ECONOMIC COMMISSION
FOR LATIN AMERICA
AND THE CARIBBEAN

ECLAC Office in Washington, D.C.

United States-Latin America and the Caribbean Trade Developments

2022

UNITED NATIONS

ECLAC

ECONOMIC COMMISSION
FOR LATIN AMERICA
AND THE CARIBBEAN

ECLAC Office in Washington, D.C.

United States-Latin America and the Caribbean Trade Developments

2022

UNITED NATIONS

ECLAC

This document was prepared by Raquel Artecona, Officer in Charge of the office of the Economic Commission for Latin America and the Caribbean (ECLAC) in Washington, D.C. Rex Garcia-Hidalgo, Senior Statistical Assistant, and Daniel Perrotti, Research Assistant, provided inputs to this document. Matthew Diaz, public policy fellow and intern at the office of ECLAC in Washington, D.C., also contributed to this report.

United Nations publication
LC/WAS/TS.2022/8
Distribution: L

Printed at United Nations, Santiago
S.22-01288

This publication should be cited as: Economic Commission for Latin America and the Caribbean (ECLAC), *United States-Latin America and the Caribbean Trade Developments 2022* (LC/WAS/TS.2022/8), Santiago, 2023.

Contents

Tables

Figures

Introduction

United States-Latin America and the Caribbean Trade Developments 2022 provides an overview of selected developments in United States trade relations with Latin America and the Caribbean. This is an annual report elaborated by the ECLAC Washington Office. Following the global focus on the climate crisis and the specific emphasis on President Biden's trade policy on advancing a sustainable environment and climate path, this year's report continues to include a section on trade in circular economy goods.

Global trade volume reached a record high in 2021 but is expected to slow down in 2022 from a 10% increase in 2021 to a 3% growth in 2022 (WTO, 2022). During the fourth quarter of 2021, trade in goods remained strong, and trade in services returned to its pre-pandemic levels. The sharp increase in international trade in 2021 was largely the result of a strong recovery in demand due to economic stimulus packages and subsiding pandemic restrictions, thus the observed recovery in trade in services accompanying the recovery that in goods.

Global trade in 2022 is expected to be affected by slower-than-expected economic growth, continuing supply chain disruptions resulting from the lingering effects of the global COVID-19 pandemic, the war in Ukraine, and steep price increases. The conflict compounded the sharp rise in commodity prices as Russia and Ukraine are key suppliers of food, energy, and fertilizers. China's zero covid-19 policy continues to disrupt trade and contribute to renewed shortages of manufacturing inputs and higher inflation.

This year, UNCTAD expects trade patterns to reflect the increasing global demand for environmentally sustainable products. Such patterns may also be supported by government policies regulating the trade of high-carbon products. Global trade also could be influenced by greater demand for strategic commodities required to support greener energy alternatives like cobalt, lithium, and rare earth metals.

In the United States, total trade in goods and services rebounded in 2021 to its pre-pandemic levels. In 2022, trade in goods sustained the recovery that started in 2021. In the first six months of 2022, exports of goods increased 21% with respect to the same period in 2021 and imports of goods increased by 22%. Trade in services has not fully recovered as significant services industries such as travel, and transport are still facing the lingering effects of the pandemic. Both exports and imports of services are yet to reach their pre-pandemic levels.

The balance of trade continues to deteriorate as the United States economy is recovering faster than other major economies and trade partners, except for China. The United States continues to run a trade deficit in goods (-US$1,090 billion) and a trade surplus in services (US$245 billion).

United States imports from Latin America and the Caribbean have been growing in value since the early 2000s, with a significant fall during the global financial crisis of 2008-2009 and the Covid- 19 pandemic in 2020. United States imports from the region recovered in 2021, surpassing the pre-pandemic levels–from US$1,183 billion in 2019 to US$1,237 in 2021. Besides Mexico, the top five trade partners in the region are Brazil, Chile, Colombia, and Peru.

With hiking inflation rates, the war in Ukraine, and prominent economic competitiveness from China, as a backdrop, the Biden Administration's 2022 trade policy agenda seeks to advance the United States' global strategic goals by fostering self-sufficiency while also prioritizing Biden's stated goal of empowering workers and tackling the climate crisis.

Representing the two largest economies in the world, the trade relationship between the United States and China is paramount to the United States' economic, national security, and geopolitical interests. It follows then that much of the Biden Administration's trade initiatives have directly or indirectly focused on China. As seen in its 2022 Trade Policy Agenda, the Administration considers self-investment in domestic manufacturing and supply chain security as a method of safeguarding the United States against China's "anticompetitive [trade] practices."

United States Trade Representative Katherine Tai stated in an October 2021 speech[1] that the United States sought to build upon former President Trump's unilateral tariffs toward China to apply further economic pressure. Though there is an ongoing debate on whether removing the bulk of tariffs imposed since 2017 will help curb domestic inflation, Tai believes those tariffs provide "significant leverage" in the ongoing trade negotiations with China. This comes despite multiple World Trade Organization (WTO) cases challenging the legality of Trump's tariffs. Moreover, in a statement, United States Secretary of Commerce Gina Raimondo discussed that keeping some of those tariffs in place, particularly those on steel and aluminum, is important to defending domestic industries.

On 7 October 2022, the Biden administration announced a new export controls policy on artificial intelligence (A.I.) and semiconductor technologies to China that many consider a landmark change in United States-China relations. With this new policy, which comes right after the CHIPS Act, the United States shows its determination to retain control over technologies in the global semiconductor technology supply chain. The new restrictions apply to the export of high-end United States semiconductor chips; any advanced chips made with United States equipment -- incorporating almost every non-Chinese high-end exporter, whether based in Taiwan, South Korea, or Europe. Moreover, the ban extends to "United States persons," including green card holders and United States citizens.

[1] CSIS, A Conversation with Ambassador Katherine Tai, United States Trade Representative, 4 October 2021.

The Biden Administration also seeks to counter growing Chinese economic influence through international coalition building, particularly within the Indo-Pacific region[2]. A recent example is the Indo-Pacific Economic Framework for Prosperity (IPEF) made with 12 countries, including Australia, India, Indonesia, Japan, and South Korea, which hopes to expand technological innovation and establish the United States as an economic leader in the region.[3]

Given the pandemic-related supply chain disruptions, the United States has seen renewed interest in safeguarding against future shocks by investing in bringing back domestic production in strategic sectors, working with allies to diversify sources of imports, and building new, regionalized supply chains. The Biden Administration has carried this philosophy through much of its economic policy, and its trade policy represents an additional attempt to reduce reliance on imports in strategic sectors.

This policy priority can be seen in the Administration's 'made-in-America' mandates, which take a whole-of-government approach to ensuring that a bulk of taxpayer dollars are spent on goods manufactured in the United States.[4] But, by having procurement focus on supporting domestic manufacturing, the United States risks alienating some of its trading partners. For example, Canada has promised retaliatory action if a proposed tax credit for United States-manufactured electric vehicles is implemented, stating that it equates to a 34% tariff on Canadian-made vehicles.[5]

This policy has had further ramifications within the United States-Mexico-Canada Agreement (USMCA), where the Biden Administration's prioritization of 'American-made' vehicle parts and its strict interpretation of the rules of origin have presented some difficulties for Mexican and Canadian exporters. As a result, in late 2021, the two countries threatened to take joint action against the United States[6] In early 2022, this escalated to an official USMCA dispute panel, which is expected to reach a decision later the same year.[7]

The Biden Administration's 2022 Trade Agenda comes at a time when the United Nations has declared that the planet will soon be uninhabitable should nations not act on their climate pledges.[8] In responding to this global landscape, the USTR has prioritized decarbonization and the enforcement of sustainable practices within its trade agenda. Beyond just holding United States trade partners to high environmental protection standards, the Administration has also proposed new policies to limit the global temperature increase to 1.5 degrees Celsius, though they largely remain nonbinding.[9]

These new policies center on international cooperation as a primary method to combat the changing climate. The Administration points to its 2021 agreement with the E.U., which restricted unsustainable steel and aluminum from entering its markets, as an example of what is possible.[10] In their joint statement, the two committed to discouraging trade with countries that utilize high-carbon steel and aluminum while also creating a technical working group charged with developing a methodology to assess the carbon emissions of these traded metals.[11]

The Biden Administration looks to continue leveraging regional trade agreements, like the Indo- Pacific Economic Framework (IPEF), to decarbonize economies on a global scale in line with Paris Agreement commitments. For example, the IPEF states its ambitions are to "pursue concrete, high-ambition targets that will accelerate efforts to tackle the climate crisis, including the areas of

---

[2] USTR Tai statement at CSIS, 4 October 2021.
[3] Fact Sheet: Indo-Pacific Economic Framework for Prosperity, White House.
[4] Fact Sheet: Biden-Harris Administration Issues Proposed Buy American Rule, White House.
[5] Canada threatens to impose tariffs if EV tax credits pass, Detroit News.
[6] Biden and Trade at Year One: The Reign of Polite Protectionism, CATO Institute.
[7] SheppardMullin Global trade law blog, August 18, 2022.
[8] UN climate report: It's 'now or never' to limit global warming to 1.5 degrees, United Nations.
[9] 2022 Trade Policy Agenda & 2021 Annual Report, United States Trade Representative.
[10] Ibid.
[11] Joint US-EU Statement on Trade in Steel and Aluminum, United States Trade Representative.

renewable energy, carbon removal, energy efficiency standards, and new measures to combat methane emissions."[12] Other tools, like Section 301 investigations, have already been and will continue to be used to address anti-environmental practices.

The report is organized as follows: the next section highlights United States trade flows, emphasizing the 2021 figures compared to the same period in 2020 and 2019 to assess the trade disruption of the Covid-19 pandemic and its recovery. Section II reviews the main initiatives the governments and the private sector have takent to advance the circular economy in North America. Section III highlights the most significant developments in the United States-China bilateral trade relations. Section IV presents an overview of the level of competition between China and Latin America and the Caribbean in the United States market. Section V describes some of the trade disputes cases under the United States-Mexico-Canada trade agreement.

