade Negotiations Committee,” February 3, 2009, JOB(09)/5, 1-2.

¹⁵ WTO, “Enhanced Integrated Framework—Enhanced Integrated Framework establishes an Executive Secretariat, welcomes Executive Director,” October 13, 2008, Press release 541.

Geneva, Switzerland. Although the EIF will share the WTO administrative structure, it will continue to be governed by its six core agencies independently from the WTO Secretariat.¹⁶

Small economies

The Dedicated Session of the WTO Committee on Trade and Development (CTD) reported at WTO General Council sessions throughout 2008 on its monitoring of proposals made by the small, vulnerable economies (SVEs) in the Doha Round.¹⁷ The Dedicated Session in particular monitored the SVE proposals made in the Agriculture, NAMA, Services, and Rules negotiating groups, in its effort to integrate them more fully into the multilateral trading system, as tasked by trade ministers at the Doha ministerial meeting in 2001.¹⁸ In December 2008, the Dedicated Session began an assessment of all SVE proposals, as compiled for them by the WTO Secretariat. The Dedicated Session also requested consultations with the Secretariat financial crisis task force on the impact of the crisis on SVE industrial and service sectors, in particular trade financing.¹⁹

Special and differential treatment

The WTO Committee on Trade and Development reported to the WTO General Council on its work regarding its mandate received at the December 2005 WTO Hong Kong Ministerial Conference to review Doha Round proposals concerning special and differential treatment. In 2008, the committee reported that it had focused largely on areas concerning agreement-specific proposals, and elements of a possible monitoring mechanism.²⁰

TRIPS Council matters

In December 2008, the General Council agreed to extend the acceptance period until December 31, 2009, for the 2003 protocol amending the TRIPS Agreement concerning public health matters. The extension allows additional time for members to implement the WTO Decision on the Implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, which was adopted by the General Council in August 2003 and is scheduled to enter into force upon acceptance by two-thirds of the WTO members.²¹

¹⁶ WTO, “Enhanced Integrated Framework Executive Secretariat—Institutional and Administrative Arrangements—Communication from the Director-General,” July 21, 2008, WT/GC/115, 1-2.

¹⁷ The SVE members include Barbados, Fiji, Nicaragua, St. Vincent and the Grenadines, and the Solomon Islands.

¹⁸ WTO, General Council, “Annual Report (2008),” 5. In early 2002, the General Council approved as a standing item on the council’s agenda a work program that was to address the special needs of SVEs. The council designated the CTD to meet in dedicated session on the subject and report regularly to the council on progress made. At the WTO Sixth Ministerial Conference in Hong Kong in December 2005, ministers instructed the CTD to continue this work program, monitoring the progress of the SVEs’ proposals in the Doha Round and elsewhere.

¹⁹ WTO, General Council, “Annual Report (2008),” 6.

²⁰ WTO, General Council, “Annual Report (2008),” 6–7.

²¹ *Ibid.*, 7. The August 2003 Decision concerning the WTO TRIPS Agreement and Public Health permits developing and least-developed country members who lack sufficient pharmaceutical manufacturing capacity needed to confront public health crises (e.g., malaria, tuberculosis, HIV) to instead import cheaper generic versions of the necessary medicines that otherwise may be restricted from export under a compulsory licensing agreement due to their patented status.

Cotton initiative

In December 2008, the WTO Director-General updated the General Council on his work concerning development assistance in the cotton sector. Following the December 2003 WTO Ministerial Conference in Cancun, Mexico, consultations between the Director-General and members led to a cotton initiative aimed at addressing issues raised about domestic agricultural support payments to cotton producers in the developed countries that affect unsubsidized cotton production in and exports from least-developed countries, in particular, from the four sub-Saharan African countries of Benin, Burkina Faso, Chad, and Mali. The General Council subsequently tasked the Director-General in 2004 to pursue these consultations.

The Director-General reported that in 2008 there had been improvements both in the amount committed and in actual disbursements of development assistance to the cotton sector. However, he said further talks with the donor community were needed regarding this aid as well as regarding aspects of domestic cotton sector reform.²²

Accessions

The WTO General Council welcomed the accession of two new members during 2008.²³ On May 16, 2008, Ukraine became the 152nd WTO member; on July 23, 2008, Cape Verde became the 153rd. In addition to the 153 members of the WTO by the end of 2008, there were 29 observers in various stages of the accession process, as well as the Vatican (Holy See), which is not required to accede to the WTO within five years as required of all other governments with WTO observership. (See tables 3.1 and 3.2 for WTO membership and WTO observers in 2008, respectively.)

Waivers

During 2008, the General Council agreed to grant or extend waivers from WTO obligations, particularly regarding members' schedules of concessions resulting from the adoption of newer HS tariff schedule nomenclature (notably HS 1996, HS 2002, and HS 2007), as well as waivers from most-favored-nation obligations when granting nonreciprocal trade preferences approved by members.²⁴ The council also granted several waivers to members regarding particular individual obligations resulting from past concessions.

WTO Director-General appointment process

In December 2008, the General Council opened the selection process for the next Director-General, including the possibility of reappointment of the current Director-General.²⁵

²² WTO, General Council, "Annual Report (2008)," 7–8.

²³ WTO, "Ukraine becomes the WTO's 152nd member," Press release, May 16, 2008.

²⁴ On March 24, 2009, the Council for Trade in Goods approved waiver requests from the United States for the AGOA, ATPA, and CBERA.

²⁵ On April 30, 2009, the General Council agreed to reappoint Director-General Pascal Lamy for a second four-year term beginning September 1, 2009. WTO, "WTO members reappoint Lamy for a second term," Press release, April 30, 2009.

TABLE 3.1 WTO membership in 2008

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

Source: WTO, "Members and Observers," http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (accessed March 17, 2009).

^a In the WTO, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu is informally referred to as "Chinese Taipei"; elsewhere it is also commonly referred to as "Taiwan."

TABLE 3.2 WTO observers in 2008

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

Source: WTO, "Members and Observers," http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (accessed March 17, 2009).

Dispute Settlement

This section focuses principally on complaints filed, and panel and Appellate Body findings and recommendations adopted, under the WTO Dispute Settlement Understanding during 2008. Appendix table A.19 shows developments during 2008 in the WTO dispute settlement cases in which the United States was either a complainant or respondent. A separate table is presented on disputes that were active during 2008 under the NAFTA dispute settlement procedures (appendix table A.20).

The WTO Dispute Settlement Understanding (DSU) establishes a framework for the resolution of disputes that arise between members under the WTO agreements. Under the DSU, a complaining member may file a complaint with the WTO Dispute Settlement Body (DSB). The member must then seek to resolve the dispute through consultations with the named respondent party. If the parties fail to resolve the dispute through consultations, the complaining party may ask the DSB to establish a panel to review the matters raised in the complaint and make findings and recommendations. Either party may appeal issues of law covered in the panel report and legal interpretations developed by the panel to the WTO's Appellate Body.²⁶ The findings and recommendations of the Appellate Body and panel (as modified by the Appellate Body) are then generally adopted without change by the DSB. While the guidelines suggest that panels complete their proceedings in six months, and the Appellate Body complete its review in 60 days, these periods may be extended.

Once the panel report or the Appellate Body report is adopted, the party concerned must notify its intentions with respect to implementation of adopted recommendations. If it is impracticable to comply immediately, the party concerned is given a reasonable period of time, the latter to be decided either by agreement of the parties and approval by the DSB or through arbitration. Further DSU provisions set out rules for compensation or the suspension of concessions in the event of non-implementation. Within a specified time frame, parties can enter into negotiations to agree on mutually acceptable compensation. Where this has not been agreed, a party to the dispute may request authorization of the DSB to suspend concessions or other obligations to the other party concerned. Disagreements over the proposed level of suspension may be referred to arbitration.

The section below focuses on new requests for consultations filed, the issues before new panels established during 2008, and panel reports and Appellate Body reports issued during 2008. The summaries in this section are intended to highlight some of the key

²⁶ WTO Dispute Settlement Understanding, Article 17.6.

issues raised in the complaint or in a panel or Appellate Body report. They should not be regarded as comprehensive or as reflecting a U.S. government interpretation of the issues raised or addressed. The summaries are based primarily on information contained in longer summaries published online by the World Trade Organization. Several cases with complex issues remained pending before panels throughout 2008 with little or no activity. For example, disputes involving trade in large civil aircraft brought by the United States against the European Communities (EC)²⁷ (DS316) and by the EC against the United States (DS353) and a dispute brought by the United States against China relating to protection and enforcement of intellectual property rights (DS362), in which panels were established in 2005, 2006, and 2007, respectively, remained pending throughout 2008, with panel reports expected in 2009.²⁸ In addition, litigation in a number of disputes continued well beyond the adoption of panel and Appellate Body reports, as parties pressed for implementation of recommendations or sought compensation and/or suspension of concessions in the case of non-implementation. During 2008, the United States was involved in several such matters, including in pressing for EC implementation of DSB recommendations on EC measures on biotech products,²⁹ claims by Brazil that certain changes in U.S. agricultural support measures failed to bring them into conformity with the DSB recommendations in the upland cotton case,³⁰ and claims by the EC that the United States had not fully complied with DSB recommendations relating to “zeroing” in calculating dumping margins.³¹

New Requests for Consultations and New Panels Established

During 2008, WTO members filed 19 new requests for WTO dispute settlement consultations. This compares with 13 in 2007, 22 in 2006, and 12 in 2005. Three of the requests were resolved in December 2008 when the United States, Canada, and the EC, respectively, entered into memoranda of understanding with China relating to certain

²⁷ The term EC is used rather than EU in the WTO dispute settlement section because the source documents (WTO online summaries) use EC.

²⁸ See WTO, DSB, Online summaries of DS316, European Communities—Measures Affecting Trade in Large Civil Aircraft; DS353, United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint; and DS362, China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights. A panel report in dispute DS362 was circulated on January 26, 2009.

²⁹ The issue here involved EC implementation of panel report recommendations adopted in December 2006 relating to EC measures affecting the approval and marketing of biotech products. In January 2008, the United States asked for authority to suspend concessions. The EC objected and on February 6, 2008, referred the matter to arbitration. On February 15, 2008, the EC and United States jointly asked the arbitrator to suspend work pursuant to procedures agreed to by the EC and United States. WTO, DSB, DS291: European Communities—Measure Affecting the Approval and Marketing of Biotech Products, Online summary. See also, USTR, “Statement on EC-Biotech Dispute,” January 14, 2008.

³⁰ Brazil alleged that measures taken by the United States to comply with the DSB recommendations in DS267, United States—Upland Cotton, failed to implement the DSB recommendations. Brazil requested establishment of an Article 21.5 panel, and the panel’s report was circulated in December 2007. Both the United States and Brazil appealed certain of the findings in the panel report. On June 2, 2008, the Appellate Body issued its report, generally upholding the panel report and finding that the changes to the U.S. support measures did not bring the United States into conformity with the DSB recommendations. The DSB adopted the panel report (as modified) and Appellate Body report on June 20, 2008. WTO, DSB, DS267: United States—Subsidies on Upland Cotton, Online summary.

³¹ The EC requested establishment of a compliance panel on September 13, 2007, asserting a disagreement as to whether the United States had complied with certain DSB recommendations. The compliance panel found that the United States had failed to comply with DSB recommendations in administrative reviews in two cases reviewed, but that it had not failed to comply with recommendations in administrative reviews in three other cases reviewed. WTO, DSB, DS294: United States—Laws, Regulations and Methodology for Calculating Dumping Margins (Zeroing), Online summary.

measures by China affecting financial information services and suppliers; a fourth involving Indonesia and South Africa was withdrawn when South Africa withdrew antidumping measures. Five new dispute settlement panels were established in 2008, compared to 14 in 2007, 14 in 2006, and 7 in 2005. Table 3.3 shows the five cases in which panels were established during 2008.

The United States was either the complaining party or the respondent in nearly half the complaints filed during 2008.³² The United States filed 3 of the 19 requests for dispute settlement consultations during 2008, with two directed against China and one against the EC. In the first of these, *China—Measures Affecting Financial Information Services and Foreign Financial Information Suppliers* (DS373), the United States and China, as noted above, reached an agreement in the form of a Memorandum of Understanding, which was notified to the WTO on December 4, 2008; no panel was established.³³ In the second, relating to EC tariff treatment of certain information technology products (DS375), the United States requested establishment of a panel after consultations failed to resolve the dispute, and a panel was established on September 23, 2008 (see further description below). In the third request, the United States challenged certain grants, loans, and other incentives provided to enterprises by China on the condition that they meet certain export performance criteria (DS387); as of year-end 2008, no panel had been requested or established.³⁴

Six requests for dispute settlement consultations during 2008 were filed against the United States—two by Mexico and one each by Brazil, Canada, China, and Thailand. While no panels had been established in any of the six cases as of the end of 2008, a panel was established on January 20, 2009 in one of the six—DS379. In the respective complaints, China challenged determinations and orders of the Department of Commerce in several antidumping and countervailing duty investigations involving imports from

³² Of the 19 complaints filed during 2008, three each were filed by the United States, the EC, and Mexico, while two were filed by Canada. Brazil, China, Chinese Taipei, India, Indonesia, Japan, the Philippines, and Thailand each filed one complaint. The United States was named as the respondent in six of the disputes, followed by China (five), the EC (four), Thailand (two), and India and South Africa, one each.

³³ In its request for consultations, the United States raised claims about a number of Chinese measures affecting financial information services and foreign financial services suppliers in China, including measures that require foreign financial information suppliers to supply their services through an entity designated by Xinhua News Agency. The United States alleged that these and other requirements and restrictions accord less favorable treatment to foreign information services and service suppliers than those accorded to Chinese financial information services and service suppliers that are not affected by these requirements and restrictions. The United States alleged that the measures are inconsistent with various provisions of the GATS, the horizontal standstill commitment contained in China's schedule of obligations under the GATS, and China's Protocol of Accession. The United States requested consultations on March 3, 2008; on March 14, 2008, the EC requested to join the consultations. On December 4, 2008, China and the United States informed the DSB that they had reached an agreement in relation to this dispute in the form of a Memorandum of Understanding. WTO, DSB, *DS373: China—Measures Affecting Financial Information Services and Foreign Financial Information Suppliers*, Online summary. See also, USTR, "China to End Restrictions on Suppliers of Financial Information Services Challenged by United States in WTO," November 13, 2008.

³⁴ In its request for consultations, the United States raised claims about certain Chinese measures offering grants, loans, or other incentives to enterprises in China on the condition that those enterprises meet certain export performance criteria. The United States alleged that the measures are inconsistent with Article 3 of the SCM Agreement, Articles 3, 9, and 10 of the Agreement on Agriculture, various provisions of China's Protocol of Accession, and Article III:4 of the GATT 1994. The United States filed its request for consultations on December 19, 2008. On January 15, 2009, Canada, the EC, Mexico, and Turkey requested to join the consultations, and on January 16, 2009, Australia requested to join the consultations. WTO, DSB, *DS387: China—Grants, Loans and Other Incentives*, Online summary. See also, USTR, "United States Files WTO Case Against China Over Illegal Support for Chinese 'Famous Brands,'" December 19, 2008.

TABLE 3.3 WTO dispute settlement panels established in 2008

Case No.	Complainant	Respondent	Case Name	Panel Established
DS367	New Zealand	Australia	Measures Affecting the Importation of Apples from New Zealand	Jan. 21, 2008
DS371	Philippines	Thailand	Customs and Fiscal Measures on Cigarettes from the Philippines	Nov. 17, 2008
DS375	United States	EC	Tariff Treatment of Certain Information Technology Products	Sept. 23, 2008
DS376	Japan	EC	Tariff Treatment of Certain Information Technology Products	Sept. 23, 2008
DS377	Chinese Taipei	EC	Tariff Treatment of Certain Information Technology Products	Sept. 23, 2008

Source: Derived from WTO, "Dispute Settlement: The Disputes, Chronological List of Disputes Cases." http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm (accessed February 20, 2009).

China (DS379);³⁵ Mexico challenged certain U.S. measures relating to the labeling of Mexican tuna and tuna products as "dolphin safe" (DS381);³⁶ Brazil challenged certain U.S. laws, regulations, and procedures applied in U.S. antidumping duty reviews relating to imports of orange juice from Brazil (DS382);³⁷ Thailand challenged the U.S. practice of "zeroing" in calculating overall weighted-average dumping margins in an investigation involving polyethylene retail carrier bags from Thailand (DS383);³⁸ and Canada³⁹ and Mexico,⁴⁰ in separate complaints, challenged certain U.S. country-of-origin labeling requirements for beef and pork at the retail level.

Panels established during 2008 at the request of the United States

During 2008, the DSB established a panel in one case at the request of the United States (DS375). The issues raised and procedural history of this dispute are summarized below. One panel established at U.S. request in November 2007 (DS363) became fully active in March 2008 when the panel was composed and, as a consequence, is also detailed below.

³⁵ WTO, DSB, DS379: United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China, Online summary.

³⁶ WTO, DSB, DS381: United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products, Online summary.

³⁷ WTO, DSB, DS382: United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil, Online summary.

³⁸ WTO, DSB, DS383: United States—Anti-Dumping Measures on Polyethylene Retail Carrier Bags from Thailand, Online summary.

³⁹ WTO, DSB, DS384: United States—Certain Country of Origin Labeling (Cool) Requirements, Online summary.

⁴⁰ WTO, DSB, DS386: United States—Certain Country of Origin Labeling Requirements, Online summary.

Measures by China Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products (DS363)

The United States filed its request for consultations in this matter on April 10, 2007, and its request for a panel on October 10, 2007. The DSB established a panel on November 27, 2007, and the Director-General composed the panel on March 27, 2008. The United States alleged that various Chinese measures reserve trading rights for certain publications and audiovisual entertainment products only to certain Chinese state-designated and wholly or partially state-owned enterprises, and that various Chinese measures impose market access restrictions or discriminatory limitations on foreign service providers seeking to engage in the distribution of publications and certain audiovisual home-entertainment products. The United States claimed that such measures are inconsistent with China's obligations under its Protocol of Accession, the GATT 1994, and the General Agreement on Trade in Services (GATS). The panel was expected to issue its final report to the parties in May 2009.⁴¹

Tariff Treatment by the European Communities and its Member States of Certain Information Technology Products (DS375)

The United States filed its request for consultations on May 28, 2008. In its complaint, the United States, joined by Japan and Taiwan, claimed that the tariff treatment the EC and its member states accord to certain information technology products (e.g., flat panel displays, facsimile machines) does not respect their commitments to provide duty-free treatment for these products under the Information Technology Agreement. The United States (and Japan and Taiwan) also claimed that a number of EC customs classification instruments alone or in combination with EEC Council Regulation No. 2658/87, and certain amended explanatory notes published in the EC Official Journal after their application, are inconsistent with the EC's and member states' obligations under Articles II and X of GATT 1994. On August 18, 2008, the United States, Japan, and Taiwan requested establishment of a panel, and the DSB established a panel on September 23, 2008. The case was pending at year-end 2008.⁴²

Appellate Body and Panel Reports Issued and/or Adopted During 2008 That Involved the United States

During 2008, reports were issued by panels and/or the Appellate Body in seven cases in which the United States was the complainant or a respondent. As noted above, several other disputes before panels in which the United States was either the complainant or a respondent were pending during the year.

⁴¹ WTO, DSB, DS363: China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products, Online summary.

⁴² WTO, DSB, DS375: European Communities and its Member States—Tariff Treatment of Certain Information Technology Products, Online summary. See also, USTR, "U.S. Files WTO Case Challenging EU Tariffs on Certain Technology Products," May 28, 2008.

Reports in which the United States was the complainant

Measures by China Affecting Imports of Automobile Parts (DS340)

In this dispute the United States (and the EC and Canada) argued that China was assessing duties on certain auto parts at rates significantly above its bound rates. The panel issued its rulings on July 18, 2008, relating to the U.S. (and EC and Canadian) claims. With respect to the U.S. claims, the panel found China's Policy Order 8 to be inconsistent with China's obligations under Articles II and III of the GATT 1994 and China's Working Party Report, but exercised judicial economy in not making findings with regard to certain other U.S. claims. On September 15, 2008, China notified its decision to appeal certain issues of law and legal interpretations of the panel to the Appellate Body. In a report circulated on December 15, 2008, the Appellate Body generally upheld the panel's findings with regard to China's obligations under Articles II and III, but reversed the panel's finding that China's Policy Order 8 is inconsistent with China's commitment under China's Working Party Report. On January 12, 2009, the DSB adopted the Appellate Body report and panel report, as modified.⁴³

Additional Duties Imposed by India on Imports from the United States (DS360)

The United States alleged that additional or extra-additional duties applied by India to imports from the United States, including wines and distilled products, were inconsistent with certain provisions of Articles II and III of the GATT 1994. The panel circulated its report on June 9, 2008. The panel found that the United States had failed to establish that India's additional duty on alcoholic liquor was inconsistent with Article II of the GATT 1994, and in light of its conclusions, made no recommendations. However, the panel also noted that India had made certain changes to its additional duties after the establishment of the panel to address concerns raised by India's trading partners. The United States appealed certain issues of law and legal interpretations of the panel to the Appellate Body. In its report circulated on October 30, 2008, the Appellate Body rejected certain U.S. claims about the scope of the U.S. challenge, but found that the panel had erred in its interpretation of Article II and also found that India's additional duty and extra-additional duty would not be justified under Article II to the extent that they result in duties exceeding those set out in India's Schedule of Concessions. On November 17, 2008, the DSB adopted the Appellate Body report and the panel report as "reversed" by the Appellate Body report.⁴⁴

⁴³ WTO, DSB, *DS340: China—Measures Affecting Imports of Automobile Parts*, Online summary. See also, USTR, "WTO Appellate Body Confirms Finding Against China's Taxation of U.S. Auto Parts," December 15, 2008.

⁴⁴ WTO, DSB, *DS360: India—Additional and Extra-Additional Duties on Imports from the United States*, Online summary. See also, USTR, "WTO Appellate Body Reverses Panel and Finds in Favor of the United States," October 30, 2008.

Reports in which the United States was the respondent

Continued U.S. Suspension of Obligations in the EC—Hormones Dispute (DS320)

In this dispute the EC challenged continuing U.S. retaliatory measures against the EC based on the EC's alleged failure to lift its ban on hormone-treated beef in response to earlier reports adopted by the DSB in DS26 and DS48. Following adoption of those reports, in 2003 the EC amended its ban on beef from certain hormone-treated cattle and claimed that its measures were now WTO-consistent. In its complaint filed in November 2004, the EC contended, among other things, that the United States, by having failed to remove the retaliatory measures, was in violation of its obligations under Articles I and II of GATT 1994 and also certain articles of the DSU. The panel circulated its report on March 31, 2008, finding, among other things, that the United States was not in violation of its obligations to the extent that the EC measure earlier found to be in violation has not been removed. Both the EC and United States appealed certain findings. The Appellate Body circulated its report on October 16, 2008, affirming the panel's findings in part and reversing them in part. Among other things, the Appellate Body said that it was unable to complete its analysis as to whether the EC's directive amending its measures brought the EC into substantive compliance with the earlier DSB recommendations, and concluded that the recommendations and rulings adopted by the DSB in *EC—Hormones* remain operative. On November 14, 2008, the DSB adopted the panel report (as modified) and Appellate Body report.⁴⁵

U.S. Measures Relating to Shrimp from Thailand (DS343)

In this dispute Thailand alleged that the United States, through its use of “zeroing” in calculating dumping margins in an antidumping case involving shrimp from Thailand, had failed to make a fair comparison between the export price and the normal value, and had calculated distorted margins of dumping in violation of certain articles of the WTO Antidumping Agreement and certain articles of the GATT 1994. The panel circulated its report on February 29, 2008, finding that the United States had acted inconsistently with Article 2.4.2 and Article 18.1 of the Antidumping Agreement and the Ad Note to the Agreement. Thailand and the United States appealed certain issues of law and interpretation to the Appellate Body. The Appellate Body circulated its report on July 16, 2008, generally upholding the panel findings that the U.S. calculation was not reasonable under the Ad Note or necessary under Article XX(d) of the GATT 1994. On August 1, 2008, the DSB adopted the panel's report, as modified by the Appellate Body report. On October 31, 2008, the United States and Thailand notified the DSB that the United States had agreed to implement the DSB recommendations and rulings by April 1, 2009.⁴⁶

U.S. Antidumping Measures on Stainless Steel from Mexico (DS344)

In this dispute Mexico alleged that certain provisions of the U.S. antidumping law and regulations and U.S. administrative practices and methodologies, including “zeroing,” employed by the U.S. Department of Commerce in antidumping investigations and

⁴⁵ WTO, DSB, *DS320: United States—Continued Suspension of Obligations in the EC—Hormones Dispute*, Online summary. See also the Section 301 part of chap. 2 and the EU section of chap. 5.

⁴⁶ WTO, DSB, *DS343: United States—Measures Relating to Shrimp from Thailand*, Online summary.

administrative reviews involving stainless steel sheet and strip from Mexico were inconsistent with U.S. obligations under the GATT 1994 and the Antidumping Agreement. In its report circulated on December 20, 2007, the panel found that the use of model zeroing in investigations is inconsistent with Article 2.4.2 of the Antidumping Agreement. It also found that Commerce acted inconsistently with Article 2.4.2 in using model zeroing in its administrative reviews regarding imports of Mexican stainless steel sheet and strip. However, the panel found that use of simple zeroing in periodic reviews is not inconsistent with Articles VI:1 and VI:2 of the GATT 1994 or Articles 2.1, 9.3, and 2.4 of the Antidumping Agreement, and that Commerce's actions in using simple zeroing in its periodic reviews of dumping margins in the Mexican stainless steel sheet and strip were not inconsistent with U.S. WTO obligations.⁴⁷

In January 2008, Mexico appealed certain issues of law and interpretation covered by the panel report to the Appellate Body. In a report circulated on April 30, 2008, the Appellate Body reversed the panel's finding on simple zeroing, and found that simple zeroing in periodic reviews is inconsistent with Article VI:2 of the GATT 1994 and Article 9.3 of the Antidumping Agreement. It also reversed the panel's finding regarding Commerce's use of simple zeroing in the Mexican stainless steel sheet and strip reviews. On May 20, 2008, the DSB adopted the Appellate Body report and panel report as modified. The United States notified the DSB that it intended to comply and would need a reasonable amount of time for implementation. Mexico asked that the deadline for implementation be determined through binding arbitration. An arbitrator was appointed, and on October 31, 2008, the arbitrator determined that the deadline date should be April 30, 2009.⁴⁸

U.S. Customs Bond Directive for Merchandise Subject to Antidumping/Countervailing Duties (DS345)

In this dispute India alleged that the amended U.S. customs bond directive and the enhanced bond requirement imposed by the United States on imports of frozen warm-water shrimp from India are inconsistent with U.S. obligations under various articles of the Antidumping Agreement, the Subsidies and Countervailing Measures (SCM) Agreement, and the GATT 1994. A panel was established in November 2006 and composed in January 2007. In a report circulated on February 29, 2008, the panel rejected India's claims that the U.S. laws, rules, and regulations that authorize the imposition of the enhanced bond requirement and the instruments comprising the amended customs bond directive are inconsistent with U.S. obligations. However, the panel upheld India's claims that the application of the enhanced bond requirement to subject shrimp from India is inconsistent with certain articles of the Antidumping Agreement and with the Ad Note; that application of the enhanced bond requirement to subject shrimp from India prior to the imposition of the antidumping order is inconsistent with the Antidumping Agreement; and that the United States violated the Antidumping Agreement and the SCM Agreement because it failed to notify the amended customs bond directive to the Antidumping and SCM Committees. The panel rejected the U.S. argument that the application of the enhanced bond requirement is justified under Article XX(d) of the GATT 1994. It declined to rule on certain other claims made by India.⁴⁹

⁴⁷ WTO, DSB, DS344: United States—Final Anti-dumping Measure on Stainless Steel from Mexico, Online summary.

⁴⁸ Ibid.

⁴⁹ WTO, DSB, DS345: United States—Customs Bond Directive for Merchandise Subject to Anti-Dumping/Countervailing Duties, Online summary.

India (on April 17, 2008) and the United States (on April 29, 2008) notified the DSB of their respective decisions to appeal. On July 16, 2008, the Appellate Body circulated its report generally upholding the panel's findings, including the panel's conclusion that the application of the U.S. enhanced bond requirement to the subject shrimp is inconsistent with Article 18.1 of the Antidumping Agreement because it is inconsistent with the Ad Note to Article VI:2 and 3 of the GATT 1994. The DSB adopted the Appellate Body report and panel report (as modified) on August 1, 2008. On October 31, 2008, the United States and India notified the DSB that they had agreed that the reasonable time for the United States to implement the DSB recommendations and rulings is eight months, expiring on April 1, 2009.⁵⁰

Continued Existence and Application of U.S. Zeroing Methodology (DS350)

In this dispute the EC challenged U.S. "zeroing" methodology in calculating the margin of dumping, including the methodology set out in Commerce's implementing regulation and Commerce's Antidumping Manual (1997 edition). The EC alleged that the U.S. regulation and zeroing methodology and procedures for determining the dumping margin are inconsistent with several articles of the Antidumping Agreement and the GATT 1994. In a report circulated on October 1, 2008, the panel found that the United States acted inconsistently with its obligations (1) under Article 2.4.2 of the Antidumping Agreement by using model zeroing in four investigations at issue; (2) under Article VI:2 of the GATT 1994 and Article 9:3 of the Antidumping Agreement by applying simple zeroing in 29 periodic reviews at issue; and (3) under Article 11.3 of the Antidumping Agreement by using, in the eight sunset reviews at issue, dumping margins obtained through model zeroing in prior investigations. In November 2008 both the EC and United States notified the Appellate Body of their decision to appeal the panel findings, and the appeal was pending at year-end.⁵¹

Organization for Economic Cooperation and Development

OECD is an international organization with 30 member countries committed to democracy and the market economy.⁵² The OECD Trade Committee is a forum designed to allow policy officials to have dialog about policy issues and developments in trade relations.⁵³ During 2008, the OECD Trade Committee focused on outreach programs to nonmember countries, including its Global Forum on Trade to engage private sector and civil society groups as well as nonmember countries, and Aid for Trade issues designed to build developing countries' trade capacity. At the June 2008 OECD Ministerial

⁵⁰ Ibid.

⁵¹ WTO, DSB, DS350: United States—Continued Existence and Application of Zeroing Methodology, Online summary.

⁵² The OECD was established in 1961. Its 30 members are Australia; Austria; Belgium; Canada; Czech Republic; Denmark; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Italy; Japan; Korea; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Poland; Portugal; Slovak Republic; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States. OECD, "About OECD," http://www.oecd.org/pages/0,3417,en_36734052_36734103_1_1_1_1_1.00.html (accessed July 10, 2009).

⁵³ OECD, "OECD Trade Committee," http://www.oecd.org/document/33/0,3343,en_2649_37431_41332513_1_1_1_1.00.html (accessed July 10, 2009).

Council meeting, member countries' discussions mirrored these outreach efforts to candidate countries and others. Ministers also discussed the economics of climate change, sovereign wealth funds, and the effect of the recent credit markets upheaval on the current economic situation. In November 2008, the OECD member countries issued several pledges reaffirming their commitment to maintain open trade and investment conditions in their markets, and to continue to provide support for developing countries during the worldwide economic and financial instability. In particular, OECD members underlined the need to maintain the availability of export credits to underpin the continued flow of international trade.⁵⁴

Trade Committee

The OECD Trade Committee held three meetings during 2008, in March,⁵⁵ May,⁵⁶ and October.⁵⁷ It addressed several working parties' reports about ongoing activities; took up systemic policy discussions on bilateral and regional trade agreements and on nontariff measures; considered several outreach matters dealing with nonmember countries, such as inviting certain governments as ad hoc observers, continuing the Global Forum on Trade venue, and reviewing Aid for Trade matters; and addressed a number of institutional and administrative issues, such as the renewal of mandates for working parties, preparations for the OECD Ministerial Council meeting, and the committee's work program. Brazil and the committee also reviewed jointly selected trade issues concerning Brazil's trade policy.

Ongoing Activities of the Trade Committee

In March 2008, the Working Party of the Trade Committee reported that its recent work centered around analysis of three key areas—trade in services, trade and domestic economic policies, and the benefits of trade liberalization. The Joint Group on Trade and

⁵⁴ A number of multilateral and plurilateral institutions and groups expressed similar concerns during the year as the worldwide financial crisis deepened, reaffirming from their own particular perspectives their support for developing countries and commitments to avoid trade protectionist measures, such as found in the OECD ministerial meeting in June 2008; the APEC ministerial meeting in November 2008; the WTO General Council meeting in December 2008; and the declaration from the Group of Twenty meeting in London, England, in April 2009. Leaders of the Group of Twenty, "The Global Plan for Recovery and Reform," April 2, 2009; OECD, "OECD Ministerial Declaration on Policy Coherence for Development," June 4, 2008, C/MIN(2008)2/FINAL; APEC, "The Twentieth APEC Ministerial Meeting—Joint Statement," November 19-20, 2008; and WTO, Trade Negotiations Committee, "Chairman's Introductory Statement," December 17, 2008, JOB(08)/134.

⁵⁵ OECD, "Summary Record of the 149th Session of the Trade Committee," August 21, 2008, TAD/TC/M(2008)1/PROV; OECD, "Summary Record of the 149th Session of the Trade Committee," May 21, 2008, TAD/TC/M(2008)2/PROV.

⁵⁶ OECD, "Summary Record of the 150th Session of the Trade Committee," October 29, 2008, TAD/TC/M(2008)3/ANN; OECD, "Summary Record of the 150th Session of the Trade Committee," October 29, 2008, TAD/TC/M(2008)3/PROV.

⁵⁷ OECD, "Summary Record of the 151st Session of the Trade Committee," December 18, 2008, TAD/TC/M(2008)4/ANN; OECD, "Summary Record of the 151st Session of the Trade Committee," December 18, 2008, TAD/TC/M(2008)4.

Environment reported that its focus had been on national trade and environment policies, such as trade and climate change, as well as on environmental measures in regional trade agreements.⁵⁸

In May 2008, the Working Party of the Trade Committee reported on deliberations concerning trade and investment, as well as a cooperative project with the Directorate on Science and Technology regarding the positive relationship found between strengthening intellectual property rights and advances in innovation.⁵⁹ The Working Party on Export Credits and Credit Guarantees updated the committee on the three most recent agreements reached: (1) OECD Recommendations on Export Credits in Respect of Antibribery, (2) OECD Recommendations on Export Credits in Respect of the Environment, and (3) Agreement on Principles and Guidelines for Sustainable Lending.

In October 2008, the Working Party of the Trade Committee reported on trade facilitation as well as the OECD-wide initiative on the political economy of reform.⁶⁰ The working party also considered the issue of policy coherence for economic development as part of the broad OECD initiative to investigate how reforms in different areas of a developing country's economy can produce a more coherent impact in support of economic development objectives. The working party reported progress in data collection and refining methodologies for a major review of Aid for Trade to take place in mid-2009. The Joint Working Party for Agriculture and Trade also made its first presentation to the Trade Committee in its effort to keep the committee informed on related areas.

Multilateral Trading System Discussions

In March 2008, the Trade Committee initiated a discussion series designed to provide an increased opportunity for policymakers to exchange views on issues of timely importance to the multilateral trade system. Such issues often prove difficult to address sufficiently or broadly enough at the WTO in Geneva, Switzerland.

Bilateral and regional trade agreements in the multilateral trading system

The first topic concerned bilateral and regional trade agreements in the multilateral trading system. The Secretariat provided a short issues paper of five questions, as well as a select bibliography of staff work in the area, and three delegations tabled short papers for discussion purposes.

In May, the committee continued the discussion of bilateral and regional trade agreements in the multilateral trade system, focusing in particular on commercial business views of the implications of an expanded use of bilateral and regional trade agreements in world trade.⁶¹ Key questions included (1) what priority do commercial businesses accord to these agreements? (2) with the expansion of bilateral and regional trade agreements, does business now see the multilateral trade system as less important or less effective? (3) what trade measures does business consider most important to include in these agreements? (4) does the proliferation of bilateral and regional trade agreements reduce or increase transaction costs for business? (5) does overlapping country membership in these agreements create confusion or problems for business about which

⁵⁸ "Summary Record of the 149th Session of the Trade Committee."

⁵⁹ "Summary Record of the 150th Session of the Trade Committee."

⁶⁰ "Summary Record of the 151st Session of the Trade Committee."

⁶¹ "Summary Record of the 150th Session of the Trade Committee."

rules to follow, such as different rules of origin among different regional trade agreements? and (6) is there some way that business can help ensure in the elaboration and implementation of these agreements that they ultimately support the multilateral trade system?

The committee heard the views of the OECD Business and Industry Advisory Committee (BIAC) representatives regarding these questions. The BIAC representatives said that businesses often distinguish between bilateral and regional trade agreements, finding regional agreements to be more positive and more likely to extend liberalization further to the global level that, in turn, permits significant economies of scale and provides broader investment choices for businesses. The BIAC representatives observed that, while regional agreements may prove a second-best solution when the multilateral trade system cannot provide an immediate solution to a trade problem, such agreements are unlikely to displace the multilateral trade system in the longer run. The BIAC representatives suggested including the subject of competition policy in regional agreements, a subject not yet addressed by the multilateral trade system.

In response to whether regional agreements increased transaction costs, the BIAC representatives emphasized the importance to the business sector of integrated global supply chains for goods and services, encouraging the committee to carry out an analysis of obstacles that impede these supply chains and at what cost. The BIAC representatives also pointed out that differences in rules of origin often come about as a result of pressure from industry itself, and that a harmonized version of origin rules would tend to diminish the costs of doing business.

Nontariff measures

In October 2008, the Trade Committee opened a discussion on nontariff measures under its systemic policy discussion series.⁶² The Secretariat provided a short issues paper and three delegations tabled short papers for discussion purposes. At the conclusion, the committee requested the Secretariat develop a detailed outline of aspects of nontariff measures that might serve as a framework for future discussions, as well as compile a list of other suggested topics that delegates might choose for future systemic policy discussions.

Administrative Matters and Public Outreach

The Trade Committee dealt with a number of administrative matters during 2008, including mandate renewals for the Trade Committee, Working Party of the Trade Committee, Joint Working Party on Agriculture and Trade, and the Working Party on Export Credits and Credit Guarantees; preparations for the June 2008 Ministerial Council meeting; and continuation of the OECD Global Forum on Trade's public outreach program for 2009 and beyond. The Global Forum on Trade program provides the opportunity for OECD committees to interact and exchange views with public stakeholders on subjects of mutual interest. This provides for exchanges of views between OECD members and nonmember officials, but also policy analysts, researchers, experts in the field, business leaders, and others. To date, Global Forums have been established to discuss agriculture, competition policy, education, international investment, public governance issues, sustainable economic development, taxation, and

⁶² "Summary Record of the 151st Session of the Trade Committee."

trade. Several other forums are currently planned concerning biotechnology, finance, and the knowledge economy.

Asia-Pacific Economic Cooperation (APEC)

APEC is an international organization that consists of Pacific Basin countries seeking to enhance intra-regional economic growth and cooperation.⁶³ The organization operates as a cooperative, multilateral economic and trade group, whose decisions are made by consensus, and whose commitments are undertaken voluntarily. APEC leaders meet annually to provide direction to the organization in the form of action-oriented work programs, and to define priorities for its committees, working groups, senior officials meetings, and special task groups. Since its inception, APEC has aimed to facilitate economic growth, trade, investment, and cooperation in the Asia-Pacific region.⁶⁴ To reach its objectives, member countries committed to the “Bogor Goals” in 1994, which set forth a timetable for creating a free and open trade and investment area in the Asia-Pacific region by 2010 for the industrialized countries, and by 2020 for the developing countries. In subsequent years, various annual APEC initiatives have been undertaken to provide member countries with direction on how to successfully meet the long-term objectives initially agreed upon in Bogor, Indonesia.⁶⁵

Three main developments resulted from the November 2008 annual ministerial meeting in Lima, Peru, and its related workshops. Ministers reaffirmed their commitment to open trade and investment policies in the face of the global financial crisis, implemented new trade and investment initiatives, and promoted greater corporate responsibility to address the social dimensions of globalization of the region.

Open Trade and Investment

During the November 2008 annual meeting, APEC Heads of State reaffirmed their commitment to open trade and investment policies in the face of the global financial crisis. In their ministerial statement, they concluded that this course of action will help APEC members play a central role in promoting recovery, growth, and development.⁶⁶ To that end, APEC has shared information on liberalization initiatives and conducted workshops and seminars to build capacity and raise awareness among members in support of the WTO Doha Round negotiations.⁶⁷ It has also continued to examine options and prospects for a Free Trade Area of the Asia-Pacific (FTAAP) by compiling a preliminary inventory of issues to be addressed as part of the preparatory process.⁶⁸ Moreover, APEC ministers recommended that member leaders support the G-20 Washington Declaration and reaffirmed their commitment against the creation of new

⁶³ APEC was established in 1989. Its 21 members are Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei (Taiwan); Thailand; the United States; and Vietnam. For more information, see APEC, “APEC at a Glance,” http://www.apec.org/apec/about_apec.html.

⁶⁴ Ibid.

⁶⁵ APEC, “Outcomes & Outlook 2005–06,” February 1, 2007.

⁶⁶ APEC, “Joint Statement at 20th APEC Ministerial Meeting,” November 19–20, 2008.

⁶⁷ APEC, “Committee on Trade and Investment: Annual Report to Ministers,” February 13, 2009.

⁶⁸ APEC, “2008 Progress Report on the APEC Regional Economic Integration Agenda,” 2008.

trade and investment barriers in the next 12 months.⁶⁹ The development of a more diversified and sounder institutional investor base was also a stated ministerial goal in 2008, as it aims to deepen financial sector participation, remove trade restrictions, and improve regulatory frameworks.⁷⁰ To demonstrate their commitment to structural reform, APEC ministers endorsed the Good Practice Guide on Regulatory Reform at their Lima ministerial meeting.⁷¹

Committee on Trade and Investment

APEC's Committee on Trade and Investment (CTI) accomplished four main tasks in 2008. First, agreement was reached on model measures⁷² for FTAs, including customs administration and trade facilitation, competition policy, environment, and safeguards.⁷³ Second, progress was made on the implementation of the Second Trade Facilitation Action Plan with the establishment of Key Performance Indicators and reporting methodologies for monitoring its implementation.⁷⁴ Third, agreement was reached on a new APEC Investment Facilitation Action Plan (IFAP) that will assist economies in improving their investment environments.⁷⁵ Finally, CTI members endorsed the APEC Digital Prosperity Checklist, which provides assistance to economies to advance the use of information and communications technologies as catalysts for growth and development.⁷⁶

Corporate Social Responsibility

Ministers exhibited renewed interest in promoting corporate social responsibility (CSR) during the November 2008 summit, emphasizing the social dimensions of globalization. Through APEC's Business Advisory Council, APEC ministers agreed to promote CSR through individual government incentive programs and practices in its member countries. Given that CSR programs develop at different speeds and in different directions among APEC members, reflecting the heterogeneity of member-country business cultures and levels of social and economic development, it was agreed that these CSR measures will remain voluntary during this phase of implementation.⁷⁷

⁶⁹ APEC, "Outcomes & Outlook 2008-09," November 2008.

⁷⁰ APEC, "Joint Statement at 20th APEC Ministerial Meeting," 2008.

⁷¹ APEC, "Good Practice Guide on Regulatory Reform," August 2008.

⁷² Model measures provide references for member countries seeking to negotiate FTAs, and are intended to promote consistency in FTAs across the region.

⁷³ APEC, "Free Trade Agreements and Regional Trading Agreements," February 2008.

⁷⁴ APEC, "APEC's Second Trade Facilitation Action Plan," February 2008.

⁷⁵ APEC, "APEC Investment Facilitation Action Plan," February 2008.

⁷⁶ APEC, "Outcomes & Outlook 2008-09," November 2008.

⁷⁷ APEC Business Advisory Council, "Mind the Gap: Making Globalization an Opportunity for All - Report to APEC Economic Leaders," 2008.

CHAPTER 4

U.S. Free Trade Agreements

This chapter summarizes developments related to U.S. Free Trade Agreements (FTAs) during 2008. It describes trends in U.S. merchandise trade with FTA partners during 2008, the status of U.S. FTA negotiations during the year, and major North American Free Trade Agreement (NAFTA) activities, including NAFTA dispute settlement developments during the year.

FTAs in Force During 2008

The United States was a party to nine FTAs as of December 31, 2008.¹ These included a multiparty agreement with the countries of Central America and the Dominican Republic (U.S.-CAFTA-DR) that entered into force with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006–07); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); NAFTA (1994); and the U.S.-Israel FTA (1985).²

In 2008, total two-way merchandise trade between the United States and its FTA partners was \$1.1 trillion, or about one-third of U.S. merchandise trade with the world. U.S. merchandise exports to FTA partners increased by 8.0 percent to \$444.2 billion and accounted for 38.0 percent of total U.S. exports. U.S. imports of goods from FTA partners increased 4.7 percent to \$625.8 billion and accounted for 29.9 percent of U.S. imports from the world.

The U.S. merchandise trade deficit with its FTA partners decreased by \$4.7 billion to \$181.6 billion in 2008 (table 4.1). The U.S. deficit with its NAFTA partners was a record high \$197.2 billion, an increase of \$7.1 billion from 2007. Excluding NAFTA, the United States registered a trade surplus with the rest of the FTA partners of \$15.6 billion, up from \$3.9 billion in 2007. The FTA partners with which the United States recorded a merchandise trade surplus in 2008 were Australia, Chile, Bahrain, Singapore, Morocco, and the CAFTA-DR countries, while the United States continued to have merchandise trade deficits with Israel and Jordan.

The value of U.S. imports entered under FTA provisions increased 5.1 percent from \$313.9 billion in 2007 to \$329.8 billion in 2008 (table 4.2). More than 60 percent of total imports from CAFTA-DR partners entered under FTA provisions in 2008. Similarly, more than 50 percent of total imports from NAFTA partners Canada and Mexico, Chile, and Bahrain entered under FTA provisions. On the other hand, less than 20 percent of total imports from Israel, Singapore, and Morocco entered under FTA provisions. Imports

¹ Since the U.S.-Singapore FTA in 2004, the modifications to the HTS required to implement each FTA can be found at USITC, Tariff Information Center Web site, http://www.usitc.gov/tata/hts/other/rel_doc/annex/index.htm.

² FTAs with Oman and with Costa Rica (as part of U.S.-CAFTA-DR) entered into force on January 1, 2009. Therefore, no imports from these countries entered under FTA provisions in 2008. The United States-Peru Trade Promotion Agreement entered into force on February 1, 2009. These agreements are described in more detail below.

TABLE 4.1 U.S. merchandise trade with FTA partners, total trade, 2006–08

	2006	2007	2008
	Millions of \$		
Exports:			
Israel	8,094	9,940	10,238
NAFTA	312,789	332,500	353,932
Canada	198,226	213,119	222,424
Mexico	114,562	119,381	131,507
Jordan	623	832	904
Singapore	21,911	23,577	25,655
Chile	6,221	7,610	11,367
Australia	16,836	17,917	20,948
Morocco	869	1,334	1,506
Bahrain ^a	471	565	779
CAFTA-DR ^b	9,657	17,050	18,875
FTA partner total	377,472	411,325	444,205
World	929,486	1,046,358	1,169,821
FTA partner share of world (percent)	40.6	39.3	38.0
Imports:			
Israel	19,157	20,817	22,264
NAFTA	500,090	522,663	551,168
Canada	303,034	312,505	334,840
Mexico	197,056	210,159	216,328
Jordan	1,421	1,333	1,139
Singapore	17,750	19,080	15,718
Chile	9,551	8,969	8,182
Australia	8,244	8,633	10,535
Morocco	546	626	880
Bahrain ^a	632	626	517
CAFTA-DR ^b	10,206	14,840	15,387
FTA partner total	567,598	597,588	625,790
World	1,845,053	1,942,863	2,090,483
FTA partner share of world (percent)	30.8	30.8	29.9
Balance:			
Israel	-11,063	-10,877	-12,026
NAFTA	-187,301	-190,163	-197,236
Canada	-104,808	-99,386	-112,415
Mexico	-82,493	-90,778	-84,821
Jordan	-798	-501	-234
Singapore	4,161	4,496	9,937
Chile	-3,330	-1,359	3,184
Australia	8,593	9,283	10,413
Morocco	323	708	626
Bahrain ^a	-162	-60	262
CAFTA-DR ^b	-549	2,210	3,488
FTA partner total	-190,126	-186,264	-181,586
World	-915,567	-896,505	-920,661
FTA partner share of world (percent)	20.8	20.8	19.7

Source: U.S. Department of Commerce.

Note: Data represents U.S. bilateral trade flows (i.e., trade under FTA provisions as well as non-FTA trade) with FTA partners, which are listed according to the date of the FTA's entry into force.

^a FTA in force for part of 2006.

^b CAFTA-DR in force for El Salvador, Guatemala, Honduras, and Nicaragua for differing parts of 2006, and Dominican Republic for part of 2007.

TABLE 4.2 U.S. imports entered under FTA provisions, by FTA partner, 2006-08

	2006	2007	2008	% Change 2007-08
	Millions of \$			
Israel	2,771	2,755	3,209	16.5
NAFTA	286,959	293,057	306,593	4.6
Canada	159,796	158,984	166,077	4.5
Mexico	127,163	134,073	140,516	4.8
Jordan	309	313	280	-10.5
Singapore	868	935	1,018	9.0
Chile	5,508	5,001	4,454	-10.9
Australia	3,248	3,155	4,356	38.1
Morocco	116	176	161	-8.5
Bahrain ^a	47	199	288	44.5
CAFTA-DR ^b	3,976	8,289	9,410	13.5
El Salvador	993	1,490	1,685	13.1
Guatemala	561	1,286	1,635	27.2
Honduras	2,003	2,855	3,016	5.6
Nicaragua	418	706	816	15.6
Dominican Republic	-	1,952	2,259	15.7
FTA partner total	303,801	313,879	329,770	5.1
World	1,845,053	1,942,863	2,090,483	7.6
	Share of total partner imports			
Israel	14.5	13.2	14.4	
NAFTA	57.4	56.1	55.6	
Jordan	21.7	23.5	24.6	
Singapore	4.9	4.9	6.5	
Chile	57.7	55.8	54.4	
Australia	39.4	36.5	41.4	
Morocco	21.2	28.2	18.3	
Bahrain ^a	7.4	31.8	55.7	
CAFTA-DR ^b	39.0	55.9	61.2	
FTA partner total share of world	16.5	16.2	15.8	

Source: U.S. Department of Commerce.

^a FTA in force for part of 2006.

^b CAFTA-DR in force for El Salvador, Guatemala, Honduras, and Nicaragua during different parts of 2006. Includes the Dominican Republic beginning in 2007.

entered under FTA provisions accounted for 15.8 percent of total U.S. imports in 2008, a decrease from 16.2 percent in 2007.

FTA Developments During 2008

Costa Rica was the final party to the U.S.-CAFTA-DR to implement the agreement. On February 27, 2008, the USTR announced that the six current CAFTA-DR countries would grant Costa Rica an extension until October 1, 2008, to complete its implementing

process.³ Costa Rica was subsequently granted another extension, until January 1, 2009, to complete its implementing process.⁴ Costa Rica completed the implementation process on November 11, 2008,⁵ and on December 23, 2008, the President issued a proclamation implementing the U.S.-CAFTA-DR for Costa Rica effective January 1, 2009.⁶ Other U.S.-CAFTA-DR developments are described below.

The United States and Oman signed an FTA in January 2006 but the agreement did not enter into force immediately. On December 29, 2008, the President issued a proclamation to implement the U.S.-Oman FTA effective January 1, 2009.⁷ The agreement was part of President Bush's larger Middle East Free Trade Area initiative, which also includes FTAs with Jordan, Israel, Morocco, and Bahrain.⁸ Implementing legislation for the agreement was passed by Congress and signed by the President in 2006.⁹

On September 22, 2008, the USTR notified Congress of the Administration's intention to begin negotiations for an FTA with the members of the Trans-Pacific Strategic Economic Partnership (TPP).¹⁰ Current members of the TPP include Brunei Darussalam, Chile, New Zealand, and Singapore. With the exception of the chapters on services and investment, TPP entered into force in 2006.¹¹ On December 30, 2008, the USTR notified Congress of the Administration's intention to add Australia, Vietnam, and Peru (once the U.S.-Peru TPA enters into force, which occurred February 1, 2009) to the TPP Agreement negotiations.¹²

The status of many pending FTAs remained unchanged throughout 2008. Although the President signed implementing legislation for the U.S.-Peru TPA on December 14, 2007, because Peru had not taken all steps necessary for entry into force, the President did not issue a proclamation implementing the U.S.-Peru TPA during 2008. The FTAs with Colombia, Panama, and Korea,¹³ which were signed by both parties in previous years, were all awaiting congressional approval as of the end of 2008. The United States held some negotiations with Malaysia in early 2008. There were no changes in the status of other previously initiated FTA negotiations with Ecuador, the South African Customs Union, Thailand, and the United Arab Emirates, or countries involved with the Free Trade Area of the Americas. The status of U.S. FTA negotiations during 2008 is shown in table 4.3.

³ In a national referendum held on October 7, 2007, the citizens of Costa Rica voted to join U.S.-CAFTA-DR. However, the Costa Rican government did not complete the necessary implementing legislation during the year. U.S.-CAFTA-DR establishes a 2-year period for signatory countries to join the agreement after it first takes effect. U.S.-CAFTA-DR first took effect on March 1, 2006, and therefore the 2-year period for all parties to join the agreement was to end on March 1, 2008. USTR, "USTR Announces Agreement on Extension of Time for Costa Rica to Join the CAFTA-DR," February 27, 2008.

⁴ USTR, "USTR Announces Agreement on Extension of Time for Costa Rica to Join the CAFTA-DR," October 1, 2008.

⁵ Ibid.

⁶ 73 Fed. Reg. 18139 (April 2, 2008)

⁷ 73 Fed. Reg. 80289 (December 31, 2008).

⁸ USTR, "United States to Begin Free Trade Negotiations This Week with the United Arab Emirates and Oman," March 8, 2005.

⁹ USTR, "Statement of U.S. Trade Representative Susan C. Schwab Regarding Entry into Force of the U.S.-Oman Free Trade Agreement," December 29, 2008.

¹⁰ USTR, Letter from Susan C. Schwab to the Honorable Nancy Pelosi, Speaker, U.S. House of Representatives, September 22, 2008.

¹¹ USTR, 2009 Trade Policy Agenda, 2009, 127.

¹² USTR, Letter from Susan C. Schwab to the Honorable Nancy Pelosi, Speaker, U.S. House of Representatives, December 30, 2008.

¹³ For a description of developments with respect to the U.S.-Korea FTA, see the section on Korea in chap. 5 of this report.

TABLE 4.3 Status of U.S. FTA negotiations during 2008

FTA partner(s)	Negotiations launched	Negotiations concluded	Agreement signed by parties	Date of entry into force
Central America and the Dominican Republic:				
El Salvador	Jan. 8, 2003	Dec. 17, 2003	May 28, 2004	Mar. 1, 2006
Honduras and Nicaragua	Jan. 8, 2003	Dec. 17, 2003	May 28, 2004	Apr. 1, 2006
Guatemala	Jan. 8, 2003	Dec. 17, 2003	May 28, 2004	July 1, 2006
Dominican Republic	Jan. 14, 2003	Mar. 15, 2004	Aug. 5, 2004	Mar. 1, 2007
Costa Rica	Jan. 8, 2003	Jan. 25, 2004	May 28, 2004	^(a)
Oman	Mar. 12, 2005	Oct. 3, 2005	Jan. 19, 2006	^(a)
Peru TPA	May 18, 2004	Dec. 7, 2005	Apr. 12, 2006	^(b)
Colombia TPA	May 18, 2004	Feb. 27, 2006	Nov. 22, 2006	-
Panama TPA	Apr. 26, 2004	Dec. 19, 2006	June 28, 2007	-
Korea	Feb. 2, 2006	Apr. 1, 2007	June 30, 2007	-
Free Trade of the Americas (FTAA) ^c	Apr. 18, 1998	^(d)	-	-
South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland)	June 2, 2003	^(e)	-	-
Ecuador	May 18, 2004	^(e)	-	-
Thailand	June 28, 2004	^(e)	-	-
United Arab Emirates	Mar. 12, 2005	^(e)	-	-
Malaysia	Mar. 8, 2006	^(f)	-	-
Trans-Pacific Strategic Economic Partnership (Australia, Brunei Darussalam, Chile, New Zealand, Peru, Singapore, and Vietnam)	^(g)	-	-	-

Source: USTR, various press releases, <http://www.ustr.gov>.

^a January 1, 2009.

^b February 1, 2009.

^c Other negotiating parties to the FTAA are: Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

^d No negotiations since 2005.

^e No negotiations since 2006.

^f Negotiations held during 2008.

^g The United States announced its intention to launch negotiations for an FTA with the Trans-Pacific Strategic Economic Partnership countries on September 22, 2008.

Since July 2007, the President has remained without Trade Promotion Authority, the statutory authority to negotiate trade agreements that the Congress can approve or disapprove but cannot amend.¹⁴

U.S.-Colombia TPA

On April 7, 2007, the President transmitted implementing legislation (H.R. 5724) to Congress for its approval of the U.S.-Colombia TPA.¹⁵ The U.S.-Colombia TPA, covered by the previous Trade Promotion Authority, required Congress to take an up-or-down vote within 90 legislative work days of submission by the President.¹⁶ On April 10, 2008, the House approved resolution (H.Res. 1092) removing the 90 day requirement for a Congressional vote.¹⁷ The U.S.-Colombia TPA was not voted on before the end of the Congressional session in December 2008.¹⁸

¹⁴ The Trade Act of 2002 (title XXII of the Trade Act of 2002) was enacted on August 2, 2002.

¹⁵ 73 Fed. Reg. 72677 (November 28, 2008).

¹⁶ USTR, "Schwab Statement on Colombia Agreement Being Sent to Congress," April 7, 2008.

¹⁷ USTR, "Statement from Ambassador Susan C. Schwab on the House vote to deny the Colombia Free Trade Agreement," April 10, 2008.

¹⁸ USTR, "2009 National Trade Estimate Report," 129.

U.S.-Israel FTA

The U.S.-Israel FTA, which initially took effect in 1985, was intended to apply to trade in all products between the two nations.¹⁹ However, the two countries held differing interpretations as to the meaning of certain rights and obligations related to agricultural products under the FTA.²⁰ In 1996, the United States and Israel signed the Agreement on Trade in Agricultural Products (ATAP), which was an adjunct to the U.S.-Israel FTA. The agreement expired and then was subsequently renewed in 2004 and was scheduled for expiration on December 31, 2008.²¹ On December 10, 2008, the United States and Israel agreed to extend the ATAP for one year through December 31, 2009, in order to give the two governments time to conclude an agreement to replace the 2004 agreement.²²

U.S.-CAFTA-DR

On December 23, 2008, the President issued a proclamation to implement the U.S.-CAFTA-DR for Costa Rica as of January 1, 2009.²³ Costa Rica was the last of the signatory countries to implement the U.S.-CAFTA-DR. In November 2008, the Costa Rican legislature voted to implement the U.S.-CAFTA-DR after voters gave their assent in a national referendum in October 2007. Implementing legislation for the agreement was passed by Congress and signed by the President in 2005.²⁴

On August 15, 2008, the United States implemented two new textile provisions in the U.S.-CAFTA-DR designed to promote regional production and create new opportunities for the use of U.S. fabric and yarn in apparel production in the region.²⁵ These provisions modified certain rules of origin pertaining to the U.S.-CAFTA-DR to: (1) allow a limited quantity of woven apparel containing Mexican or Canadian inputs to enter the United States duty-free; and (2) include a pocketing amendment requiring that for apparel items containing at least one pocket, the pocket bag fabric must be formed and finished in the territory of one or more of the U.S.-CAFTA-DR countries using yarn wholly formed in the territory of one or more of the U.S.-CAFTA-DR parties before the apparel can qualify as an originating good, and therefore, duty-free treatment under the U.S.-CAFTA-DR.²⁶

On October 16, 2008, the President signed Public Law 110-436, which amended Title IV of the U.S.-CAFTA-DR Act to establish the Earned Import Allowance Program (EIAP) for the Dominican Republic.²⁷ This program will allow producers that purchase a certain quantity of qualifying U.S. fabric for the manufacture of certain pants and bottoms of cotton (excluding denim) in the Dominican Republic to receive a credit that can be used to ship a certain quantity of eligible apparel using third-country fabrics from the

¹⁹ USTR, "2004 U.S.-Israel Agricultural Agreement," July 27, 2004.

²⁰ USTR, "2009 National Trade Estimate Report," 259.

²¹ 72 Fed. Reg. 58688 (October 16, 2007).

²² 74 Fed. Reg. 611 (January 7, 2009).

²³ 73 Fed. Reg. 18139 (April 2, 2008).

²⁴ USTR, "Statement of USTR Rob Portman on Signing of U.S.-Central American-Dominican Republic Free Trade Agreement," August 2, 2005.

²⁵ USTR, "Schwab Announces Implementation of Two CAFTA-DR Textile Provisions," July 22, 2008.

²⁶ *Ibid.*

²⁷ Public Law 110-436, an Act to extend the Andean Trade Preference Act, and for other purposes. The amendments to the U.S.-CAFTA-DR Implementation Act are set out in section 2 of Public Law 110-436.

Dominican Republic to the United States duty-free (i.e., for every 2 square meter equivalents (SMEs) of qualifying U.S. fabric purchased for apparel production by producers in the Dominican Republic, one SME credit is received that can be used in the manufacture of apparel using non-qualifying fabric). The EIAP entered into effect on December 1, 2008.²⁸ The U.S. International Trade Commission will conduct an annual review of the program and evaluate its effectiveness in reports to be submitted to the House Committee on Ways and Means and the Senate Committee on Finance.²⁹

On April 25, 2008, the Committee for the Implementation of Textile Agreements (CITA) announced its decision to apply a safeguard on U.S. imports of cotton socks from Honduras.³⁰ Honduras has been the second largest supplier of socks to the United States for the past several years. Pursuant to the provisions of the U.S.-CAFTA-DR, the United States applied a 5 percent tariff to U.S. imports of Honduran socks from July 1 to December 31, 2008. CITA took this action to give U.S. sock producers an opportunity to adjust to increased import competition from CAFTA-DR partners.³¹

North American Free Trade Agreement³²

NAFTA, a free trade agreement between the United States, Canada, and Mexico, entered into force on January 1, 1994. All of the agreement's provisions were fully implemented by January 1, 2008, with the exception of the NAFTA cross-border trucking provisions.³³ In 2008, total two-way (exports plus imports) U.S. merchandise trade with NAFTA partners increased by 5.8 percent over 2007, with U.S.-Canada merchandise trade amounting to \$557.3 billion and U.S.-Mexico merchandise trade totaling \$347.8 billion (table 4.4). In 2008, the U.S. merchandise trade deficit with NAFTA partners increased by 3.7 percent to \$197.2 billion from \$190.2 billion in the previous year.

²⁸ 73 Fed. Reg. 72677 (November 28, 2008).

²⁹ 74 Fed. Reg. 19592 (April 29, 2009).

³⁰ USDOC International Trade Administration, "Administration to Apply Temporary Safeguard on Cotton Socks from Honduras," April 25, 2008.

³¹ On January 18, 2008, as provided for under Article 3.23 of U.S.-CAFTA-DR, CITA formally advised Honduras of its intent to apply a textile safeguard measure on imports of Honduras-origin cotton socks because of the substantial growth (99 percent) of these imports from Honduras in the first 11 months of 2007 over the previous year. USDOC, International Trade Administration, "Administration Announces Intent to Apply Safeguard on Cotton Socks from Honduras," News release, January 18, 2008.

³² U.S. bilateral trade relations with Canada and Mexico are described in chap. 5 of this report.

³³ See chap. 5 for a discussion of NAFTA's cross-border trucking provisions in the section on Mexico. Regarding the agreement's trade provisions, NAFTA's last remaining restrictions on U.S.-Mexico trade were removed on January 1, 2008. These included restrictions on U.S. exports to Mexico of corn, dry edible beans, nonfat dry milk, and high fructose corn syrup, as well as on U.S. imports from Mexico of sugar and certain horticultural products. U.S.-Canada agricultural restrictions were removed before January 1, 1998, under the provisions of the U.S.-Canada Free Trade Agreement (CFTA), which was incorporated into NAFTA in 1994. USDA, FAS, "North American Free Trade Agreement (NAFTA)," Fact Sheet, January 2008; USDA, "Statement by Acting Agriculture Secretary Chuck Conner on the Full Implementation of the North America Free Trade Agreement (NAFTA) on Jan. 2, 2008"; and USTR, *2009 Trade Policy Agenda*, 2009, 121.

TABLE 4.4 U.S. merchandise trade with NAFTA partners, 2006-08

Year	NAFTA partner	U.S.			Two-way trade (exports plus imports)
		Exports	U.S. Imports	Trade Balance	
Billions of \$					
2008	Canada	222.4	334.8	-112.4	557.3
	Mexico	131.5	216.3	-84.8	347.8
	Canada and Mexico	353.9	551.2	-197.2	905.1
2007	Canada	213.1	312.5	-99.4	525.6
	Mexico	119.4	210.2	-90.8	329.5
	Canada and Mexico	332.5	522.7	-190.2	855.2
2006	Canada	198.2	303.0	-104.8	501.3
	Mexico	114.6	197.1	-82.5	311.6
	Canada and Mexico	312.8	500.1	-187.3	812.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

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

The following sections describe the major activities of the NAFTA Free Trade Commission (FTC), the Commission for Labor Cooperation (CLC), the Commission for Environmental Cooperation (CEC), and dispute settlement activities under NAFTA chapters 11 and 19 during 2008.

Free Trade Commission

NAFTA's central oversight body is the FTC. It is chaired jointly by trade representatives from the three member countries.³⁴ The FTC is responsible for overseeing the implementation of NAFTA, as well as for its dispute settlement provisions.

At its most recent annual meeting, in August 2007, in Vancouver, Canada, the FTC agreed to develop a work plan to enhance North American competitiveness.³⁵ The trilateral plan is expected to address key issues that impact NAFTA's trade and identify the most effective means to facilitate it.³⁶ In February 2008, deputy ministers from the United States, Canada, and Mexico met in Monterrey, Mexico, to discuss progress on the trilateral work plan.³⁷

Commission for Labor Cooperation

The CLC, comprised of a ministerial council and an administrative secretariat, was established under the North American Agreement on Labor Cooperation (NAALC), a supplemental agreement to NAFTA that aims to promote effective enforcement of domestic labor laws and foster transparency in their administration. The CLC is responsible for the implementation of the NAALC. Each NAFTA partner has established a National Administrative Office (NAO) within its labor ministry to serve as the contact point with the other parties and the Secretariat, to provide publicly available information to the Secretariat and the other parties, and to provide for the submission and review of

³⁴ The representatives are the U.S. Trade Representative, the Canadian Minister for International Trade, and the Mexican Secretary of Economy.

³⁵ USTR, "Joint Statement on 2007 NAFTA Commission Meeting," August 14, 2007.

³⁶ The plan and the FTC meetings' goals are described in USITC, *The Year in Trade 2007*, 4-8.

³⁷ USTR, 2009 Trade Policy Agenda, 2009, 121.

public communications on labor law matters.³⁸ In the United States, that office is the Division of Trade Agreement Administration and Technical Cooperation (TAATC).³⁹ The NAOs and the Secretariat also carry out the Ministerial Council's Cooperative Activities program.

On April 24, 2008, the NAALC labor ministers held their Eighth Regular Session of the Ministerial Council.⁴⁰ The ministers established priorities for the NAALC and the Secretariat, including addressing the challenges and opportunities for youth employment, improving mine safety, and protecting freedom of association.⁴¹ The ministers also signed a joint declaration to cooperate on resolving issues raised in a public communication regarding freedom of association, the protection of the right to organize, and the right to bargain collectively.⁴² In December 2008, as agreed in the Joint Declaration, the three countries held a government-to-government session in Puebla, Mexico; it was agreed that federal and state officials are to share and build upon the information gathered through that government-to-government session.

The NAALC also provides for the review of public submissions related to the labor laws of the NAFTA countries.⁴³ In April 2008, one new submission on labor matters was filed with the Canadian NAO under the NAALC.⁴⁴ The submission alleged violation of collective bargaining and other labor rights in North Carolina. In the same year, the U.S. NAO addressed a related submission, filed in Mexico in 2006, concerning the collective bargaining rights of public sector workers in North Carolina. With respect to this submission, the U.S. NAO provided responses and information to the Mexican NAO on the application of federal and state laws in North Carolina.⁴⁵

In December 2008, as part of its Cooperative Activities program and as instructed by the Council of Ministers, the NAALC Secretariat hosted a seminar on youth employment in Mexico City, Mexico.⁴⁶

Commission for Environmental Cooperation

The CEC was established under the North American Agreement on Environmental Cooperation (NAAEC), a supplemental agreement to NAFTA designed to ensure that trade liberalization and efforts to protect the environment are mutually supportive. The CEC oversees the mandate of the NAAEC and is composed of (1) the Council—the governing body of the CEC—made up of the environmental ministers from the United

³⁸ CLC, "The National Administrative Offices."

³⁹ The TAATC, formerly the Office of Trade Agreement Implementation (OTAI), is located in the U.S. Department of Labor (USDOL), Bureau of International Labor Affairs (ILAB), Office of Trade and Labor Affairs (OTLA). USDOL, OTLA, "Trade Agreement Administration and Technical Cooperation."

⁴⁰ The Ministerial Council includes the Secretary of Labor of the United States, the Minister of Labor of Canada, and the Secretary of Labor and Social Welfare of Mexico. Secretariat of the Commission for Labor Cooperation, "Puebla Meeting"; USTR, *2009 Trade Policy Agenda*, 2009, 121.

⁴¹ *Ibid.*

⁴² *Ibid.*

⁴³ Information on the submissions and the status of the submissions under NAALC is available in USDOL, ILAB, "Status of Submissions."

⁴⁴ USTR, *2009 Trade Policy Agenda*, 2009, 121.

⁴⁵ *Ibid.*

⁴⁶ CLC, Cooperative Activities, "Youth Employment Seminar"; USTR, *2009 Trade Policy Agenda*, 2009, 121.

States, Canada, and Mexico;⁴⁷ (2) the Joint Public Advisory Committee, made up of five private citizens from each of the NAFTA parties; and (3) the Secretariat, located in Montreal, Canada, composed of professional staff that implements initiatives and conducts research on topics pertaining to the North American environment, environmental law, and standards, and processes citizen submissions on enforcement matters.⁴⁸

Articles 14 and 15 of the NAAEC provide citizens and nongovernmental organizations with a mechanism to aid in enforcing environmental laws in the NAFTA countries. Article 14 governs alleged violations submitted for review by the CEC. It sets forth specific guidelines regarding criteria for submissions and parties that can file complaints. Article 15 outlines the Secretariat's obligations in considering the submissions and publishing findings in the factual record.⁴⁹ At the end of 2008, 10 files remained active under article 14, one of which had been submitted in 2008 (table 4.5). During 2008, there were 10 active files based on citizen submissions under article 15; two involved Canada, seven involved Mexico, and one involved the United States (table 4.6). In 2008, the CEC publicly released two final factual records for submissions first filed in 2003, one with respect to Canada and another with respect to Mexico.

At the 2008 annual ministerial session in Ottawa, Canada, the CEC Council agreed that trade can provide opportunities for mutually supportive economic and environmental outcomes but remains a risk to the environment. To combat the threat to air quality and human health from the importation of non-environmentally compliant small engine products, the Council announced that enforcement officials will collaborate on intelligence to limit such trade.⁵⁰ The Council also announced the establishment of Green Suppliers Partnerships for the auto industry of the NAFTA countries, noting that this program is particularly important as motor vehicles and parts account for the largest share of intra-regional trade.⁵¹ Also, the Council instructed the Secretariat to prepare a comprehensive report on the opportunities and challenges for Green Building in North America to encourage improvements in energy performance in the construction and renovation of commercial and residential buildings throughout North America.⁵²

In November 1993, the United States and Mexico agreed on arrangements to help border communities with environmental infrastructure projects to further the goals of NAFTA and the NAAEC. In 2008, the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) reported working with more than 140 communities throughout the U.S.-Mexico border region to address their environmental infrastructure needs.⁵³ As of December 31, 2008, the BECC had certified 152 environmental infrastructure projects, which will cost an estimated \$3.2 billion to build. To date, the NADB has contracted more than \$870.9 million in loans and grants to support 118 certified projects. Of those funds, a total of \$748.3 million has already been disbursed.⁵⁴

⁴⁷ The CEC Council consists of the U.S. Environmental Protection Agency Administrator, the Canadian Environment Minister, and the Mexican Secretary for Environment and Natural Resources.

⁴⁸ CEC, "CEC Secretariat Council"; USTR, *2009 Trade Policy Agenda*, 2009, 122.

⁴⁹ CEC, "A Guide to Articles 14 and 15."

⁵⁰ Fifteenth regular session of the CEC Council; CEC, "Ministerial Statement," June 26, 2008.

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ North American Development Bank, BECC-COCF Joint Status Report, 2.

⁵⁴ *Ibid.*

TABLE 4.5 Active files through 2008, under article 14 of the North American Agreement on Environmental Cooperation

Name	Case	First Filed	Country ^a	Status
Lake Chapala II	SEM-03-003	May 23, 2003	Mexico	The Secretariat posted a request for information relevant to the factual record on its Web site on September 4, 2008.
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	The Secretariat posted a request for information relevant to the factual record on its Web site on September 15, 2008.
Quebec Automobiles	SEM-04-007	Nov. 3, 2004	Canada	The Secretariat posted a request for information relevant to the factual record on its Web site on September 1, 2006.
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	The Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record on April 4, 2007.
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	The Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record on May 12, 2008.
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	The Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record on May 12, 2008.
Species at Risk	SEM-06-005	Oct. 10, 2006	Canada	The Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record on September 10, 2007.
Minera San Xavier	SEM-07-001	May 2, 2007	Mexico	The Secretariat received the requested information from the concerned government party on May 6, 2008.
Drilling Waste in Cunduacán	SEM-07-005	July 26, 2007	Mexico	The Secretariat received the requested information from the concerned government party on May 16, 2008.
La Ciudadela Project	SEM-08-001	Feb. 22, 2008	Mexico	The Secretariat requested additional information from the concerned government party on March 10, 2008.

Source: CEC, "Active Files."

^a Refers to the country against which an allegation was filed.