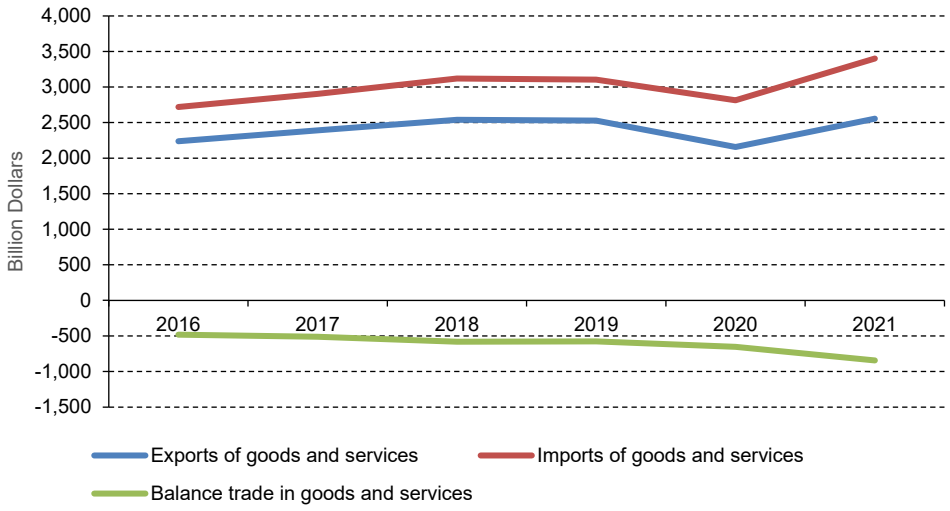
12 Fact Sheet: Indo-Pacific Economic Framework for Prosperity, White House.

I. United States trade

A. Trade in good and services

After the significant drop experienced during the Covid-19 pandemic, United States' total trade in goods and services rebounded in 2021 to its pre-pandemic levels (figure 1 and table 1).

Figure 1
United States trade in goods and services
(in billion of dollars)



Source: own elaboration based on BEA's data.

The balance of trade continues to deteriorate as the United States economy is recovering faster than other major economies and trade partners, except for China. In 2021, total exports of goods and services grew US$398 billion, while imports grew US$589 billion. As a result, the total trade deficit worsened to US$845 billion from US$654 billion in 2020. The United States continues to run a trade deficit in goods (-US$1,090 billion) and a trade surplus in services (US$245 billion) (table 1).

During the first six months of 2022, the United States trade deficit worsened with respect to the same period a year earlier, from US$401 billion to US$ 535 billion. This is because imports of both goods and services outgrew exports. The surplus in services continued the deterioration observed since 2019. The appreciation of the dollar is a contributor to the observed worsening in the balance of trade.

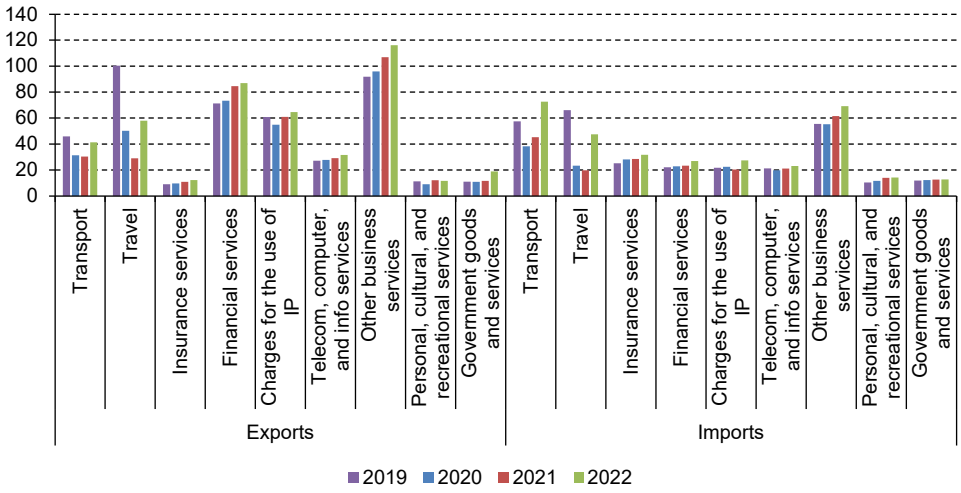
Table 1
United States trade in goods and services, seasonally adjusted 2016,2017, 2018, 2019, 2020, 2021, 2022
(in billion of dollars)

					Annual		Jan-Jun		
	2016	2017	2018	2019	2020	2021	2020	2021	2022
Balance									
Total	-482	-512	-581	-577	-654	-845	-285	-401	-535
Goods	-750	-799	-879	-862	-914	-1 090	-420	-533	-654
Services	268	287	298	285	260	245	135	132	119
Exports									
Total	2 238	2 391	2 539	2 528	2 159	2 557	1 061	1 229	1 475
Goods	1 457	1557	1677	1652	1 432	1 761	689	846	1 026
Services	781	834	862	876	726	795	372	383	449
Imports									
Total	2 720	2 903	3 120	3 105	2 813	3 402	1 346	1 629	2 010
Goods	2 207	2 356	2 556	2 514	2 346	2 852	1 109	1 379	1 680
Services	513	547	564	591	467	550	237	251	330

Source: ECLAC based on Bureau of Economic Analysis.
Note: * Data figures do not coincide with Tables 1 and 2, where data was not seasonally adjusted.

Trade in services has not fully recovered as significant services industries such as travel and transport are still facing the lingering effects of the pandemic. Both exports and imports of services are yet to reach their pre-pandemic levels (figure 2).

Figure 2
United States trade in services by category, first semester, 2020, 2021, 2022



Source: own elaboration based on BEA's data.

1. Trade in goods

Trade in goods sustained the recovery that started in 2021. In the first six months of 2022, exports of goods increased 21% with respect to the same period in 2021 from US$846 billion to US$1,026 billion. Imports of goods increased by 22% from US$1,379 billion to US$1,680 billion.

Trade in all end-use goods categories continued growing (table 2), led by trade in industrial supplies. Exports of industrial supplies grew 36% in the first six months of 2022, and imports increased by 40%

The United States' trade deficit in goods with China continues to be the largest among all countries. This deficit, at US$200 billion, is more than three times as large as that of Mexico (US$63 billion), the second largest in the world.

2. Trade in services

United States trade in services had been steadily increasing since the turn of the century until 2020, when the Covid-19 pandemic stalled trade in general, affecting particularly all trade related to transport, travel, and tourism. Since then, trade in services, both imports and exports have started to recover, albeit slowly (figure 3).

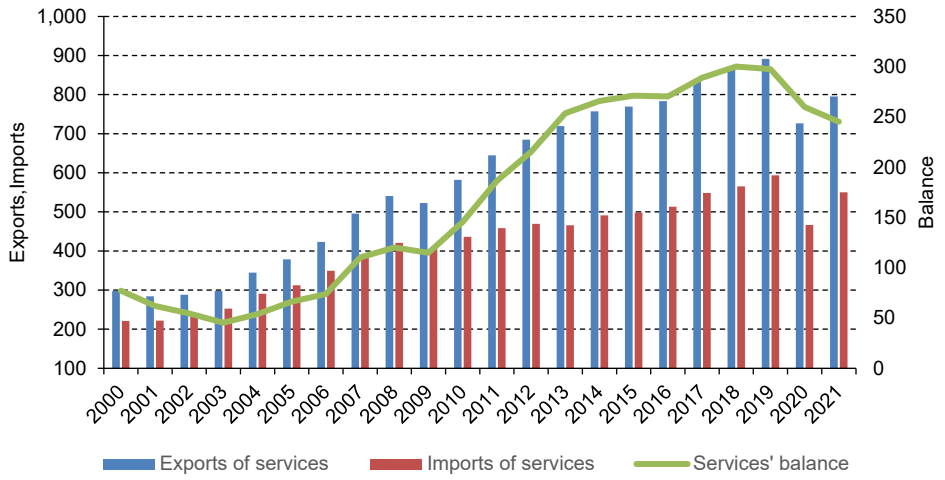
.

Table 2
United States trade in goods by principal end-use category
(in billion of dollars)

	Exports						Imports					
	Foods, Feeds, Beverage	Ind. Supplies	Capital Goods	Auto. Vehicles	Consumer Goods	Other Goods	Foods, Feeds, Beverage	Ind. Supplies	Capital Goods	Auto. Vehicles	Consumer Goods	Other Goods
Jan-Jun												
2021	82.2	300.2	255.1	72.5	101.0	32.0	87.1	297.9	371.3	177.3	377.9	57.5
2022	94.7	407.0	279.4	76.8	122.9	36.8	106.1	419.9	428.9	193.7	454.4	62.3
Change in billion dollars	12.4	106.8	24.3	4.3	21.9	4.7	19.0	122.0	57.7	16.4	76.5	4.8
Percentage change	15.1%	35.6%	9.5%	5.9%	21.6%	14.8%	21.9%	40.9%	15.5%	9.3%	20.2%	8.3%

Source: ECLAC based on Bureau of Economic Analysis, Exhibit 6.

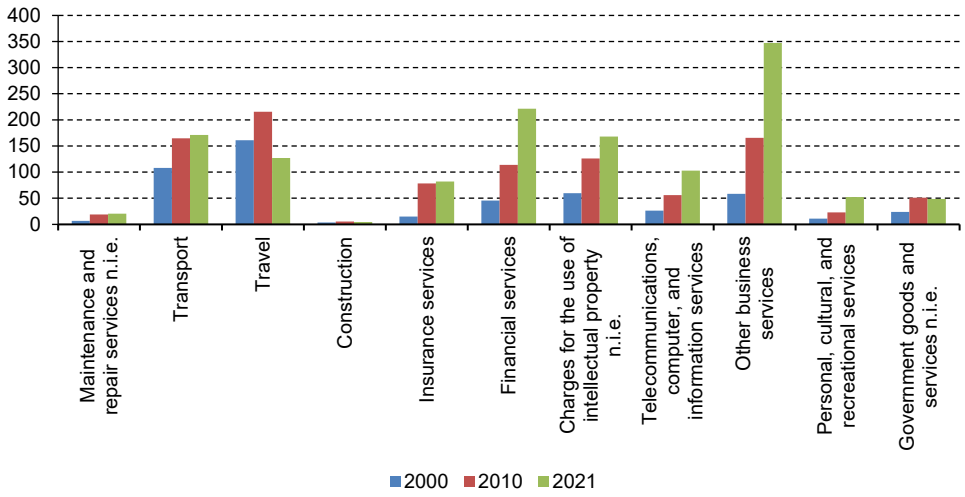
Figure 3
Trade in Services
(in billion of dollars, balance in right axis)



Source: own elaboration based on BEA's data.

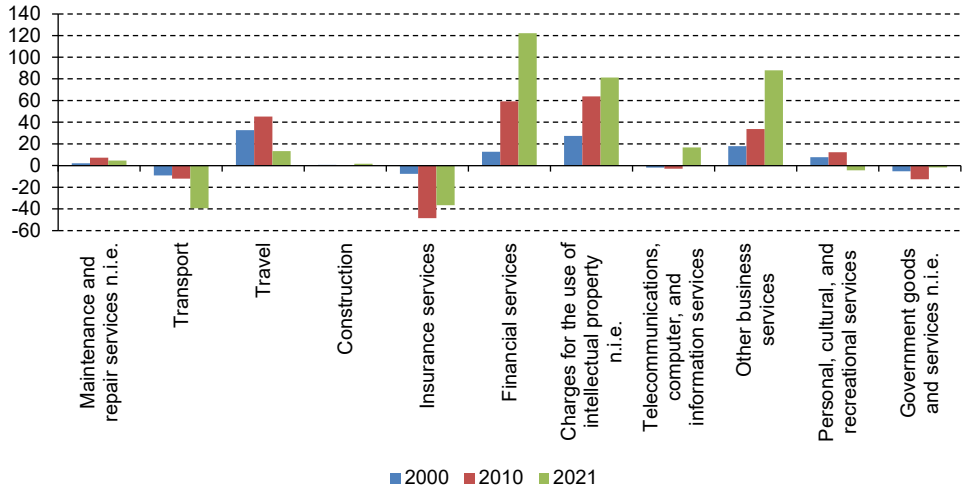
Most major services categories grew in the period 2000-2021. The United States shows an increasing surplus in trade in services in most major categories. Transport shows a growing deficit, and insurance services show a significant deficit. Financial services, charges for the use of intellectual property rights, and business services show the largest surpluses, and they have been increasing since the turn of the century (Figures 4 and 5).

Figure 4
United States Trade in Services by Major Category, 2000, 2010, 2021
(in billion dollars)



Source: own elaboration based on BEA's data.

Figure 5
United States Balance of Trade in Services by Major Category, 2000, 2010, 2021
(in billion of dollars)



Source: own elaboration based on BEA's data.

In 2021, the top 15 trading partners in services represented 67.5% of total trade in services, slightly lower than in previous years but still significantly higher than in 2019 (61%) (table 4).

The top United States trade-in-services partner is the United Kingdom, with 10% of total United States trade-in services, followed by Ireland (7%) and Canada (7%). The only country from the region among the top 15 is Mexico, with 4% of total trade in services. China represents 5% of total trade in services and India 4%.

Table 4
United States trade in services, top 15 partners by total trade in services in 2021
(in million of dollars)

Rank	Country	Balance of Services			Exports			Imports			Total Trade in Services			Percentage of total trade		
		2019	*2020*	*2021*	*2019*	*2020*	*2021*	*2019*	*2020*	*2021*	*2019*	*2020*	*2021*	*2019*	*2020*	*2021*
1	United Kingdom	13 005	7 125	6 689	77 656	61 741	67 761	64 652	54 617	61 072	142 308	116 358	128 833	10	10	10
2	Ireland	41 200	48 182	53 532	63 579	67 186	74 797	22 378	19 004	21 265	85 957	86 190	96 062	6	7	7
3	Canada	29 809	22 197	23 042	68 707	52 771	56 136	38 897	30 574	33 094	107 604	83 345	89 230	7	7	7
4	Switzerland	20 487	17 637	19 028	45 617	41 652	47 114	25 130	24 014	28 086	70 747	65 666	75 200	5	6	6
5	United Kingdom Islands, Caribbean	35 072	41 491	45 188	46 723	52 622	57 327	11 651	11 132	12 139	58 374	63 754	69 466	4	5	5
6	Germany	422	-1 643	-2 712	36 401	29 858	32 037	35 979	31 501	34 749	72 380	61 359	66 786	5	5	5
7	Japan	13 253	5 446	5 771	49 545	38 009	36 892	36 292	32 563	31 121	85 837	70 572	68 013	6	6	5
8	China	39 624	25 021	18 029	59 494	41 183	39 498	19 871	16 162	21 469	79 365	57 345	60 967	5	5	5
9	Mexico	2 601	6 260	2 687	32 869	23 486	30 488	30 268	17 226	27 801	63 137	40 712	58 289	4	3	4
10	India	-5 919	-9 833	-10 294	23 720	16 339	18 536	29 639	26 172	28 831	53 359	42 511	47 367	4	4	4
12	Singapore	11 963	14 655	18 534	23 203	25 813	30 149	11 241	11 158	11 614	34 444	36 971	41 763	2	3	3
11	Bermuda	-21 595	-22 159	-21 388	6 698	8 290	9 382	28 293	30 449	30 770	34 991	38 739	40 152	2	3	3
13	Netherlands	7 062	10 065	11 657	21 721	21 162	23 834	14 659	11 097	12 177	36 380	32 259	36 011	2	3	3
14	France	1 760	2 206	-1 206	22 168	15 636	17 189	20 408	13 430	18 396	42 576	29 066	35 585	3	2	3
15	South Korea	12 580	8 090	6 895	23 527	17 809	19 238	10 947	9 719	12 343	34 474	27 528	31 581	2	2	2
	Total all countries	297 584	259 896	245 248	891 177	726 433	795 273	593 594	466 537	550 025	1 484 771	1 192 970	1 345 298	100.0	100.0	100.0
	Total top 15	201 324	174 740	175 452	601 628	513 557	560 378	400 305	338 818	384 927	1 001 933	852 375	945 305	67.5	71.4	70.3

Source: ECLAC based on Bureau of Economic Analysis.
Note: United Kingdom Islands, Caribbean includes the British Virgin Islands, Cayman Islands, Montserrat, and the Turks and Caicos Islands.

B. Trade with Latin America and the Caribbean

- Trade in goods

United States total trade in goods with Latin America and the Caribbean totaled US$ 568 billion in the first six months of 2022. Goods exports totaled $ 270 billion, and imports reached $ 297 billion, resulting in a deficit for the United States of US$ 27 billion. (Table 5).

Accounting for 18% of total United States exports of goods, exports of goods to Latin America and the Caribbean in the first half of 2022 were 27 % (US$ 59.7 billion) higher than in the first half of 2021. Similarly, United States imports of goods from Latin America and the Caribbean increased 23 % (US$ 55.8 billion) in the first semester of 2022 from the same period in 2021, reaching 22 percent of overall United States imports.

The top five markets in Latin America and the Caribbean during the first six months of 2022 were: Mexico (US$ 161 billion), Brazil (US$ 27 billion), Chile (US$ 12 billion), Colombia (US$ 11 billion), and, Argentina (US$ 7 billion). Meanwhile, the top five Latin America and the Caribbean exporters to the United States market in the same period were: Mexico (US$ 224 billion), Brazil (US$ 18 billion), Colombia (US$ 9 billion), Chile (US$ 9 billion), and Ecuador (US$ 5 billion).

Table 5
United States trade in goods with Latin America and the Caribbean, Jan-Jun 2021, Jan-Jun 2022
(in billion of dollars)

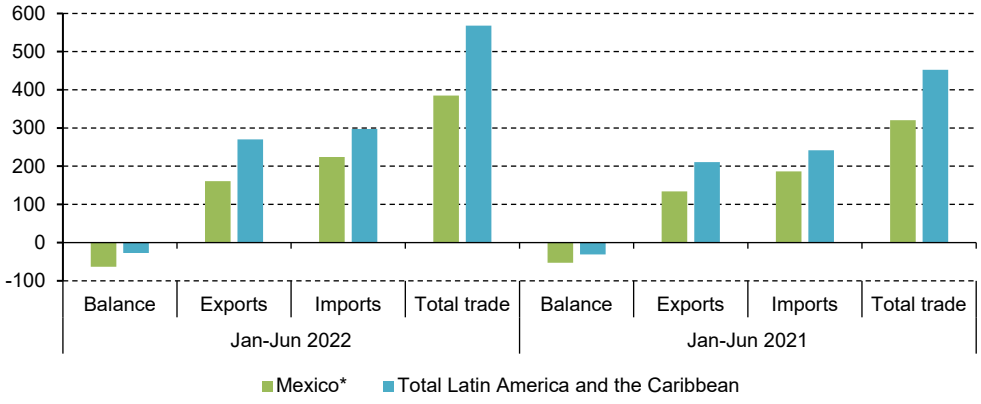
	Jan-Jun.2022				Jan-Jun.2021			
	Balance	Exports	Imports	Total Trade	Balance	Exports	Imports	Total Trade
North America	-109.61	337.14	446.75	783.89	-72.15	282.87	355.01	637.88
Canada**	-46.17	176.53	222.69	399.22	-19.46	149.10	168.56	317.66
Mexico**	-63.44	160.61	224.06	384.67	-52.68	133.77	186.45	320.22
South America	19.36	70.76	51.39	122.15	12.15	49.47	37.32	86.79
Argentina	3.29	6.75	3.47	10.22	1.56	3.61	2.06	5.67
Bolivia (Plurinational State of)	-0.14	0.26	0.39	0.65	0.05	0.28	0.23	0.50
Brazil	8.59	26.50	17.91	44.41	7.08	20.32	13.24	33.55
Chile*	2.56	11.47	8.91	20.38	0.63	7.93	7.30	15.23
Colombia*	1.86	11.17	9.31	20.48	0.88	7.20	6.33	13.53
Ecuador	-1.35	3.76	5.11	8.87	-1.69	2.27	3.97	6.24
Guyana	-0.93	0.55	1.47	2.02	-0.42	0.49	0.91	1.40
Paraguay	0.86	1.00	0.14	1.14	0.92	1.01	0.10	1.11
Peru*	2.55	6.56	4.01	10.57	2.01	4.77	2.77	7.54
Suriname	0.17	0.21	0.04	0.26	0.12	0.15	0.03	0.17
Uruguay	1.10	1.51	0.41	1.91	0.39	0.70	0.30	1.00
Venezuela (Bolivarian Republic of)	0.80	1.01	0.21	1.23	0.63	0.74	0.11	0.85
Central America	9.31	23.55	14.24	37.78	5.29	17.06	11.77	28.82
Belize	0.20	0.23	0.02	0.25	0.13	0.17	0.04	0.20
Costa Rica**	0.22	4.15	3.93	8.09	0.35	3.52	3.17	6.69
El Salvador**	1.11	2.57	1.45	4.02	0.75	1.93	1.18	3.10
Guatemala*	2.38	5.20	2.82	8.02	1.62	3.86	2.23	6.09
Honduras**	1.12	4.18	3.06	7.24	0.42	2.95	2.53	5.48
Nicaragua**	-1.39	1.30	2.69	3.99	-1.07	1.07	2.14	3.21
Panama*	5.67	5.92	0.25	6.18	3.08	3.57	0.48	4.05