TABLE 4.6 Citizen submissions on enforcement under article 15 of the North American Agreement on Environmental Cooperation, submissions active during 2008

Name	Case	First Filed	Country ^a	Status ^b
La Ciudadela Project	SEM-08-001	Feb. 22, 2008	Mexico	Open
Drilling Waste in Cunduacán	SEM-07-005	July 26, 2007	Mexico	Open
Minera San Xavier	SEM-07-001	May 2, 2007	Mexico	Open
Species at Risk	SEM-06-005	Oct. 10, 2006	Canada	Open
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	Open
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	Open
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	Open
Quebec Automobiles	SEM-04-007	Nov. 3, 2004	Canada	Open
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	Open
Montreal Technoparc	SEM-03-005	Aug. 14, 2003	Canada	June 23, 2008
Alca-Iztapalapa II	SEM-03-004	June 17, 2003	Mexico	June 2, 2008
Lake Chapala II	SEM-03-003	May 23, 2003	Mexico	Open

Source: CEC, "Current Status."

^a Refers to the country against which an allegation was filed.

^b Status as of December 31, 2008. Date indicates when the final factual record was publicly released.

Dispute Settlement

The dispute settlement provisions of NAFTA chapters 11 and 19 cover a variety of areas.⁵⁵ Developments during 2008 are described below with respect to NAFTA chapter 11 investor-state disputes and chapter 19 binational reviews of final determinations of antidumping and countervailing cases. Appendix table A.20 presents an overview of developments in NAFTA dispute settlement cases to which the United States was a party in 2008.

Chapter 11 Dispute Settlement Developments

Chapter 11 of NAFTA includes provisions designed to protect cross-border investors and facilitate the settlement of investment disputes. An investor who alleges that a NAFTA country has breached its investment obligations under chapter 11 may pursue arbitration through internationally recognized channels or remedies available in the host country's domestic courts.⁵⁶ A key feature of the chapter 11 arbitral provisions is the enforceability in domestic courts of final awards made by arbitration tribunals.⁵⁷

⁵⁵ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

⁵⁶ Internationally recognized arbitral mechanisms include: the International Centre for the Settlement of Investment Disputes (ICSID) at the World Bank, ICSID's Additional Facility Rules, and the rules of the United Nations Commission for International Trade Law (UNCITRAL Rules).

⁵⁷ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

In 2008, there were two active chapter 11 cases filed against the United States by Canadian investors.⁵⁸ In the same year, there were no active chapter 11 cases filed by U.S. investors against Canada;⁵⁹ but there were three active chapter 11 cases filed by U.S. investors against Mexico.⁶⁰

Chapter 19 Dispute Panel Reviews

Chapter 19 of NAFTA contains a mechanism that provides for review by a binational panel, as an alternative to judicial review by domestic courts, of final determinations made by national investigating authorities in antidumping and countervailing duty cases. A panel may be established at the request of any involved NAFTA country.⁶¹

At the end of 2008, the NAFTA Secretariat listed 10 binational panels active under chapter 19 (table 4.7). Of the four binational panels formed in 2008 under chapter 19, three challenged U.S. agencies' determinations on products from Mexico and one challenged U.S. determinations on products from Canada.⁶²

⁵⁸ U.S. Department of State, "NAFTA Investor-State Arbitrations: Cases Filed Against the United States"; Foreign Affairs and International Trade Canada, "NAFTA-Chapter 11: Cases Filed Against the Government of the United States of America."

⁵⁹ U.S. Department of State, "NAFTA Investor-State Arbitrations: Cases Filed Against Canada"; Foreign Affairs and International Trade Canada, "NAFTA-Chapter 11: Cases Filed Against the Government of Canada."

⁶⁰ U.S. Department of State, "NAFTA Investor-State Arbitrations: Cases Filed Against the United Mexican States"; Foreign Affairs and International Trade Canada, "NAFTA-Chapter 11: Cases Filed Against the Government of the United Mexican States."

⁶¹ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

⁶² NAFTA Secretariat, "NAFTA-Chapter 19 Active Cases."

TABLE 4.7 NAFTA Chapter 19 binational panels, active reviews as of the end of 2008

Country	Case	National agencies' final determination ^a	Product description ^b
Mexico			
	MEX-USA-2005-1904-01	SE Final Dumping Determination	Carbon Steel Tubing (AD)
	MEX-USA-2006-1904-01	SE Final Dumping Determination	Pork (AD)
	MEX-USA-2006-1904-02	SE Final Dumping Determination	Fresh Apples (AD)
United States			
	USA-CDA-2005-1904-01	USDOC Final Results of Countervailing Duty Administrative Review and Rescission of Certain Company-Specific Reviews	Softwood Lumber (CVD & Rescission)
	USA-CDA-2008-1904-02	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod (AD)
	USA-MEX-2007-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils (AD)
	USA-MEX-2007-1904-03	USITC Final Determination of Antidumping Duty Review	Welded Pipe (AD)
	USA-MEX-2008-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils (AD)
	USA-MEX-2008-1904-03	USDOC Final Antidumping Determination	Light-Walled Rectangular Pipe and Tube (AD)
	USA-MEX-2008-1904-04	USITC Final Injury Determination	Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico (IN)

Source: NAFTA Secretariat, "Status Report of Panel Proceedings."

^a In Canada, final dumping and subsidy determinations are made by Canada Border Services Agency, and injury determinations are made by the Canadian International Trade Tribunal. In Mexico, all determinations are made by the Secretaría de Economía. In the United States, dumping and subsidy determinations are made by the U.S. Department of Commerce (USDOC), and injury determinations are made by the USITC. NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

^b The abbreviations indicated in the title of the reports represent the following: AD, Antidumping Duty; CVD, Countervailing Duty; IN, Injury; AR, Administrative Review; and ECC, Extraordinary Challenge Committee.

CHAPTER 5

U.S. Relations with Major Trading Partners

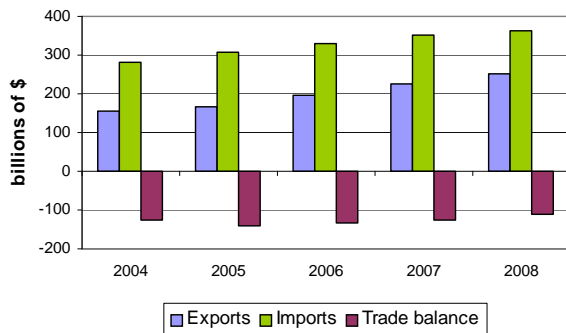
This chapter reviews U.S. bilateral trade relations with nine selected trading partners during 2008: the European Union (EU), Canada, China, Mexico, Japan, Korea, Taiwan, Brazil, and India (ordered by value of merchandise trade).

European Union

The EU¹ as a unit is the largest two-way (exports and imports) U.S. trading partner in terms of both goods and services. U.S. merchandise trade with the EU increased 6.3 percent to \$614.9 billion in 2008, accounting for 18.9 percent of total U.S. trade. For the third year in a row, the U.S. merchandise trade deficit with the EU declined. In 2008, the deficit declined by \$13.5 billion to \$112.5 billion (figure 5.1), matching the U.S. trade deficit with Canada. The United States registered a trade surplus in services of \$58.0 billion with the EU in 2008, up \$11.9 billion over 2007 (figure 5.2). The EU accounted for 37.4 percent of U.S. trade in services in 2008.²

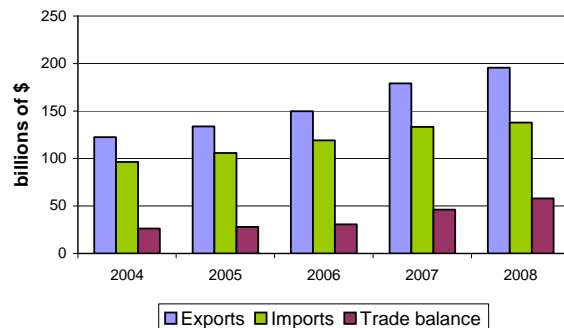
U.S. merchandise exports to the EU rose 11.0 percent to \$251 billion in 2008. Leading U.S. exports included certain medicaments, petroleum products, aircraft and parts, blood fractions (e.g., antiserum), and passenger cars. U.S. exports of petroleum

Figure 5.1 U.S. merchandise trade with the EU, 2004-08



Source: U.S. Department of Commerce.

Figure 5.2 U.S. private services trade with the EU, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

¹ The 27 members of the EU in 2008 were Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom.

² The United Kingdom was the largest single-country U.S. trading partner in services in 2008.

products rose particularly quickly, more than tripling to \$9 billion in 2008, reflecting increases in both the price of oil and the quantity exported. The value of most other major exports also increased.

U.S. merchandise imports from the EU increased 3.3 percent in 2008 to \$364 billion. Because of the importance of intra-industry trade in the bilateral relationship, the composition of U.S. imports from the EU was similar to the composition of U.S. exports. Leading U.S. imports were certain medicaments, petroleum products, passenger cars, nucleic acids and their salts, and airplanes and parts. Petroleum products increased the fastest among top U.S. imports—by over 20 percent—reflecting primarily the increase in the price of petroleum. U.S.-EU merchandise trade data are shown in appendix tables A.21 through A.23.

The Transatlantic Economic Council (TEC), established in 2007, addressed a number of bilateral trade issues in 2008, which are discussed below. There were also developments in several WTO dispute settlement cases involving the United States and EU in 2008 (see appendix table A.19). In particular, the United States requested dispute settlement consultations with the EU regarding its tariff treatment of certain information technology products that appear to violate EU commitments under the International Technology Agreement. WTO dispute settlement panel reports and Appellate Body reports were issued in two cases: the U.S. case against the EU banana import regime and the EU case addressing continued U.S. retaliatory duties related to the earlier U.S. case on the EU meat hormone ban.³ Some long-running disputes continued, including two cases involving alleged subsidies for large civil aircraft,⁴ in which there were delays in the issuance of panel reports, and the U.S. case against EU marketing and approval of biotechnology products. Major developments during 2008 are described in the WTO dispute settlement section of chapter 3.

Transatlantic Economic Council

The TEC is a cabinet-level organization created at the U.S.-EU Summit in April 2007 to oversee and guide efforts to lower barriers to trade and investment between the United States and the EU. In 2008, the TEC met in May and December to improve regulatory cooperation and address certain priority issues (“lighthouse projects”) aimed at advancing transatlantic economic integration, including protection of intellectual property rights (IPR), secure trade, investment, and financial markets. The TEC also addressed two issues of U.S. concern: (1) the EU ban on imports of U.S. poultry meat treated with pathogen reduction substances; and (2) implementation of the EU chemicals regulation REACH (Registration, Evaluation, and Authorization of Chemicals).

³ With respect to the case on continued U.S. retaliatory duties in the EU hormones dispute, the United States agreed not to impose new duties on EU products after the United States and EU signed a Memorandum of Understanding on May 13, 2009. This case is also described in the Section 301 part of chap. 2 and in the WTO dispute settlement part of chap. 3.

⁴ One case was brought by the United States against the EU and one case was brought by the EU against the United States.

At the TEC meeting in December 2008, participants noted that the TEC had made progress towards strengthening transatlantic economic integration by focusing on three areas: (1) ensuring coordination and, where appropriate, development of compatible regulatory approaches generally, as well as in the development and application of specific regulations; (2) resolving specific bilateral issues; and (3) advancing common interests and addressing common challenges involving third countries.⁵ With respect to IPR, the TEC reported progress on joint IPR enforcement efforts, including improved information sharing about key third countries including China and Russia; negotiation of an Anti-Counterfeiting Trade Agreement with other trading partners; and advancing global patent harmonization.⁶ The TEC also reported progress on aligning U.S. and EU policies on accounting standards and automobile standards, and on strengthening the physical security of the supply chain in bilateral trade by agreeing to establish mutual recognition of customs security programs in 2009.⁷

At the annual U.S.-EU Summit in June 2008, the TEC issued a statement supporting an open global investment environment and reaffirming the U.S. and EU commitment to promote open investment policies at home and abroad.⁸ At the December 2008 TEC meeting, U.S. and EU officials agreed to “identify issues of concern with respect to bilateral investment measures and to develop lists of priority third-country investment barriers.”⁹

Regulatory Cooperation

The U.S.-EU High-Level Regulatory Cooperation Forum, established at the 2005 U.S.-EU Summit, met twice in 2008 in conjunction with the semiannual TEC meetings. During 2008, the Forum reported progress to the TEC on a number of issues, including cooperation on the safety of imports in key product areas, information sharing, impact and risk assessment methodologies in the development of regulations, and better incorporation of international standards in domestic regulations. With respect to import product safety, the Forum submitted a report to the May TEC meeting that reviewed U.S. and EU product safety systems in seven areas (e.g., motor vehicles, toys, pharmaceuticals, cosmetics, food, electrical equipment for consumer use, and other nonfood consumer products) and recommended ways to improve information sharing on unsafe products, particularly those imported from third countries.¹⁰ Examples of specific 2008 developments related to the recommendations include creation of a Toy Safety Working Group that has focused on the safety of imported toys, and an agreement (with Australia) to exchange inspection data and to pilot joint inspections of companies manufacturing pharmaceuticals in the United States, EU, and third

⁵ Transatlantic Economic Council, “Review of Progress under the Framework for Advancing Transatlantic Economic Integration,” December 12, 2008, 1.

⁶ Council of the European Union, “2008 EU-US Summit Declaration,” June 10, 2008, 22; Transatlantic Economic Council, “Review of Progress,” December 12, 2008, annex, 4.

⁷ Transatlantic Economic Council, “Review of Progress,” December 12, 2008, annex, 4; White House, “Fact Sheet: Advancing Transatlantic Economic Integration through the Transatlantic Economic Council,” December 12, 2008.

⁸ Council of the European Union, “2008 EU-US Summit Declaration,” June 10, 2008, annex I.

⁹ Transatlantic Economic Council, “Review of Progress,” December 12, 2008, annex, 1.

¹⁰ EU-U.S. High-Level Regulatory Co-operation Forum, “Joint Progress Report to the Transatlantic Economic Council on the Safety of (Imported) Products,” December 12, 2008, 2.

countries. (The first joint inspection was completed in 2008 in China.)¹¹ The Forum also presented a joint report to the May TEC meeting that reviewed how the United States and EU analyze the impact of domestic regulations on international trade and investment,¹² and listed possible ways to best ensure that future regulations take such effects fully into account.¹³ In line with the report's conclusions, during the year both sides revised their respective guidance on how to conduct impact assessments.¹⁴ Finally, both sides discussed U.S. and EU approaches to the use of standards, including voluntary national and international standards, in their regulations and agreed to conduct and present to the TEC in 2009 a joint report on the U.S. and EU systems, including sector case studies.¹⁵

Poultry

Since April 1, 1997, the EU has banned imports of U.S. poultry meat treated with pathogen reduction treatments (PRTs). PRTs are used to decontaminate poultry carcasses and are not permitted on poultry marketed in the EU. In 2002, the United States requested that the EU approve the use of four PRTs, including chlorine dioxide, but the ban remains in place.¹⁶ During 2008, lifting of the ban was a priority issue in the TEC, but no progress was made by the end of the year.¹⁷

REACH

The EU's new chemicals policy embodied in the REACH regulation entered into force on July 1, 2007.¹⁸ The legislation, which aims to protect human health and the environment, replaces about 40 laws and covers about 30,000 existing chemicals. It shifted the responsibility for determining the safe use of chemicals from the EU member states to industry, and required EU-based manufacturers and importers of chemicals of at least 1 metric ton annually to preregister such chemicals with the newly

¹¹ *Ibid.*, 3–5.

¹² U.S. Department of State, U.S. Mission to the EU, Brussels, "Transatlantic Regulatory Dialogue Addresses Regulatory Quality, Trade, Investment and Import Safety," May 22, 2008.

¹³ Office of Management and Budget and the Secretariat General of the European Commission, "Review of the Application of EU and US Regulatory Impact Assessment Guidelines," May 13, 2008, 2.

¹⁴ U.S.-EU High-Level Regulatory Cooperation Forum, "Report to the Transatlantic Economic Council," October 15, 2008, 3.

¹⁵ *Ibid.*, 5; Transatlantic Economic Council, "Review of Progress under the Framework for Advancing Transatlantic Economic Integration," December 12, 2008, annex, 2.

¹⁶ USTR, "U.S. Files WTO Case Challenging EU Restrictions on U.S. Poultry Exports," January 16, 2009.

¹⁷ On January 16, 2009, the United States requested WTO dispute settlement consultations with the EU to resolve this issue. WTO, Dispute Settlement Body, "European Communities—Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States," online summary prepared by the WTO Secretariat.

¹⁸ Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No. 793/93 and Commission Regulation (EC) No. 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC, O.J. (L396) 1.

created European Chemicals Agency (ECHA) between June 1, 2008, and December 1, 2008.¹⁹ Those companies that met the preregistration requirements must fully register by one of three staggered deadlines, with the largest volume and most hazardous chemicals subject to the earliest deadline of December 1, 2010.²⁰ Those chemicals of highest concern are subject to an authorization procedure by ECHA,²¹ which could result in restrictions or even a complete ban on their use.²²

According to the United States, REACH “appears to be overly broad and to adopt a particularly costly, burdensome, and complex approach that could disrupt and distort global trade.”²³ At the May TEC meeting, the European Commission acknowledged the “unprecedented challenge [posed by REACH] both for European and third country producers” and agreed to “within its competence, undertake the necessary steps to ensure transparent implementation, legal certainty and nondiscriminatory trade.”²⁴ In response to U.S. concerns about uncertainties regarding the treatment of chemical ingredients used in imported cosmetics under REACH,²⁵ the European Commission also committed to ensure that U.S. exports of cosmetics and personal care products to the EU are not disrupted by REACH implementation.²⁶

Canada

In 2008, Canada was the largest single-country U.S. trading partner based on two-way trade, accounting for 17.1 percent of U.S. merchandise trade with the world. U.S. merchandise trade with Canada was \$557.3 billion in 2008, 6.0 percent more than in 2007. The U.S. trade deficit with Canada increased \$13.0 billion in 2008 to \$112.4 billion, following a decline over the 2006-07 period (figure 5.3). The United States registered a trade surplus in services with Canada of \$22.7 billion in 2008, up \$4.3 billion from 2007 (figure 5.4). Canada was the second largest single-country U.S. trading partner in services (exports plus imports) in 2008, following the United Kingdom.

U.S. merchandise exports to Canada increased 4.4 percent to \$222.4 billion in 2008 (19.0 percent of total U.S. exports). Leading U.S. exports to Canada in 2008 included motor vehicles and related products as well as energy products, including petroleum,

¹⁹ If a company failed to meet the preregistration deadline, its chemicals are illegally on the EU market. European Commission, “Implementing REACH in Practice,” June 3, 2008, 4-6.

²⁰ European Commission, Directorate General for Enterprise and Industry, “Six-month Window for REACH Pre-registrations,” July 1, 2008.

²¹ European Commission, “European Chemicals Agency ECHA—Questions and Answers,” June 3, 2008.

²² European Commission, “Implementing REACH in Practice,” June 3, 2008, 5.

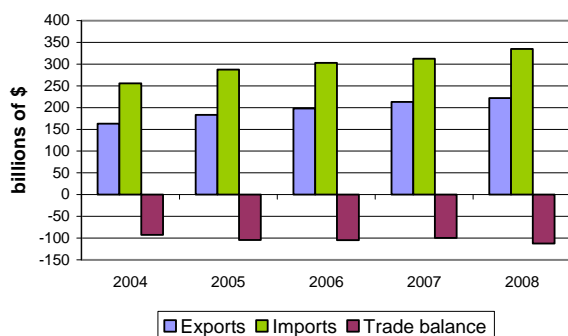
²³ WTO, Committee on Technical Barriers to Trade, “Minutes of the Meeting of 1-2 July 2008,” September 9, 2008, 8.

²⁴ Council of the European Union, “2008 EU-US Summit Declaration,” June 10, 2008, 21.

²⁵ WTO, Committee on Technical Barriers to Trade, “Minutes of the Meeting of 1-2 July 2008,” 8-9.

²⁶ Transatlantic Economic Council, “Review of Progress,” December 12, 2008, annex 3; Commission Communication on the Enquiry and Registration under Regulation (EC) No. 1907/2006 (REACH) of Substances that were Lawfully on the Market before 1 June 2008 but which do not have Phase-in Status, O.J. (C317) 2.

Figure 5.3 U.S. merchandise trade with Canada, 2004-08



Source: U.S. Department of Commerce.

Figure 5.4 U.S. private services trade with Canada, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

natural gas, and electricity. The 4.4 percent increase in U.S. exports to Canada was lower than the 11.8 percent growth of U.S. exports to the world largely because of declines in U.S. exports of auto-related products to Canada.

U.S. merchandise imports from Canada rose 7.1 percent to \$334.8 billion in 2008 (16.0 percent of total U.S. imports). Leading U.S. imports from Canada reflected much the same composition as U.S. exports to Canada, including petroleum, natural gas, and passenger vehicles. The fastest growing imports from Canada in 2008 were energy products, such as crude, heavy, and light petroleum; natural gas; electricity; and propane; with some of these products showing growth rates greater than 20 percent over last year as increased energy prices raised import values. U.S. imports of motor vehicles from Canada decreased in 2008, however, as the U.S. and Canadian economies slipped into recession. U.S.-Canada merchandise trade data can be found in appendix tables A.24 through A.26.

U.S.-Canadian trade relations are governed in large part by the North American Free Trade Agreement (NAFTA), which entered into force on January 1, 1994, replacing the 1989 bilateral U.S.-Canada Free Trade Agreement. NAFTA progressively eliminated tariff and nontariff barriers for bilateral trade in most agricultural and all industrial products that originate in the United States and Canada. In addition, NAFTA improved access for trade in services, established rules on investment, strengthened protection of intellectual property rights, and created a NAFTA dispute settlement mechanism. Since the implementation of NAFTA in 1994, total two-way merchandise trade between the United States and Canada has grown by roughly 265 percent, creating a number of new challenges for trade relations between the two countries.²⁷ Certain trade-related disputes between the United States and Canada are subject to NAFTA and WTO dispute settlement rules. Major procedural developments in active WTO and NAFTA dispute cases are listed in appendix tables A.19 and A.20, respectively. The following sections report on developments in U.S.-Canada trade relations during 2008, notably the U.S.-Canada Softwood Lumber Agreement.

²⁷ U.S. Department of State, "Background Note: Canada," November 2008.

Agriculture

The U.S.-Canada Consultative Committee on Agriculture, set up under the bilateral 1998 Record of Understanding on Agricultural Matters, met in May and November 2008. The Committee discussed trade-related issues regarding fruits, vegetables, seeds, plants, livestock, as well as biotechnology matters. Much of these discussions centered on the trade-related aspects of sanitary and phytosanitary standards, technical standards, labeling, and the implementation of national regulations governing these issues.²⁸

The two countries also made progress in implementing the Technical Arrangement Concerning Trade in Potatoes, set up in 2007 and expected to be fully in place by November 2009. The arrangement is expected to improve U.S. potato growers' access to Canadian processors with the help of expedited import documentation, as well as to provide Canadian potato growers with easier entry of some specialty potatoes into the U.S. market.²⁹

Softwood Lumber Agreement

Following expiration of the 1996 U.S.-Canada Softwood Lumber Agreement in March 2001, the United States and Canada signed a successor agreement on trade in softwood lumber in October 2006. In 2007, the United States held consultations with Canada regarding several Canadian federal and provincial programs for softwood lumber and, in August 2007, requested international arbitration under the agreement to resolve concerns about Canada's application of the agreement's provisions on export volume caps as well as its import surge mechanism.³⁰

The arbitration tribunal issued its decision on March 3, 2008, determining that Canada failed to properly adjust export quota levels for softwood lumber during the first half of 2007.³¹ The tribunal reached a determination as to an appropriate remedy in February 2009.

On January 18, 2008, the United States also requested a second arbitration tribunal to consider a U.S. challenge of several provincial programs on softwood lumber. The United States claims these programs reduce or offset export measures fixed under the agreement.³² This second tribunal is expected to reach a determination in late 2009.

²⁸ USTR, *2009 Trade Policy Agenda*, 2009, 128.

²⁹ *Ibid.*

³⁰ USTR, *2008 Trade Policy Agenda*, 2008, 124-5.

³¹ London Court of International Arbitration, "Case No. 7941—The United States of America, Claimant, v. Canada, Respondent. Award on Liability," March 3, 2008.

³² London Court of International Arbitration, "In The LCIA—The United States of America, Claimant, v. Canada, Respondent—Request for Arbitration," January 18, 2008.

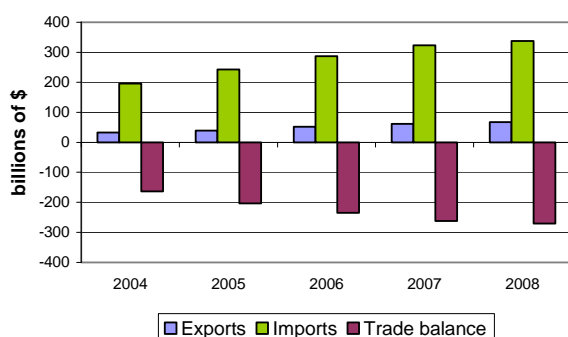
China

In 2008, China was the United States' second largest single-country trading partner based on two-way trade, and accounted for approximately 12 percent of U.S. trade with the world. The United States' bilateral deficit with China, which grew by \$8.3 billion to \$270.3 billion in 2008, was higher than the U.S. deficit with any other single-country trading partner. The widening of the 2008 U.S. merchandise trade deficit with China was mostly attributable to an increase in U.S. merchandise imports (figure 5.5). The U.S. surplus in services with China increased \$767.0 million to \$6.2 billion in 2008, primarily driven by growth in U.S. service sector exports (figure 5.6).

U.S. merchandise exports to China amounted to \$67.2 billion in 2008, up 10.1 percent from 2007. China remained the third largest destination for U.S. exports in 2008, behind Canada and Mexico. Soybeans represented the largest U.S. export to China in 2008, followed by computer chips, passenger airplanes, and copper and aluminum waste and scrap. The growth in U.S. exports to China was primarily led by soybeans, which grew by 77.3 percent year on year, as well as electronic processors and cotton.

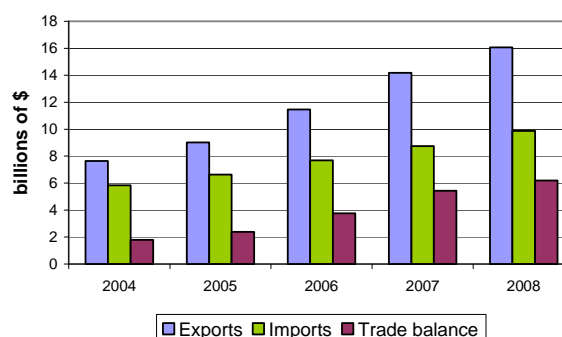
In 2008, China remained the largest single-country source of U.S. imports. In that year, U.S. imports from China amounted to \$337.5 billion, or 4.5 percent higher than they were in 2007. Leading U.S. imports from China in 2008 were computers and their parts, wireless telephones, toys, and video games and their parts. The growth was also primarily led by consumer electronics, including voice over internet protocol (VOIP) machines, laptops, and video games and their parts. Despite the robust growth in U.S. imports from China in early 2008, growth slowed in the fourth quarter, owing to the slowdown in U.S. consumption. U.S.-China merchandise trade data are shown in appendix tables A.27 through A.29.

Figure 5.5 U.S. merchandise trade with China, 2004-08



Source: U.S. Department of Commerce.

Figure 5.6 U.S. private services trade with China, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

In 2008, U.S.-China bilateral trade relations focused on intellectual property rights enforcement, textile and apparel trade, product safety, as well as cooperation on the financial sector, energy, and the environment. Also during 2008, U.S. and Chinese officials held bilateral discussions to address global trade imbalances and China's exchange rate policy. These issues were the main focus of the September 2008 Joint Commission on Commerce and Trade (JCCT) and the June and December 2008 U.S.-China Strategic Economic Dialogues (SEDs).³³

There were also developments in several WTO dispute settlement cases between the United States and China in 2008 (for more details, see chapter 3 and appendix table A.19), including:³⁴

- *Measures Affecting Imports of Automobile Parts (DS340)*: The United States (with the EU and Canada) claimed that China was assessing duties on certain auto parts at rates significantly above bound rates. The panel report was issued (July 18, 2008), and was subsequently appealed by China (September 15, 2008). The Appellate Body report was issued (December 15, 2008), representing the first WTO case brought against China to conclude both panel and Appellate Body rulings.
- *Measures Affecting the Protection and Enforcement of Intellectual Property Rights (DS362)*: A panel was established (September 25, 2007) to examine certain measures pertaining to the protection and enforcement of intellectual property rights in China. Because of the complexity of the case, the panel report was delayed and issued on January 26, 2009.
- *Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products (DS363)*: A panel was established (November 27, 2007) and composed (March 27, 2008) to review the U.S. claim that China's regulation limited the importation and distribution of products such as films, home entertainment products, and publications. Due to the complexity of the case, including translation issues, completion of the panel report has been extended to May 2009.

³³ The U.S.-China Strategic Economic Dialogue was established on September 20, 2006, to create a forum for high-ranking officials to discuss specialized bilateral trade issues and support the JCCT and other bilateral diplomatic forums. For more information, see White House, "President's Statement on the Creation of the U.S.-China Strategic Economic Dialogue," September 2006; U.S. Department of the Treasury, "Fact Sheet: Creation of the U.S. - China Strategic Economic Dialogue," September 2006.

³⁴ In a more recent case (DS392), filed in April 2009, China requested WTO dispute settlement consultations with the United States regarding U.S. measures affecting imports of poultry from China.

- *Measures Affecting Financial Information Services and Foreign Financial information Suppliers* (DS373): The United States requested WTO dispute settlement consultations with China (March 3, 2008) regarding measures that limit the ability of foreign financial information service providers to establish offices in China and service Chinese users. China and the United States notified the WTO on December 4, 2008, of a memorandum of understanding that provided a mutually agreed settlement between the two parties.
- *Definitive Antidumping and Countervailing Duties on Imports of Certain Products from China* (DS379): China requested consultations (September 19, 2008) regarding antidumping and countervailing duties imposed by the United States on a variety of its products, including steel pipe, off-road tires, light-walled rectangular pipe and tube, and laminated woven sacks. A panel was established on January 20, 2009.
- *Grants, Loans and Other Incentives* (DS387): The United States requested consultations with China (December 19, 2008) claiming that the Chinese government offers grants, loans, and other incentives to exporting enterprises, which violate WTO rules prohibiting export subsidies.

Intellectual Property Rights Enforcement

Intellectual property protection for both domestic and foreign rights-holders in China continued to be a high priority issue for the United States in 2008, according to the USTR.³⁵ A WTO dispute settlement panel, established in September 2007 in response to a complaint by the United States, held proceedings in April and June 2008 to evaluate China's protection and enforcement of U.S. IPR. In January 2009, the panel announced that it found certain aspects of China's IPR regime to be inconsistent with its WTO obligations.³⁶ Despite China's 2007 accession to the World Intellectual Property Organization (WIPO) Internet Treaties, the International Intellectual Property Alliance (IIPA) recommended that China remain on USTR's priority watch list, noting limited progress in China's copyright industries and increased problems with online and mobile piracy. The IIPA estimated 2008 losses due to copyright piracy in China to be \$3.5 billion dollars, considerably more than any other country.³⁷

According to the USTR, China's legal and regulatory framework has improved since its accession to the WTO, but problems persist with IPR protection and enforcement.³⁸ Notwithstanding repeated anti-piracy campaigns and an increase in civil IPR cases in Chinese courts, piracy and counterfeiting remain the main IPR problems. Such IPR violations continued to affect goods and services in a broad range of industries, including business and entertainment software, information technology, music, films,

³⁵ USTR, 2008 Report to Congress on China's WTO Compliance, 2008, 5.

³⁶ USTR, "United States Wins WTO Dispute Over Deficiencies in China's Intellectual Property Rights Laws," January 26, 2009.

³⁷ International Intellectual Property Alliance, "2009 Special 301 Report," February 17, 2009. In USTR's 2009 Special 301 report, China remains on the priority watch list.

³⁸ USTR, 2008 Report on China's WTO Compliance, 2008, 72-74.

pharmaceuticals, chemicals, apparel, athletic footwear, textile fabrics, electrical equipment, automotive parts, and industrial products, among others.³⁹

During the 2008 JCCT and SED meetings, the United States and China agreed to continue regular IPR working group meetings to address China's development of guidelines on IPR and standards, internet piracy challenges, and how to mitigate sales of counterfeit goods.⁴⁰

Textile and Apparel Trade

In 2008, China remained the largest exporter of textiles and apparel goods to the United States, increasing its share of total U.S. textile and apparel imports from 40.2 percent in 2007 to 40.9 percent in 2008.⁴¹ During the year, 34 categories of textile and apparel products were subject to 21 quotas under the 2005 memorandum of understanding (MOU) between the United States and China, which established quotas on U.S. imports of selected textile and apparel products from China from January 1, 2006 through December 31, 2008.⁴² During 2008, quotas filled at an average rate of 66 percent, which represented an increase over 2007, when the average fill rate was 62 percent. In 2008, quota fill rates ranged from 3 percent for certain man-made fiber furnishings to 93 percent for certain hosiery.⁴³

In 2008, both the EU and the United States conducted programs to monitor imports of Chinese textiles and apparel upon the expiration of quotas. Throughout 2008, the EU and China jointly monitored Chinese exports of textiles and apparel to the EU, with a goal of avoiding market disruptions.⁴⁴ In October 2008, the United States established a similar program to monitor U.S. imports of textiles and apparel constrained by quotas, after concerns that "a market-disrupting surge in textile and apparel imports from China could occur after the MOU expires."⁴⁵ According to the new series of monitoring reports produced by the Commission, the share held by China in U.S. imports of products constrained by quotas during 2005-08 ranged from 3 percent (for certain man-made fiber furnishings) to 90 percent (for silk trousers and shorts) of the total U.S. import market for these products.⁴⁶

³⁹ Ibid.

⁴⁰ U.S. Department of Commerce, "19th U.S.-China Joint Commission on Commerce and Trade Outcomes," September 16, 2008.

⁴¹ In terms of square meter equivalents (SMEs).

⁴² For the purposes of the MOU, several categories of textile and apparel products (using the U.S. Textile and Apparel Category System) were grouped together and subject to the same quota. For example, for the period January 1, 2008 through December 31, 2008, products in categories 340 (men's and boys' cotton woven shirts) and 640 (men's and boys' man-made fiber woven shirts) are subject to the same restraint level of 8,724,590 dozen. "Memorandum of Understanding Between the Governments of the United States of America and the People's Republic of China Concerning Trade in Textile and Apparel Products," November 8, 2005.

⁴³ U.S. Customs and Border Protection, http://www.cbp.gov/xp/cgov/import/textiles_and_quotas/textile_status_report/archived/2007_year_rpt (accessed February 16, 2009).

⁴⁴ For more information, see USITC, *Operation of the Trade Agreements Program*, 2007, 2-22.

⁴⁵ 73 Fed. Reg. 65882-83 (November 5, 2008).

⁴⁶ USITC, *Textile and Apparel Imports from China: Statistical Reports*, 2009.

Product Safety

During the 2008 Strategic Economic Dialogues, the United States and China agreed on several initiatives aimed at improving product quality and food safety. These initiatives included continued dialogue on China's export-product quality and food-safety control system; strengthened cooperation on inspection, quarantine, and safety of designated products;⁴⁷ and implementation of the Food Safety Information Notification MOU to effectively protect consumers of both countries.⁴⁸ In addition to these initiatives, the United States and China signed:

- A joint progress statement on the Five-Year Work Plan under the Agreement on the Safety of Food and Feed. The U.S. Department of Health and Human Services (HHS) and China's General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) were signatories to this statement;⁴⁹
- A memorandum of understanding on the safety of drugs and medical devices. Both the U.S. Food and Drug Administration and China's State Food and Drug Administration were signatories to this agreement; and
- A memorandum of understanding on Collaboration in Traditional Chinese Medicine.⁵⁰

In addition to these measures, the United States and China agreed to review the implementation of existing bilateral agreements, identify gaps in performance, and prepare a corresponding progress report in advance of the next SED.⁵¹

Financial Sector Cooperation

During the 2008 SED meetings, the United States and China agreed to increase financial sector liberalization in China by:

- Allowing non-deposit taking foreign financial institutions to provide consumers with finance;
- Letting qualified foreign companies list on China's stock exchanges through direct share issuance or depository receipts;

⁴⁷ U.S. Department of the Treasury, "Joint U.S.–China Fact Sheet: Fourth U.S.–China Strategic Economic Dialogue," June 2008.

⁴⁸ U.S. Department of the Treasury, "Joint U.S.–China Fact Sheet: Fifth U.S.–China Strategic Economic Dialogue," December 2008.

⁴⁹ U.S. Department for Health and Human Services, "United States and China Outline Progress on Agreement on Food and Feed Safety," December 11, 2007.

⁵⁰ U.S. Department of the Treasury, "Joint Fact Sheet: Fourth Economic Dialogue," June 2008.

⁵¹ U.S. Department of the Treasury, "Joint Fact Sheet: Fifth Economic Dialogue," December 2008.