	Jan-Jun.2022				Jan-Jun.2021			
	Balance	Exports	Imports	Total Trade	Balance	Exports	Imports	Total Trade
Caribbean	7.58	15.33	7.76	23.09	4.15	10.28	6.13	16.41
Antigua and Barbuda	0.55	0.56	0.01	0.56	0.27	0.27	0.00	0.27
Bahamas	1.59	2.26	0.67	2.93	1.10	1.24	0.14	1.38
Barbados	0.39	0.41	0.02	0.44	0.32	0.34	0.02	0.36
Cuba	0.15	0.15	0.00	0.16	0.16	0.16	0.00	0.16
Dominica	0.12	0.12	0.00	0.12	0.16	0.16	0.00	0.16
Dominican Republic**	3.29	6.73	3.45	10.18	2.09	5.12	3.03	8.16
Grenada	0.06	0.07	0.01	0.08	0.04	0.05	0.01	0.06
Haiti	0.32	0.89	0.57	1.46	0.13	0.64	0.51	1.15
Jamaica	1.10	1.26	0.16	1.43	0.61	0.90	0.29	1.19
St Kitts and Nevis	0.06	0.08	0.02	0.10	0.05	0.07	0.02	0.10
St Lucia	0.48	0.49	0.01	0.50	0.21	0.21	0.00	0.21
St Vincent and the Grenadines	0.06	0.07	0.00	0.07	0.05	0.05	0.00	0.05
Trinidad and Tobago	-0.60	2.24	2.84	5.08	-1.03	1.07	2.10	3.17
Total Latin America and the Caribbean	-27.2	270.3	297.4	567.7	-31.1	210.6	241.7	452.2
Total World	-612.4	1011.6	1624.0	2635.6	-494.2	841.1	1335.3	2176.3

Source: ECLAC based on the Bureau of Economic Analysis.

Figure 6 presents the trade values for the first semesters of 2021 and 2022 for the aggregated of Latin America and the Caribbean, and Mexico.The figure shows that Mexico represents about 80% of United States trade with the region. The United States runs a significant trade deficit with Mexico.

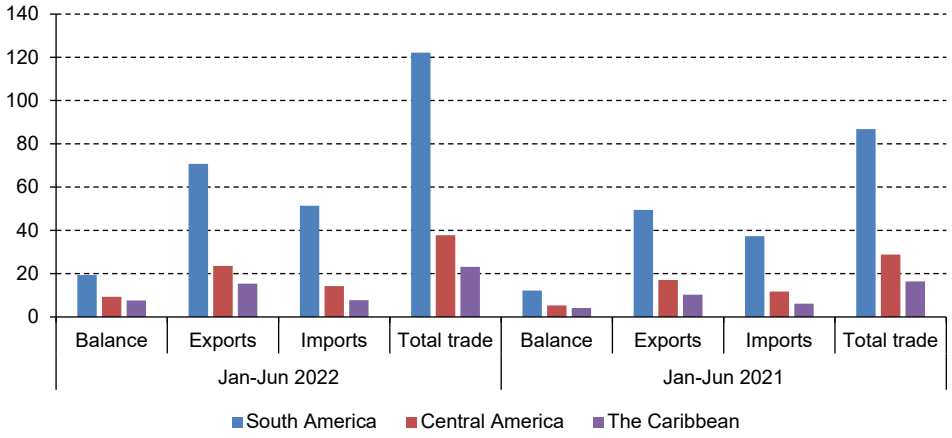
Figure 6
United States trade in goods with Mexico and Latin America, and the Caribbean
(in billion of dollars)



Source: ECLAC based on Bureau of Economic Analysis, Exhibit 4S.

Figure 7 shows the trade by subregions (excluding Mexico) for the first semesters of 2021 and 2022. As can be seen, the trade balance is favorable for the United States in all the sub- regions, and it has increased in 2022.

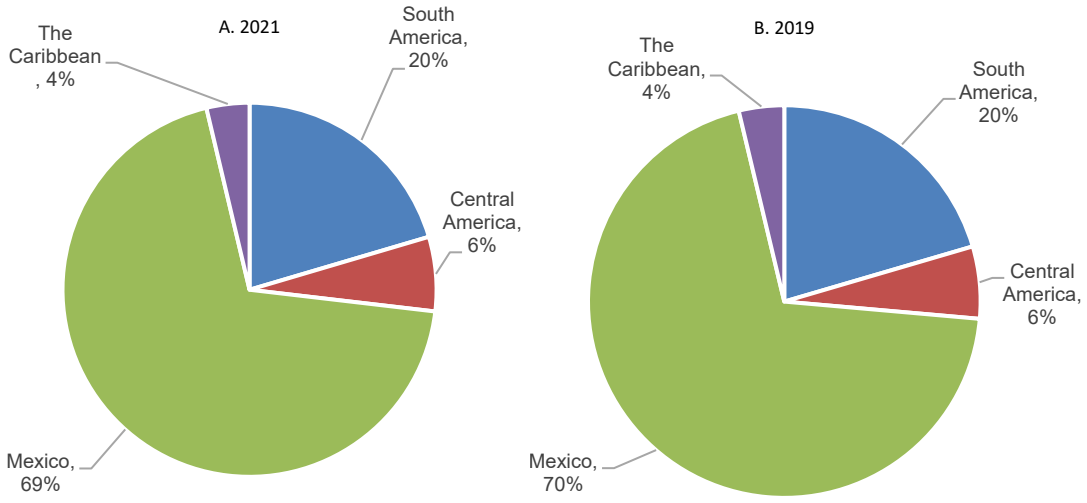
Figure 7
United States trade in goods by sub-region
(in billion of dollars)



Source: ECLAC based on Bureau of Economic Analysis, Exhibit 4S.

In 2021, United States trade in goods with Mexico represented 69% of total trade with Latin America and the Caribbean. South America represented about 20% of the share, followed by Central America (6%) and the Caribbean (4%). The distribution of trade flows with the region does not show significant changes from 2019. (Figure 8)

Figure 8
United States trade in goods with Latin America and the Caribbean by region



Source: ECLAC based on Bureau of Economic Analysis, Exhibit 4S.

Besides Mexico, the top 5 trade partners in the region are Brazil, Chile, Colombia, and Peru (Table 6). Except for Brazil, all have a free trade agreement with the United States.

Table 6
United States trade with Latin America and the Caribbean
Top 5 trade partners - (in billion of dollars)

	2019	2020	2021
Mexico	614.54	536.69	661.16
Brazil	73.70	57.99	78.17
Chile	26.12	22.59	32.39
Colombia	28.91	22.71	29.60
Peru	15.81	13.10	17.13

Source: ECLAC on the basis of USITC dataweb

- Trade in services

Trade in services with Latin America (exports and imports) totaled an estimated US$84 billion in the first six months of 2022. Services exports totaled US$ 47 billion, and services imports totaled US$ 36 billion. The United States services trade surplus with Latin America totaled US$ 11 billion in the first six months of 2022. (Table 7)

United States exports of services to Latin America increased by 42% (US$ 11 billion) in the first semester of 2022 compared with the same period in 2021 while United States' imports of services from the region increased 24% (US$ 9 billion). As a result, the United States services trade surplus was reduced by 11% (US$ 1 billion) compared with the trade surplus in the same period in 2021.

A few countries in the region run a surplus in trade in services with the United States in the first six months of 2022; they are: the Dominican Republic, with a US$ 2 billion surplus, and Mexico and Costa Rica, both with a US$ 1 billion surplus. On the other hand, Brazil presents the most significant deficit in trade in services with the United States, reaching US$ 7 billion in the first half of 2022.

Table 7
United States trade in services with Latin America, Jan-Jun 2021, Jan-Jun 2022
(in billion of dollars)

	2021 H1			2022 H1		
	Balance of Services	Exports	Imports	Balance of Services	Exports	Imports
Argentina	1	2	1	2	3	1
Brazil	4	7	2	7	10	3
Chile	1	2	1	1	3	2
Colombia	2	3	2	1	4	3
Costa Rica	-1	1	1	-1	1	2
Dominican Republic	-1	1	2	-2	1	3
El Salvador	0	1	0	0	1	1
Guatemala	0	1	1	0	1	1
Honduras	0	1	0	0	1	0
Mexico	1	14	12	-1	16	17
Nicaragua	0	0	0	0	0	0
Panama	1	1	1	0	1	1
Peru	1	2	0	1	2	1
Venezuela (Bolivarian Republic of)	1	1	0	1	1	0
Other	1	2	1	1	3	1
Latin America	13	38	26	11	47	36

Source: ECLAC based on United States Census Bureau Dataweb.

C. Trade Trade in Covid-19-related products

The Covid-19 pandemic exposed the United States' dependency on imported essential medical equipment and medicines. As a result, one of the priorities of the United States trade agenda has become the support of long-term investments to strengthen the domestic production of these products, expand industrial capacity in the pharmaceutical industry to increase resilience, and diversify the source countries for the imports of these products. Introduced in the 2020 report, in the context of the pandemic, this section presents United States trade figures in COVID-19-related trade.