- Easing qualifications on foreign incorporated banks to issue subordinated Chinese RMB-denominated bonds;⁵²
- Permitting foreign incorporated banks to trade bonds in the Chinese interbank market; and
- Allowing foreign banks to increase guarantees and/or foreign currency loans from overseas affiliates.⁵³

Also, in response to a March 2008 complaint that the United States filed against China under the WTO Dispute Settlement Understanding, which challenged restrictions China placed on foreign suppliers of financial information, the United States and China signed a MOU that provides for an independent regulator to eliminate certain requirements for foreign financial information suppliers, and removal of challenged restrictions on foreign suppliers.⁵⁴

Notwithstanding these understandings, China continued to leave several market-access related WTO commitments unfulfilled. For example, China still limits electronic payment services, foreign equity in domestic securities, and branch expansion for foreign insurance companies.⁵⁵

Ten Year Framework on Energy and Environment Cooperation

During the SED meeting in June 2008, the United States and China signed the Ten Year Framework on Energy and Environment Cooperation to foster collaborative work on environmental sustainability, climate change, and energy security. The Ten Year Framework aimed to collaboratively improve electricity production and transmission, ensure clean water sources, limit air pollution, establish environmentally friendly and efficient transportation systems, and conserve forest and wetland ecosystems.⁵⁶ During the December 2008 SED meeting, the United States and China added a sixth goal regarding energy efficiency cooperation: to promote energy efficiency in buildings and communities and increased consumer recognition of energy efficient products. Under a related MOU on energy conservation and environmental protection, the United States and China agreed that each country's export-import banks will facilitate the financing of select environmentally friendly projects involving U.S. exports.

In 2008, the United States and China formed seven voluntary "EcoPartnerships," cooperative partnerships between subnational entities (e.g., states, provinces, cities, research universities, corporations, nonprofit organizations) that aim to find new approaches toward sustainable economic growth. These partnerships experimented with public-private partnerships to address deficiencies in energy efficiency in Chinese

⁵² U.S. Department of the Treasury, "Joint Fact Sheet: Fourth Economic Dialogue," June 2008.

⁵³ U.S. Department of the Treasury, "Joint Fact Sheet: Fifth Economic Dialogue," December 2008.

⁵⁴ USTR, *2008 Report to Congress on China's WTO Compliance*, 2008, 8. See also the section on WTO dispute settlement in chap. 3.

⁵⁵ USTR, *2009 National Trade Estimate Report*, 2009, 108.

⁵⁶ U.S. Department of the Treasury, "Joint U.S.–China Fact Sheet: Ten Year Energy and Environment Cooperation," December 2008.

enterprises and take advantage of U.S. private sector expertise to support China's high-priority clean water program.⁵⁷

Global Trade Imbalances and China's Exchange Rate Regime

The U.S. merchandise trade deficit with China of \$270.3 billion in 2008 grew by \$8.3 billion relative to the year before. The magnitude and growth of this bilateral trade deficit, increasing imbalances in the global economy, and policies limiting the Chinese currency's flexibility remained a concern for U.S. policymakers in 2008.⁵⁸

Since China officially ended its fixed exchange rate peg with the U.S. dollar on July 21, 2005, the yuan appreciated by approximately 17.2 percent in U.S. dollar terms by year-end 2008.⁵⁹ China's current exchange-rate policy of managing the yuan against a broader set of currencies, while allowing the yuan to fluctuate by as much as 0.3 percent daily against the dollar, has continued since mid-2005. China has reformed its currency market by authorizing non-state banks to administer spot currency trading.⁶⁰

According to the U.S. Treasury Department, China's large current account surplus in 2008, and inflationary pressure associated with the corresponding influx of foreign exchange reserves, has continued to leave its economy imbalanced, both domestically and internationally.⁶¹ During the June 2008 SED, the U.S. Treasury Department intensified pressure on China to rebalance its economy by boosting domestic demand through consumption-led growth, reforming its financial system, continuing to let the yuan appreciate, and imposing greater foreign exchange-rate flexibility. In addition to these efforts, the December 2008 SED placed emphasis on financial market stability and sustained economic growth in both countries.⁶²

Mexico

In 2008, Mexico was the third largest single-country U.S. trading partner following Canada and China, and accounted for approximately 11 percent of U.S. trade with the world.⁶³ The U.S. merchandise trade deficit with Mexico declined by \$6.0 billion to \$84.8 billion in 2008 (figure 5.7), mainly due to increased U.S. exports to Mexico, which in 2008 grew more in value than corresponding imports from Mexico. The slowdown of the U.S. and Mexican economies, mostly in the third and fourth quarters

⁵⁷ Ibid.

⁵⁸ Congressional Research Service, "China-U.S. Trade Issues," March 7, 2008.

⁵⁹ USITC estimates based on foreign exchange rates provided by the IMF's International Financial Statistics database. Given the recent global economic downturn, China has kept the yuan close to a peg against the dollar since early 2009.

⁶⁰ In the past, all foreign exchange trading was highly regulated and exclusively run by the State Administration for Foreign Exchange (SAFE).

⁶¹ U.S. Department of Treasury, "Report to Congress on International Economic and Exchange Rate Policies," May 2008.

⁶² U.S. Department of Treasury, "Joint Fact Sheet: Fifth Economic Dialogue," December 2008.

⁶³ Based on two-way trade, i.e., the sum of merchandise exports plus imports.

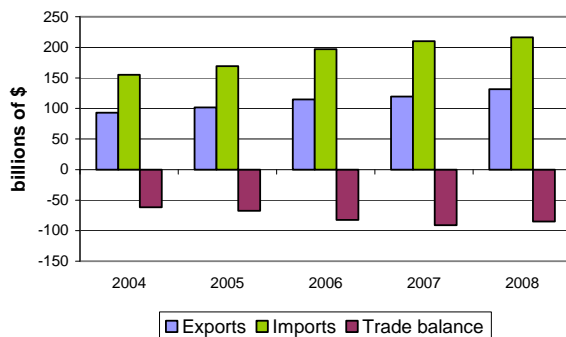
of 2008,⁶⁴ contributed to the decrease in the bilateral trade deficit with Mexico, which occurred despite a dollar appreciation of more than 25 percent against the Mexican peso in 2008. The U.S. trade surplus in services with Mexico grew by 2.1 percent to \$8.3 billion in 2008 (figure 5.8). U.S. services exports to Mexico were \$24.7 billion and U.S. services imports from Mexico were \$16.4 billion.

U.S. merchandise exports to Mexico amounted to \$131.5 billion in 2008, up 10.2 percent from 2007. In 2008, as in the previous year, machinery and transportation equipment continued to be the largest product group in bilateral trade, of which automotive trade was an important component in both imports and exports. Other leading U.S. exports to Mexico included petroleum products, computer parts, corn, soybeans, and parts for electrical apparatus.

In 2008, U.S. merchandise imports from Mexico increased by 2.9 percent to \$216.3 billion. Leading U.S. imports from Mexico included petroleum and petroleum products, motor vehicles, televisions, cellular telephones, and medical instruments. Particularly important in the movement of U.S. imports was the increase in U.S. imports of mineral fuels,⁶⁵ which was partially offset by a decrease in U.S. imports of machinery and transport equipment—together responsible for most of the change in total U.S. imports from Mexico. U.S.-Mexico merchandise trade data are shown in appendix tables A.30 through A.32.

U.S.-Mexican trade relations are governed in large part by NAFTA, which provides duty-free treatment for substantially all bilaterally traded goods originating in the United States and Mexico. There were a number of trade disputes between the United States and Mexico that were the subject of WTO and NAFTA dispute settlement proceedings in 2008. The procedural developments in each of these cases are described in appendix tables A.19 and A.20, respectively.⁶⁶ Recent developments in cross-border trucking provisions between Mexico and the United States are summarized below.

Figure 5.7 U.S. merchandise trade with Mexico, 2004-08



Source: U.S. Department of Commerce.

Figure 5.8 U.S. private services trade with Mexico, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

⁶⁴ The slowdown in the economies of the United States and those of the developed world at the end of 2008 is discussed in chap. 1, as well as the value of the dollar against the currencies of major U.S. trading partners.

⁶⁵ In 2008, most of the increase in U.S. imports of petroleum products was due to the increase in the price of oil. Chap. 1 illustrates a substantial increase in the price of oil, which peaked in mid-2008.

⁶⁶ Developments during 2008 in WTO dispute settlement cases are also described in chap. 3.

Cross-Border Trucking Between the United States and Mexico

The NAFTA cross-border trucking provisions permit Mexican trucks to obtain operating authority to provide cross-border truck services throughout the United States beginning in 2000. Implementation, however, has been delayed because of safety concerns.⁶⁷ On September 7, 2007, the U.S. Department of Transportation (USDOT) initiated a one-year Cross-Border Trucking Demonstration Project aimed at demonstrating the ability of Mexico-based motor carriers to operate safely in the United States beyond the commercial zones along the U.S.-Mexico border.⁶⁸ In 2008, the USDOT evaluated this one-year demonstration project.⁶⁹ On August 6 of the same year, the USDOT extended the demonstration program for two years until 2010.⁷⁰ However, the program was terminated by USDOT in January 2009 when the Congress discontinued its funding.⁷¹

On October 31, 2008, the USDOT assessed how the Federal Motor Carrier Safety Administration (FMCSA) implemented U.S. motor carrier safety policies and regulations for this one-year demonstration project and evaluated the safety performance of Mexico-domiciled carriers operating beyond the border commercial zones in the United States.⁷² Although the one-year demonstration program permitted up to 100 Mexico-domiciled motor carriers to operate throughout the United States, only 25 Mexican carriers participated in the project.⁷³ From September 7, 2007, to September 6, 2008, the report states that the FMCA records show that there were more than 12,000 truck crossings into the United States. Over 85 percent of these crossings were to destinations within the commercial zone—nearly all of them to Texas and California—and less than 15 percent were long-haul operations that went beyond the border commercial zone.⁷⁴

⁶⁷ Developments in cross-border truck services between the United States and Mexico from 1981 to 2004 are summarized in U.S. Department of Transportation, “Cross-Border Truck Safety Inspection Program...,” Fact sheet, February 23, 2007; and USITC, *The Economic Effects of Significant U.S. Import Restraints—Fifth Update 2007*, February 2007, 99. Developments from 2004 to 2007 are described in 72 Fed. Reg. 23883 (May 1, 2007) and USITC, *The Year in Trade 2007*, 5–10.

⁶⁸ The safety of the participating carriers was tracked closely by the Federal Motor Carrier Safety Administration (FMCSA) and its state partners, a joint U.S.- Mexico monitoring group, and an evaluation panel independent of the U.S. Department of Transportation. Details of the Cross-Border Trucking Demonstration Project are discussed in 72 Fed. Reg. 23883 (May 1, 2007); 72 Fed. Reg. 31877 (June 8, 2007); 72 Fed. Reg. 46263 (August 17, 2007); and USITC, *The Year in Trade 2007*, 5–11.

⁶⁹ As mandated by Congress, U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007. P. L. 110-28 (2007), sec. 6901, 121 Stat. 183-185 (May 25, 2007).

⁷⁰ 73 Fed. Reg. 45796 (August 6, 2008).

⁷¹ 74 Fed. Reg. 11628 (March 18, 2009). The USDOT ceased to operate this program when Congress banned USDOT funds to operate or maintain the program, Omnibus Appropriations Act, March 11, 2009, Pub. L. No. 111-8. In response, the government of Mexico, stating that this measure is inconsistent with U.S. obligations under NAFTA, suspended the preferential tariffs that NAFTA affords certain goods from the United States. On March 18, 2009, the government of Mexico announced new tariffs on 89 tariff lines, which range from 10 percent to 45 percent with a simple average of 18 percent. The value of Mexico’s imports from the United States of these 89 products was \$2.4 billion in 2007 and \$2.3 billion in 2008, which amounted to less than 2 percent of total U.S. exports to Mexico. On March 19, 2009, the new tariffs became effective. Secretaría de Gobernación, *Diario Oficial de la Federación* (Mexico’s Federal Register), March 18, 2009.

⁷² The assessment was carried out by the Independent Evaluation Panel at the request of the U.S. Department of Transportation.

⁷³ Independent Evaluation Panel Report, U.S.-Mexico Cross-Border Trucking Demonstration Project, xi.

⁷⁴ *Ibid.*, xii.

The Independent Evaluation Panel that assessed the project also reported that, according to FMCSA and official state safety enforcement records, there were no crashes involving Mexico-domiciled trucks participating in the project. In addition to the every-truck-every-time checks done at the border-crossing facilities, more than 7,000 and 1,400 safety inspections were conducted on participating drivers and trucks, respectively. Of the 7,000 driver safety inspections, less than 1 percent resulted in out-of-service (OOS) violations. This driver OOS rate of the demonstration project was lower than the rate of all U.S.-domiciled carriers (7.2 percent) and U.S.-domiciled new-entrant carriers (13.3 percent).⁷⁵ Of the 1,400 vehicle safety inspections, 8.7 percent resulted in OOS violations compared to 22.6 percent of all U.S.-domiciled carriers and 28.0 percent of U.S.-domiciled new-entrant carriers.⁷⁶ The report found that a larger sample of carriers is needed to make a statistically significant comparison.⁷⁷

Although the project was terminated in early 2009, Mexico still grants the United States the right to operate U.S.-domiciled trucks in Mexico as originally granted in the two-year project extension.

Japan

In 2008, Japan was the fourth largest single-country U.S. trading partner, accounting for 6.2 percent of U.S. total merchandise trade. The U.S. merchandise trade deficit with Japan in 2008 was \$77.7 billion or 8.4 percent of the total U.S. merchandise trade deficit, down for the second year in a row (figure 5.9). The \$9.2 billion decrease in the merchandise trade deficit resulted from a 5.7 percent increase in U.S. exports to Japan and a 4.0 percent decrease in U.S. imports from Japan. This narrowing of the merchandise trade deficit with Japan may be partially attributable to the 17.2 percent depreciation of the dollar versus the yen in 2008. The U.S. services trade surplus with Japan increased by \$1.5 billion to \$17.3 billion in 2008. U.S. exports of services to Japan grew 5.8 percent to \$42.6 billion, while imports of services from Japan increased 3.4 percent to \$25.3 billion (figure 5.10).

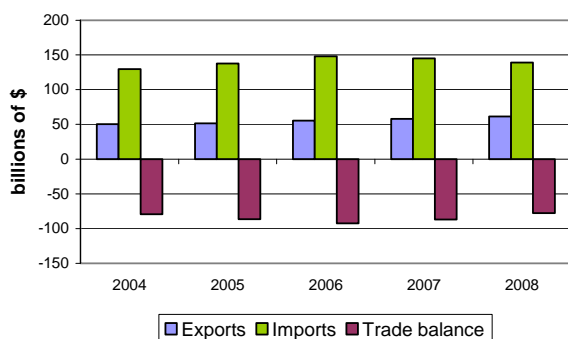
U.S. merchandise exports to Japan were \$61.4 billion or 5.3 percent of total U.S. merchandise exports in 2008, compared with \$58.1 billion or 5.6 percent of the total in 2007. Exports of corn, the leading U.S. export to Japan, increased 46.8 percent in 2008 to \$3.8 billion. The value of other leading agricultural exports, such as wheat, soybeans, and pork, increased sharply in terms of value compared with 2007, due in large part to higher prices. Exports of leading manufactures, such as aircraft and parts, semiconductor manufacturing equipment, medical instruments, and cigarettes, declined. The value of U.S. exports of mineral fuels (e.g., petroleum coke and liquefied natural gas) also increased significantly due to higher prices.

⁷⁵ Ibid., xiii.

⁷⁶ Ibid.

⁷⁷ The panel reports that U.S. and Mexican officials cited uncertainty regarding whether the project will continue and the additional cost of insurance as the main reasons behind the limited participation of Mexican carriers.

Figure 5.9 U.S. merchandise trade with Japan, 2004-08



Source: U.S. Department of Commerce.

Figure 5.10 U.S. private services trade with Japan, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

U.S. merchandise imports from Japan declined for the second straight year to \$139.1 billion or 6.7 percent of total U.S. merchandise imports in 2008. The decline was primarily attributable to decreases in U.S. imports of motor vehicles and parts, although imports of most other manufactures also declined. Imports of passenger vehicles, the leading U.S. import from Japan, decreased 5.2 percent from 2007 to \$42.7 billion or 30.7 percent of total imports from Japan in 2008. Similarly, imports of motor vehicle parts decreased 11.8 percent to \$7.1 billion. One exception was imports of copy and fax machine parts, which increased 11.8 percent to \$4.7 billion. U.S.-Japan merchandise trade data are shown in appendix tables A.33 through A.35.

The U.S.-Japan Economic Partnership for Growth has served as the primary forum for trade and economic dialogue between the two countries since its establishment in 2001. In 2008, discussions under this framework focused on U.S. beef exports to Japan and deregulation of Japan's economy, including economy-wide and sector-specific reforms.

Beef

Japan continues to restrict imports of U.S. beef by requiring all products to be derived from animals 20 months old or younger because of concerns about BSE (bovine spongiform encephalopathy, also known as "mad cow disease").⁷⁸ Japan's restrictions on imports of U.S. beef have had a substantial adverse impact on U.S. beef exports. Prior to the prohibition on imports of U.S. beef in December 2003, Japan was the largest export market for U.S. beef. U.S. exports of beef totaled \$3.6 billion in 2003, of which \$1.3 billion, or 37.1 percent, went to Japan. In 2008, U.S. exports of beef totaled \$3.2 billion, and just \$382 million or 12.0 percent of that total was shipped to Japan.⁷⁹

⁷⁸ Japan was one of several countries that banned imports of U.S. beef and beef products in December 2003 after a cow of Canadian origin, found in a U.S. herd, was determined to be infected with BSE. USDA implemented an export verification program in 2006 to ensure that exports meet the Japanese age restrictions and that banned Canadian beef did not mix with U.S. beef exported to Japan. USDA, Food Safety and Inspection Service, "Export Requirements for Japan, JA-139 (April 23, 2008), Red Meat Export Requirements for Japan"; USTR, *2008 Trade Policy Agenda*, 2008, 158-165; and USITC, *Global Beef Trade*, 2008, 5-4-5-6.

⁷⁹ GTIS, Global Trade Atlas Database (accessed April 2, 2009).

The year 2008 was the first full year since Japan replaced its policy of 100 percent reinspection of U.S. beef and beef products with a sampling-based protocol. This change likely contributed to the 56.2 percent increase in U.S. beef exports to Japan between 2007 and 2008.⁸⁰ As of December 2008, Japan's 20 months or younger age restriction was still in place.

Deregulation

During 2008, bilateral dialogue on the deregulation of Japan's economy continued under a component of the partnership known as the Regulatory Reform and Competition Policy Initiative. Discussions with Japan focused on recommendations originally exchanged in October 2007.⁸¹

Japan implemented several cross-sectoral reforms in 2008. These reforms included efforts to open regulatory decision-making, lower barriers to trade and investment, enhance competition, and improve the business climate.⁸² Japan revised its customs laws in order to streamline import procedures, and improved efficiency in customs processing through the elimination of overtime service charges.⁸³ Japan also strengthened the penalties for companies and individuals caught rigging bids on government contracts, and increased to 11 the number of ministries that have adopted programs to encourage the reporting of bid-rigging activities.⁸⁴

Japan continued sector-specific reforms in 2008. Japan agreed to eliminate mobile handset subsidies to telecommunications companies, which have impeded competition by causing high costs to consumers who choose to change service providers.⁸⁵ Japan approved six new food additives for use in Japan that are already generally accepted worldwide, including in the United States. Additionally, Japan liberalized the sale of insurance products through banks, creating greater consumer choice. Japan also moved to equalize regulatory treatment of formerly state-owned companies (Japan Post companies) relative to other private companies. Japan has taken steps to eliminate the perception that Japan Post Bank and Japan Post insurance deposits are implicitly guaranteed by the government, as well as to ensure that Japan Post companies are required to meet the same banking, insurance, and other regulatory obligations as other private sector financial companies.⁸⁶

⁸⁰ Ibid.

⁸¹ USTR, "Seventh Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative," Fact sheet, July 5, 2008.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ USTR, "USTR Schwab Calls for Reinvigoration of Regulatory Reform in Japan," July 5, 2008.

⁸⁶ USTR, "Seventh Report on the U.S.-Japan Regulatory Reform Initiative," July 5, 2008.

Korea

Korea was the seventh largest single-country two-way trading partner of the United States with two-way merchandise trade valued at \$79.8 billion in 2008, accounting for 2.4 percent of U.S. trade with the world. The United States recorded a \$13.6 billion trade deficit with Korea in 2008, up slightly from a \$12.4 billion deficit in 2007 and similar to deficits in previous years (figure 5.11). The U.S. trade surplus in services with Korea grew \$871 million to \$7.0 billion (figure 5.12).

U.S. exports to Korea were valued at \$33.1 billion in 2008, an increase of 0.2 percent over 2007. Leading U.S. exports to Korea during the year included corn, aircraft, transistors, and ferrous waste and scrap. Most of the 2007 leading exports (19 of the top 25) showed declines in value; but strong increases in exports of corn, transistors, and ferrous waste and scrap largely offset those declines.

U.S. imports from Korea totaled \$46.7 billion, an increase of 2.9 percent from 2007. Leading U.S. imports from Korea included cellular phones, automobiles, computer parts and accessories (mainly memory modules), and computer chips. Declines, by value, of many of the leading imports were more than offset by the large increases in the value of imports of cellular phones and computer chips. U.S.-Korea merchandise trade data are shown in appendix tables A.36 through A.38.

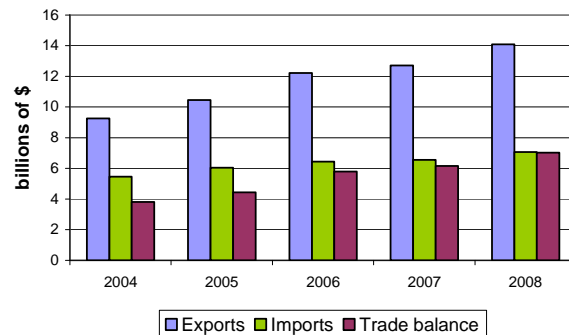
U.S.-Korean trade relations in 2008 were dominated by the status of the U.S.-Korea FTA, which was signed in June 2007, and the agreement on a protocol to resume exports of U.S. beef to Korea, which had been suspended originally over bovine spongiform encephalopathy concerns in late 2003.

Figure 5.11 U.S. merchandise trade with Korea, 2004-08



Source: U.S. Department of Commerce.

Figure 5.12 U.S. private services trade with Korea, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

U.S.-Korea FTA

The United States and the Republic of Korea signed an FTA on June 30, 2007, after concluding negotiations in April of that year. The U.S.-Korea FTA would, if implemented, be the “most commercially significant” free trade agreement for the United States since the NAFTA entered into force in 1994.⁸⁷

The FTA would eliminate duties on a wide range of the partner countries’ originating goods immediately, while phasing out duties on other originating goods over differing transition periods and providing preferential tariff-rate quotas (TRQ) on certain sensitive goods. Specifically, upon entry into force of the FTA, approximately 82 percent of U.S. tariff lines and approximately 80 percent of Korean tariff lines would have free rates of duty for originating goods. Approximately 93 percent of U.S. tariff lines and 92 percent of Korean tariff lines would have free rates of duty after five years; approximately 99 percent of U.S. tariff lines and 98 percent of Korean tariff lines would have free rates of duty by year 10.⁸⁸

At the end of 2008, the agreement was pending approval by the U.S. Congress and the Korean National Assembly. A major area of contention for the United States concerns automobiles. A number of U.S. manufacturers, union groups, and legislators have publicly opposed the agreement citing concerns over market access.⁸⁹ Korea is a major vehicle producer and exporter but has low levels of import penetration.

Beef

On January 13, 2006, the United States and Korea announced an initial import protocol for the resumption of Korean imports of U.S. beef (boneless beef from cattle under 30 months of age), which had been suspended in December 2003 after a Canadian cow in Washington State was found to have BSE. On September 7, 2006, Korea announced that it would resume importation of U.S. beef in accordance with the protocol.⁹⁰ Following the resumption of imports, several shipments of U.S. beef to Korea were rejected by Korean authorities because of the presence of bones, and further shipments from the United States were effectively suspended. Shipments were resumed in early 2007, but problems persisted and all imports from the United States were stopped in October 2007.⁹¹

The United States urged Korea to recognize guidelines set by the World Organization for Animal Health (OIE)⁹² and reopen its market. On May 22, 2007, the OIE Scientific Commission formally classified the United States as a controlled risk country for BSE.

⁸⁷ USTR, “United States and Korea Conclude Historic Trade Agreement,” April 2, 2007.

⁸⁸ USITC, *U.S.-Korea Free Trade Agreement*, 2007, 1-7.

⁸⁹ *Ibid.*, 3-85–3-90.

⁹⁰ USDA, “Statement by Agriculture Secretary Mike Johanns.” Sept. 7, 2006.

⁹¹ USITC, *Global Beef Trade*, 2008, 6-1.

⁹² The Office International des Epizooties was established in 1924. In May 2003, the Office became the World Organization for Animal Health, but kept its historical acronym OIE. See http://www.oie.int/eng/OIE/en_about.htm?e1d1.

The controlled risk classification recognizes that U.S. regulatory controls are effective and that U.S. fresh beef and beef products from cattle of all ages can be safely traded.⁹³

On April 18, 2008, the United States and Korea agreed to a protocol that provides for a full reopening of the Korean beef market to exports from the United States. The protocol defines conditions for the importation of U.S. beef into Korea and requires that the United States meet or exceed OIE guidelines. It permits all U.S. beef (bone-in and boneless) and beef products from cattle of all ages to be imported into Korea, with appropriate specified risk materials, as defined by the OIE, removed.⁹⁴

There was significant public opposition to resuming imports of U.S. beef in Korea.⁹⁵ As a result, on June 20, 2008, Korean beef importers and U.S. exporters reached a commercial understanding—separate from the April 18 agreement—that only U.S. beef and beef products from cattle less than 30 months of age will be shipped to Korea, as a transitional measure, to improve Korean consumer confidence in U.S. beef. At the request of U.S. exporters, the U.S. Department of Agriculture set up a voluntary Quality System Assessment Program that will verify that beef from participating plants is from cattle less than 30 months of age.⁹⁶ U.S. beef exports resumed as of June 26, 2008, after Korea published its “Import Health Requirements for U.S. Beef and Products” in its official gazette,⁹⁷ and Korea quickly returned to being one of the leading destinations for U.S. beef exports.

Taiwan

In 2008, Taiwan was the United States’ 11th largest trading partner based on two-way trade, and accounted for approximately 1.8 percent of U.S. trade with the world. The narrowing of the U.S. merchandise trade deficit with Taiwan, which amounted to \$12.6 billion in 2008 compared to \$13.5 billion the year before, was mostly attributable to a fall in U.S. merchandise imports from Taiwan (figure 5.13). The U.S. trade deficit in services with Taiwan increased \$106.0 million to \$291.0 million in 2008, primarily driven by growth in U.S. service sector imports (figure 5.14).

U.S. merchandise exports to Taiwan amounted to \$23.6 billion in 2008, down 3.7 percent compared to 2007. This decline was led by falling U.S. exports of semiconductor manufacturing machines, and caused Taiwan to fall from the 10th to 13th largest destination for U.S. exports in 2008. Leading U.S. exports to Taiwan included processors and controllers for computers, electronic integrated circuits, semiconductor manufacturing and assembly equipment, soybeans, and aircraft. Ferrous waste and scrap exports grew by 124.3 percent in 2008 to become the seventh largest U.S. export to Taiwan.

⁹³ OIE, “Resolution No. XXIV: Recognition of the Bovine Spongiform Encephalopathy Status of Member Countries.”

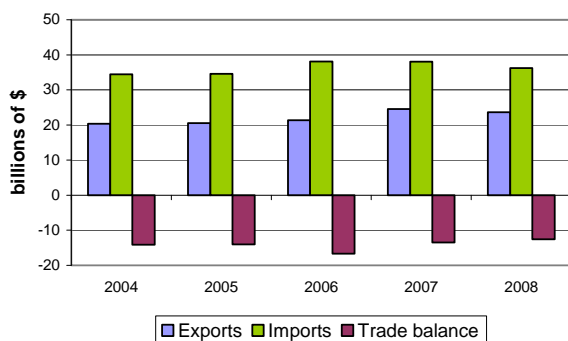
⁹⁴ USTR, *2009 Trade Policy Agenda*, 2009, 151.

⁹⁵ USITC, *Global Beef Trade*, 2008, 6-2.

⁹⁶ USTR, *2009 Trade Policy Agenda*, 2009, 151; USTR, “USTR Confirms Korea’s Announcement,” June 21, 2008. Key elements and procedures of the protocol are summarized in USITC, *Global Beef Trade*, 2008, 6-13–6-14.

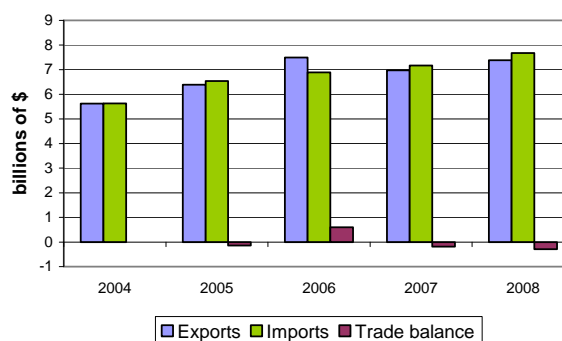
⁹⁷ USTR, “Statement from USTR Schwab on the Issuing of the Korea Beef Protocol,” June 25, 2008.

Figure 5.13 U.S. merchandise trade with Taiwan, 2004-08



Source: U.S. Department of Commerce.

Figure 5.14 U.S. private services trade with Taiwan, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

In 2008, U.S. imports from Taiwan amounted to \$36.2 billion, representing a 4.9 percent decrease from the year before. The drop in overall imports from Taiwan was led by consumer products, such as liquid crystal display (LCD) screens, because U.S. demand for such products dropped precipitously in the fourth quarter. In 2008, Taiwan fell from the 9th to 12th largest source of U.S. imports. Leading U.S. imports from Taiwan during the year included electronic digital integrated circuits, wireless telephones, reception apparatuses for navigational radios, parts for data processing machines, and reception apparatuses for televisions. U.S.-Taiwan merchandise trade data are shown in appendix tables A.39 through A.41.

A U.S.-Taiwan Trade and Investment Framework Agreement (TIFA) was established in 1994 as the primary forum in which officials from the United States and Taiwan could address bilateral trade issues and promote economic cooperation.⁹⁸ Although the TIFA's seventh annual meeting did not take place in 2008 as scheduled, U.S.-Taiwan negotiations on intellectual property rights enforcement and agricultural trade were nonetheless coordinated through the TIFA framework.

Intellectual Property Rights

In April 2008, the USTR published in its annual Special 301 Report that an Out-of-Cycle Review would be initiated for Taiwan to monitor progress on outstanding IPR enforcement. As a result of this review, concluded in January 2009, Taiwan was taken off of the watch list, where it had been since 2004.⁹⁹

The decision to remove Taiwan from the watch list was based on the finding that Taiwan had achieved years of sustained progress in combating IPR violations, and that Taiwan strengthened IPR protection in 2008 in several additional ways. First, in 2008,

⁹⁸ American Institute in Taiwan (AIT), "U.S. and Taiwan Enhance Trade Cooperation," July 12, 2007.

⁹⁹ USTR, "USTR Announces Conclusion of the Special 301 Out-of-Cycle Review for Taiwan," January 16, 2009.

Taiwan established an IPR Court and an IPR enforcement branch in the High Prosecutor's Office in order to develop the capacity to handle technically difficult IPR cases. Second, a Campus IPR Action Plan, launched in 2007 by the Ministry of Education, continued to fight Internet and textbook piracy on campuses. Third, Taiwan made moves toward amending its copyright law with the intention of requiring Internet service providers to undertake specific notice-and-takedown actions against online infringers.¹⁰⁰

Despite Taiwan's 2008 progress in IPR protection and enforcement, the USTR reiterated several of its concerns from previous years.¹⁰¹ These include the magnitude of counterfeit pharmaceutical imports in Taiwan, ongoing Internet piracy, illegal file sharing, textbook copying at universities, and the lack of sufficient IPR protection for the packaging, configuration, and appearance of products (so-called trade dress).

Taiwan remains a transshipment point and a market for counterfeit clothing and luxury goods. Customs and intellectual property police regularly seize these products, but inadequate resources combined with relatively light sentences make these deterrents ineffective. The U.S. International Intellectual Property Alliance estimates that losses due to copyright piracy in Taiwan cost U.S. industry \$327.8 million in 2007. However, progress has been made in curbing the flow of counterfeit goods from Taiwan to the United States, as the value of these products seized by U.S. Customs dropped from \$26.5 million in 2002 to \$3.4 million in 2007 and to \$1.3 million in the first half of 2008.¹⁰²

Agriculture

Taiwan remained a significant market for U.S. agriculture in 2008, importing \$3.4 billion of U.S. agricultural products.¹⁰³ During the year, agricultural trade negotiations continued to focus on providing more comprehensive market access for U.S. beef and beef products and reforming Taiwan's rice procurement practices.

Beef

In 2008, Taiwan continued to restrict imports of U.S. beef by requiring all products to be derived from animals younger than 30 months.¹⁰⁴ Additionally, Taiwan still required that specified risk material tissue be removed from all beef imports, despite the fact that the more internationally accepted standard is only the removal of tissue from cattle over 30 months of age.¹⁰⁵ Moreover, ruminant and nonruminant product

¹⁰⁰ Ibid.

¹⁰¹ USTR, *2009 National Trade Estimate Report*, 2009, 484.

¹⁰² Ibid., 484.

¹⁰³ USDA, Foreign Agricultural Service, FAS Online Database (accessed March 12, 2009).

¹⁰⁴ USTR, *2009 National Trade Estimate Report*, 2009, 480.

¹⁰⁵ Ibid.

imports intended for use in animal feed and pet food are still banned due to continued concerns over BSE, though some exceptions are made.¹⁰⁶

Some progress was made on market access for the entire range of U.S. beef and beef products in 2008. In November 2008, the Director of the American Institute in Taiwan¹⁰⁷ issued a statement urging Taiwan to resume trade in all U.S. beef and beef products, after Taiwan's health authorities had completed all related scientific review and technical work.¹⁰⁸ However, Deputy Director-General of the Ministry of Taiwan's Foreign Affairs' Department of North American Affairs responded by saying that while Taiwan's Department of Health had sent experts to the United States twice to inspect beef safety and did not detect any problems, there is no timetable set for the full resumption of trade in all beef products.¹⁰⁹

U.S. beef exports to Taiwan recovered strongly after the import ban was lifted in January 2006. In 2003, before the impositions of any of the bans, the United States exported \$70 million worth of fresh/chilled and frozen beef.¹¹⁰ By 2007 and 2008, U.S. exports of fresh/chilled and frozen beef to Taiwan amounted to \$107 and \$128 million, respectively.¹¹¹

Rice

Taiwan implemented a country-specific quota (CSQ) for public sector rice imports in 2007 after it received certification from the WTO on modifications and rectifications to its existing TRQ import regime.¹¹² In 2008, Taiwan did not fulfill its obligations in regard to imports of rice from the United States and other WTO members. At the end of the year, only 30 percent (28,300 mt) of the annual import requirement from all countries had been confirmed, of which purchases of U.S. rice (4,000 mt) were just 7 percent of the U.S. CSQ.¹¹³ U.S. companies' ability to win bids has remained inhibited by price ceilings that effectively allow Taiwan's import authorities to reject tender offers and force bidders into a price negotiation. The practical impact is to force exporters to lower their competitive bids in order to win tenders and to significantly delay Taiwan's purchases.¹¹⁴ U.S. exports of rice to Taiwan declined from \$36 million in 2007 to \$15 million in 2008.¹¹⁵

¹⁰⁶ The ruminant and nonruminant products intended for use as animal feed and pet food include tallow (including protein-free tallow), lard, poultry, and porcine meal.

¹⁰⁷ U.S. commercial, cultural, and other interaction with the people on Taiwan is facilitated through the American Institute in Taiwan (AIT), a private nonprofit corporation, which was set up after the United States changed its diplomatic recognition from Taipei to Beijing in 1979.

¹⁰⁸ AIT, "Statement on U.S. Beef by AIT Director Stephen M. Young," November 12, 2008.

¹⁰⁹ USDA, "Taiwan Agricultural News Summaries from Nov. 9 – 15," March 20, 2009.

¹¹⁰ USITC Dataweb (accessed March 29, 2008).

¹¹¹ USDA, FAS, FAS Online Database (accessed March 12, 2009).

¹¹² USDA, FAS, "GAIN Report, Public Rice Tender for 2007 Imports," November 1, 2007.

¹¹³ USDA, FAS, "GAIN Report, Results of December 17-19 Rice Tender under the 2008 Quota for Public Sector Imports," December 22, 2008.

¹¹⁴ USTR, *2009 National Trade Estimate Report*, 2009, 478.

¹¹⁵ USITC, Dataweb (accessed March 20, 2009).

Brazil

Brazil was the 12th largest single-country two-way trading partner of the United States and the second largest South American partner after Venezuela, with two-way merchandise trade valued at \$59.1 billion in 2008, accounting for 1.8 percent of U.S. trade with the world. The United States recorded a \$1.0 billion trade deficit with Brazil in 2008, down from a \$3.3 billion deficit in 2007 and down substantially from deficits in previous years (figure 5.15). The U.S. trade surplus in services with Brazil grew \$1.6 billion to \$7.4 billion in 2008 (figure 5.16).

U.S. exports to Brazil were valued at \$29.0 billion in 2008, an increase of 33.9 percent over 2007. Leading U.S. exports to Brazil during the year included aircraft and aircraft parts (including jet engines and parts), refined petroleum products, and coal. There were especially large increases in the value of aircraft and jet engines¹¹⁶ and refined petroleum products (reflecting increases in both quantity and unit values).

U.S. imports from Brazil totaled \$30.1 billion, an increase of 20.2 percent from 2007. Leading U.S. imports from Brazil included crude petroleum, pig iron, aircraft, and refined petroleum products. There was an especially large increase in the value of crude petroleum (reflecting increases in both quantity and unit values), which accounted for over 75 percent of the total increase in the value of imports. U.S.-Brazil merchandise trade data are shown in appendix tables A.42 through A.44.

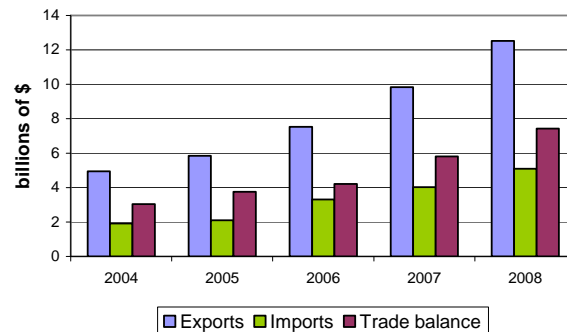
U.S.-Brazilian dialogue on IPR enforcement is discussed in the following section. An agreement on arbitration of the WTO case brought by Brazil concerning U.S. subsidies on upland cotton was reached on October 1, 2008 (see table A.19).

Figure 5.15 U.S. merchandise trade with Brazil, 2004-08



Source: U.S. Department of Commerce.

Figure 5.16 U.S. private services trade with Brazil, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

¹¹⁶ Aircraft and the engines in such aircraft are exported together but are recorded separately for trade accounting purposes.

Intellectual Property Rights Enforcement

The USTR reported that Brazil has made important progress in improving the effectiveness of IPR enforcement, particularly efforts aimed at pirated audiovisual products such as CDs and DVDs.¹¹⁷ There has also been increased cooperation between the U.S. Patent and Trademark Office and the Brazilian National Institute of Industrial Property, highlighted by a Memorandum of Understanding signed in July 2008.¹¹⁸

The United States moved Brazil from the Special 301 priority watch list to the watch list in 2007 in recognition of Brazil's considerable progress in enhancing copyright enforcement.¹¹⁹ An Out-of-Cycle Review was begun in 2007 to evaluate the sustainability of the progress Brazil had achieved in IPR enforcement.¹²⁰ The result of the Out-of-Cycle Review was Brazil's continuation on the watch list in 2008.¹²¹

The United States continues to have several concerns about Brazil's IPR enforcement regime. Brazilian law requires that its National Health Surveillance Agency (ANVISA) approve pharmaceutical patents before they are issued and the USTR considers that ANVISA's role in reviewing pharmaceutical patent applications remains nontransparent. Even though concrete steps have been taken to streamline patent application processing, the application backlog remains high, resulting in extensive delays in patent approvals.¹²²

The United States and Brazil continue to pursue bilateral dialogue on IPR issues through the U.S.-Brazil Bilateral Consultative Mechanism and other means. The USTR recommends that Brazil strengthen its IPR enforcement legislation, take greater action in addressing book and Internet piracy, and consider acceding to and implementing the World Intellectual Property Organization (WIPO) Internet Treaties.¹²³

India

In 2008, India was the 15th largest U.S. trading partner based on two-way trade, accounting for 1.3 percent of total U.S. trade. The U.S. merchandise trade deficit with India was \$8.5 billion in 2008, an increase of \$1.0 billion compared to 2007, but still \$4.1 billion below the record deficit recorded in 2006 (figure 5.17). The increase in the trade deficit with India was associated with a 23.3 percent appreciation of the U.S. dollar against the Indian rupee in 2008.¹²⁴ The U.S. trade deficit in services with India grew \$1.4 billion, from \$251 million in 2007 to \$1.6 billion in 2008 (figure 5.18). In 2008, U.S. firms continued to purchase information technology (IT) services from India. According to Indian sources, during the year India relied on the United States to

¹¹⁷ USTR, *2009 National Trade Estimate Report*, 2009, 44.

¹¹⁸ *Ibid.*

¹¹⁹ USTR, *2007 Special 301 Report*, 2007, 30.

¹²⁰ *Ibid.*

¹²¹ USTR, *2008 Special 301 Report*, 2008, 38.

¹²² USTR, *2009 Trade Policy Agenda*, 2009, 131; USTR, *2009 National Trade Estimate Report*, 2009, 44.

¹²³ USTR, *2008 Special 301 Report*, 2008, 39.

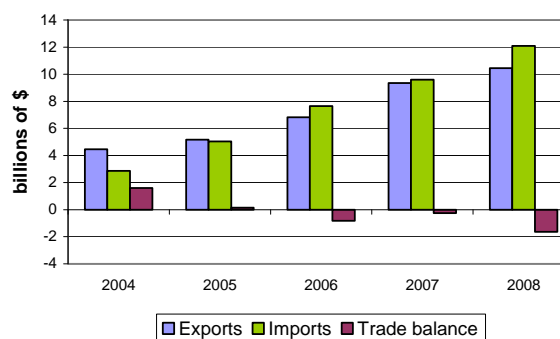
¹²⁴ U.S. Federal Reserve Board, "Foreign Exchange Rates-Historical Data."

Figure 5.17 U.S. merchandise trade with India, 2004-08



Source: U.S. Department of Commerce.

Figure 5.18 U.S. private services trade with India, 2004-08^a



Source: U.S. Department of Commerce.

^a Data for 2008 are preliminary.

consume 60 percent of its exports of IT-business process outsourcing services, which increased overall by 29.0 percent to \$40.9 billion.¹²⁵

U.S. merchandise exports to India amounted to \$17.3 billion in 2008, up 6.3 percent compared to 2007. Leading U.S. exports to India included fertilizers, aircraft, nonindustrial diamonds, nonmonetary gold, and oil from coal tar. Although the Boeing Aircraft Company has delivered 163 passenger aircraft valued at \$25 billion since 2005,¹²⁶ U.S. aircraft exports to India declined by nearly 60 percent in 2008 compared to 2007.

In 2008, U.S. merchandise imports from India increased 8.4 percent to \$25.9 billion. Leading U.S. imports from India in 2008 included nonindustrial diamonds, gold jewelry, certain medicaments, linens, pipe for oil and gas pipelines, and apparel. U.S. imports of nonindustrial diamonds from India consisted of raw diamonds imported by Indian companies from third countries for processing and polishing before export to the United States. In the first full year since the U.S. ban on imports of Indian mangos was lifted in 2007, imports of fresh mangos from India nearly doubled from \$654,888 in 2007 to \$1.2 million in 2008. U.S.-India merchandise trade data are shown in appendix tables A.45 through A.47.

The U.S.-India Trade Policy Forum (TPF) serves as the primary forum for trade and economic dialogue between the two countries.¹²⁷ Trade issues addressed in the TPF during 2008 are discussed below. There were also important developments in 2008 in two WTO dispute settlement cases involving the United States and India.¹²⁸ In the first case, the United States alleged that India imposes an “additional duty” and an “extra-additional duty” in addition to a basic customs duty on imported wines, spirits, and other imports.¹²⁹ The dispute settlement panel issued its report on June 9, 2008, and the Appellate Body issued its report on October 30, 2008, which found, among other things, that the “additional” and “extra-additional” duties are not consistent with the WTO’s core schedule tariff commitment rules in that they resulted in the imposition of

¹²⁵ “IT-BPO Sector Overview,” NASSCOM, Industry Trends.

¹²⁶ Humaira Siddiqui, “India is key to Boeing future plans,” Boeing India Strategy, July 2008.

¹²⁷ USDA, FAS, “U.S. -India Trade Relations,” June 2006.

¹²⁸ For more information on these WTO disputes, see chap. 3 and appendix table A.19.

¹²⁹ For more background on this dispute, see USITC, *The Year in Trade 2007*, July 2008, 5-20.

duties in excess of those committed to by the Indian government in its schedule of tariff concessions.¹³⁰ In the second case, India claimed that an additional bonding requirement imposed by U.S. Customs on importers of frozen warm-water shrimp subject to an antidumping duty order from India is inconsistent with U.S. WTO obligations. The dispute settlement panel issued its report on February 29, 2008, and the Appellate Body issued its report on July 16, 2008.¹³¹ The panel and Appellate Body found that the bonding requirement was inconsistent with certain provisions of the Antidumping Agreement.

Trade Dialogue

The TPF, established in 2005, is a key element of the U.S.-India Economic Dialogue and is co-chaired by the United States Trade Representative and India's Minister of Commerce and Industry.¹³² The TPF was created to help facilitate and promote bilateral trade and investment, and discuss other bilateral and multilateral trade issues such as the ongoing WTO Doha Round negotiations.¹³³ The TPF serves as a venue for discussion in five key areas: tariffs and nontariff barriers, agriculture, investment, services, and innovation and creativity.¹³⁴ The fifth ministerial-level meeting was held on February 19, 2008, in Chicago, Illinois, where discussions covered issues such as a potential bilateral investment treaty and market access for items of interest to both sides.¹³⁵

The delegations also met for the second time with the U.S.-India Private Sector Advisory Group (PSAG) to the TPF. The PSAG presented its vision statement on key policy issues on which the governments could enhance their engagement and further bolster the U.S.-India economic partnership.¹³⁶ The PSAG identified the following intermediate targets for the two governments: negotiate a mutually agreeable Bilateral Investment Treaty; continue to promote sectoral openings; promote regulatory cooperation; and cooperate on all aspects of protection of intellectual property and promotion of technology transfer.¹³⁷

¹³⁰ WTO, DSB, *DS360: India—Additional and Extra-additional Duties on Imports from the United States*, Online summary; USTR, "WTO Appellate Body Reverses Panel and Finds in Favor of the United States Offsetting Duties on Imports In Excess of Taxes on Like Domestic Products Break WTO Rules," October 30, 2008.

¹³¹ WTO, DSB, *DS345: United States—Customs Bond Directive for Merchandise Subject to Anti-dumping/Countervailing Duties*, Online summary.

¹³² USTR, "Joint Statement by USTR Portman and Minister Nath from the Trade Policy Forum," November 13, 2005.

¹³³ USTR, "U.S. Trade Representative Susan Schwab and India's Minister of Commerce and Industry Kamal Nath Pledge Increased U.S.-India Trade and Investment; Announce Formation of Private Sector Advisory Group," April 13, 2007.

¹³⁴ GOI, Department of Commerce and Industry, "India and US Discuss Key Trade Issues Kamal Nath and Susan Schwab Commit to Expand Opportunities for Bilateral Trade and Investment," June 23, 2006.

¹³⁵ USTR, "United States and India Discuss Key Trade Issues," February 22, 2008.

¹³⁶ *Ibid.*

¹³⁷ Embassy of India, "Minister of Commerce and Industry Mr. Kamal Nath and U.S. Trade Representative Susan C. Schwab Pursue Opportunities for Enhancing Trade and Investment Ties Between the U.S. and India," February 22, 2008.

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APPENDIX TABLES

TABLE A.1 U.S. merchandise trade with world, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
Exports:					
0	Food and live animals	52,174	65,966	83,272	26.2
1	Beverages and tobacco	4,911	5,113	5,168	1.1
2	Crude materials, inedible, except fuels	49,244	61,342	75,517	23.1
3	Mineral fuels, lubricants and related materials	34,733	41,456	75,841	82.9
4	Animal and vegetable oils, fats and waxes	1,985	2,887	4,317	49.5
5	Chemicals and related products, n.e.s.	135,051	154,184	174,111	12.9
6	Manufactured goods classified chiefly by material	90,260	98,289	107,717	9.6
7	Machinery and transport equipment	423,845	462,700	477,111	3.1
8	Miscellaneous manufactured articles	99,475	107,227	111,102	3.6
9	Commodities and transactions not classified elsewhere in the SITC	37,806	47,193	55,666	18.0
Total all exports commodities		929,486	1,046,358	1,169,821	11.8
Imports:					
0	Food and live animals	56,014	60,775	66,053	8.7
1	Beverages and tobacco	15,348	16,754	16,651	-0.6
2	Crude materials, inedible, except fuels	32,820	33,068	36,937	11.7
3	Mineral fuels, lubricants and related materials	315,707	340,462	468,444	37.6
4	Animal and vegetable oils, fats and waxes	2,854	3,440	5,301	54.1
5	Chemicals and related products, n.e.s.	149,567	162,850	187,713	15.3
6	Manufactured goods classified chiefly by material	222,810	226,704	230,697	1.8
7	Machinery and transport equipment	708,611	739,143	718,344	-2.8
8	Miscellaneous manufactured articles	275,580	292,897	288,917	-1.4
9	Commodities and transactions not classified elsewhere in the SITC	65,741	66,770	71,425	7.0
Total all imports commodities		1,845,053	1,942,863	2,090,483	7.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.2 U.S. private services exports to the world, by category, 2006–08

Service industry	2006	2007	2008	% change 2007–08
	<i>Millions of \$</i>			
Travel	85,720	96,712	110,469	14.2
Royalties and license fees	72,191	82,614	88,212	6.8
Business, professional, and technical services	89,692	107,675	120,008	11.5
Financial services	47,439	58,266	58,241	0.0
Port services	28,915	31,990	37,457	17.1
Passenger fares	22,036	25,586	31,638	23.7
Freight	17,408	19,596	21,950	12.0
Education	14,645	15,732	16,753	6.5
Insurance services	10,095	10,286	11,248	9.4
Telecommunications	7,278	8,283	9,716	17.3
Other	19,902	23,240	22,368	-3.8
Total	415,321	479,980	528,060	10.0

Source: USDOC, BEA, "Private Services Transactions," table 3a, from Interactive U.S. International Accounts Data, March 18, 2009 (accessed April 9, 2009).

Note: Data for 2008 are preliminary.

TABLE A.3 U.S. private services imports from the world, by category, 2006–08

	2006	2007	2008	% change 2007–08
	<i>Millions of \$</i>			
Travel	72,104	76,167	80,000	5.0
Royalties and license fees	23,777	25,048	26,468	5.7
Business, professional, and technical services	61,068	68,763	75,337	9.6
Financial services	14,242	18,928	18,757	-0.9
Port services	19,562	21,474	26,642	24.1
Passenger fares	27,501	28,486	32,429	13.8
Freight	45,700	45,576	45,199	-0.8
Education	4,465	4,523	4,647	2.7
Insurance services	37,373	42,761	44,479	4.0
Telecommunications	6,367	7,334	7,413	1.1
Other	1,706	2,066	2,410	16.7
Total	313,865	341,126	363,781	6.6

Source: USDOC, BEA, "Private Services Transactions," table 3a, from Interactive U.S. International Accounts Data, March 18, 2009 (accessed April 9, 2009).

Note: Data for 2008 are preliminary.

TABLE A.4 Antidumping cases active in 2008, by USITC investigation number

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
(Affirmative = A; Negative = N)								
731-TA-1110	Sodium hexametaphosphate	China	02/08/07	A	A	A	A	03/12/08
731-TA-1111	Glycine	India	03/30/07	A	A	A	N	05/05/08
731-TA-1112	Glycine	Japan	03/30/07	A	A	A	N	01/11/08
731-TA-1113	Glycine	Korea	03/30/07	A	A	A	N	01/11/08
731-TA-1114	Steel nails	China	05/29/07	A	A	A	A	07/21/08
731-TA-1115	Steel nails	United Arab Emirates	05/29/07	A	A	N	(^c)	06/16/08
731-TA-1116	Circular welded carbon-quality steel pipe	China	06/07/07	A	A	A	A	07/15/08
731-TA-1117	Certain off-the-road tires	China	06/18/07	A	A	A	A	08/28/08
731-TA-1118	Light-walled rectangular pipe and tube	China	06/27/07	A	A	A	A	07/28/08
731-TA-1119	Light-walled rectangular pipe and tube	Korea	06/27/07	A	A	A	A	07/28/08
731-TA-1120	Light-walled rectangular pipe and tube	Mexico	06/27/07	A	A	A	A	07/28/08
731-TA-1121	Light-walled rectangular pipe and tube	Turkey	06/27/07	A	A	A	A	05/23/08
731-TA-1122	Laminated woven sacks	China	06/28/07	A	A	A	A	07/30/08
731-TA-1123	Steel wire garment hangers	China	07/31/07	A	A	A	A	09/29/08
731-TA-1124	Electrolytic manganese dioxide	Australia	08/22/07	A	A	A	A	09/25/08
731-TA-1125	Electrolytic manganese dioxide	China	08/22/07	A	A	A	A	09/25/08
731-TA-1126	Lightweight thermal paper	China	09/19/07	A	A	A	A	11/17/08
731-TA-1127	Lightweight thermal paper	Germany	09/19/07	A	A	A	A	11/17/08
731-TA-1129	Raw flexible magnets	China	09/21/07	A	A	A	A	08/25/08
731-TA-1130	Raw flexible magnets	Taiwan	09/21/07	A	A	A	A	08/25/08
731-TA-1131	Polyethylene terephthalate film, sheet, and strip	Brazil	09/28/07	A	A	A	A	10/31/08
731-TA-1132	Polyethylene terephthalate film, sheet, and strip	China	09/28/07	A	A	A	A	10/31/08
731-TA-1133	Polyethylene terephthalate film, sheet, and strip	Thailand	09/28/07	A	N	A	N	10/31/08
731-TA-1134	Polyethylene terephthalate film, sheet, and strip	United Arab Emirates	09/28/07	A	A	A	A	10/31/08
731-TA-1135	Sodium metal	France	10/23/07	A	A	A	N	11/24/08
731-TA-1136	Sodium nitrite	China	11/08/07	A	A	A	A	08/20/08
731-TA-1137	Sodium nitrite	Germany	11/08/07	A	A	A	A	08/20/08
731-TA-1138	ATMP/HEDP	China	12/31/07	(^d)	(^d)	(^e)	(^e)	01/17/08
731-TA-1139	ATMP/HEDP	India	12/31/07	(^d)	(^d)	(^e)	(^e)	01/17/08
731-TA-1140	Uncovered innerspring units	China	12/31/07	A	A	A	(^e)	(^e)
731-TA-1141	Uncovered innerspring units	South Africa	12/31/07	A	A	A	A	12/04/08
731-TA-1142	Uncovered innerspring units	Vietnam	12/31/07	A	A	A	A	12/04/08
731-TA-1143	Small diameter graphite electrodes	China	01/17/08	A	A	(^e)	(^e)	(^e)
731-TA-1144	Welded stainless steel pressure pipe	China	01/30/08	A	A	(^e)	(^e)	(^e)
731-TA-1145	Certain steel threaded rod	China	03/05/08	A	A	(^e)	(^e)	(^e)
731-TA-1146	HEDP	China	03/19/08	A	A	(^e)	(^e)	(^e)
731-TA-1147	HEDP	India	03/19/08	A	A	(^e)	(^e)	(^e)
731-TA-1148	Frontseating service valves	China	03/19/08	A	A	(^e)	(^e)	(^e)
731-TA-1149	Circular welded carbon quality steel line pipe	China	04/03/08	A	A	(^e)	(^e)	(^e)
731-TA-1150	Circular welded carbon quality steel line pipe	Korea	04/03/08	A	A	(^d)	(^d)	12/01/08
731-TA-1151	Citric acid and certain citrate salts	Canada	04/14/08	A	A	(^e)	(^e)	(^e)
731-TA-1152	Citric acid and certain citrate salts	China	04/14/08	A	A	(^e)	(^e)	(^e)
731-TA-1153	Tow-behind lawn groomers	China	06/24/08	A	(^e)	(^e)	(^e)	(^e)
731-TA-1154	Certain kitchen appliance shelving and racks	China	07/31/08	A	(^e)	(^e)	(^e)	(^e)
731-TA-1155	Commodity matchbooks	India	10/29/08	A	(^e)	(^e)	(^e)	(^e)

Source: U.S. International Trade Commission.

^a International Trade Administration, U.S. Department of Commerce.

^b For cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of Commerce is shown.

^c Not applicable.

^d The investigation was terminated or discontinued following withdrawal of the petition.

^e Pending as of Dec. 31, 2008.

TABLE A.5 Antidumping duty orders in effect as of December 31, 2008

Country	Commodity	Effective date of original action
Argentina:	Honey	Dec. 10, 2001
	Barbed wire and barbless wire strand	Nov. 13, 1985
Australia:		
	Electrolytic manganese dioxide	Oct. 7, 2008
Belarus:		
	Steel concrete reinforcing bars	Sept. 7, 2001
Belgium:		
	Stainless steel plate in coils	May 21, 1999
Brazil:	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Certain orange juice	Mar. 9, 2006
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	July 6, 1999
	Stainless steel bar	Feb. 21, 1995
	Silicomanganese	Dec. 22, 1994
	Circular welded non-alloy steel pipe	Nov. 2, 1992
	Carbon steel butt-weld pipe fittings	Dec. 17, 1986
Canada:	Iron construction castings	May 9, 1986
	Iron construction castings	Mar. 5, 1986
Chile:		
	Preserved mushrooms	Dec. 2, 1998
China:	Lightweight thermal paper	Nov. 24, 2008
	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Electrolytic manganese dioxide	Oct. 7, 2008
	Steel wire garment hangers	Oct. 6, 2008
	Raw flexible magnets	Sept. 17, 2008
	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
	Laminated woven sacks	Aug. 7, 2008
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Steel nails	Aug. 1, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
	Sodium hexametaphosphate	Mar. 19, 2008
	Certain polyester staple fiber	June 1, 2007
	Certain activated carbon	April 27, 2007
	Certain lined paper school supplies	Sept. 28, 2006
	Artist' canvas	June 1, 2006
	Chlorinated isocyanurates	June 24, 2005
	Magnesium	April 15, 2005
	Tissue paper	Mar. 30, 2005
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Crepe paper	Jan. 25, 2005
	Wooden bedroom furniture	Jan. 4, 2005
	Carbazole violet pigment 23	Dec. 29, 2004
	Hand trucks	Dec. 2, 2004
	Polyethylene retail carrier bags	Aug. 9, 2004
	Ironing tables	Aug. 6, 2004
	Tetrahydrofurfuryl alcohol	Aug. 6, 2004
	Color television receivers	June 3, 2004
	Malleable iron pipe fittings	Dec. 12, 2003
	Refined brown aluminum oxide	Nov. 19, 2003
	Barium carbonate	Oct. 1, 2003
	Polyvinyl alcohol	Oct. 1, 2003
	Saccharin	July 9, 2003

TABLE A.5 Antidumping duty orders in effect as of December 31, 2008–*Continued*

Country	Commodity	Effective date of original action
<i>China–Continued:</i>		
	Ferrovandium	Jan. 28, 2003
	Folding metal tables and chairs	June 27, 2002
	Folding gift boxes	Jan. 8, 2002
	Honey	Dec. 10, 2001
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Pure magnesium (granular)	Nov. 19, 2001
	Foundry coke	Sept. 17, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Non-frozen apple juice concentrate	June 5, 2000
	Preserved mushrooms	Feb. 19, 1999
	Carbon steel plate	Oct. 24, 1997
	Crawfish tail meat	Sept. 15, 1997
	Persulfates	July 7, 1997
	Furfuryl alcohol	June 21, 1995
	Pure magnesium (ingot)	May 12, 1995
	Glycine	Mar. 29, 1995
	Cased pencils	Dec. 28, 1994
	Silicomanganese	Dec. 22, 1994
	Paper clips	Nov. 25, 1994
	Fresh garlic	Nov. 16, 1994
	Helical spring lock washers	Oct. 19, 1993
	Sulfanilic acid	Aug. 19, 1992
	Carbon steel butt-weld pipe fittings	July 6, 1992
	Sparklers	June 18, 1991
	Silicon metal	June 10, 1991
	Axes and adzes	Feb. 19, 1991
	Bars and wedges	Feb. 19, 1991
	Hammers and sledges	Feb. 19, 1991
	Picks and mattocks	Feb. 19, 1991
	Tapered roller bearings	June 15, 1987
	Porcelain-on-steel cooking ware	Dec. 2, 1986
	Petroleum wax candles	Aug. 28, 1986
	Iron construction castings	May 9, 1986
	Natural bristle paint brushes	Feb. 14, 1986
	Barium chloride	Oct. 17, 1984
	Chloropicrin	Mar. 22, 1984
	Potassium permanganate	Jan. 31, 1984
	Greige polyester cotton printcloth	Sept. 16, 1983
Finland:		
	Carboxymethylcellulose	July 11, 2005
France:		
	Low enriched uranium	Feb. 13, 2002
	Ball bearings	May 15, 1989
	Brass sheet and strip	Mar. 6, 1987
	Sorbitol	Apr. 9, 1982
Germany:		
	Lightweight thermal paper	Nov. 24, 2008
	Sodium nitrite	Aug. 27, 2008
	Stainless steel sheet and strip	July 27, 1999
	Seamless pipe	Aug. 3, 1995
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Ball bearings	May 15, 1989
	Brass sheet and strip	Mar. 6, 1987
India:		
	Certain lined paper school supplies	Sept. 28, 2006
	Frozen or canned warm-water shrimp and prawns	Feb. 1, 2005
	Carbazole violet pigment 23	Dec. 29, 2004

TABLE A.5 Antidumping duty orders in effect as of December 31, 2008–*Continued*

Country	Commodity	Effective date of original action
<i>India–Continued</i>		
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyethylene terephthalate (PET) film	July 1, 2002
	Silicomanganese	May 23, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
	Preserved mushrooms	Feb. 19, 1999
	Stainless steel bar	Feb. 21, 1995
	Forged stainless steel flanges	Feb. 9, 1994
	Stainless steel wire rod	Dec. 1, 1993
	Sulfanilic acid	Mar. 2, 1993
	Welded carbon steel pipe	May 12, 1986
<i>Indonesia:</i>		
	Certain lined paper school supplies	Sept. 28, 2006
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate	Feb. 10, 2000
	Preserved mushrooms	Feb. 19, 1999
<i>Iran:</i>		
	Raw in-shell pistachios	July 17, 1986
<i>Italy:</i>		
	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Pasta	July 24, 1996
	Ball bearings	May 15, 1989
	Granular polytetrafluoroethylene resin	Aug. 30, 1988
	Brass sheet and strip	Mar. 6, 1987
	Pressure sensitive plastic tape	Oct. 21, 1977
<i>Japan:</i>		
	Superalloy degassed chromium	Dec. 22, 2005
	Polyvinyl alcohol	July 2, 2003
	Welded large diameter line pipe	Dec. 6, 2001
	Tin- and chromium-coated steel sheet	Aug. 28, 2000
	Large diameter seamless pipe	June 26, 2000
	Small diameter seamless pipe	June 26, 2000
	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	July 27, 1999
	Hot-rolled carbon steel flat products	June 29, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Clad steel plate	July 2, 1996
	Stainless steel bar	Feb. 21, 1995
	Gray portland cement and clinker	May 10, 1991
	Ball bearings	May 15, 1989
	Granular polytetrafluoroethylene resin	Aug. 24, 1988
	Brass sheet and strip	Aug. 12, 1988
	Stainless steel butt-weld pipe fittings	Mar. 25, 1988
	Carbon steel butt-weld pipe fittings	Feb. 10, 1987
	Prestressed concrete steel wire strand	Dec. 8, 1978
	Polychloroprene rubber	Dec. 6, 1973
<i>Kazakhstan:</i>		
	Silicomanganese	May 23, 2002
<i>Korea:</i>		
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyvinyl alcohol	Oct. 1, 2003
	Polyester staple fiber	May 25, 2000

TABLE A.5 Antidumping duty orders in effect as of December 31, 2008–*Continued*

Country	Commodity	Effective date of original action
<i>Korea–Continued</i>		
	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Stainless steel butt-weld pipe fittings	Feb. 23, 1993
	Welded ASTM A-312 stainless steel pipe	Dec. 30, 1992
	Circular welded non-alloy steel pipe	Nov. 2, 1992
	Polyethylene terephthalate (PET) film	June 5, 1991
	Top-of-the-stove stainless steel cooking ware	Jan. 20, 1987
Latvia:		
	Steel concrete reinforcing bars	Sept. 7, 2001
Malaysia:		
	Polyethylene retail carrier bags	Aug. 9, 2004
	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
Mexico:		
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Lemon juice (suspended)	Sept. 21, 2007
	Carboxymethylcellulose	July 11, 2005
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Stainless steel sheet and strip	July 27, 1999
	Fresh tomatoes (suspended)	Nov. 1, 1996
	Circular welded non-alloy steel pipe	Nov. 2, 1992
	Gray portland cement and clinker	Aug. 30, 1990
Moldova:		
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Steel concrete reinforcing bars	Sept. 7, 2001
Netherlands:		
	Carboxymethylcellulose	July 11, 2005
Norway:		
	Fresh and chilled Atlantic salmon	Apr. 12, 1991
Philippines:		
	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
Poland:		
	Steel concrete reinforcing bars	Sept. 7, 2001
Romania:		
	Small diameter seamless pipe	Aug. 10, 2000
Russia:		
	Magnesium	April 15, 2005
	Silicon metal	Mar. 26, 2003
	Ammonium nitrate (suspended)	May 19, 2000
	Hot-rolled carbon steel flat products (suspended)	July 12, 1999
	Carbon steel plate (suspended)	Oct. 24, 1997
	Ferrovandium and nitrided vanadium	July 10, 1995
	Uranium (suspended)	Oct. 16, 1992
	Solid urea	July 14, 1987
South Africa:		
	Uncovered innerspring units	Dec. 11, 2008
	Ferrovandium	Jan. 28, 2003
	Stainless steel plate in coils	May 21, 1999
Spain:		
	Chlorinated isocyanurates	June 24, 2005
	Stainless steel wire rod	Sept. 15, 1998
	Stainless steel bar	Mar. 2, 1995
Sweden:		
	Carboxymethylcellulose	July 11, 2005

TABLE A.5 Antidumping duty orders in effect as of December 31, 2008–*Continued*

Country	Commodity	Effective date of original action
Taiwan:	Raw flexible magnets	Sept. 17, 2008
	Polyethylene terephthalate (PET) film	July 1, 2002
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Polyester staple fiber	May 25, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Forged stainless steel flanges	Feb. 9, 1994
	Helical spring lockwashers	June 28, 1993
	Stainless steel butt-weld pipe fittings	June 16, 1993
	Welded ASTM A-312 stainless steel pipe	Dec. 30, 1992
	Circular welded non-alloy steel pipe	Nov. 2, 1992
	Light-walled rectangular pipe	Mar. 27, 1989
	Carbon steel butt-weld pipe fittings	Dec. 17, 1986
	Porcelain-on-steel cooking ware	Dec. 2, 1986
	Small diameter carbon steel pipe	May 7, 1984
Thailand:	Frozen or canned warm-water shrimp and prawns	Feb. 1, 2005
	Polyethylene retail carrier bags	Aug. 9, 2004
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Carbon steel butt-weld pipe fittings	July 6, 1992
	Welded carbon steel pipe	Mar. 11, 1986
Trinidad and Tobago:	Carbon and certain alloy steel wire rod	Oct. 29, 2002
Turkey:	Light-walled rectangular pipe and tube	May 30, 2008
	Steel concrete reinforcing bars	Apr. 17, 1997
	Pasta	July 24, 1996
	Welded carbon steel pipe	May 15, 1986
Ukraine:	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Ammonium nitrate	Sept. 12, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate (suspended)	Oct. 24, 1997
	Silicomanganese	Oct. 31, 1994
	Solid urea	July 14, 1987
United Arab Emirates:	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
United Kingdom:	Ball bearings	May 15, 1989
Venezuela:	Silicomanganese	May 23, 2002
Vietnam:	Uncovered innerspring units	Dec. 11, 2008
	Frozen or canned warm-water shrimp and prawns	Feb. 1, 2005
	Frozen fish fillets	Aug. 12, 2003

Source: U.S. International Trade Commission.

TABLE A.6 Countervailing duty cases active in 2008, by USITC investigation number

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
(Affirmative = A; Negative = N)								
701-TA-447	Circular welded carbon-quality steel pipe	China	06/07/07	A	A	A	A	07/15/08
701-TA-448	Off-the-road tires	China	06/18/07	A	A	A	A	08/28/08
701-TA-449	Light-walled rectangular pipe and tube	China	06/27/07	A	A	A	A	07/28/08
701-TA-450	Laminated woven sacks	China	06/28/07	A	A	A	A	07/30/08
701-TA-451	Lightweight thermal paper	China	09/19/07	A	A	A	A	11/17/08
701-TA-452	Raw flexible magnets	China	09/21/07	A	A	A	A	08/25/08
701-TA-453	Sodium nitrite	China	11/08/07	A	A	A	A	08/20/08
701-TA-454	Welded stainless steel pressure pipe	China	01/30/08	A	A	(^c)	(^c)	(^c)
701-TA-455	Circular welded carbon quality steel line pipe	China	04/03/08	A	A	A	(^c)	(^c)
701-TA-456	Citric acid and certain citrate salts	China	04/14/08	A	A	(^c)	(^c)	(^c)
701-TA-457	Tow-behind lawn groomers	China	06/24/08	A	A	(^c)	(^c)	(^c)
701-TA-458	Kitchen appliance shelving and racks	China	07/31/08	A	(^c)	(^c)	(^c)	(^c)
701-TA-459	Commodity matchbooks	India	10/29/08	A	(^c)	(^c)	(^c)	(^c)

Source: U.S. International Trade Commission.

^a International Trade Administration, U.S. Department of Commerce.

^b The date of the USITC notification of Commerce is shown.

^c Pending as of Dec. 31, 2008.

TABLE A.7 Countervailing duty orders in effect as of December 31, 2008

Country	Commodity	Effective date of original action
Argentina:	Honey	Dec. 10, 2001
Belgium:	Stainless steel plate in coils	May 11, 1999
Brazil:	Carbon and certain alloy steel wire rod	Oct. 22, 2002
	Hot-rolled carbon steel flat products	July 6, 1999
	Heavy iron construction castings	May 15, 1986
China:	Lightweight thermal paper	Nov. 24, 2008
	Raw flexible magnets	Sept. 17, 2008
	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
	Laminated woven sacks	Aug. 7, 2008
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
India:	Certain lined paper school supplies	Sept. 28, 2006
	Carbazole violet pigment 23	Dec. 29, 2004
	Prestressed concrete steel wire strand	Feb. 4, 2004
	Polyethylene terephthalate (PET) film	July 1, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
	Sulfanilic acid	Mar. 2, 1993
Indonesia:	Certain lined paper school supplies	Sept. 28, 2006
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
Iran:	Roasted in-shell pistachios	Oct. 7, 1986
	Raw in-shell pistachios	Mar. 11, 1986
Italy:	Carbon steel plate	Feb. 10, 2000
	Pasta	July 24, 1996
Korea:	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	Aug. 6, 1999
	Corrosion-resistant carbon steel flat products	Aug. 17, 1993
	Top-of-the-stove stainless steel cooking ware	Jan. 20, 1987
Norway:	Fresh and chilled Atlantic salmon	Apr. 12, 1991
South Africa:	Stainless steel plate in coils	May 11, 1999
Thailand:	Hot-rolled carbon steel flat products	Dec. 3, 2001
Turkey:	Pasta	July 24, 1996
	Welded carbon steel pipe	Mar. 7, 1986

Source: U.S. International Trade Commission.

TABLE A.8 Reviews of existing antidumping and countervailing duty orders completed in 2008, by date of completion

USITC investigation number	Product	Country of origin	Completion date ^a	Action
701-TA-413	Stainless steel bar	Italy	01/25/08	Revoked
731-TA-913	Stainless steel bar	France	01/25/08	Revoked
731-TA-914	Stainless steel bar	Germany	01/25/08	Revoked
731-TA-915	Stainless steel bar	Italy	01/25/08	Revoked
731-TA-916	Stainless steel bar	Korea	01/25/08	Revoked
731-TA-918	Stainless steel bar	United Kingdom	01/25/08	Revoked
731-TA-749	Persulfates	China	03/31/08	Continued
701-TA-415	Polyethylene terephthalate film, sheet, and strip	India	04/25/08	Continued
731-TA-933	Polyethylene terephthalate film, sheet, and strip	India	04/25/08	Continued
731-TA-934	Polyethylene terephthalate film, sheet, and strip	Taiwan	04/25/08	Continued
731-TA-744	Brake rotors	China	06/11/08	Revoked
701-TA-417	Carbon and certain alloy steel wire rod	Brazil	06/17/08	Continued
731-TA-953	Carbon and certain alloy steel wire rod	Brazil	06/17/08	Continued
731-TA-954	Carbon and certain alloy steel wire rod	Canada	06/17/08	Revoked
731-TA-957	Carbon and certain alloy steel wire rod	Indonesia	06/17/08	Continued
731-TA-958	Carbon and certain alloy steel wire rod	Mexico	06/17/08	Continued
731-TA-959	Carbon and certain alloy steel wire rod	Moldova	06/17/08	Continued
731-TA-961	Carbon and certain alloy steel wire rod	Trinidad and Tobago	06/17/08	Continued
731-TA-962	Carbon and certain alloy steel wire rod	Ukraine	06/17/08	Continued
731-TA-991	Silicon metal	Russia	06/30/08	Continued
731-TA-990	Non-malleable cast iron pipe fittings	China	07/24/08	Continued
731-TA-986	Ferrovandium	China	11/24/08	Continued
731-TA-987	Ferrovandium	South Africa	11/24/08	Continued
731-TA-752	Crawfish tail meat	China	11/25/08	Continued
731-TA-745	Steel concrete reinforcing bar	Turkey	12/15/08	Revoked

Source: U.S. International Trade Commission.