This section follows the USITC's classification of COVID-19-related products to describe the United States' international trade in medical supplies, equipment, and pharmaceutical products.

The United States runs a trade deficit in COVID-19-related products. In 2019, the trade deficit amounted to almost US$60 billion; in 2020, it increased even further to US$62.5 billion. The deficit was only US$8 billion 15 years ago. However, in 2021, the deficit was reduced to a fraction of that to only US$0.04 billion.

Table 8
United States trade in Covid-19 related goods, 2005, 2010, 2015, 2020, 2021
(in billion of dollars)

	2005	2010	2015	2020	2021
Imports	20.72	30.97	45.80	110.13	66.25
Exports	12.63	22.12	23.51	47.86	66.21
Trade Balance	-8.09	-8.85	-22.30	-62.27	-0.04

Source: ECLAC based on USITC Dataweb.

Most of the Covid-19-related products that reach the United States market originated in China. In 2021, imports from China amounted to US$12 billion, followed by Mexico with US$8.8 billion and Malaysia with US$ 6.14 billion. Canada is 5th with US$4.04 billion.

Mexico and Costa Rica are the only Latin American countries among the top suppliers of Covid- 19 products. Together, they exported US$11.3 billion worth of covid-19 related goods to the United States in 2021, compared to US$12.02 billion from China. Mexico exported US$8.76 billion in 2021, and Costa Rica US$2.54 billion. (table 9)

Table 9
Top 10 country sources of Covid-19 related goods to the United States
(in billion of dollars)

	2005	2010	2015	2020	2021
China	3.00	5.62	8.21	24.09	12.02
Mexico	2.90	4.56	5.83	8.49	8.76
Malaysia	0.59	1.20	1.59	3.04	6.14
Germany	1.50	1.73	2.28	9.93	4.33
Canada	1.37	2.18	2.43	4.88	4.04
Ireland	2.11	1.07	4.82	10.75	3.56
Costa Rica	0.44	0.58	1.17	2.01	2.54
India	0.27	0.45	0.79	3.02	2.25
Japan	1.40	1.71	2.12	3.50	2.20
Thailand	0.51	0.69	0.74	1.27	1.92

Source: ECLAC based on USITC Dataweb.

With respect to Covid-19 related medicines, there are no Latin American and Caribbean countries among the top 10 exporters to the United States (table 10).

Table 10
Top 10 country sources of Covid-19 related medicines (pharmaceutical) to the United States
2005, 2010, 2015, 2020, 2021
(in million of dollars)

	2005	2010	2015	2020	2021
Canada	0.31	0.72	0.60	1.86	1.95
India	0.15	0.32	0.60	2.30	1.93
Italy	0.15	0.24	0.52	2.07	1.53
Ireland	0.03	0.02	3.21	4.79	1.17
Germany	0.08	0.14	0.17	2.32	1.17
Spain	0.03	0.00	0.01	0.80	1.04
Switzerland	0.00	0.01	0.04	1.81	0.73
Denmark	0.00	0.00	0.01	0.75	0.61
United Kingdom	0.42	0.60	0.36	1.03	0.46
Belgium	0.35	0.77	1.09	6.92	0.43

Source: ECLAC based on USITC dataweb

Table 11
United States imports of Covid-19 related products from Latin America and the Caribbean
2005, 2010, 2015, 2020, 2021
(in million of dollars)

	2005	2010	2015	2020	2021
Mexico	2 898.42	4 558.72	5 827.74	8 487.56	8 764.65
Costa Rica	436.02	576.76	1 174.04	2 012.43	2 543.64
Dominican Republic	498.58	649.37	868.24	978.98	986.46
Brazil	88.64	353.99	512.41	372.30	264.24
Colombia	11.01	19.54	36.76	38.76	40.55
Guatemala	12.39	7.37	20.05	66.19	22.76
Uruguay	0.55	0.83	28.87	15.13	15.39
Nicaragua	0.83	1.20	3.74	32.40	11.24
El Salvador	1.01	1.85	3.56	25.97	8.75
Ecuador	0.43	2.88	1.01	3.87	6.23
Honduras	65.83	68.35	97.74	167.07	5.18
Argentina	2.97	5.16	3.43	6.48	4.82
Peru	1.17	0.85	4.34	2.76	2.48
Panama	0.68	0.07	0.19	4.34	1.41
Haiti	1.50	0.32	0.77	5.35	0.91
Chile	3.53	2.31	2.81	4.46	0.80
Paraguay	0.10	0.06	0.64	0.69	0.44
Trinidad and Tobago	1.08	0.07	0.05	0.03	0.25
Jamaica	0.16	4.26	0.41	0.24	0.12
Belize	0.01	0.01	0.00	0.00	0.03

	2005	2010	2015	2020	2021
Bolivia (Plurinational State of)	0.01	0.05	0.10	0.03	0.03
Barbados	0.06	0.16	0.01	0.81	0.02
Suriname	0.00	0.00	0.01	0.01	0.02
Venezuela (Bolivarian Republic of)	3.78	0.39	0.14	0.24	0.02
Guyana	0.00	0.00	0.01	0.05	0.01
Dominica	0.80	0.20	0.03	0.06	0.01
Cuba	0.00	0.00	0.00	0.00	0.00
Antigua and Barbuda	0.00	0.00	0.00	0.00	0.00
Bahamas	0.00	0.02	0.05	0.00	0.00
St Lucia	3.69	2.34	0.00	0.00	0.00
Grenada	0.07	0.00	0.00	0.00	0.00
St Kitts and Nevis	0.02	0.00	0.04	0.01	0.00
Total	4033.33	6257.15	8587.19	12226.24	12680.46

Source: ECLAC based on USITC dataweb.

Mexico and Brazil are the top exporters of Covid-19 related medicines from Latin America and the Caribbean (table 12), exporting about US$110 million worth of goods.

Table 12
United States imports of COVID-19-related medicines from Latin America and the Caribbean countries
(in million of dollars)

	2005	2010	2015	2020	2021
Mexico	0.55	0.38	0.43	68.78	77.28
Brazil	0.00	22.70	49.06	46.54	27.23
Argentina	0.02	0.00	0.00	2.77	1.75
Colombia	0.00	0.00	0.00	0.53	0.13
Costa Rica	0.00	0.00	0.17	0.08	0.02
Honduras	0.00	0.00	0.00	0.01	0.01
Dominican Republic	0.98	0.00	0.00	0.02	0.00
Guatemala	0.00	0.00	0.00	0.11	0.00
Total	1.54	23.08	49.67	118.84	106.41

Source: ECLAC based on USITC dataweb.

II. Trade and the circular economy

The circular economy (C.E.) aims to ensure that products, components, and materials always maintain their maximum utility and value. The C.E. plays a relevant role in promoting green/low carbon growth, technological change and innovation, job creation, reducing external restrictions, and reducing environmental footprint. In turn, international trade could significantly contribute to the development of C.E.

This section first briefly describes some of the initiatives taken at different levels of government as well as in the private sector and local communities to promote the development of the C.E. in the United States and Canada; and then reviews the evolution of United States trade flows in goods related to the C.E. to assess its current significance and that of the region in the United States trade in C.E. goods.

A. Circular economy initiatives in North America

(i) The United States Environmental Protection Agency (EPA) developed a ten - year-strategic vision that embraces circularity and sustainable materials management and addresses climate change and environmental justice. The vision is outlined in the Circular Economy Strategy Series. The vision, entitled "Building a Circular economy for all: progress toward transformative change," is supported by new legislation and unprecedented funding. The Save Our Seas 2.0 Act was enacted in December 2020 to address the threat of plastic pollution and support grants to invest in recycling. The Infrastructure, Investment, and Jobs Act (Bipartisan Infrastructure Law), signed into law on 15 November 2021, provided historic funding to develop and implement the vision reflected in EPA's Circular Economy Strategic Series. Part one of the series was launched on 15 November 2021 and is dedicated to the National Recycling Strategy. It highlights the actions needed by governments, industry, and others to modernize the United States recycling and waste management system.

(ii) United States: private sector initiatives.

- **Caterpillar**- In 2021, Caterpillar created a division for remanufacturing construction equipment to meet environmental goals and boost revenue from services. The division focuses on expanding remanufacturing through increased investment and profits in that area. According to its estimates, remanufacturing an engine produces 61% less greenhouse gas emissions than making a new one and generally requires 80% less water, energy, landfill space, and raw materials.
- **AGCO Corp-** The farm equipment maker set a goal of increasing its remanufacturing revenue by 150% from its 2020 levels by 2025.
- **Deere & Co** has targeted a 50% increase in its manufacturing revenue by 2030.
- **G.E. Healthcare-** Medical device companies are active in the remanufactured market. Among those operating in the remanufactured medical imaging devices market include G.E. Healthcare, Philips Healthcare, Toshiba Medical Systems, Shimadzu Corp., Carestream Health Inc., Hologic Inc., Hitachi Medical Corp., and Siemens Healthcare.
- **Applied Materials-** The semiconductor manufacturing equipment manufacturer has a substantial remanufacturing business. Applied Materials website notes that the brand is looking for used equipment and that "demand remains strong for production- proven, workhorse 200mm technologies."
- **Colborne Foodbotics-** The maker of automated systems for food processing and packaging. They can remanufacture any of their equipment. The company's website notes that the brand's "Remanufactured Equipment Program is designed to take nonoperational or older operating Colborne machines and completely disassemble and rebuild to a like-new standard."
- **Cisco-**The manufacturer of routers, switches, phones, and security products, runs a program called Cisco Refresh in which they offer remanufactured products at "extremely competitive, pre-discounted net prices." "The Cisco Refresh (Certified Remanufactured) program demonstrates our commitment to minimizing our environmental impact and helps you do the same. With Cisco Refresh, you get the quality products you expect from us with a fully sustainable low carbon footprint."
- **ABB-**This company has a global remanufacturing and repair center for robots. Their website illustrates that remanufacturing is an important component of their global sustainability efforts: "As sustainability continues to grow in importance globally, ABB is committed to helping create more environmentally friendly manufacturing facilities across the world." "Remanufacturing enables existing robot users to sell inactive or legacy robots to ABB with an attractive buyback service, rather than scrapping them or leaving them unused. Over the last 25 years, thousands of robots have been refurbished and upgraded by ABB's remanufactured robot teams to give them a second life. As well as previously owned robots, peripheral equipment such as controllers and manipulators are refurbished to 'like-new' conditions at one of ABB's Global Remanufacture & Workshop Repair Centers."