^a The completion date shown is the date of the USITC notification of Commerce.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008

Status of Investigation	Article	Country ^a	Commission determination
Completed: 337-TA-474	Certain Recordable Compact Discs and Rewritable Compact Discs	No foreign respondents	One related (ancillary) advisory opinion proceeding; issued an advisory opinion.
337-TA-487	Certain Agricultural Vehicles and Components Thereof	Canada, Germany, China, France, Netherlands	Terminated based on a finding of no violation. ^b
337-TA-551	Certain Laser Bar Code Scanners and Scan Engines, Components Thereof and Products Containing Same	China	One related (ancillary) bond forfeiture proceeding; bond forfeiture proceeding terminated based on a joint stipulation.
337-TA-558	Certain Personal Computer Consumer Electronic Convergent Devices, Components Thereof, and Products Containing Same	Taiwan	Terminated based on withdrawal of the complaint.
337-TA-567	Certain Foam Footwear	Canada	Terminated based on a finding of no violation.
337-TA-569	Certain Endoscopic Probes for Use in Argon Plasma Coagulation Systems	Germany	Terminated based on a finding of no violation.
337-TA-571	Certain L-Lysine Feed Products, Their Methods of Production and Genetic Constructs for Production	Hong Kong, China	Terminated based on a finding of no violation.
337-TA-574	Certain Equipment for Telecommunications or Data Communications Networks, Including Routers, Switches, and Hubs, and Components Thereof	France	Terminated based on a settlement agreement.
337-TA-578	Certain Mobile Telephone Handsets, Wireless Communication Devices, and Components Thereof	Finland	Terminated based on a finding of no violation.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
Completed – <i>Continued</i> : 337-TA-586	Certain Stringed Musical Instruments and Components Thereof	France, Germany	Terminated based on a finding of no violation.
337-TA-587	Certain Connecting Devices ("Quick Clamps") for Use with Modular Compressed Air Conditioning Units, Including Filters, Regulators, and Lubricators ("FRL'S") That Are Part of Larger Pneumatic Systems and the FRL Units They Connect	Japan, China	Terminated based on a finding of no violation.
337-TA-588	Certain Digital Multimeters, and Products with Multimeter Functionality	China, Hong Kong	Issued a general exclusion order and cease and desist orders.
337-TA-589	Certain Switches and Products Containing Same	Taiwan, Japan	Terminated based on a finding of no violation.
337-TA-593	Certain Digital Cameras and Component Parts Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-595	Certain Dynamic Random Access Memory Devices and Products Containing Same	Korea	Terminated based on a settlement agreement.
337-TA-596	Certain GPS Chips, Associated Software and Systems, and Products Containing Same	No foreign respondents	Terminated based on a finding of no violation.
337-TA-597	Certain Bassinet Products	No foreign respondents	Terminated based on a consent order.
337-TA-598	Certain Unified Communications Systems, Products Used With Such Systems, and Components Thereof	France	Terminated based on a finding of no violation.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 – *Continued*

Status of Investigation	Article	Country ^a	Commission determination
Completed - <i>Continued</i> : 337-TA-606	Certain Personal Computers and Digital Display Devices	Taiwan	Terminated based on a settlement agreement.
337-TA-607	Certain Semiconductor Devices, DMA Systems, and Products Containing Same	Japan	Terminated based on a settlement agreement.
337-TA-608 ^c	Certain Nitrile Gloves	Australia, China, Indonesia, Malaysia, Thailand	Terminated based on a finding of no violation.
337-TA-609	Certain Buffer Systems and Components Thereof Used in Container Processing Lines	Germany	Terminated based on a settlement agreement.
337-TA-610	Certain Endodontic Instruments	France	Terminated based on withdrawal of the complaint.
337-TA-611	Certain Magnifying Loupe Products and Components Thereof	China	Issued a limited exclusion order.
337-TA-612 ^c	Certain Nitrile Rubber Gloves	Malaysia	Terminated based on a finding of no violation.
337-TA-616	Certain Hard Disk Drives, Components Thereof, and Products Containing the Same	No foreign respondents	Terminated based on withdrawal of the complaint.
337-TA-618	Certain Computer Systems, Printers and Scanners	No foreign respondents	Terminated based on a settlement agreement.
337-TA-620	Certain Low Antimony Phosphoric Acid	Japan	Terminated based on a settlement agreement.
337-TA-622	Certain Base Plugs	No foreign respondents	Terminated based on a settlement agreement.
337-TA-633	Certain Acetic Acid	China	Terminated based on withdrawal of the complaint.
337-TA-635	Certain Pesticides and Products Containing Clothianidin	Switzerland, India	Terminated based on an arbitration agreement.
337-TA-638	Certain Intermediate Bulk Containers	China	Issued a limited exclusion order.
337-TA-639	Certain Spa Cover Lift Frames	Hong Kong	Terminated based on a consent order.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
Completed - <i>Continued</i> : 337-TA-642	Certain Catheters, Consoles and Other Apparatus for Cryosurgery, and Components Thereof	Canada	Terminated based on a settlement agreement.
337-TA-647	Certain Hand-Held Meat Tenderizers	No foreign respondents	Terminated based on withdrawal of the complaint.
337-TA-652	Certain Rubber Antidegradants, Antidegradant Intermediates, and Products Containing the Same	China, Korea	Terminated based on a finding of no violation.
337-TA-656	Certain Integrated Circuits and Products Containing Same	No foreign respondents	Terminated based on a settlement agreement.
Pending: 337-TA-501	Certain Encapsulated Integrated Circuit Devices and Products Containing Same	Malaysia	Pending before the Commission.
337-TA-533	Certain Rubber Antidegradants, Components Thereof, and Products Containing Same	China, Korea	Pending before the Commission.
337-TA-543	Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips, and Products Containing Same, Including Cellular Telephone Handsets	No foreign respondents	Two related (ancillary) proceedings: one enforcement proceeding and one remand pending before the ALJ.
337-TA-545	Certain Laminated Floor Panels	Canada	One related (ancillary) consolidated enforcement and advisory opinion proceeding pending before the Commission.
337-TA-564	Certain Voltage Regulators, Components Thereof and Products Containing Same	No foreign respondents	One related (ancillary) enforcement proceeding pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending - <i>Continued</i> : 337-TA-565	Certain Ink Cartridges and Components Thereof	China, Hong Kong	One related (ancillary) consolidated enforcement proceeding pending before the ALJ.
337-TA-582	Certain Hydraulic Excavators and Components Thereof	Canada	Pending before the Commission.
337-TA-601 ^d	Certain 3G Wideband Code Division Multiple Access (WCDMA) Handsets and Components Thereof	Korea	Pending before the ALJ.
337-TA-602	Certain GPS Devices and Products Containing Same	Taiwan	Pending before the Commission.
337-TA-604	Certain Sucralose, Sweeteners Containing Sucralose, and Related Intermediate Compounds Thereof	China, United Kingdom, Hong Kong	Pending before the Commission.
337-TA-605	Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same	Canada, Switzerland	Pending before the Commission.
337-TA-613 ^d	Certain 3G Mobile Handsets and Components Thereof	Finland	Pending before the ALJ.
337-TA-615	Certain Ground Fault Circuit Interrupters and Products Containing the Same	China	Pending before the Commission.
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong, China	Pending before the Commission.
337-TA-619	Certain Flash Memory Controllers, Drives, Memory Cards, and Media Players and Products Containing Same	Taiwan, Hong Kong, China, Japan, British Virgin Islands, France, Ireland, Korea	Pending before the ALJ.
337-TA-621	Certain Probe Card Assemblies, Components Thereof and Certain Tested DRAM and NAND Flash Memory Devices and Products Containing Same	Japan, Korea	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending - <i>Continued</i> :			
337-TA-623	Certain R-134a Coolant (Otherwise Known as 1,1,1,2-Tetrafluoroethane)	China	Pending before the Commission.
337-TA-624	Certain Systems for Detecting and Removing Viruses or Worms, Components Thereof, and Products Containing Same	Spain	Pending before the Commission.
337-TA-625	Certain Self-Cleaning Litter Boxes and Components Thereof	No foreign respondents	Pending before the Commission.
337-TA-626	Certain Noise Cancelling Headphones	New Zealand	Pending before the Commission.
337-TA-627	Certain Short Wavelength Semiconductor Lasers and Products Containing Same	Japan	Pending before the ALJ.
337-TA-628	Certain Computer Products, Computer Components and Products Containing Same	Taiwan	Pending before the ALJ.
337-TA-629	Certain Silicon Microphone Packages and Products Containing The Same	Malaysia	Pending before the ALJ.
337-TA-630	Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same (III)	Taiwan, Japan, China	Pending before the ALJ.
337-TA-631	Certain Liquid Crystal Display Devices and Products Containing the Same	Japan	Pending before the ALJ.
337-TA-632	Certain Refrigerators and Components Thereof	Korea, Mexico	Pending before the ALJ.
337-TA-634	Certain Liquid Crystal Display Modules, Products Containing Same, and Methods for Using the Same	Korea	Pending before the ALJ.
337-TA-636	Certain Laser Imageable Lithographic Printing Plates	Israel, Canada	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
<i>Pending - Continued:</i>			
337-TA-637	Certain Hair Irons and Packaging Thereof	Singapore, China, Hong Kong	Pending before the ALJ.
337-TA-640	Certain Short-Wavelength Light Emitting Diodes, Laser Diodes and Products Containing Same	Singapore, Taiwan, Malaysia, China, Japan, Korea, Finland, Sweden	Pending before the ALJ.
337-TA-641	Certain Variable Speed Wind Turbines and Components Thereof	Japan	Pending before the ALJ.
337-TA-643	Certain Cigarettes and Packaging Thereof	Moldova, Belize, Singapore, Ukraine, Kyrgyzstan, Gibraltar, United Kingdom, Switzerland	Pending before the ALJ.
337-TA-644	Certain Composite Wear Components and Products Containing the Same	India, Italy	Pending before the ALJ.
337-TA-645	Certain Vein Harvesting Surgical Systems and Components Thereof	Japan	Pending before the ALJ.
337-TA-646	Certain Power Supplies	Taiwan, United Kingdom	Pending before the ALJ.
337-TA-648	Certain Semiconductor Integrated Circuits Using Tungsten Metallization and Products Containing Same	Taiwan, Japan, Switzerland, China, Netherlands	Pending before the ALJ.
337-TA-649	Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same (IV)	Taiwan, British Virgin Islands, Singapore	Pending before the ALJ.
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	Pending before the ALJ.
337-TA-651	Certain Automotive Parts	Taiwan	Pending before the ALJ.
337-TA-653	Certain Base Stations and Wireless Microphones	Korea, China	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
<i>Pending - Continued:</i>			
337-TA-654	Certain Peripheral Devices and Components Thereof and Products Containing the Same	Taiwan	Pending before the ALJ.
337-TA-655	Certain Cast Steel Railway Wheels, Certain Processes for Manufacturing or Relating to Same and Certain Products Containing Same	China	Pending before the ALJ.
337-TA-657	Certain Automotive Multimedia Display and Navigation Systems, Components Thereof, and Products Containing Same	Japan	Pending before the ALJ.
337-TA-658	Certain Video Game Machines and Related Three-Dimensional Pointing Devices	Japan	Pending before the ALJ.
337-TA-659	Certain Prepregs, Laminates, and Finished Circuit Boards	China, Hong Kong, Taiwan	Pending before the ALJ.
337-TA-660	Certain Active Comfort Footwear	Korea	Pending before the ALJ.
337-TA-661	Certain Semiconductor Chips Having Synchronous Dynamic Random Access Memory Controllers and Products Containing Same	Taiwan, Hong Kong	Pending before the ALJ.
337-TA-662	Certain Tunable Laser Chips, Assemblies and Products Containing Same	Sweden, Germany, Canada	Pending before the ALJ.
337-TA-663	Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, Components Thereof	Korea	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2008 and those pending on December 31, 2008 - *Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending - <i>Continued</i> :			
337-TA-664	Certain Flash Memory Chips and Products Containing The Same	Korea, Taiwan, China, Malaysia, Hong Kong, Canada, Japan, Sweden	Pending before the ALJ.
337-TA-665	Certain Semiconductor Integrated Circuits and Products Containing Same	Cayman Islands, Singapore	Pending before the ALJ.

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the investigation.

^b The Commission in 2004 issued two limited exclusion orders on certain categories of vehicles and these remain in force.

^c Inv. Nos. 337-TA-608 and 337-TA-612 were consolidated.

^d Inv. Nos. 337-TA-601 and 337-TA-613 were consolidated, and then unconsolidated.

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2008

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-55	Certain Novelty Glasses	Hong Kong	Nonpatent
337-TA-69	Certain Airtight Cast-Iron Stoves	Taiwan, Korea	Nonpatent
337-TA-87	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Nonpatent
337-TA-105	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Nonpatent
337-TA-112	Certain Cube Puzzles	Taiwan, Japan, Canada	Nonpatent
337-TA-114	Certain Miniature Plug-In Blade Fuses	Taiwan	Nonpatent
337-TA-118	Certain Sneakers with Fabric Uppers and Rubber Soles	Korea	Nonpatent
337-TA-137	Certain Heavy-Duty Staple Gun Tackers	Taiwan, Hong Kong, Korea	Nonpatent
337-TA-152	Certain Plastic Food Storage Containers	Hong Kong, Taiwan	Nonpatent
337-TA-167	Certain Single Handle Faucets	Taiwan	Nonpatent
337-TA-174	Certain Woodworking Machines	Taiwan, South Africa	Nonpatent
337-TA-195	Certain Cloisonne Jewelry	Taiwan	Nonpatent
337-TA-197	Certain Compound Action Metal Cutting Snips and Components Thereof	Taiwan	Nonpatent
337-TA-229	Certain Nut Jewelry and Parts Thereof	Philippines, Taiwan	Nonpatent
337-TA-231	Certain Soft Sculpture Dolls, Popularly Known as "Cabbage Patch Kids," Related Literature, and Packaging Therefore	No foreign respondents	Nonpatent
337-TA-266	Certain Reclosable Plastic Bags and Tubing	Singapore, Taiwan, Korea, Thailand, Hong Kong	Nonpatent
337-TA-279	Certain Plastic Light Duty Screw Anchors	Taiwan	Nonpatent
337-TA-285	Certain Chemiluminescent Compositions and Components Thereof and Methods of Using, and Products Incorporating, the Same	France	Nonpatent
337-TA-287	Certain Strip Lights	Taiwan	Nonpatent
337-TA-295	Certain Novelty Teleidoscopes	Hong Kong, Taiwan	Nonpatent

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2008 -- *Continued*

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-319	Certain Automotive Fuel Caps and Radiator Caps and Related Packaging and Promotional Materials	Taiwan	Nonpatent
337-TA-321	Certain Soft Drinks and Their Containers	Colombia	Nonpatent
337-TA-376	Certain Variable Speed Wind Turbines and Components Thereof	Germany	Feb. 1, 2011 ^c
337-TA-378	Certain Asian-Style Kamaboko Fish Cakes	Japan	Nonpatent
337-TA-380	Certain Agricultural Tractors Under 50 Power Take-Off Horsepower	Japan	Nonpatent
337-TA-383	Certain Hardware Logic Emulation Systems and Components Thereof	France	Apr. 28, 2009 Apr. 28, 2009
337-TA-406	Certain Lens-Fitted Film Packages	China, Hong Kong, Korea	Mar. 7, 2009 Aug. 10, 2010 Aug. 13, 2010 Nov. 1, 2011 Jan. 10, 2012 Apr. 18, 2012 July 25, 2012
337-TA-413	Certain Rare-Earth Magnets and Magnetic Material and Articles Containing Same	China, Taiwan	June 7, 2015
337-TA-416	Certain Compact Multipurpose Tools	China, Taiwan	July 1, 2011 Oct. 21, 2011 Oct. 21, 2011 Oct. 21, 2011
337-TA-424	Certain Cigarettes and Packaging Thereof	No foreign respondents	Nonpatent
337-TA-440	Certain 4-Androstenediol	China	July 13, 2018
337-TA-446	Certain Ink Jet Cartridges and Components Thereof	Taiwan	Apr. 25, 2012
337-TA-448	Certain Oscillating Sprinklers, Sprinkler Components, and Nozzles	Taiwan, Israel, Germany	July 8, 2014 July 8, 2014
337-TA-473	Certain Video Game Systems, Accessories, and Components Thereof	No foreign respondents	Dec. 18, 2015 Dec. 25, 2015
337-TA-474	Certain Recordable Compact Discs and Rewritable Compact Discs	No foreign respondents	May 23, 2012

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2008 -- *Continued*

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-481/491	Certain Display Controllers with Upscaling Functionality and Products Containing Same; and Certain Display Controllers and Products Containing Same	Taiwan	Feb. 24, 2017
337-TA-482	Certain Compact Disc and DVD Holders	Denmark, Hong Kong, Taiwan	May 1, 2015
337-TA-486	Certain Agricultural Tractors, Lawn Tractors, Riding Lawnmowers, and Components Thereof	China	Nonpatent
337-TA-487	Certain Agricultural and Components Thereof	Canada, China, France, Germany, Netherlands	Nonpatent
337-TA-489	Certain Sildenafil or Any Pharmaceutically Acceptable Salt Thereof, Such as Sildenafil Citrate, and Products Containing Same	Belize, Israel, Nicaragua, Syria, United Kingdom, India, China	Mar. 27, 2012
337-TA-492	Certain Plastic Grocery and Retail Bags	Thailand, China, Singapore, Hong Kong	Dec. 6, 2010
337-TA-494	Certain Automotive Measuring Devices, Products Containing Same, and Bezels for Such Devices	Taiwan	Nonpatent
337-TA-498	Certain Insect Traps	No foreign respondents	Jan. 30, 2018
337-TA-500	Certain Purple Protective Gloves	Malaysia	Nonpatent
337-TA-505	Certain Gun Barrels Used in Firearms Training Systems	Switzerland, Netherlands	Sept. 25, 2015 Aug. 25, 2017
337-TA-511	Certain Pet Food Treats	China	Sept. 23, 2011
337-TA-512	Certain Light-Emitting Diodes and Products Containing Same	Malaysia	July 27, 2018 July 27, 2018 July 27, 2018 Jan. 18, 2015
337-TA-514	Certain Plastic Food Containers	China	Oct. 19, 2013 Dec. 23, 2017 Dec. 23, 2017
337-TA-518	Certain Ear Protection Devices	China, Taiwan	June 2, 2015
337-TA-522	Certain Ink Markers and Packaging Thereof	China, India, Korea	Nonpatent

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2008 -- *Continued*

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-528	Certain Foam Masking Tape	Spain, Netherlands, Portugal, Canada, France, Germany	May 10, 2011
337-TA-539	Certain Tadalafil or Any Salt or Solvate Thereof, and Products Containing Same	India, Panama, Haiti, Nicaragua, Mexico, Australia	June 12, 2016
337-TA-541	Certain Power Supply Controllers and Products Containing Same	Taiwan	Sept. 24, 2019 Sept. 24, 2019
337-TA-543	Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips, and Products Containing Same, Including Cellular Telephone Handsets	No foreign respondents	June 8, 2010
337-TA-545	Certain Laminated Floor Panels	Canada, China, Malaysia, Korea	June 10, 2017
337-TA-549	Certain Ink Sticks for Solid Ink Printers	Korea	Apr. 29, 2022 Apr. 29, 2022 Apr. 29, 2022
337-TA-556	Certain High-Brightness Light Emitting Diodes and Products Containing Same	Taiwan	Jan. 18, 2009
337-TA-557	Certain Automotive Parts	Taiwan	Feb. 4, 2017 June 22, 2018 July 27, 2018 Sept. 28, 2018 Oct. 5, 2018 Oct. 26, 2018 Mar. 1, 2019 Mar. 22, 2019
337-TA-563	Certain Portable Power Stations and Packaging Thereof	China	Feb. 4, 2017
337-TA-564	Certain Voltage Regulators, Components Thereof and Products Containing Same	No foreign respondents	Mar. 23, 2013
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	Oct. 1, 2013 Jan. 30, 2013 Apr. 1, 2014 May 18, 2019 May 18, 2019 Apr. 3, 2022 Aug. 26, 2023 Aug. 17, 2023
337-TA-575	Certain Lighters	China	Nonpatent

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2008 -- *Continued*

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-588	Certain Digital Multimeters, and Products with Multimeter Functionality	China, Hong Kong	Nonpatent
337-TA-590	Certain Coupler Devices for Power Supply Facilities, Components Thereof, and Products Containing Same.	China, Germany, Taiwan	Aug. 5, 2024
337-TA-603	Certain DVD Players and Recorders and Certain Products Containing Same	China, Hong Kong	Jan. 18, 2015 Jan. 30, 2016 Dec. 23, 2014
337-TA-611	Certain Magnifying Loupe Products and Components Thereof	China	Dec. 3, 2013 May 20, 2022 July 19, 2013
337-TA-638	Certain Intermediate Bulk Containers	China	Jan. 12, 2009 Mar. 16, 2012 Mar. 21, 2015

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the investigation.

^b Multiple dates indicate the expiration dates of separate patents within the investigation.

^c Patent term extended pursuant to 35 U.S.C. 154(c).

TABLE A.11 U.S. imports for consumption of leading GSP duty-free imports, 2008

HTS No.	Description	Total Imports	GSP duty free	
			GSP eligible	(Millions of \$)
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	151,133	19,704	9,741
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	108,270	3,715	1,024
3824.90.40	Fatty substances of animal or vegetable origin and mixtures thereof	1,448	1,062	889
7202.41.00	Ferrochromium containing more than 3 percent of carbon	910	906	748
7113.11.50	Articles of jewelry and parts thereof, of silver, n.e.s.o.i., valued over \$18 per dozen pieces or parts	1,283	574	481
7202.30.00	Ferrosilicon manganese	682	432	429
7113.19.29	Gold necklaces and neck chains, other than rope or mixed link	882	502	382
4011.10.10	New pneumatic radial tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	4,912	757	379
7606.12.30	Aluminum alloy plates, sheets, and strip, of a thickness exceeding 0.2 mm, rectangular (including square), not clad	2,086	474	340
7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver, except necklaces and clasps	4,207	1,788	323
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i.	1,960	1,750	268
3907.60.00	Polyethylene terephthalate in primary forms	1,076	264	253
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	44,004	566	236
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	2,759	266	207
8544.30.00	Ignition wiring sets, other wiring sets of a kind used in vehicles, aircraft or ships	5,532	669	167
2106.90.99	Food preparations, n.e.s.o.i.	1,168	174	165
8708.99.81	Parts and accessories of the motor vehicles, n.e.s.o.i.	5,442	191	157
6802.99.00	Monumental or building stone and articles thereof, n.e.s.o.i., of natural stone, n.e.s.o.i.	278	159	155
7323.93.00	Stainless steel table, kitchen or other household articles and parts thereof	885	150	143
4015.19.10	Gloves, mittens and mitts, seamless, of vulcanized rubber other than hard rubber, other than surgical or medical	349	159	140
	Top 20 items	339,263	34,264	16,628
	All other	1,734,574	25,078	15,024
	Total	2,073,837	59,342	31,652

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Figures do not include U.S. Virgin Island imports. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.12 U.S. imports for consumption and imports eligible for GSP treatment, by import categories under the Harmonized Tariff Schedule, 2008

HTS		Total imports	GSP eligible	GSP duty free
Section	Description			
		Millions of \$		
I	Live animals; animal products	20,506	80	66
II	Vegetable products	26,611	1,243	379
III	Animal and vegetable fats, oils, and waxes	5,316	208	198
IV	Prepared foodstuffs; beverages, spirits; tobacco	42,071	2,100	1,475
V	Mineral products	463,694	24,051	11,045
VI	Chemical products	170,735	5,396	2,739
VII	Plastics and rubber	55,771	3,412	2,416
VIII	Raw hides and skins, leather, furskins; saddlery; handbags	11,008	403	348
IX	Wood; charcoal; cork; straw and other plaiting materials	14,842	923	668
X	Wood pulp; paper and paperboard	27,425	0	0
XI	Textiles and textile articles	95,753	489	315
XII	Footwear, headgear, umbrellas; artificial flowers	22,929	30	25
XIII	Stone, plaster, cement, asbestos, ceramic and glass articles	16,031	1,689	735
XIV	Pearls, precious or semi-precious stones; imitation jewelry	49,497	3,400	1,587
XV	Base metals and articles of base metal	123,589	6,403	4,116
XVI	Machinery and appliances; electrical equipment	497,039	6,138	3,272
XVII	Vehicles, aircraft, vessels, transport equipment	220,855	1,713	1,180
XVIII	Optical, photographic, medical, and musical instruments; clocks	62,620	1,095	645
XIX	Arms and ammunition; parts and accessories thereof	2,338	71	65
XX	Miscellaneous manufactured articles	73,679	495	378
XXI	Works of art, collectors' pieces and antiques	7,460	0	0
XXII	Special classification provisions	64,068	0	0
Total		2,073,837	59,342	31,652

Source: Compiled from official statistics of the U.S. Department of Commerce.

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

TABLE A.13 U.S. imports for consumption under AGOA, by source, 2006-08

Source	2006	2007	2008	% change 2007-08
	Thousands of \$			
Nigeria	25,823,091	30,137,133	35,366,204	17.4
Angola	4,532,941	4,767,934	9,794,965	105.4
Republic of the Congo	774,536	1,604,868	2,639,141	64.4
Republic of South Africa	717,439	1,076,985	2,427,690	125.4
Chad	1,531,433	1,487,552	2,309,230	55.2
Gabon	1,290,031	1,673,605	2,143,355	28.1
Cameroon	152,394	169,173	441,316	160.9
Lesotho	384,452	379,592	338,797	-10.7
Madagascar	229,541	281,443	277,051	-1.6
Kenya	265,051	250,352	252,243	0.8
Swaziland	135,425	135,838	125,387	-7.7
Mauritius	145,843	112,347	97,291	-13.4
Democratic Rep. of the Congo	0	39,478	65,234	65.2
Ghana	34,874	56,151	31,494	-43.9
Malawi	29,901	27,568	26,680	-3.2
Botswana	28,225	31,331	15,803	-49.6
Senegal	14,239	14	10,229	^(a)
Ethiopia	5,000	4,741	9,392	98.1
Tanzania	3,022	2,815	1,527	-45.7
Uganda	1,490	1,189	473	-60.3
Mozambique	940	825	129	-84.4
Namibia	33,019	28,579	6	-100.0 ^b
Rwanda	0	0	5	^(c)
Zambia	8	73	5	-93.5
Mali	3	9	4	-54.7
Niger	1	27	1	-97.5
Guinea	0	27	1	-97.6
The Gambia	0	^(d)	0	-100.0
Cape Verde	85	0	0	^(c)
Burkina Faso	6	0	0	^(c)
Benin	0	0	0	^(c)
Burundi	0	0	0	^(c)
Comoros	^(e)	^(e)	0	^(c)
Djibouti	0	0	0	^(c)
Guinea-Bissau	0	0	0	^(c)
Liberia	^(e)	0	0	^(c)
Mauritania	^(e)	0	0	^(c)
São Tomé and Príncipe	0	0	0	^(c)
Seychelles	0	0	0	^(c)
Sierra Leone	0	0	0	^(c)
Togo	^(e)	^(e)	0	^(c)
Total	36,132,990	42,269,649	56,373,651	33.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. Senegal's large percentage and value increase in 2008 was driven by increased petroleum imports, part of which was a shift from exports claiming no preference program to exports under AGOA. Namibia's large percentage and value decrease in 2008 was the result of reduced apparel exports resulting from the closure of the Malaysian-owned Ramatex textile and clothing complex in March 2008, which had exported apparel to the United States under AGOA.

^a Percent change is more than 10,000 percent.

^b Rounds to 100.0 percent.

^c Not applicable.

^d U.S. value less than \$500.

^e Not AGOA eligible.

TABLE A.14 U.S. imports for consumption of leading imports under AGOA, 2006-08

HTS No.	Description	Millions of \$			% change, 2007-08
		2006	2007	2008	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	31,161	37,117	48,518	30.7
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	1,723	1,772	2,732	54.2
8703.23.00	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity 1,500-3000 cc	329	438	1,553	254.3
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	871	665	751	12.9
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	318	493	659	33.7
7202.11.50	Ferromanganese containing by weight more than 4 percent carbon	98	150	367	145.4
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	268	254	257	0.9
8703.24.00	Other passenger motor vehicles, with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	(^a)	(^a)	251	(^b)
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	228	225	162	-28.3
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	226	201	153	-24.1
6205.20.20	Men's or boys' shirts, not knitted or crocheted, of cotton, not certified hand-loomed and folklore product	65	80	81	1.2
6110.30.30	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of man-made fibers, n.e.s.o.i.	67	66	76	15.0
3823.70.60	Industrial fatty alcohols, other than derived from fatty substances of animal or vegetable origin	46	48	74	53.4
6104.62.20	Women's or girls' trousers, breeches, and shorts, knitted or crocheted, of cotton	57	71	74	3.9
2710.11.18	Light oil motor fuel blending stock from petroleum oils & bituminous minerals (o/than crude) or prep 70%+ by wt. from petroleum oils	0	0	57	©
2710.11.45	Mixtures of hydrocarbons n.e.s.o.i., none comprising over half of product, 70% or more by weight from petroleum oils and bituminous minerals	48	20	50	151.0
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton	49	66	46	-29.7
0805.10.00	Oranges, fresh or dried	46	38	34	-11.2
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	51	50	33	-34.3
2710.11.15	Light motor fuel, 70 percent or more by weight from petroleum oils and bituminous minerals, other than crude	18	78	31	-60.7
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	30	23	26	12.4
6203.43.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of synthetic fibers, n.e.s.o.i.	11	16	26	60.7
6204.63.35	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of synthetic fibers, n.e.s.o.i.	16	24	25	7.0
2204.21.50	Non-sparkling wine of fresh grapes, other than Tokay, not over 14 percent alcohol, in containers not over 2 liters	27	28	25	-13.1
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	20	21	24	15.7
	Total of items shown	35,774	41,946	56,085	33.7
	All other	359	323	289	-10.6
	Total of all commodities	36,133	42,270	56,374	33.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a U.S. value is less than \$500,000.

^b Percent change is more than 10,000 percent.

^c Not applicable.

TABLE A.15 U.S. imports for consumption under ATPA, by source, 2006-08

Source	2006	2007	2008	% change 2007-08
	Millions of \$			
Colombia	4,791	4,528	7,339	62.1
Ecuador	5,325	4,614	6,595	42.9
Peru	3,202	3,017	3,169	5.0
Bolivia	166	148	140	-5.5
Total	13,484	12,307	17,243	40.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

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

TABLE A.16 U.S. imports for consumption of leading imports under ATPA, 2006-08

HTS No.	Description	2006	2007	2008	% change,
					2007-08
		Millions of \$			
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	5,873.0	5,840.3	10,128.1	73.4
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	2,165.9	1,644.9	2,078.5	26.4
7403.11.00	Refined copper cathodes and sections of cathodes	993.0	989.1	844.4	-14.6
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	458.8	408.7	628.7	53.8
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	613.0	294.1	377.1	28.2
0603.11.00 ^a	Roses, fresh	288.4	327.2	310.3	-5.2
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	318.2	297.4	239.9	-19.3
0603.19.00 ^b	Anthuriums, alstroemeria, gypsophilia, lilies, snapdragons and other flowers n.e.s.o.i., fresh	172.0	187.8	192.5	2.5
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton	190.7	165.4	176.2	6.5
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	168.8	155.5	162.5	4.5
0709.20.90	Asparagus, fresh or chilled, n.e.s.o.i.	126.6	159.3	145.2	-8.9
2710.19.10	Distillate/residual fuel oil (including blends) derived from petroleum oils or oil of bituminous minerals, testing 25 degrees A.P.I. or more	0.0	19.9	92.5	364.2
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	140.8	98.6	85.8	-13.0
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, n.e.s.o.i.	64.9	67.9	70.1	3.2
0603.14.00 ^c	Chrysanthemums, fresh	63.4	65.5	66.9	2.3
6106.10.00	Women's or girls' blouses and shirts, knitted or crocheted, of cotton	66.6	52.4	60.6	15.8
2613.90.00	Molybdenum ores and concentrates, not roasted	41.1	38.8	53.5	38.0
2005.99.80 ^d	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	35.9	39.1	46.5	18.8
0904.20.20	Paprika, dried or crushed or ground	17.7	26.5	41.1	55.4
0603.12.70 ^e	Carnations, other than miniature, fresh	37.4	42.2	37.8	-10.4
2005.60.00	Asparagus, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	24.6	21.5	37.4	74.4
2710.11.45	Mixtures of hydrocarbons n.e.s.o.i., none comprising over half of product, 70% or more by weight from petroleum oils and bituminous minerals	0.0	(^f)	36.1	(^g)
0710.80.97	Vegetables n.e.s.o.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	27.5	34.8	36.0	3.3
3904.10.00	Polyvinyl chloride, not mixed with any other substances, in primary forms	33.8	42.8	34.2	-20.0
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31 of the following year, inclusive	31.5	30.0	32.6	8.7
	Total of items shown	11,953.5	11,049.7	16,014.6	44.9
	All other	1,530.9	1,257.2	1,228.1	-2.3
	Total of all commodities	13,484.4	12,306.8	17,242.7	40.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under HTS tariff line 0603.10.60.

^b Trade in 2006 reported under HTS statistical line 0603.10.7040 and HTS tariff line 0603.10.80.

^c Trade in 2006 reported under HTS statistical line 0603.10.7010 and 0603.10.7020.

^d Trade in 2006 reported under HTS tariff line 2005.90.80.

^e Trade in 2006 reported under HTS statistical line 0603.10.7030.

^f U.S. value is less than \$50,000.

^g Percent change is more than 10,000 percent.

TABLE A.17 U.S. imports for consumption under CBERA, by source, 2006-08

Source	2006	2007	2008	% change, 2007-08
	1,000 dollars			
Trinidad and Tobago	3,677,726	2,832,296	2,365,386	-16.5
Costa Rica	1,382,065	1,417,864	1,252,756	-11.6
Haiti	379,321	430,389	405,118	-5.9
Jamaica	245,755	235,947	319,600	35.5
Bahamas	125,056	137,351	141,038	2.7
Belize	72,221	54,460	129,517	137.8
Panama	33,828	31,191	46,466	49.0
Guyana	5,098	10,099	20,613	104.1
St. Kitts-Nevis	24,750	16,189	14,071	-13.1
Netherlands Antilles	2,157	3,598	11,933	231.6
St. Lucia	7,076	8,594	11,081	28.9
Barbados	4,765	7,100	6,913	-2.6
British Virgin Islands	223	65	437	577.5
Aruba	171	295	229	-22.3
Dominica	66	45	200	345.8
St. Vincent and Grenadines	210	216	171	-20.8
Grenada	56	25	126	411.5
Antigua	23	132	94	-29.1
Montserrat	0	0	0	^(a)
Dominican Republic	2,481,035	310,104	0	-100.0
El Salvador	154,121	0	0	^(a)
Guatemala	652,845	0	0	^(a)
Honduras	555,925	0	0	^(a)
Nicaragua	110,981	0	0	^(a)
Total	9,915,473	5,495,960	4,725,747	-14.0

Source: Compiled from official statistics of the U.S. Department of Commerce

Note: Because of rounding, figures may not add to totals shown. The following CAFTA-DR countries were only eligible for CBERA benefits before CAFTA-DR entered into force (implementation date): El Salvador (March 1, 2006), Honduras (April 1, 2006), Nicaragua (April 1, 2006), Guatemala (July 1, 2006), and Dominican Republic (March 1, 2007).

^a Not applicable.

TABLE A.18 U.S. imports for consumption of leading imports under CBERA, 2006-08

HTS No.	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i.	1,029.7	1,004.2	1,175.2	17.0
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	1,693.8	1,309.5	904.0	-31.0
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes	277.2	263.4	483.1	83.4
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	245.6	377.9	393.1	4.0
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	607.3	195.7	168.9	-13.7
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	393.0	139.8	145.8	4.3
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	71.5	227.2	143.6	-36.8
3903.11.00	Polystyrene, expandable, in primary forms	121.5	133.2	135.5	1.8
4011.10.10	New pneumatic radial tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	63.7	79.6	91.7	15.3
2009.11.00	Frozen concentrated orange juice	53.7	100.3	64.7	-35.5
6115.95.90	Stockings, socks, other hosiery n.e.s.o.i., and footwear without applied soles, knitted or crocheted, of cotton, not lace or net	(^a)	68.6	64.0	-6.7
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	449.5	126.3	50.9	-59.7
0714.90.20	Fresh or chilled yams, whether or not sliced or in the form of pellets	19.1	23.3	29.9	28.5
8536.30.80	Electrical apparatus for protecting electrical circuits, for a voltage not exceeding 1,000 volts, n.e.s.o.i.	12.2	28.2	29.4	4.0
0807.19.20	Cantaloupes, fresh, not entered Aug. 1-Sept. 15	95.3	39.1	27.8	-28.9
7108.12.50	Gold, nonmonetary, unwrought, other than gold bullion and dore	0.5	0.7	26.9	3,550.0
0714.10.20	Cassava (manioc), fresh, chilled or dried, whether or not sliced or in the form of pellets	15.6	18.6	25.5	37.1
0602.10.00	Unrooted cuttings and slips of live plants	30.9	24.5	22.7	-7.6
1701.11.10	Raw sugar not containing added flavoring or coloring	140.3	31.0	22.3	-28.1
6109.90.10	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of man-made fibers	127.5	64.6	22.1	-65.8
3921.12.19	Nonadhesive plates, sheets, film, foil, and strip, cellular, of polymers of vinyl chloride, combined with textile materials, n.e.s.o.i.	17.7	19.9	20.7	3.9
0603.19.00 ^b	Anthuriums, alstroemeria, gypsophila, lilies, snapdragons and other flowers n.e.s.o.i., fresh	29.4	24.0	20.7	-13.7
6107.11.00	Men's or boys' underpants and briefs, knitted or crocheted, of cotton	171.0	36.9	20.4	-44.7
2207.20.00	Ethyl alcohol and other spirits, denatured, of any strength	12.1	65.0	20.0	-69.2
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	517.7	76.6	19.6	-74.4
	Total of items shown	6,195.5	4,478.2	4,128.5	-7.8
	All other	3,720.0	1,017.7	597.3	-41.3
	Total of all commodities	9,915.5	5,496.0	4,725.7	-14.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included." The following CAFTA-DR countries were only eligible for CBERA benefits before CAFTA-DR entered into force (implementation date): El Salvador (March 1, 2006), Honduras (April 1, 2006), Nicaragua (April 1, 2006), Guatemala (July 1, 2006), and Dominican Republic (March 1, 2007).