(iii) Canada bans the production and importation of single-use plastics.

The Government of Canada announced in June 2022 that it would ban the manufacture and importation of single-use plastics by December 2022.

Production and importation of most plastic grocery bags, cutlery, and straws would be banned, with a few exceptions for medical needs. The domestic sale of these items will be prohibited as of December 2023, and exports of such plastics will be stopped by the end of 2025.

In Canada, up to 15 billion plastic grocery bags are used annually, and approximately 16 million straws are used daily.

"Over the next ten years, this ban will result in the estimated elimination of over 1.3 million tonnes of plastic waste and more than 22,000 tonnes of plastic pollution. That's equal to a million garbage bags full of litter," Prime Minister Justin Trudeau said.

Global efforts continue on how to tackle the material that takes centuries to break down.

Kenya, Chile, the United Kingdom, and the European Union have put various bans on single-use plastic goods in place.

The United Nations has laid the foundations for an ambitious, legally binding treaty to reduce plastic waste. The global treaty to "end plastic pollution" could result in caps on plastic production or impose rules to make plastic easier and less toxic to repurpose.

B. United States trade in circular economy goods

For this section, the list of C.E. goods compiled at the 10-digit level of the Harmonized System is based on the following criteria[13]: products identified in the publication *"El comercio internacional y la economía circular en América Latina y el Caribe"* by N. Mulder and M. Albaladejo, ECLAC 2021; products identified by the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal*; products considered in the *OECD's Council Decision on the control of transboundary movements of waste destined for recovery operations*; the publication "*Used electronic products: An examination of United States exports"* USITC, 2013; and, products obtained using *keywords* associated with the concept of C.E. (such as used; waste; scrap; residues; recycling; refurbished; remanufactured; repair (ed); for disposal; disassembly; charitable donation; resale; nonworking; recovery; offal and rebuilt). As a result, a total of 407 goods were identified.

Under this classification, in 2021, the United States imported US$ 24,007 million in C.E. goods, representing 0.85% of total United States imports of goods. The number is about twice as high as the values of 2010 when they amounted to US$9,235 million or 0.5% of total United States imports of goods. The 2021 figures represent a slight increase from the 2020 share, which was 0.79% (see table 13).

The vast majority correspond to minerals, metals, and their manufactures, an extensive group encompassing waste and scrap metals, mechanical, motorized, and self-propelled machines --US$10,979 million in 2021, and transport materials, mainly used motor vehicles --US$9,642 million in 2021 (also in table 13).

United States exports of C.E. goods amounted to US$43,948 million in 2021, continuing with a substantial surplus in circular economy goods. United States exports of C.E. goods represented about 2.5% of total United States exports in 2021. Exports of C.E. goods have fluctuated--US$11,160 in 2005, US$31,263 in 2010, and US$22,977 in 2015, showing an increasing trend in the last two years (also in table 13).

[13] The list of products is the same as in last year's report "United States-Latin America and the Caribbean Trade Developments, 2021"

Table 13
United States trade in C.E. goods by sector
(in million of dollars)

	2000	2005	2010	2015	2020	2021
Imports						
Agriculture, food and beverages	147	415	617	1 580	1 716	2 058
Minerals, metals and their products	1 671	3 456	5 276	5 214	7 669	10 979
Chemical, plasic and rubber	200	300	304	362	345	449
Textils and leather	61	126	128	148	138	174
Forestry, pulp, paper and cardboard	105	113	222	391	587	697
Transport materials	1 363	658	2 678	3 096	8 007	9 642
Musical instruments	0	17	10	10	8	8
Total CE imports	3 547	5 085	9 235	10 801	18 471	24 007
Total imports	1 218 022	1 673 455	1 913 857	2 248 811	2 330 836	2 831 111
Share of CE imports in total imports (%)	0.29%	0.30%	0.48%	0.48%	0.79%	0.85%
	2000	2005	2010	2015	2020	2021
Exports						
Agriculture, food and beverages	1 988	1 945	5 673	7 778	6 668	8 271
Minerals, metals and their products	1 840	6 708	20 754	9 913	14 773	21 848
Chemical, plasic and rubber	225	491	1 049	848	267	378
Textils and leather	75	80	51	27	25	36
Forestry, pulp, paper and cardboard	1 294	1 775	3 458	4 163	3 883	4 937
Transport materials	1 608	160	278	248	6 530	8 477
Total CE exports	7 029	11 160	31 263	22 977	32 146	43 948
Total U.S. Exports	781 918	901 082	1 278 495	1 503 328	1 428 518	1 754 300
Share of CE exports in total exports	0.90%	1.24%	2.45%	1.53%	2.25%	2.51%

Source: United States Census Bureau.

Latin America and the Caribbean represent about 15% of total United States imports of C.E. goods. In 2021 the United States imported US$3,614 million of C.E. goods from the region, more than five times the amount it imported from the region more than twenty years ago. The region's share in the United States C.E. imports has fluctuated from 12% in 2000 to 18% in 2010 to 15% in 2021 (table 14). Imports from the region have been mainly mineral, metals, and their manufactures (US$2,543 million in 2021).

United States exports to the region have been steadily increasing since the beginning of the century. In 2021 reached US$8,767 million or 20% of total United States exports of C.E. goods. Exports to the region are mainly agriculture, food and beverages, minerals, metals, and manufacturing (table 14).

Table 14
United States trade in C.E. goods with Latin America and the Caribbean
(in million of dollars)

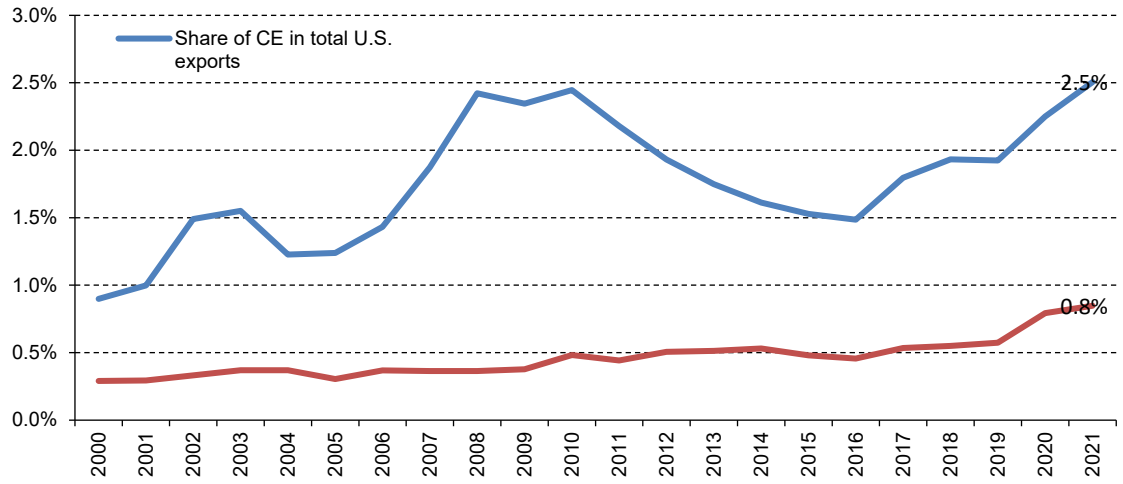
	2000	2005	2010	2015	2020	2021
Imports						
Agriculture, food and beverages	56	113	127	175	151	182
Minerals, metals and their products	290	628	1 335	1 132	1 494	2 543
Chemical, plasic and rubber	45	78	97	145	123	190
Textils and leather	14	52	50	45	25	29
Forestry, pulp, paper and cardboard	5	5	8	10	5	5
Transport materials	24	2	84	244	530	664
Musical instruments	0	0	0	0	0	0
Total CE imports from LAC	434	878	1 700	1 751	2 329	3 614
Share of CE imports from LAC in total CE imports	12%	17%	18%	16%	13%	15%

	2000	2005	2010	2015	2020	2021
Exports						
Agriculture, food and beverages	408	657	1 735	2 941	2 953	3 890
Minerals, metals and their products	335	888	1 316	1 339	1 474	2 540
Chemical, plasic and rubber	35	33	47	42	46	100
Textils and leather	18	35	13	7	8	11
Forestry, pulp, paper and cardboard	243	309	588	390	497	837
Transport materials	287	25	46	80	885	1 391
Total CE exports to LAC	1 327	1 947	3 746	4 799	5 864	8 767
Share of CE exports to LAC in total CE exports	19%	17%	12%	21%	18%	20%

Source: United States Census Bureau.

The share of trade in circular economy goods in total United States trade has been increasing since 2000, both for imports and exports, however modestly. The share of C.E. imports in total United States imports of goods has shown a soft upward trend that reached its maximum both in 2020 and 2021 at 0.8%. Similarly, the share of exports of C.E. in total United States exports of goods reached a peak in 2021 (2.5%), but with a more volatile series, with several peaks and troughs (figure 9).

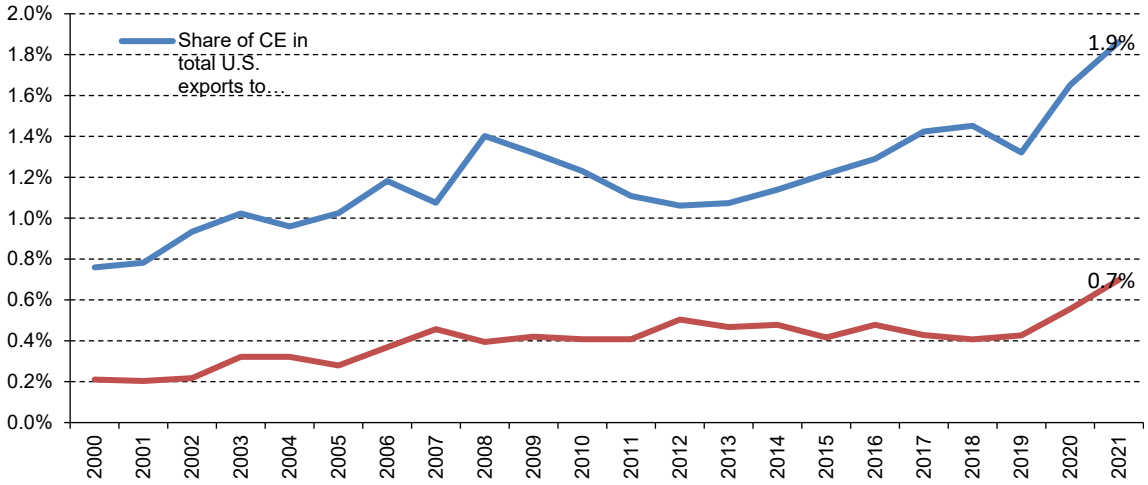
Figure 9
Share of C.E. in United States exports and imports of goods, 2000-2021
(in percentages)



Source: United States Bureau of Census.

United States trade in C.E. goods with Latin America shows a similar trajectory to the aggregated United States C.E. goods trade, albeit at a lower share. A stable but soft upward trend of C.E. imports from Latin America, with a maximum share value of 0.7% in 2021, close to 0.8% worldwide. C.E. exports to the region show more volatile performance over the period, reflecting a share of 1.9% in 2021 (a new peak) in the total United States exports to Latin America compared to 2.5% worldwide (figure 10).

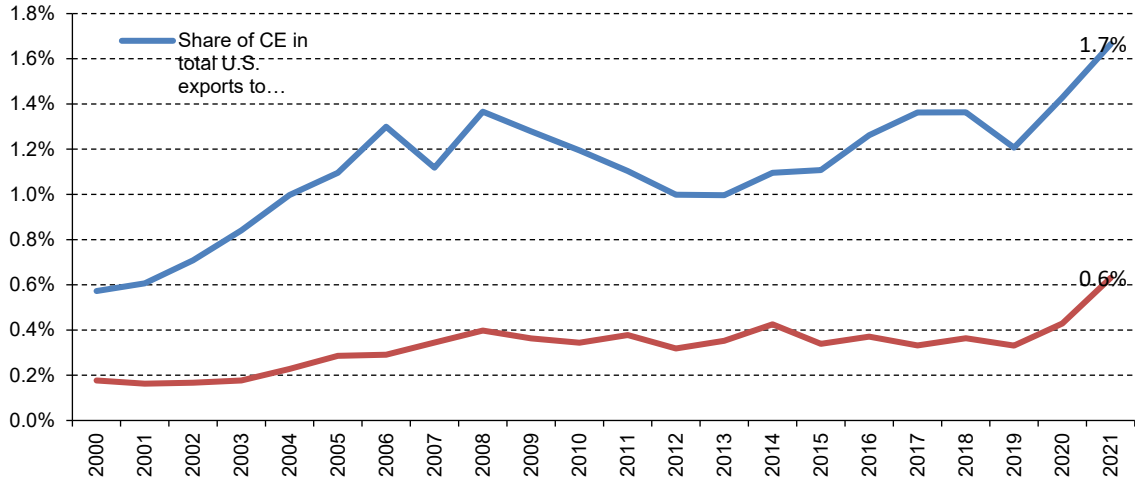
Figure 10
Share of C.E. goods in total exports, imports of goods with Latin America, 2000-2021
(in percentages)



Source: United States Bureau of Census.

United States' trade in C.E. goods with Mexico shows similar shares of those of Latin America, with United States C.E. imports and exports from Mexico reaching their maximum share values in 2021 (0.6% and 1.7%, respectively) (figure 11).

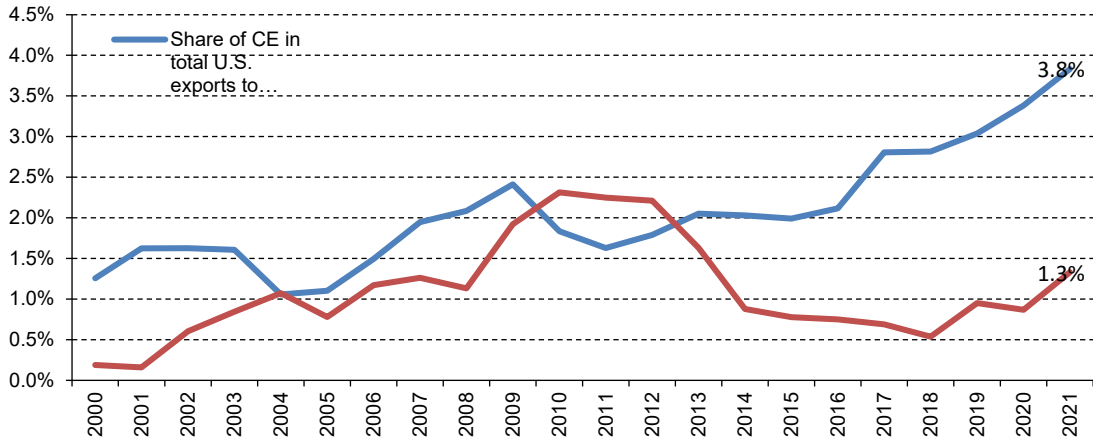
Figure 11
Share of C.E. goods in total exports and imports of goods with Mexico, 2000-2021
(in percentages)



Source: United States Census Bureau.

In the case of the Caribbean, the share of United States C.E. imports from this region fluctuated significantly over the period, reaching a maximum of 2.3% in 2010, decreasing from 2010 to 2014, and then mostly stagnating at around 1%. United States C.E. exports to the Caribbean have been increasing almost uninterruptedly since 2011, reaching the series' peak in 2021. As a whole, the Caribbean's shares in imports and exports are higher than those of Latin America in 2021 (3.8% of exports and 1.3% of imports). (figure 12).

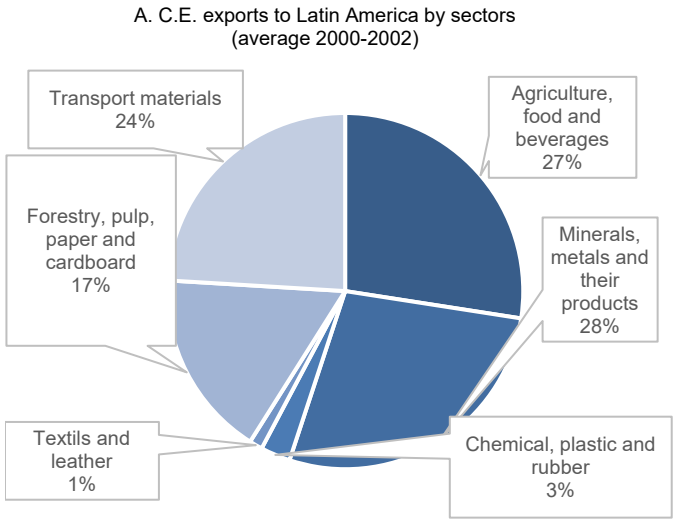
Figure 12
Share of C.E. goods in total exports and imports with the Caribbean, 2000-2021
(in percentages)

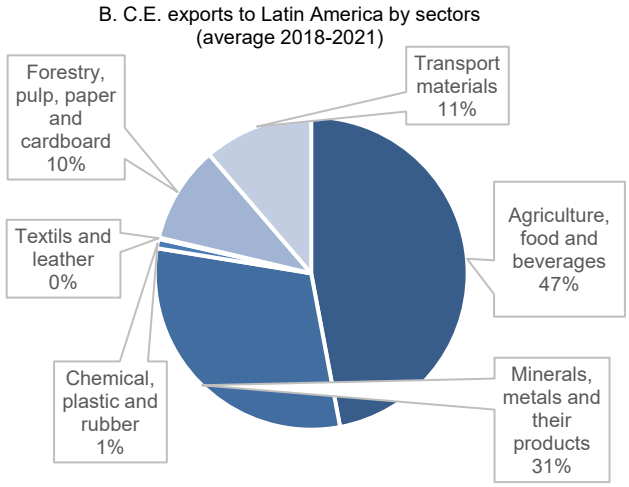


Source: United States Census Bureau.

In recent years (2018-2021), the United States C.E. exports to Latin America have been concentrated in agriculture, food, and beverages, with 47% of C.E. exports corresponding to this sector and minerals, metals, and their products with 31%. At the beginning of the century, minerals, metals, and their products were the most significant sector, with 28%, followed by agriculture, food, and beverages (27%) and transport materials (24%). By 2021, transport was only 11% of C.E. exports (figure 13).

Figure 13
United States C.E. exports to Latin America by sectors
(in percentages)

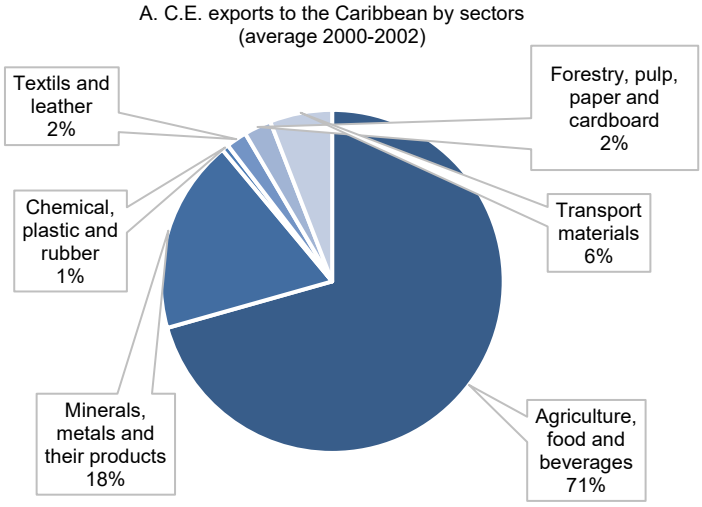


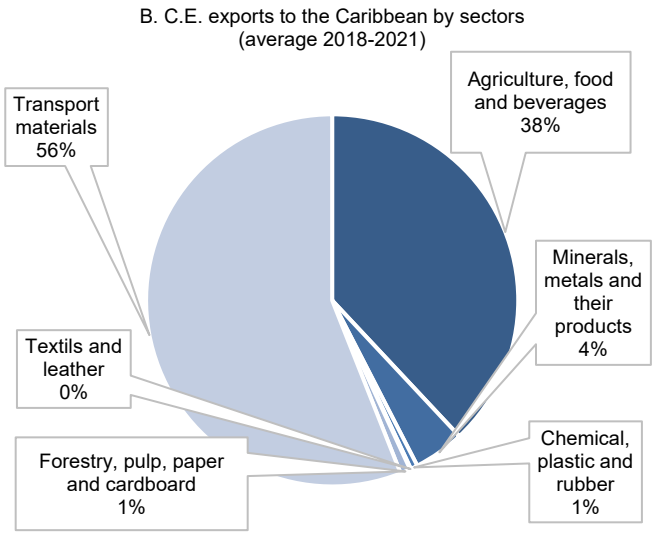


Source: United States Census Bureau.