^a Trade in 2006 reported under parts of items contained in HTS tariff line 6115.92.90.

^b Trade in 2006 reported under HTS statistical line 0603.10.7040 and HTS tariff line 0603.10.80.

TABLE A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2008

Case No.	Title	Complainant	Action (Month/Day/Year)
DS27	European Communities – Regime for the Importation, Sale and Distribution of Bananas	Ecuador; Guatemala; Honduras; Mexico; United States	<p>Ecuador requests consultations under Article 21.5 (11/16/06).</p> <p>Ecuador submits revised request for consultations (11/28/06).</p> <p>Colombia (11/29/2006), Belize, Côte d'Ivoire, Dominica, the Dominican Republic, Saint Lucia, St. Vincent and the Grenadines, and Suriname (11/30/06), Cameroon (12/04/06), Jamaica (12/06/06), and Panama and the U.S. (12/11/06) request to join the consultations. EC accepts their requests.</p> <p>Ecuador requests establishment of an Article 21.5 panel (02/23/07).</p> <p>Second Recourse to Article 21.5 panel report circulated (04/07/08).</p> <p>Second Recourse to Article 21.5 Appellate Body report circulated (11/26/08).</p>
DS267	United States – Subsidies on Upland Cotton	Brazil	<p>DSB adopts Appellate Body report and panel report as modified (03/21/05).</p> <p>After the reasonable period of time for implementation expires (09/21/05), Brazil seeks authorization to suspend concessions, and the U.S. seeks arbitration. The parties subsequently seek suspension of arbitration proceedings (11/21/05).</p> <p>Brazil requests the establishment of a panel (08/18/06).</p> <p>DSB agrees, if possible, to refer the matter raised by Brazil to the original panel (09/28/06).</p> <p>Panel is established (10/25/06).</p> <p>Article 21.5 panel report circulated (12/18/07).</p> <p>Article 21.5 Appellate Body report circulated (06/02/08)</p>
DS268	United States – Sunset Reviews of Anti-Dumping Measures on Oil Country Tubular Goods from Argentina	Argentina	<p>U.S. informs DSB it has implemented earlier DSB recommendations and rulings in the case; Argentina expresses doubts (12/20/05).</p> <p>Argentina requests consultations (01/26/06).</p> <p>Argentina requests the establishment of a panel (03/06/06).</p> <p>DSB refers the matter raised by Argentina to the original panel (03/17/06).</p> <p>Compliance panel composed (03/20/06).</p> <p>Panel report circulated (11/30/06).</p> <p>Appellate Body report circulated (04/12/07).</p> <p>DSB adopts Appellate Body report (05/11/07).</p>
DS282	United States – Antidumping Measures on Oil Country Tubular Goods from Mexico	Mexico	<p>Appellate Body report circulated (11/02/05).</p> <p>U.S. issues statement of intent to implement the recommendations and rulings of the DSB (12/20/05).</p> <p>Agreement reached on the reasonable period of time for implementation (02/15/06).</p> <p>Statement by Mexico of nonconformity regarding agreed time limits (05/30/06).</p> <p>Mexico requests consultations under DSU Article 21.5 (08/21/06).</p> <p>Mexico asks for establishment of a compliance panel (04/07/07); panel established.</p> <p>Mexico asks the panel to suspend its work (07/05/07). Authority for panel lapses (07/06/08).</p>

TABLE A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2008 — *Continued*

Case No.	Title	Complainant	Action (Month/Day/Year)
DS285	United States – Measures Affecting Cross-Border Supply of Gambling and Betting Services	Antigua and Barbuda	Parties agree to procedures under DSU Articles 21 and 22 (05/24/06). Antigua and Barbuda request consultations (06/08/06). Antigua and Barbuda request establishment of a panel (07/06/06). DSB refers matter to original panel if possible (07/19/06). Panel composed (08/16/06). Panel report circulated (03/30/07). DSB adopts panel report (05/22/07). Antigua and Barbuda seeks authorization to suspend concessions (06/21/07). U.S. objects and seeks arbitration (07/23/07). Arbitrator's decision circulated (12/21/07).
DS291	European Communities – Measures Affecting the Approval and Marketing of Biotech Products	United States	Panel reports circulated (09/29/06). DSB adopts the panel reports (11/21/06). The EC announce its intention to implement recommendations and rulings and announce intent to discuss appropriate timeframe pursuant to DSU Article 21.3(b) with Argentina, Canada, and U.S. (12/19/06). U.S. and EC agree on a reasonable period of time for implementation (06/21/07). U.S. and EC inform DSB they have reached agreement on procedures under Articles 21 and 22 (01/14/08). U.S. asks for authorization to suspend concessions (01/17/08) DSB refers matter to arbitration (02/08/08). EC and U.S. ask arbitrator to suspend work (02/15/08).
DS294	United States – Laws, Regulations and Methodology for Calculating Dumping Margins (Zeroing)	European Communities	Panel report circulated (10/31/05). Appellate Body report circulated (04/18/06). U.S. announces that it intends to implement the DSB recommendations and rulings (05/30/06). U.S. and EC agree, pursuant to DSU Article 21.3(b), to the reasonable period of time for implementation (07/28/06). U.S. and EC reach an Understanding on Article 21 and 22 procedures (05/04/07). EC requests Article 21.5 consultations (07/09/07). Brazil and Korea request to join the consultations (07/20/07). EC requests establishment of Article 21.5 panel (09/13/07). Article 21.5 panel report is circulated (12/17/08).
DS295	Mexico – Definitive Antidumping Measures on Beef and Rice	United States	DSU adopts Appellate Body report and panel report as modified (12/20/05). Mexico and the United States inform DSB that they have reached agreement on the reasonable period of time for implementation; Mexico will comply in August 2006 (in part) and in December 2006 (in part) (05/18/06). Parties reach an Understanding on procedure for Articles 21 and 22 (01/16/07).
DS320	United States – Continued Suspension of Obligations in the EC – Hormones Dispute	European Communities	EC requests consultations with U.S. (11/08/04). EC requests establishment of a panel (01/13/05). Panel established (02/17/05). Panel report circulated (03/31/08). EC (05/29/08) and U.S. (06/10/08) notify DSB of intent to appeal. Appellate Body report circulated (10/16/08).

TABLE A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2008 — *Continued*

Case No.	Title	Complainant	Action (Month/Day/Year)
DS322	United States – Measures Relating to Zeroing and Sunset Reviews	Japan	Panel report circulated (09/20/06). Appellate Body report circulated (01/9/07). Agreement reached on the reasonable period of time for implementation (05/04/07). Japan seeks authorization to suspend concessions (01/10/08). Japan asks for establishment of a compliance panel (04/07/08).
DS334	Turkey – Measures Affecting the Importation of Rice	United States	U.S. requests establishment of a panel (02/06/06). Panel established (03/17/06). Panel report circulated (09/21/07). Turkey and U.S. inform DSB of agreement on reasonable period for Turkey to comply (04/09/08). Turkey and U.S. notify DSB of agreement on Article 21 and 22 procedures (05/07/08).
DS335	United States – Antidumping Measure on Shrimp from Ecuador	Ecuador	Ecuador requests establishment of a panel (06/08/06). Panel established (07/19/06). Panel report circulated (01/30/07). Agreement reached on the reasonable period of time for implementation (03/26/07).
DS340	China – Measures Affecting Imports of Automobile Parts	United States	U.S. requests consultations with China (03/30/06). U.S. requests establishment of a panel (09/15/06). DSB establishes a single panel pursuant to DSU Article 9.1 to consider similar complaints against China made by EC (DS339), U.S. (DS340), & Canada (DS342) (10/26/06). Panel report circulated (07/18/08). China notifies DSB of decision to appeal (09/15/08). Appellate Body report circulated (12/15/08).
DS343	United States – Measures Relating to Shrimp from Thailand	Thailand	Thailand requests consultations (04/24/06). Panel established (10/26/06). Panel report circulated (02/29/08). Thailand (04/17/08) and U.S. (04/29/08) notify DSB of decision to appeal. Appellate Body report circulated (07/16/08).
DS344	United States – Final Antidumping Measures on Stainless Steel from Mexico	Mexico	Mexico requests consultations (05/26/06). Japan requests to join the consultations (06/09/06). Mexico requests establishment of a panel (10/12/06). Panel established (10/26/06). Panel report circulated (12/20/07). Mexico notifies DSB of decision to appeal (01/31/08). Appellate body report circulated (04/30/08). Article 21.3© arbitration report circulated (10/31/08).

TABLE A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2008 — *Continued*

Case No.	Title	Complainant	Action (Month/Day/Year)
DS345	United States – Customs Bond Directive for Merchandise Subject to Anti-Dumping/Countervailing Duties	India	<p>India requests consultations (06/06/06). Brazil, China, and Thailand request to join the consultations (06/21/06). India requests establishment of a panel (10/13/06). Panel established (11/21/06). Chairman of panel informs the DSB that panel will not be able to complete its work within the standard 6-month time frame (07/27/07). Panel report circulated (02/29/08). India (04/17/08) and U.S. (04/29/08) notify DSB of decision to appeal. Appellate Body report circulated (07/16/08). U.S. and India notify DSB of agreement on reasonable time for U.S. to implement DSB recommendations (10/31/08).</p>
DS350	United States – Continued Existence and Application of Zeroing Methodology	European Communities	<p>EC requests consultations (10/02/06). EC expands its request for consultations (10/09/06). Japan (10/10/06), Thailand (10/12/06), Brazil, and India (10/13/06) request to join consultations. U.S. accepts their requests. EC requests establishment of a panel (05/10/07). Panel established (06/04/07). Panel report circulated (10/01/08). EC (11/06/08) and U.S. (11/18/08) notify DSB of decision to appeal.</p>
DS353	United States – Measures Affecting Trade in Large Civil Aircraft (Second Complaint)	European Communities	<p>EC requests consultations with U.S. (06/27/05). EC requests establishment of a panel (01/20/06). Panel established (02/17/06). Panel Chair informs the DSB that panel will not be able to complete its work within the standard 6-month time frame (05/18/07). Panel Chair informs DSB that the panel expects to complete work in 2009 (07/11/08)</p>
DS357	United States – Subsidies and Other Domestic Support for Corn and Other Agricultural Products	Canada	<p>Canada requests consultations with U.S. (01/08/07). Australia (01/18/07), Argentina, Brazil, EC, Guatemala, Nicaragua, Thailand (01/19/07), and Uruguay (01/22/07) request to join the consultations. U.S. accepts requests. Canada requests establishment of a panel (06/07/07). Canada withdraws request for establishment of a panel (11/15/07).</p>
DS360	India – Additional and Extra-Additional Duties on Imports from the United States	United States	<p>U.S. requests consultations with India (03/06/07). EC (03/16/07) and Australia (03/21/07) request consultations; India accepts their requests. U.S. requests establishment of a panel (05/24/07). Panel established (06/20/07). Panel report circulated (06/09/08). U.S. (08/01/08) and India (08/13/08) notify DSB of decision to appeal. Appellate Body report circulated (10/30/08).</p>

TABLE A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2008 — *Continued*

Case No.	Title	Complainant	Action (Month/Day/Year)
DS362	China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights	United States	U.S. requests consultations with China (04/10/07). Japan (04/20/07), EC, Canada (04/25/07), and Mexico (04/26/07) request to join consultations. China accepts their requests. U.S. requests establishment of panel (08/13/07). Panel established (09/25/07). Panel Chair informs DSB that the panel expects to issue its report in November 2008 (07/16/08). Panel report circulated (01/26/09)
DS363	China – Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products	United States	U.S. requests consultations with China (04/10/07). EC requests to join the consultation (04/25/07). China accepts the request. U.S. requests establishment of a panel (10/10/07). Panel established (11/27/07). Panel Chair informs DSB that the panel expects to issue its report in February 2009.
DS365	United States – Domestic Support and Export Credit Guarantees for Agricultural Products	Brazil	Brazil requests consultations with the U.S. (07/11/07). Canada (07/20/07), Guatemala (07/23/07), Costa Rica, Mexico (07/24/07), EC (07/25/07), Argentina, Australia, India, Nicaragua (07/26/07), and Thailand (07/27/07) request to join the consultations. U.S. accepts the requests. Canada and Brazil request establishment of a panel (11/08/07). Single panel established (12/17/07).
DS368	United States – Preliminary Anti-Dumping and Countervailing Duty Determinations on Coated Free Sheet Paper from China	China	China requests consultations with the U.S. (09/14/07).
DS373	China – Measures Affecting Financial Information Services and Foreign Financial Information Suppliers	United States	U.S. requests consultations with China (03/03/08). EC requests to join consultations; China accepts request (03/14/08). U.S. and China inform DSB they have reached agreement in the form of a memorandum of understanding (12/04/08).
DS375	European Communities – Tariff Treatment of Certain Information Technology Products	United States	U.S. requests consultations with EC (05/28/08). U.S., Japan, Chinese Taipei request establishment of a panel (08/18/08). Panel established (09/23/08).
DS379	United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China	China	China requests consultations with U.S. (09/19/08). China requests establishment of a panel (12/09/08). Panel established (01/20/09).
DS381	United States – Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Mexico	Mexico requests consultations with U.S. (10/24/08). EC (11/06/08) and Australia (11/07/08) request to join consultations.

TABLE A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2008 — *Continued*

Case No.	Title	Complainant	Action (Month/Day/Year)
DS382	United States – Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil	Brazil	Brazil requests consultations with U.S. (11/27/08). Japan requests to join consultations (12/10/08).
DS383	United States – Anti-Dumping Measures on Polyethylene Retail Carrier Bags from Thailand	Thailand	Thailand requests consultations with U.S. (11/26/08).
DS384	United States – Certain Country of Origin Labelling (Cool) Requirements	Canada	Canada requests consultations with U.S. (12/01/08). Mexico and Nicaragua request to join consultations (12/12/08); U.S. accepts requests.
DS386	United States – Certain Country of Origin Labelling Requirements	Mexico	Mexico requests consultations with U.S. (12/17/08). Canada requests to join consultations (12/30/08); U.S. accepts request.
DS387	China – Grants, Loans and other incentives	United States	U.S. requests consultations with China (12/19/08). Canada, EC, Mexico, Turkey (01/15/09) and Australia (01/16/09) request to join consultations.

Source: WTO, "Chronological List of Disputes Cases," http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

Note: With a few exceptions, this list includes cases in which formal action occurred in 2008; where appropriate, pre-2008 and post-2008 actions are noted to place the 2008 actions in context. Since DSB adoption of panel and Appellate Body reports is virtually automatic, dates of adoption are generally omitted.

TABLE A.20 NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and Commerce, developments in 2008

File No.	Dispute	Action (Month/Day/Year)
USA-MEX-2005-1904-06	Stainless Steel Sheet and Strip (USITC Affirmative Five-Year Review Determination)	Panel Unanimously Affirmed USITC Determination (09/10/08). Notice of final panel action (09/22/08)
USA-MEX-2007-1904-03	Welded Large Diameter Line Pipe (USITC Negative Five-Year Review Determination with respect to Mexico)	USITC briefs filed (07/28/08)
USA-MEX-2008-1904-03	Light-Walled Rectangular Pipe and Tube (Commerce Final Affirmative Antidumping Determination)	Request for panel review (07/23/08)
USA-MEX-2008-1904-04	Light-Walled Rectangular Pipe and Tube (USITC Final Affirmative Injury Determination)	Request for panel review (08/29/08)

Source: NAFTA Secretariat, "Status Report NAFTA & FTA Dispute Settlement Proceedings," http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx?DetailID=9.

Note: This list includes only cases in which formal action occurred in 2008; pending cases in which little or no formal action occurred are omitted.

TABLE A.21 U.S. merchandise trade with the European Union,^a by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
Exports:					
0	Food and live animals	5,132	6,153	6,756	9.8
1	Beverages and tobacco	1,544	1,571	1,541	-1.9
2	Crude materials, inedible, except fuels	8,422	10,813	12,100	11.9
3	Mineral fuels, lubricants and related materials	5,636	5,950	14,269	139.8
4	Animal and vegetable oils, fats and waxes	249	265	320	20.5
5	Chemicals and related products, n.e.s.	41,429	47,832	53,888	12.7
6	Manufactured goods classified chiefly by material	13,337	15,105	15,909	5.3
7	Machinery and transport equipment	85,161	97,462	101,086	3.7
8	Miscellaneous manufactured articles	26,840	29,188	31,671	8.5
9	Commodities and transactions not classified elsewhere in the SITC	9,530	11,912	13,657	14.6
	Total all exports commodities	197,281	226,252	251,196	11.0
Imports:					
0	Food and live animals	4,681	5,141	5,274	2.6
1	Beverages and tobacco	9,161	10,087	9,746	-3.4
2	Crude materials, inedible, except fuels	3,457	3,031	3,133	3.4
3	Mineral fuels, lubricants and related materials	23,958	24,655	30,404	23.3
4	Animal and vegetable oils, fats and waxes	981	897	1,001	11.6
5	Chemicals and related products, n.e.s.	72,554	78,065	84,498	8.2
6	Manufactured goods classified chiefly by material	36,730	38,271	37,219	-2.7
7	Machinery and transport equipment	124,867	132,475	132,024	-0.3
8	Miscellaneous manufactured articles	38,674	42,020	41,564	-1.1
9	Commodities and transactions not classified elsewhere in the SITC	15,836	17,546	18,803	7.2
	Total all imports commodities	330,898	352,189	363,667	3.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^a Includes 27 EU countries.

TABLE A.22 Leading exports to the European Union,^a by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	7,194	7,893	9,630	22.0
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	3,110	2,809	9,195	227.3
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	5,916	8,781	8,305	-5.4
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	6,299	6,573	6,745	2.6
3002.10	Antisera and other blood fractions, and modified immunological products	3,170	4,937	6,497	31.6
8411.91	Parts for turbojets or turbopropellers	4,657	5,645	6,221	10.2
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	6,453	5,957	5,449	-8.5
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	2,823	4,235	5,218	23.2
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	254	2,370	4,781	101.7
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	1,583	1,897	3,525	85.8
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	2,583	2,888	3,131	8.4
3824.90	Other chemical products and preparations of the chemical and allied industries, n.e.s.o.i.	568	1,171	3,024	158.3
8411.12	Turbojets of a thrust exceeding 25 kN	2,418	2,477	2,909	17.4
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	2,444	3,152	2,899	-8.0
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed	1,196	1,818	2,549	40.2
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^b)	2,597	2,535	-2.4
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals	1,941	2,124	2,255	6.2
8411.99	Gas turbines parts, n.e.s.o.i.	1,687	1,624	2,013	24.0
8473.30	Parts and accessories for automated data processing machines and units	3,320	2,137	1,884	-11.9
7112.99	Waste and scrap of precious metals, other than of gold or platinum, n.e.s.o.i.	594	1,364	1,808	32.6
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	1,588	1,362	1,720	26.3
1201.00	Soybeans, whether or not broken	725	1,023	1,600	56.4
9018.19	Electro-diagnostic apparatus n.e.s.o.i., and parts	1,184	1,258	1,438	14.3
8471.50	Digital processing units other than those of 8471.41 and 8471.49	696	944	1,300	37.7
8411.82	Gas turbines, except turbojets and turbopropellers, of a power not exceeding 5,000 kW	1,167	972	1,222	25.8
	Total of items shown	63,568	78,008	97,851	25.4
	All other	133,713	148,243	153,345	3.4
	Total of all commodities	197,281	226,252	251,196	11.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Includes 27 EU countries.

^b Trade in 2006 reported under parts of items contained in Schedule B subheadings 8517.30 and 8517.50.

TABLE A.23 Leading imports from the European Union,^a by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	19,230	20,600	21,765	5.7
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	15,876	16,215	19,686	21.4
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	17,878	18,320	16,012	-12.6
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	14,115	14,437	13,193	-8.6
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	6,535	7,912	9,635	21.8
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	5,068	5,688	7,349	29.2
8411.91	Parts for turbojets or turbopropellers	4,926	5,643	6,129	8.6
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	6,488	5,102	4,981	-2.4
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed	3,658	4,883	4,000	-18.1
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	2,468	3,101	3,560	14.8
7102.39	Nonindustrial diamonds, n.e.s.o.i.	2,907	3,133	3,364	7.4
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	1,896	3,129	3,336	6.6
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	2,938	3,597	2,950	-18.0
2204.21	Wine n.e.s.o.i. of fresh grapes or fortified wine, in containers not over 2 liters	2,210	2,473	2,545	2.9
2939.99	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives, n.e.s.o.i.	252	262	2,418	823.2
8411.12	Turbojets of a thrust exceeding 25 kN	2,304	2,278	2,366	3.8
9021.39	Artificial parts of the body and parts and accessories thereof, n.e.s.o.i.	495	1,361	2,310	69.8
3004.39	Medicaments, in measured doses, containing hormones or derivatives/steroids used primarily as hormones, but not containing antibiotics, n.e.s.o.i.	2,128	2,160	2,300	6.5
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	1,589	1,786	2,153	20.6
3302.10	Mixtures of odoriferous substances and mixtures with a basis of these substances, used in the food or drink industries	2,016	1,964	2,038	3.8
3002.10	Antisera and other blood fractions, and modified immunological products	1,266	1,448	2,034	40.5
8502.31	Electric generating sets, wind-powered	885	1,732	1,929	11.4
2203.00	Beer made from malt	1,593	1,631	1,680	3.0
3303.00	Perfumes and toilet waters	1,232	1,329	1,441	8.5
8483.40	Gears/gearing (not toothed wheels), chain sprockets, like transmission elements; ball or roller screws; gear boxes and other speed changers	996	1,197	1,384	15.6
	Total of items shown	120,948	131,379	140,560	7.0
	All other	209,950	220,810	223,107	1.0
	Total of all commodities	330,898	352,189	363,667	3.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Includes 27 EU countries.

TABLE A.24 U.S. merchandise trade with Canada, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
Exports:					
0	Food and live animals	10,774	12,567	14,386	14.5
1	Beverages and tobacco	639	786	970	23.3
2	Crude materials, inedible, except fuels	6,078	6,772	7,760	14.6
3	Mineral fuels, lubricants and related materials	8,414	9,933	15,830	59.4
4	Animal and vegetable oils, fats and waxes	319	424	549	29.4
5	Chemicals and related products, n.e.s.	22,924	23,579	25,111	6.5
6	Manufactured goods classified chiefly by material	29,326	30,630	32,597	6.4
7	Machinery and transport equipment	94,285	99,532	95,191	-4.4
8	Miscellaneous manufactured articles	18,813	19,980	21,086	5.5
9	Commodities and transactions not classified elsewhere in the SITC	6,655	8,916	8,945	0.3
Total all exports commodities		198,226	213,119	222,424	4.4
Imports:					
0	Food and live animals	13,760	15,151	16,803	10.9
1	Beverages and tobacco	834	812	815	0.4
2	Crude materials, inedible, except fuels	13,425	12,612	12,432	-1.4
3	Mineral fuels, lubricants and related materials	72,853	78,179	111,266	42.3
4	Animal and vegetable oils, fats and waxes	562	785	1,545	97.0
5	Chemicals and related products, n.e.s.	22,176	24,320	27,149	11.6
6	Manufactured goods classified chiefly by material	48,084	47,905	46,585	-2.8
7	Machinery and transport equipment	98,002	99,697	85,135	-14.6
8	Miscellaneous manufactured articles	16,452	15,881	14,657	-7.7
9	Commodities and transactions not classified elsewhere in the SITC	16,886	17,164	18,452	7.5
Total all imports commodities		303,034	312,505	334,840	7.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.25 Leading exports to Canada, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	5,831	6,820	6,687	-2.0
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	6,563	7,024	6,120	-12.9
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	4,353	5,695	4,517	-20.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	5,169	5,091	4,365	-14.3
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	2,003	2,480	4,019	62.1
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	3,957	4,731	3,950	-16.5
2711.21	Natural gas, gaseous state	2,048	2,628	3,842	46.2
8708.40	Gear boxes for motor vehicles	2,579	2,997	2,627	-12.3
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	850	993	2,296	131.1
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	733	1,885	1,988	5.5
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	4,371	2,552	1,913	-25.0
7112.91	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals	1,013	1,245	1,778	42.8
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	460	739	1,682	127.7
2716.00	Electrical energy	1,052	991	1,386	39.9
8523.40	Optical media	(^a)	1,025	1,366	33.3
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,728	1,551	1,347	-13.2
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy	1,369	1,299	1,307	0.7
8409.91	Parts for spark-ignition internal-combustion piston engines	1,408	1,550	1,220	-21.3
8471.50	Digital processing units other than those of 8471.41 and 8471.49	994	1,101	1,185	7.7
8411.91	Parts for turbojets or turbopropellers	874	942	1,177	25.0
8716.10	Trailers and semi-trailers for housing or camping	908	1,091	1,080	-0.9
8708.50	Drive axles with differential for motor	883	1,369	1,027	-25.0
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	949	985	1,016	3.2
2601.12	Agglomerated iron ores and concentrates	602	595	1,014	70.5
4901.99	Printed books, brochures, leaflets and similar printed matter, other than in single sheets	910	959	998	4.0
	Total of items shown	51,606	58,336	59,907	2.7
	All other	146,620	154,783	162,517	5.0
	Total of all commodities	198,226	213,119	222,424	4.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in Schedule B headings 8523 and 8524.

TABLE A.26 Leading imports from Canada, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	32,889	37,929	62,485	64.7
2711.21	Natural gas, gaseous state	24,211	22,370	26,703	19.4
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	30,905	30,312	25,184	-16.9
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	5,216	6,265	7,695	22.8
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	5,588	6,429	6,173	-4.0
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	4,219	4,831	5,496	13.8
2716.00	Electrical energy	2,518	2,713	3,641	34.2
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	2,585	3,651	3,600	-1.4
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of thickness exceeding 6mm	6,039	4,860	3,216	-33.8
7601.10	Aluminum, not alloyed, unwrought	2,428	2,686	3,161	17.7
3104.20	Medicaments, for therapeutic or prophylactic uses, in measured doses, containing antibiotics other than penicillins	1,191	1,542	3,084	100.0
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	1,803	2,074	2,641	27.3
4802.61	Uncoated paper/paperboard for writing/printing/other graphic purposes n.e.s.o.i., over 10 percent fiber by mechanical process, in rolls	2,215	2,393	2,506	4.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	3,088	3,346	2,505	-25.1
2711.12	Propane, liquefied	1,791	1,916	2,387	24.6
7601.20	Unwrought aluminum alloys	2,884	2,717	2,366	-12.9
4801.00	Newsprint, in rolls or sheets	2,987	2,345	2,331	-0.6
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	6,648	7,437	2,317	-68.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	4,833	3,197	2,296	-28.2
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	2,434	2,905	2,203	-24.1
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	1,828	2,334	2,068	-11.4
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	1,656	1,925	1,931	0.3
7403.11	Refined copper, cathodes and sections of cathodes	1,315	1,681	1,826	8.7
3901.90	Polymers of ethylene n.e.s.o.i., in primary forms	1,310	1,325	1,528	15.3
0102.90	Bovine animals, live, n.e.s.o.i.	1,032	1,419	1,464	3.1
	Total of items shown	153,616	160,600	180,807	12.6
	All other	149,418	151,904	154,032	1.4
	Total of all commodities	303,034	312,505	334,840	7.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.27 U.S. merchandise trade with China, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
Exports:					
0	Food and live animals	1,412	1,934	2,313	19.6
1	Beverages and tobacco	81	91	142	55.7
2	Crude materials, inedible, except fuels	13,630	16,419	20,008	21.9
3	Mineral fuels, lubricants and related materials	200	291	401	37.6
4	Animal and vegetable oils, fats and waxes	72	168	164	-2.4
5	Chemicals and related products, n.e.s.	6,153	8,303	9,136	10.0
6	Manufactured goods classified chiefly by material	3,606	3,959	4,833	22.1
7	Machinery and transport equipment	22,508	25,574	25,298	-1.1
8	Miscellaneous manufactured articles	3,475	3,718	4,200	13.0
9	Commodities and transactions not classified elsewhere in the SITC	486	555	671	20.9
	Total all exports commodities	51,624	61,013	67,166	10.1
Imports:					
0	Food and live animals	3,569	4,196	4,796	14.3
1	Beverages and tobacco	30	43	40	-6.7
2	Crude materials, inedible, except fuels	1,488	1,578	1,760	11.5
3	Mineral fuels, lubricants and related materials	1,089	641	2,023	215.7
4	Animal and vegetable oils, fats and waxes	23	34	47	37.9
5	Chemicals and related products, n.e.s.	6,191	7,245	10,734	48.2
6	Manufactured goods classified chiefly by material	36,258	40,196	43,644	8.6
7	Machinery and transport equipment	131,221	148,085	151,524	2.3
8	Miscellaneous manufactured articles	103,705	117,102	118,770	1.4
9	Commodities and transactions not classified elsewhere in the SITC	3,478	3,966	4,166	5.1
	Total all imports commodities	287,052	323,085	337,504	4.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.28 Leading exports to China, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
1201.00	Soybeans, whether or not broken	2,530	4,117	7,301	77.3
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	5,222	6,192	4,180	-32.5
8542.31	Electronic integrated circuits, processors or controllers	(^a)	2,294	3,477	51.5
7404.00	Copper waste and scrap	1,439	1,786	1,763	-1.3
7602.00	Aluminum waste and scrap	1,484	1,590	1,728	8.6
5201.00	Cotton, not carded or combed	2,059	1,454	1,631	12.1
8542.32	Electronic integrated circuits, memories	(^a)	1,086	780	-28.2
7204.49	Ferrous waste and scrap, n.e.s.o.i.	495	469	762	62.3
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	716	779	720	-7.7
7204.29	Waste and scrap, of non-stainless alloy steel	648	785	697	-11.1
0207.14	Chicken cuts and edible offal, including livers, frozen	294	549	675	23.0
8473.30	Parts and accessories for automated data processing machines and units	882	699	634	-9.2
4101.50	Whole raw bovine or equine hides and skins, weight exceeding 16 kilograms, fresh, pickled or preserved but not tanned or further prepared	635	632	620	-1.9
4707.90	Recovered waste and scrap paper or paperboard, n.e.s.o.i., including unsorted such waste and scrap	433	600	604	0.7
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	378	410	515	25.6
8542.39	Electronic integrated circuits, n.e.s.o.i.	(^a)	976	499	-48.9
2603.00	Copper ores and concentrates	215	424	490	15.5
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	260	254	490	92.9
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	179	345	466	35.0
4707.30	Recovered (waste and scrap) paper or paperboard, mainly of mechanical pulp (for example, newspapers, journals and similar printed matter)	223	374	418	11.8
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^b)	366	416	13.7
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	253	353	393	11.3
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	(^c)	880	385	-56.3
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	199	316	334	5.5
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	190	159	332	109.4
	Total of items shown	18,734	27,892	30,310	8.7
	All other	32,890	33,121	36,856	11.3
	Total of all commodities	51,624	61,013	67,166	10.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in Schedule B subheadings 8542.21, 8542.29, and 8542.60.

^b Trade in 2006 reported under parts of items contained in Schedule B subheadings 8517.30, and 8517.50.

^c Trade in 2006 reported under parts of items contained in Schedule B chapters 84, 85, and 90.

TABLE A.29 Leading imports from China, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	12,828	17,002	19,235	13.1
8517.12	Telephones for cellular networks or for other wireless networks	(^a)	14,029	12,368	-11.8
9503.00 ^b	Tricycles, scooters, similar wheeled toys; dolls, doll's carriages, and other toys; puzzles; reduced scale models	8,545	9,239	8,965	-3.0
8473.30	Parts and accessories for automated data processing machines and units	11,328	9,713	8,743	-10.0
9504.10	Video games used with television receiver and parts and accessories	3,643	7,318	8,246	12.7
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	©	4,386	6,811	55.3
8528.51	Monitors, other than cathode-ray tube, designed for use with automatic data processing machines	(^d)	5,239	5,354	2.2
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	5,703	5,540	5,148	-7.1
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	(^e)	3,897	4,858	24.7
8525.80 ^f	Television cameras, digital cameras, and video camera recorders	3,264	3,975	3,831	-3.6
8528.59	Monitors, other than cathode-ray tube, not designed for use with automatic data processing machines	(^g)	2,947	3,609	22.5
6402.99	Footwear with outer soles and uppers of rubber or plastics n.e.s.o.i.	2,860	2,973	3,388	14.0
8471.70	Automatic data processing storage units	2,925	3,571	3,199	-10.4
9504.90	Game machines except coin-operated; board games; mah-jog; dominoes; dice	2,087	2,530	3,072	21.4
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	(^h)	2,697	2,968	10.1
8504.40	Static converters	2,400	2,663	2,934	10.2
8443.31	Machines that perform two or more of the functions of printing, copying, facsimile transmission, able to connect to a computer or network	(ⁱ)	2,510	2,837	13.0
8471.50	Digital processing units other than those of 8471.41 and 8471.49	1,966	3,226	2,831	-12.2
9403.60	Wooden furniture, other than of a kind used in the bedroom	2,829	2,790	2,532	-9.2
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials	2,110	2,252	2,414	7.2
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	(^e)	1,362	2,255	65.5
7304.29	Casing and tubing, of circular cross section, of a kind used in drilling for oil or gas, of iron (except cast iron) or steel	542	621	2,186	252.2
9403.20	Metal furniture, other than of a kind used in offices	1,861	2,132	2,101	-1.4
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	1,046	1,758	1,992	13.3
6403.91	Footwear covering the ankles, with outer soles and uppers of rubber or plastics, excluding waterproof footwear	1,682	1,555	1,837	18.1
	Total of items shown	67,618	115,924	123,715	6.7
	All other	219,434	207,161	213,789	3.2
	Total of all commodities	287,052	323,085	337,504	4.5

TABLE A.29 Leading imports from China, by HTS subheading, 2006-08 – *Continued*

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
	All other	231,243	207,161	213,789	3.2
	Total of all commodities	287,052	323,085	337,504	4.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

^a Trade in 2006 reported under parts of items contained in HTS subheading 8425.20.

^b Trade in 2006 reported under HTS headings 9501, 9502, and 9503.

^c Trade in 2006 reported under parts of items contained in HTS subheadings 8517.30, 8517.50, and 8525.10.

^d Trade in 2006 reported under parts of items contained in HTS subheading 8471.60.

^e Trade in 2006 reported under parts of items contained in HTS subheadings 8528.12 and 8528.13.

^f Trade in 2006 reported under HTS subheadings 8525.30 and 8525.40.

^g Trade in 2006 reported under parts of items contained in HTS subheadings 8528.21 and 8528.22.

^h Trade in 2006 reported under parts of items contained in HTS headings 8472, 8473, 8517, 8529, and 9009.

ⁱ Trade in 2006 reported under parts of items contained in HTS subheading 8471.60.

TABLE A.30 U.S. merchandise trade with Mexico, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
Exports:					
0	Food and live animals	8,009	9,169	11,285	23.1
1	Beverages and tobacco	144	191	237	24.3
2	Crude materials, inedible, except fuels	4,568	4,771	6,721	40.9
3	Mineral fuels, lubricants and related materials	5,701	6,753	11,082	64.1
4	Animal and vegetable oils, fats and waxes	375	598	868	45.1
5	Chemicals and related products, n.e.s.	15,934	16,705	18,464	10.5
6	Manufactured goods classified chiefly by material	18,528	18,767	19,640	4.7
7	Machinery and transport equipment	46,221	46,959	47,709	1.6
8	Miscellaneous manufactured articles	10,457	10,562	10,271	-2.8
9	Commodities and transactions not classified elsewhere in the SITC	4,625	4,906	5,229	6.6
Total all exports commodities		114,562	119,381	131,507	10.2
Imports:					
0	Food and live animals	7,753	8,518	9,240	8.5
1	Beverages and tobacco	2,463	2,530	2,464	-2.6
2	Crude materials, inedible, except fuels	1,224	1,293	1,589	22.9
3	Mineral fuels, lubricants and related materials	32,161	33,530	42,646	27.2
4	Animal and vegetable oils, fats and waxes	53	68	87	28.5
5	Chemicals and related products, n.e.s.	3,982	3,801	3,937	3.6
6	Manufactured goods classified chiefly by material	14,983	15,948	15,909	-0.2
7	Machinery and transport equipment	104,474	113,988	110,794	-2.8
8	Miscellaneous manufactured articles	21,857	22,071	20,711	-6.2
9	Commodities and transactions not classified elsewhere in the SITC	8,104	8,413	8,952	6.4
Total all imports commodities		197,056	210,159	216,328	2.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.31 Leading exports to Mexico, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	3,219	2,879	4,668	62.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	1,497	2,427	4,409	81.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,899	2,759	2,714	-1.6
1005.90	Corn (maize), other than seed	1,079	1,507	2,305	53.0
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	1,475	1,507	1,916	27.2
8473.30	Parts and accessories for automated data processing machines and units	1,244	1,778	1,910	7.4
1201.00	Soybeans, whether or not broken	907	1,170	1,786	52.6
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,114	1,744	1,711	-1.9
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,520	1,605	1,378	-14.1
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, n.e.s.o.i.	1,599	1,521	1,341	-11.8
8538.90	Parts for electrical apparatus for electrical circuits; for electrical control n.e.s.o.i.	1,528	1,439	1,232	-14.4
8408.20	Compression-ignition internal-combustion piston engines	1,493	1,726	1,117	-35.3
1001.90	Wheat and meslin, excluding durum wheat	418	631	1,028	62.9
7326.90	Articles of iron or steel n.e.s.o.i.	1,065	1,043	972	-6.8
8536.90	Electrical apparatus for switching or protecting electrical circuits, n.e.s.o.i.	1,094	988	906	-8.2
8544.49	Insulated electric conductors, for a voltage not exceeding 80 volts, not fitted with connectors, n.e.s.o.i.	678	957	895	-6.5
3902.10	Polypropylene, in primary forms	746	853	861	0.9
0201.30	Meat of bovine animals, boneless, fresh or chilled	755	683	778	13.9
8708.40	Gear boxes for motor vehicles	532	725	763	5.3
3901.20	Polyethylene having a specific gravity of 0.94 or more, in primary forms	587	612	762	24.5
7408.11	Wire of refined copper, with a maximum cross sectional dimension over 6 millimeters	926	874	752	-13.9
8529.90	Parts, except antennas, for transmission, radar, radio, television, etc., n.e.s.o.i.	919	1,054	745	-29.3
2902.43	Para-xylene	647	726	738	1.6
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	399	517	710	37.4
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy	568	632	710	12.3
	Total of items shown	29,908	32,358	37,109	14.7
	All other	84,654	87,023	94,399	8.5
	Total of all commodities	114,562	119,381	131,507	10.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

TABLE A.32 Leading imports from Mexico, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	29,195	29,848	37,629	26.1
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	(^a)	14,149	14,306	1.1
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	10,639	10,110	10,425	3.1
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	4,694	5,059	5,115	1.1
8517.12	Telephones for cellular networks or for other wireless networks	(^b)	2,611	4,883	87.0
8471.50	Digital processing units other than those of 8471.41 and 8471.49	3,644	3,881	3,762	-3.1
8544.30	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	4,285	4,475	3,587	-19.9
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	(^a)	3,574	3,341	-6.5
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	3,040	3,283	3,061	-6.7
9401.90	Parts of seats (except medical, barbers, dentist, etc.)	3,111	3,341	2,810	-15.9
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^c)	2,573	2,793	8.6
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	1,199	1,445	2,469	70.9
8517.70	Parts of telecommunications apparatus	(^d)	2,121	2,167	2.2
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	1,365	1,700	2,114	24.3
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	1,555	1,834	2,027	10.5
8537.10	Boards, panels, consoles, other components incorporating apparatus for control or distribution of electricity, for voltage not exceeding 1,000 volts	1,663	1,976	1,937	-2.0
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	3,012	2,462	1,915	-22.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,583	2,120	1,696	-20.0
8418.10	Combined refrigerator-freezers, fitted with separate external doors	1,702	1,904	1,693	-11.1
8409.91	Parts for spark-ignition internal-combustion piston engines	1,493	1,720	1,587	-7.8
2203.00	Beer made from malt	1,600	1,593	1,567	-1.6
7106.91	Silver, other than powder, unwrought	973	1,184	1,351	14.1
8704.22	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine, weighing 5 to 20 metric tons	802	2,091	1,231	-41.1
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	1,453	1,291	1,229	-4.8
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts not knitted or crocheted, of cotton	1,328	1,213	1,177	-3.0
	Total of items shown	79,337	107,557	115,871	7.7

TABLE A.32 Leading imports from Mexico, by HTS subheading, 2006-08 - *Continued*

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
	All other	117,718	102,602	100,457	-2.1
	Total of all commodities	197,056	210,159	216,328	2.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in HTS subheadings 8528.12 and 8528.13.

^b Trade in 2006 reported under parts of items contained in HTS subheading 8425.20.

^c Trade in 2006 reported under parts of items contained in HTS subheadings 8517.30, 8517.50, and 8525.10.

^d Trade in 2006 reported under parts of items contained in HTS subheadings 8473.30, 8517.90, and 8529.10.

TABLE A.33 U.S. merchandise trade with Japan, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change 2007-08
Millions of \$					
Exports:					
0	Food and live animals	7,805	9,063	11,905	31.4
1	Beverages and tobacco	1,244	1,045	847	-19.0
2	Crude materials, inedible, except fuels	3,566	4,234	4,820	13.8
3	Mineral fuels, lubricants and related materials	601	534	1,319	147.1
4	Animal and vegetable oils, fats and waxes	65	78	77	-2.2
5	Chemicals and related products, n.e.s.	8,459	9,217	10,299	11.7
6	Manufactured goods classified chiefly by material	3,293	3,682	3,412	-7.3
7	Machinery and transport equipment	20,631	20,609	19,378	-6.0
8	Miscellaneous manufactured articles	8,572	8,338	8,010	-3.9
9	Commodities and transactions not classified elsewhere in the SITC	1,358	1,295	1,370	5.8
	Total all exports commodities	55,596	58,096	61,435	5.7
Imports:					
0	Food and live animals	447	483	546	13.1
1	Beverages and tobacco	47	53	65	22.1
2	Crude materials, inedible, except fuels	443	595	626	5.1
3	Mineral fuels, lubricants and related materials	956	1,176	575	-51.1
4	Animal and vegetable oils, fats and waxes	26	27	39	45.6
5	Chemicals and related products, n.e.s.	7,826	8,368	8,532	2.0
6	Manufactured goods classified chiefly by material	8,797	8,385	8,596	2.5
7	Machinery and transport equipment	113,408	110,265	105,462	-4.4
8	Miscellaneous manufactured articles	11,401	11,227	10,916	-2.8
9	Commodities and transactions not classified elsewhere in the SITC	4,720	4,348	3,755	-13.6
	Total all imports commodities	148,071	144,928	139,112	-4.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.34 Leading exports to Japan, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
1005.90	Corn (maize), other than seed	1,981	2,620	3,845	46.8
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	3,440	4,097	3,802	-7.2
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,904	2,056	2,096	1.9
1001.90	Wheat and meslin, excluding durum wheat	569	702	1,616	130.3
1201.00	Soybeans, whether or not broken	864	1,100	1,366	24.2
8411.91	Parts for turbojets or turbopropellers	979	1,086	1,056	-2.7
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	764	839	938	11.9
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	594	805	829	2.9
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	(^a)	1,240	782	-37.0
0203.19	Meat of swine, n.e.s.o.i, fresh or chilled	491	518	723	39.6
0203.29	Meat of swine, n.e.s.o.i., frozen	336	404	608	50.4
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	570	682	605	-11.3
2402.20	Cigarettes containing tobacco	931	759	598	-21.2
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	409	442	590	33.4
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	551	799	583	-27.1
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals	447	497	557	12.0
1214.90	Rutabagas (swedes), mangolds, fodder roots, hay, clover, kale, vetches, and other forage products, n.e.s.o.i., whether or not in pellet form	354	372	422	13.5
4403.20	Coniferous wood in the rough, not treated	449	401	412	2.9
2713.11	Petroleum coke, not calcined	134	168	409	143.8
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^b)	345	387	12.2
8411.12	Turbojets of a thrust exceeding 25 kN	98	95	384	303.8
9306.90	Bombs, grenades, torpedoes, mines, missiles, etc., and parts	281	275	367	33.4
8529.90	Parts, except antennas, for transmission, radar, radio, television, etc., n.e.s.o.i.	675	437	364	-16.7
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	496	450	339	-24.6
2711.11	Natural gas, liquefied	161	94	322	241.0
	Total of items shown	17,477	21,282	23,999	12.8
	All other	38,119	36,814	37,436	1.7
	Total of all commodities	55,596	58,096	61,435	5.7

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in Schedule B chapters 84, 85, and 90.

^b Trade in 2006 reported under parts of items contained in Schedule B subheadings 8517.30, and 8517.50.

TABLE A.35 Leading imports from Japan, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change 2007-08
		Millions of \$			
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	20,483	21,030	17,877	-15.0
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	17,459	17,262	17,359	0.6
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but over 1,500 cc	5,692	6,024	6,733	11.8
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	(^a)	4,202	4,697	11.8
8525.80 ^b	Television cameras, digital cameras, and video camera recorders	3,431	3,450	3,273	-5.1
8708.40	Gear boxes for motor vehicles	2,586	2,837	2,441	-13.9
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	3,135	2,035	1,808	-11.2
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,428	1,836	1,642	-10.5
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	(^c)	1,450	1,213	-16.3
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure	2,004	1,261	1,123	-11.0
8409.91	Parts for spark-ignition internal-combustion piston engines	1,203	1,171	1,111	-5.1
3818.00	Chemical elements doped for use in electronics, in the form of discs, wafers, similar forms; chemical compounds doped for use in electronics	886	1,063	1,059	-0.4
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,034	1,118	995	-11.0
8411.91	Parts for turbojets or turbopropellers	714	893	959	7.4
8701.90	Tractors, n.e.s.o.i.	1,069	890	819	-8.0
8711.50	Motorcycles and cycles, with an auxiliary motor, with a reciprocating internal combustion piston engine, cylinder capacity over 800 cc	1,192	909	813	-10.6
8542.32	Electronic integrated circuits, memories	(^d)	825	790	-4.2
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	1,022	974	790	-19.0
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	829	753	784	4.1
8523.29	Magnetic media, other than cards incorporating a magnetic stripe	(^e)	836	774	-7.4
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	592	650	767	18.1
8457.10	Machining centers for working metal	584	644	752	16.8
9018.19	Electro-diagnostic apparatus n.e.s.o.i., and parts	606	642	678	5.7
9002.11	Objective lenses and parts and accessories thereof for cameras, projectors or photographic enlargers or reducers	479	529	674	27.6
8542.31	Electronic integrated circuits, processors or controllers	(^d)	742	662	-10.8
	Total of items shown	66,430	74,028	70,594	-4.6
	All other	81,641	70,900	68,518	-3.4
	Total of all commodities	148,071	144,928	139,112	-4.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in HTS headings 8472, 8473, 8517, 8529, and 9009.

^b Trade in 2006 reported under HTS subheadings 8525.30 and 8525.40.

^c Trade in 2006 reported under parts of items contained in HTS chapters 84, 85, and 90.

^d Trade in 2006 reported under parts of items contained in HTS subheadings 8542.21, 8542.29, and 8542.60.

^e Trade in 2006 reported under parts of items contained in HTS headings 8523 and 8524.

TABLE A.36 U.S. merchandise trade with Korea, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
Exports:					
0	Food and live animals	2,478	2,987	4,915	64.5
1	Beverages and tobacco	65	76	61	-19.5
2	Crude materials, inedible, except fuels	2,082	3,002	3,518	17.2
3	Mineral fuels, lubricants and related materials	872	779	1,104	41.8
4	Animal and vegetable oils, fats and waxes	61	101	141	40.1
5	Chemicals and related products, n.e.s.	4,331	5,252	4,902	-6.7
6	Manufactured goods classified chiefly by material	1,289	1,480	1,705	15.2
7	Machinery and transport equipment	15,895	14,692	12,600	-14.2
8	Miscellaneous manufactured articles	3,281	4,112	3,564	-13.3
9	Commodities and transactions not classified elsewhere in the SITC	439	532	564	6.1
	Total all exports commodities	30,794	33,012	33,074	0.2
Imports:					
0	Food and live animals	246	261	279	7.1
1	Beverages and tobacco	67	69	74	7.1
2	Crude materials, inedible, except fuels	317	314	459	46.3
3	Mineral fuels, lubricants and related materials	1,858	2,332	1,497	-35.8
4	Animal and vegetable oils, fats and waxes	1	1	1	5.2
5	Chemicals and related products, n.e.s.	1,857	1,919	2,239	16.7
6	Manufactured goods classified chiefly by material	5,828	5,508	6,201	12.6
7	Machinery and transport equipment	30,958	31,534	32,206	2.1
8	Miscellaneous manufactured articles	2,697	2,520	2,678	6.3
9	Commodities and transactions not classified elsewhere in the SITC	884	911	1,053	15.6
	Total all imports commodities	44,714	45,368	46,687	2.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.37 Leading exports to Korea, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
1005.90	Corn (maize), other than seed	723	829	2,159	160.4
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	2,351	2,286	1,433	-37.3
8541.29	Transistors, other than photosensitive, with a dissipation rate greater than or equal to 1 watt	16	623	1,068	71.4
7204.49	Ferrous waste and scrap, n.e.s.o.i.	75	292	967	230.5
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	^(a)	984	654	-33.5
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	846	663	617	-6.9
1001.90	Wheat and meslin, excluding durum wheat	188	325	526	61.9
2926.10	Acrylonitrile	316	500	424	-15.2
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	1,381	769	393	-48.8
7602.00	Aluminum waste and scrap	258	383	382	-0.4
9030.82	Other instruments and apparatus for measuring or checking semiconductor wafers or devices	106	722	366	-49.3
8542.31	Electronic integrated circuits, processors or controllers	^(b)	683	357	-47.7
8411.91	Parts for turbojets or turbopropellers	261	334	357	6.8
8542.39	Electronic integrated circuits, n.e.s.o.i.	^(b)	883	338	-61.7
8541.50	Other semiconductor devices, n.e.s.o.i.	116	484	325	-32.8
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	187	191	321	68.1
8542.32	Electronic integrated circuits, memories	^(b)	179	304	69.3
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	41	143	295	106.1
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	^(a)	319	292	-8.3
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	298	232	284	22.5
8542.90	Parts for electronic integrated circuits and microassemblies	128	273	254	-7.0
8537.10	Boards, panels, consoles, other components incorporating apparatus for control or distribution of electricity, for voltage not exceeding 1,000 volts	128	201	233	16.0
7404.00	Copper waste and scrap	182	228	210	-8.0
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	127	201	203	1.0
1201.00	Soybeans, whether or not broken	113	158	187	17.9
	Total of items shown	7,842	12,887	12,950	0.5
	All other	22,952	20,125	20,125	0.0
	Total of all commodities	30,794	33,012	33,074	0.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in Schedule B chapters 84, 85, and 90.

^b Trade in 2006 reported under parts of items contained in Schedule B subheadings 8542.21, 8542.29, and 8542.60.

TABLE A.38 Leading imports from Korea, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
8517.12	Telephones for cellular networks or for other wireless networks	(^a)	6,179	8,399	35.9
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	6,121	6,363	5,745	-9.7
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	2,974	2,424	2,101	-13.3
8473.30	Parts and accessories for automated data processing machines and units	2,076	2,074	1,501	-27.6
8542.39	Electronic integrated circuits, n.e.s.o.i.	(^b)	753	1,214	61.3
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	1,438	1,821	1,081	-40.6
8542.32	Electronic integrated circuits, memories	(^b)	1,093	797	-27.1
8418.10	Combined refrigerator-freezers, fitted with separate external doors	400	444	642	44.5
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	502	533	571	7.1
2902.20	Benzene	438	457	527	15.3
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	723	602	523	-13.1
9013.80	Optical devices, appliances and instruments, n.e.s.o.i.	42	200	469	134.1
8542.31	Electronic integrated circuits, processors or controllers	(^b)	517	462	-10.5
8517.70	Parts of telecommunications apparatus	(^c)	246	417	69.9
8450.20	Household- or laundry-type washing machines, with a dry linen capacity exceeding 10 kilograms	140	406	411	1.1
7306.29	Seamed or welded iron or steel casing or tubing, of non-circular cross section, of kind used in drilling for oil or gas, not stainless	(^d)	158	373	135.8
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	383	427	369	-13.6
8451.29	Drying machines for textile yarns, fabrics, or made up textile articles, with a dry linen capacity exceeding 10 kilograms	171	297	305	2.7
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^e)	219	290	32.8
8504.23	Liquid dielectric transformers having a power handling capacity exceeding 10,000 kva	96	227	278	22.9
8471.70	Automatic data processing storage units	155	242	278	14.9
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure	436	309	238	-22.9
4810.19	Writing/graphic paper and paperboard, coated with kaolin, not over 10% fiber obtained by a mechanical process, in sheets, n.e.s.o.i.	218	240	231	-3.8
7208.38	Flat-rolled products of iron or nonalloy steel in coils n.e.s.o.i., of a thickness of 3 mm but less than 4.75 mm	194	135	231	71.2
8528.51	Monitors, other than cathode-ray tube, designed for use with automatic data processing machines	(^f)	220	228	3.6
	Total of items shown	16,507	26,584	27,680	4.1

TABLE A.38 Leading imports from Korea, by HTS subheading, 2006-08 – *Continued*

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
	All other	28,207	18,785	19,008	1.2
	Total of all commodities	44,714	45,368	46,687	2.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

- ^a Trade in 2006 reported under parts of items contained in HTS subheading 8425.20.
- ^b Trade in 2006 reported under parts of items contained in HTS subheadings 8542.21, 8542.29, and 8542.60.
- ^c Trade in 2006 reported under parts of items contained in HTS subheadings 8473.30, 8517.90, and 8529.10.
- ^d Trade in 2006 reported under parts of items contained in HTS subheading 7306.20.
- ^e Trade in 2006 reported under parts of items contained in HTS subheadings 8517.30, 8517.50, and 8525.10.
- ^f Trade in 2006 reported under parts of items contained in HTS subheading 8471.60.

TABLE A.39 U.S. merchandise trade with Taiwan, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
Exports:					
0	Food and live animals	1,564	1,951	2,122	8.8
1	Beverages and tobacco	62	49	47	-4.5
2	Crude materials, inedible, except fuels	1,683	2,449	3,059	24.9
3	Mineral fuels, lubricants and related materials	76	96	269	180.0
4	Animal and vegetable oils, fats and waxes	5	18	29	61.4
5	Chemicals and related products, n.e.s.	3,209	3,685	3,675	-0.3
6	Manufactured goods classified chiefly by material	1,123	1,210	1,412	16.7
7	Machinery and transport equipment	10,641	12,056	10,814	-10.3
8	Miscellaneous manufactured articles	2,582	2,548	1,712	-32.8
9	Commodities and transactions not classified elsewhere in the SITC	432	479	488	1.8
	Total all exports commodities	21,376	24,541	23,628	-3.7
Imports:					
0	Food and live animals	242	259	304	17.3
1	Beverages and tobacco	10	10	10	7.5
2	Crude materials, inedible, except fuels	233	296	321	8.4
3	Mineral fuels, lubricants and related materials	410	642	279	-56.5
4	Animal and vegetable oils, fats and waxes	6	7	9	18.3
5	Chemicals and related products, n.e.s.	1,090	1,072	1,250	16.6
6	Manufactured goods classified chiefly by material	6,455	6,198	5,988	-3.4
7	Machinery and transport equipment	22,343	22,200	21,400	-3.6
8	Miscellaneous manufactured articles	5,973	5,906	5,326	-9.8
9	Commodities and transactions not classified elsewhere in the SITC	1,324	1,463	1,316	-10.0
	Total all imports commodities	38,086	38,052	36,204	-4.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.40 Leading exports to Taiwan, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
8542.32	Electronic integrated circuits, memories	(^a)	1,024	1,875	83.2
8542.31	Electronic integrated circuits, processors or controllers	(^a)	1,521	1,588	4.4
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	(^b)	2,491	973	-60.9
1201.00	Soybeans, whether or not broken	473	714	953	33.5
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	982	1,288	906	-29.6
1005.90	Corn (maize), other than seed	566	755	808	7.0
7204.49	Ferrous waste and scrap, n.e.s.o.i.	114	323	725	124.3
8542.39	Electronic integrated circuits, n.e.s.o.i.	(^a)	960	673	-29.9
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	(^b)	358	416	16.4
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	547	384	413	7.6
7204.21	Waste and scrap, of stainless steel	104	282	330	17.1
1001.90	Wheat and meslin, excluding durum wheat	160	282	327	15.8
8475.90	Parts of machines for assembling electric/electronic lamps, tubes or flashbulbs, in glass envelopes, for manufacturing or hot working glass	160	77	311	305.1
7602.00	Aluminum waste and scrap	102	211	275	30.4
7004.90	Drawn glass and blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked, n.e.s.o.i.	0	(^c)	243	(^d)
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	67	111	207	86.9
9030.82	Other instruments and apparatus for measuring or checking semiconductor wafers or devices	348	289	174	-40.0
8419.89	Machinery, plant or laboratory equipment, for the treatment of material involving temperature change, not for domestic purposes, n.e.s.o.i.	49	35	171	391.4
8486.30	Machines and apparatus for the manufacture of flat panel displays	(^b)	37	168	349.9
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	24	59	159	168.5
2902.50	Styrene (vinylbenzene; phenylethylene)	85	286	159	-44.5
2926.10	Acrylonitrile	214	243	158	-34.9
8543.90	Parts for electrical machines and apparatus, having individual functions, n.e.s.o.i.	197	179	141	-21.1
5201.00	Cotton, not carded or combed	152	140	131	-6.5
9031.41	Optical instruments for inspecting semiconductor wafers or devices, or photomasks or reticles used in manufacturing these items	341	498	127	-74.4
	Total of items shown	4,685	12,545	12,413	-1.1
	All other	16,691	11,996	11,215	-6.5
	Total of all commodities	21,376	24,541	23,628	-3.7

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in Schedule B subheadings 8542.21, 8542.29, and 8542.60.

^b Trade in 2006 reported under parts of items contained in Schedule B chapters 84, 85, and 90.

^c U.S. value is less than \$500,000.

^d Percent change is more than 10,000 percent.

TABLE A.41 Leading imports from Taiwan, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
8542.39	Electronic integrated circuits, n.e.s.o.i.	^(a)	2,022	2,037	0.7
8517.12	Telephones for cellular networks or for other wireless networks	^(b)	1,323	1,709	29.2
8526.91	Radio navigational aid apparatus	828	1,661	1,678	1.0
8473.30	Parts and accessories for automated data processing machines and units	2,522	1,865	1,483	-20.5
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	^(c)	689	1,032	49.7
8542.32	Electronic integrated circuits, memories	^(a)	1,119	1,026	-8.3
8542.31	Electronic integrated circuits, processors or controllers	^(a)	888	964	8.6
8523.40	Optical media	^(d)	704	543	-22.9
7318.15	Threaded screws and bolts, of iron or steel, n.e.s.o.i., whether or not with their nuts or washers	467	490	486	-1.0
7318.14	Self-tapping screws of iron or steel	447	398	446	12.0
8512.20	Electrical lighting or visual signaling equipment, for use on cycles or motor vehicles, except for use on bicycles	323	364	361	-0.9
8534.00	Printed circuits	378	384	352	-8.4
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	327	336	345	2.6
8504.40	Static converters	308	293	336	14.9
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	338	342	328	-4.0
8712.00	Bicycles and other cycles (including delivery tricycles), not motorized	231	242	324	33.9
7318.16	Nuts, threaded, of iron or steel	260	271	280	3.3
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	276	268	267	-0.5
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	^(e)	328	259	-20.9
8523.51	Solid state nonvolatile semiconductor storage devices	^(d)	399	255	-36.2
9506.91	Gymnasium, playground or other exercise articles and equipment; parts and accessories thereof	276	256	248	-3.3
8471.80	Other units of automated data processing machines	524	288	243	-15.6
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	95	119	242	103.1
9403.20	Metal furniture, other than of a kind used in offices	218	220	241	9.4
8481.90	Parts of taps, cocks, valves, and similar items for pipes, vats or the like, including pressure reducing, thermostatically controlled valves	187	200	206	3.2
	Total of items shown	8,004	15,472	15,691	1.4
	All other	30,081	22,581	20,513	-9.2
	Total of all commodities	38,086	38,052	36,204	-4.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in HTS subheadings 8542.21, 8542.29, and 8542.60.

^b Trade in 2006 reported under parts of items contained in HTS subheading 8425.20.

^c Trade in 2006 reported under parts of items contained in HTS subheadings 8528.12 and 8525.13.

^d Trade in 2006 reported under parts of items contained in HTS headings 8523 and 8524.

^e Trade in 2006 reported under parts of items contained in HTS subheadings 8517.30, 8517.50, and 8525.10.

TABLE A.42 U.S. merchandise trade with Brazil, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
Exports:					
0	Food and live animals	134	268	533	99.2
1	Beverages and tobacco	8	10	8	-20.5
2	Crude materials, inedible, except fuels	455	533	592	11.1
3	Mineral fuels, lubricants and related materials	812	982	2,235	127.7
4	Animal and vegetable oils, fats and waxes	7	15	19	24.1
5	Chemicals and related products, n.e.s.	4,124	5,398	6,909	28.0
6	Manufactured goods classified chiefly by material	818	1,106	1,758	58.9
7	Machinery and transport equipment	9,175	11,346	14,566	28.4
8	Miscellaneous manufactured articles	1,125	1,569	1,841	17.3
9	Commodities and transactions not classified elsewhere in the SITC	320	458	567	23.7
	Total all exports commodities	16,977	21,684	29,027	33.9
Imports:					
0	Food and live animals	1,920	2,257	2,185	-3.2
1	Beverages and tobacco	254	298	318	6.8
2	Crude materials, inedible, except fuels	1,899	1,952	2,217	13.6
3	Mineral fuels, lubricants and related materials	3,572	3,970	8,411	111.9
4	Animal and vegetable oils, fats and waxes	20	29	32	8.5
5	Chemicals and related products, n.e.s.	2,166	1,691	1,990	17.7
6	Manufactured goods classified chiefly by material	7,097	6,503	6,395	-1.7
7	Machinery and transport equipment	6,587	6,186	6,573	6.3
8	Miscellaneous manufactured articles	1,764	1,581	1,187	-25.0
9	Commodities and transactions not classified elsewhere in the SITC	889	551	753	36.6
	Total all imports commodities	26,169	25,018	30,061	20.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.43 Leading exports to Brazil, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,193	1,494	1,588	6.3
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	779	1,153	1,533	33.0
8411.11	Turbojets of a thrust not exceeding 25 kilonewtons	603	816	1,274	56.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	196	144	940	551.3
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	413	574	892	55.4
8411.91	Parts for turbojets or turbopropellers	346	560	595	6.2
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	842	885	512	-42.2
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	360	362	443	22.3
8602.10	Diesel-electric locomotives	65	53	380	611.4
2902.50	Styrene (vinylbenzene; phenylethylene)	113	205	320	56.5
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	178	311	300	-3.8
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^a)	156	299	91.9
1001.90	Wheat and meslin, excluding durum wheat	3	90	295	226.0
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	299	313	272	-12.9
3105.40	Ammonium dihydrogenorthophosphate (monoammonium phosphate), mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	(^b)	(^b)	248	(^c)
2815.12	Sodium hydroxide (caustic soda), in aqueous solution (soda lye or liquid soda)	117	160	239	49.1
8473.30	Parts and accessories for automated data processing machines and units	526	281	213	-24.3
3904.10	Polyvinyl chloride, not mixed with any other substances, in primary forms	1	45	185	310.0
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	(^b)	(^b)	173	(^c)
2713.11	Petroleum coke, not calcined	61	107	169	58.4
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	184	175	168	-4.0
8411.82	Gas turbines, except turbojets and turbopropellers, of a power not exceeding 5,000 Kw	25	49	148	203.7
2930.90	Organo-sulfur compounds, n.e.s.o.i.	61	88	144	64.9
2713.12	Petroleum coke, calcined	86	89	138	55.3
8409.99	Parts for use with compression-ignition internal combustion piston engines	86	107	137	27.8
	Total of items shown	6,536	8,218	11,606	41.2
	All other	10,441	13,467	17,422	29.4
	Total of all commodities	16,977	21,684	29,027	33.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in Schedule B subheadings 8517.30 and 8517.50.

^b Exports aggregated with other fertilizer products under schedule B item 3100.00.0000 to prevent disclosure of individual firm data.

^c Not applicable.

TABLE A.44 Leading imports from Brazil, by HTS subheading, 2006-08

HTS subheading	Description	Millions of \$			% change, 2007-08
		2006	2007	2008	
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	2,546	2,682	6,522	143.1
7201.10	Nonalloy pig iron containing 0.5 percent or less phosphorus by weight, in primary forms	1,079	1,118	1,990	78.0
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	708	1,357	1,969	45.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	693	720	913	26.9
4703.29	Chemical woodpulp, soda, or sulfate, other than dissolving grades, semibleached or bleached, nonconiferous	567	656	836	27.4
0901.11	Coffee, not roasted, not decaffeinated	526	609	718	18.0
2207.10	Ethyl alcohol, undenatured, of an alcoholic strength by volume of 80 percent or higher	968	389	454	16.6
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness	435	326	449	37.6
8412.90	Parts for engines and motors, n.e.s.o.i.	15	53	446	743.8
6802.93	Worked monumental or building stone n.e.s.o.i., of granite	453	475	409	-13.9
8409.99	Parts for use with compression-ignition internal combustion piston engines	398	358	393	9.9
2713.11	Petroleum coke, not calcined	65	206	348	69.1
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	593	486	310	-36.1
2401.20	Tobacco, partly or wholly stemmed/stripped	230	274	292	6.7
1602.50	Other prepared or preserved meat, meat offal, or blood, of bovine animals, n.e.s.o.i.	292	322	283	-12.0
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	94	209	241	15.4
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	447	297	241	-18.9
2902.20	Benzene	231	300	239	-20.3
7202.93	Ferroniobium	102	165	224	35.9
7601.20	Unwrought aluminum alloys	251	221	212	-3.7
2818.20	Aluminum oxide, other than artificial corundum	22	142	207	45.7
8414.30	Compressors of a kind used in refrigerating equipment, including air conditioning	249	260	194	-25.4
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state	32	110	190	72.8
8429.20	Graders and levelers, self-propelled	133	114	177	55.5
2804.69	Silicon, containing by weight less than 99.99 percent of silicon	81	90	171	89.4
	Total of items shown	11,210	11,937	18,429	54.4
	All other	14,959	13,080	11,632	-11.1
	Total of all commodities	26,169	25,018	30,061	20.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included".

TABLE A.45 U.S. merchandise trade with India, by SITC codes (revision 3), 2006-08

SITC Code No.	Description	2006	2007	2008	% change, 2007-08
Millions of \$					
Exports:					
0	Food and live animals	264	333	335	0.5
1	Beverages and tobacco	3	4	4	-14.4
2	Crude materials, inedible, except fuels	591	909	975	7.3
3	Mineral fuels, lubricants and related materials	390	397	881	121.9
4	Animal and vegetable oils, fats and waxes	19	15	4	-76.1
5	Chemicals and related products, n.e.s.	1,773	2,233	4,790	114.5
6	Manufactured goods classified chiefly by material	739	1,315	2,173	65.3
7	Machinery and transport equipment	4,071	9,231	6,123	-33.7
8	Miscellaneous manufactured articles	970	1,220	1,210	-0.8
9	Commodities and transactions not classified elsewhere in the SITC	206	653	847	29.6
	Total all exports commodities	9,025	16,309	17,340	6.3
Imports:					
0	Food and live animals	894	905	1,024	13.2
1	Beverages and tobacco	17	21	33	56.2
2	Crude materials, inedible, except fuels	373	358	535	49.5
3	Mineral fuels, lubricants and related materials	284	769	337	-56.2
4	Animal and vegetable oils, fats and waxes	46	58	103	78.4
5	Chemicals and related products, n.e.s.	1,997	2,755	3,892	41.3
6	Manufactured goods classified chiefly by material	8,126	8,830	10,026	13.6
7	Machinery and transport equipment	2,732	3,049	3,633	19.1
8	Miscellaneous manufactured articles	6,877	6,776	5,946	-12.3
9	Commodities and transactions not classified elsewhere in the SITC	328	337	336	-0.3
	Total all imports commodities	21,674	23,857	25,866	8.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.46 Leading exports to India, by Schedule B subheading, 2006-08

Schedule B subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	(^a)	(^a)	2,664	(^b)
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	1,313	5,682	2,198	-61.3
7102.39	Nonindustrial diamonds, n.e.s.o.i.	232	502	1,217	142.3
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	(^c)	373	497	33.1
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	218	191	369	92.9
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	101	91	361	298.2
7204.49	Ferrous waste and scrap, n.e.s.o.i.	78	145	246	69.0
2809.20	Phosphoric acid and polyphosphoric acids	(^a)	(^a)	228	(^b)
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	(^d)	191	223	16.9
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	107	193	183	-5.4
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	92	144	155	7.3
0802.11	Almonds, fresh or dried, in shell	114	125	141	12.3
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	101	61	118	91.6
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	67	101	116	14.6
3105.40	Ammonium dihydrogenorthophosphate (monoammonium phosphate), mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	(^a)	(^a)	115	(^b)
4801.00	Newsprint, in rolls or sheets	(^c)	21	110	416.7
8471.50	Digital processing units other than those of 8471.41 and 8471.49	54	129	104	-19.1
5201.00	Cotton, not carded or combed	52	79	103	31.2
3815.19	Supported catalysts, n.e.s.o.i.	53	85	100	17.2
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	41	90	93	3.2
8523.40	Optical media	(^e)	163	78	-52.0
8431.39	Parts for lifting, handling, loading, or unloading machinery, n.e.s.o.i.	18	60	78	30.7
8409.99	Parts for use with compression-ignition internal combustion piston engines	36	36	76	112.3
7204.21	Waste and scrap, of stainless steel	44	126	74	-41.5
8517.70	Parts of telecommunications apparatus	(^f)	85	74	-13.3
	Total of items shown	2,723	8,675	9,720	12.0
	All other	6,302	7,634	7,620	-0.2
	Total of all commodities	9,025	16,309	17,340	6.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Exports aggregated with other fertilizer products under 3100.00.0000 to prevent disclosure of individual firm data.

^b Not applicable.

^c U.S value is less than \$500,000.

^d Trade in 2006 reported under parts of items contained in Schedule B subheadings 8517.30 and 8517.50.

^e Trade in 2006 reported under parts of items contained in Schedule B headings 8523 and 8524.

^f Trade in 2006 reported under parts of items contained in Schedule B subheadings 8473.30, 8517.90, and 8529.10.

TABLE A.47 Leading imports from India, by HTS subheading, 2006-08

HTS subheading	Description	2006	2007	2008	% change, 2007-08
		Millions of \$			
7102.39	Nonindustrial diamonds, n.e.s.o.i.	3,256	3,686	3,876	5.2
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	2,309	2,201	1,338	-39.2
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	241	498	1,068	114.4
6302.60	Toilet and kitchen linen, of terry toweling or similar terry fabrics, of cotton	315	389	404	3.9
7305.11	Line pipe for oil or gas pipelines, external diameter over 406.4 millimeters, of iron or steel, longitudinally submerged arc welded	9	153	397	159.8
6302.31	Bed linen, other than printed, of cotton, not knitted or crocheted	264	298	368	23.5
	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	299	346	344	-0.7
6110.20					
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	188	702	319	-54.6
7305.19	Line pipe used in oil or gas pipelines, external diameter over 406.4 millimeters, of iron or steel, riveted or similarly closed, n.e.s.o.i.	4	351	315	-10.3
6206.30	Women's or girls' blouses, shirts and shirt-blouses, of cotton, not knitted or crocheted	373	300	261	-13.1
6204.62	Women's or girls' trousers, etc., of cotton, not knitted or crocheted	181	227	251	10.4
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	(^a)	110	251	127.7
7210.49	Flat-rolled iron or nonalloy steel, not corrugated, 600 mm or more wide, plated or coated with zinc other than electrolytically	510	155	247	59.8
6105.10	Men's or boys' shirts, of cotton, knitted or crocheted	294	297	245	-17.6
0801.32	Cashew nuts, fresh or dried, shelled	215	197	232	17.7
3004.20	Lead oxides, n.e.s.o.i.	111	201	229	14.2
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness	2	25	217	781.2
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts not knitted or crocheted, of cotton	183	226	216	-4.3
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	229	221	211	-4.4
6109.10	T-shirts, singlets, tank tops, and similar garments, of cotton, knitted or crocheted	161	183	197	7.8
8701.90	Tractors, n.e.s.o.i.	126	201	190	-5.7
8504.40	Static converters	174	185	188	2.0
8502.31	Electric generating sets, wind-powered	217	253	179	-29.5
7113.11	Jewelry and parts thereof, of silver, whether or not plated or clad with other precious metal	93	113	160	41.7
5701.10	Carpets and other textile floor coverings, knotted, whether or not made up, of wool or fine animal hair	194	191	156	-18.3
	Total of items shown	9,948	11,710	11,859	1.3
	All other	11,725	12,147	14,006	15.3
	Total of all commodities	21,674	23,857	25,866	8.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Trade in 2006 reported under parts of items contained in HTS subheadings 8528.12 and 8525.13.