United States C.E. exports to the Caribbean have been concentrated between 2018 and 2021 in transport materials (56%) and agriculture, foods, and beverages (38%). However, the latter sector lost its share in the first twenty years of this century – between 2000-2002, 71% of C.E. exports to the Caribbean were in the agriculture, food, and beverages sector (figure 14).

Figure 14
United States C.E. exports to the Caribbean
(in percentages)

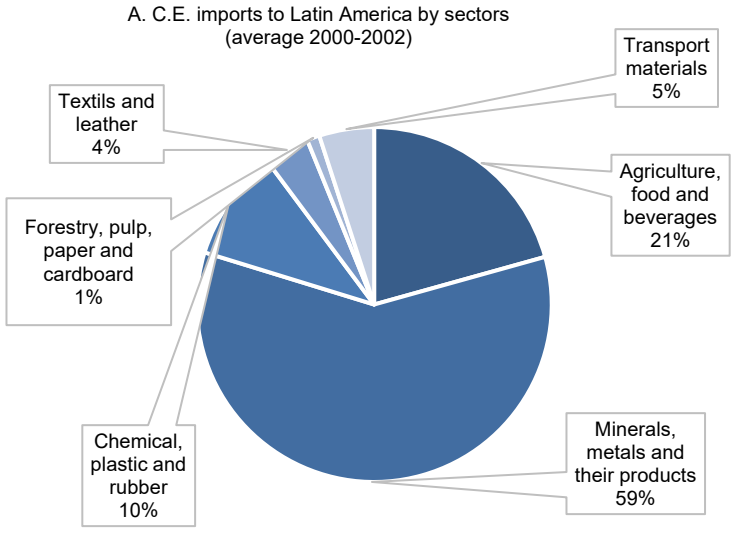


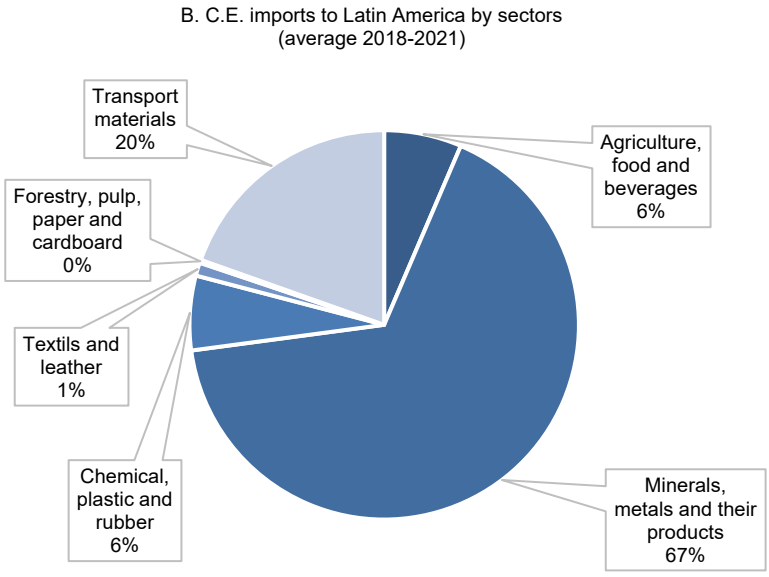


Source: United States Census Bureau.

Considering the same periods, the share of United States C.E. imports from Latin America was led in both periods by minerals, metals, and their products, with 59% percent in 2000-2002 and 67% in 2018-2021. Imports of agriculture, food, and beverages from the region fell as a share of total imports from the region from 21% in 2000-2002 to only 6% in 2018-2021. Between 2018 and 2021, transport materials has been the second most important sector in C.E. imports from the region, with 20% of imports corresponding to that sector (figure 15).

Figure 15
United States C.E. imports from Latin America
(in percentages)

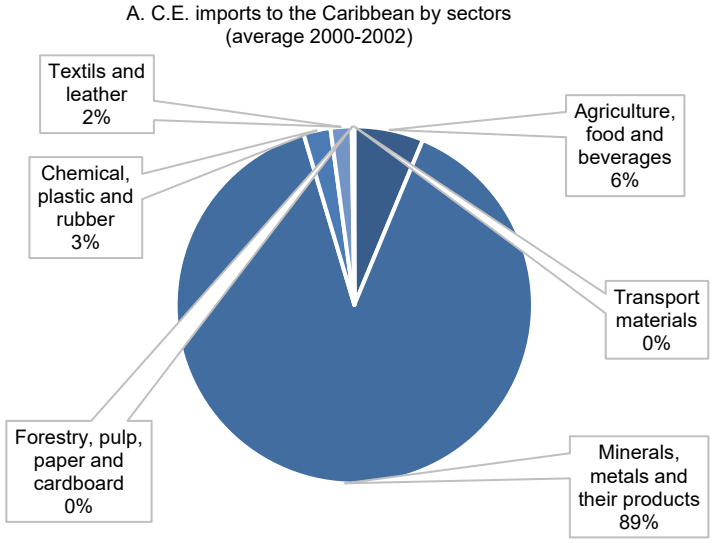


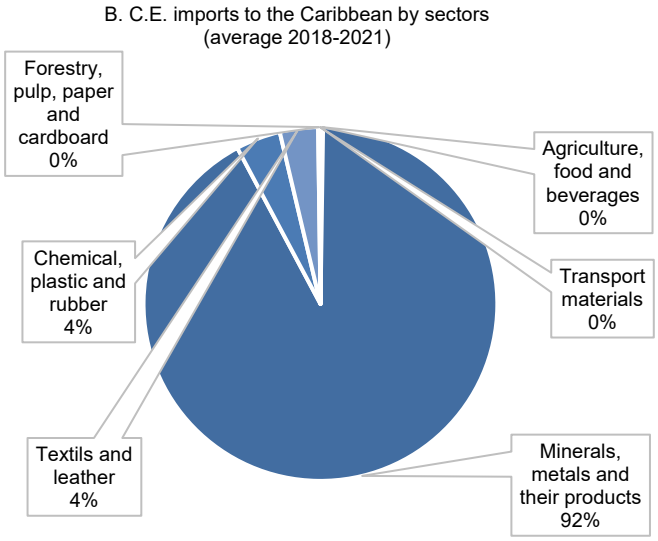


Source: United States Census Bureau

United States C.E. imports from the Caribbean continue to be almost exclusively concentrated in minerals, metals, and their products, with 92% of the imports from the Caribbean corresponding to that sector in the period 2018-2021, with practically no variation from 2000-2002 when it reached a share of 89% (figure 16).

Figure 16
United States C.E. imports from the Caribbean
(in percentages)





Source: United States Census Bureau

III. United States trade relations with China

A. Chronology of escalating tensions between the United States and China

Table 15
Chronology of escalating tensions between the United States and China

	2022
3 January	China extended tariff exclusions on 124 U.S. goods for six months, including on minerals and electronics. These exclusions were created in response to the Section 301 tariffs placed upon Chinese goods during the Trump Administration.
26 January	The World Trade Organization (WTO) awarded China US$645 million against the United States as the result of a dispute over U.S. countervailing duties on Chinese products. The awarded amount is significantly lower than the US$2.4 billion requested by China, but opens the door for the country to impose new or higher tariffs upon the U.S. In a statement released by their Ministry of Commerce, China said that the award serves as evidence of the harm the U.S. has done to the international trade landscape and calls for the U.S. to correct its approach.
4 February	President Biden extended Section 201 tariffs on imported solar panels by four years. “Bifacial” solar panels, which generate electricity on both sides and are often used in utility-scale solar projects, will be exempt, and the highest tariff rate will apply only to cells that generate more than 5 gigawatts of power per year, up from 2.5. This comes after China had previously filed a WTO dispute over these tariffs in 2018, alleging that they harmed China’s trade interests. The President said that the “extension of this safeguard measure will provide greater economic and social benefits than costs.”
18 February	The Biden administration reinstates 352 product exclusions from the US Section 301 tariffs imposed under the Trump administration. Following through on its October 2021 announcement, the exclusions apply retroactively, from October 12, 2021, and extend through December 31, 2022.
28 March	The U.S. Trade Representative added two of China’s e-commerce platforms (WeChat and AliExpress) to its annual list of “notorious markets.” This list demarcates markets as harmful platforms that sell counterfeit or pirated goods.
30 March	During a House Ways & Means Committee hearing on the Biden Administration’s 2022 Trade Policy Agenda, U.S. Trade Representative Katherine Tai acknowledged that talks with China have grown increasingly difficult and now vowed to “turn the page” on the old China strategies, which involved pressing the country to change. Instead, Tai emphasizes the need to “vigorously defend our values and economic interests from the negative impacts of China’s economic policies and practices.”
7 October	The U.S. Commerce Department’s Bureau of Industry and Security (BIS) unveiled new rules restricting China’s ability to obtain advanced computing chips, develop and maintain supercomputers and manufacture advanced semiconductors. The goal is to limit China’s ability to acquire advanced technologies it could use for military purposes

	2021
13 January	Customs and Border Protection (CBP) issued a Withhold Release Order (WRO) against cotton products and tomato products produced in Xinjiang based on information that reasonably indicates the use of detainee or prison labor and situations of forced labor.
20 January	China imposed sanctions on 28 former Trump administration officials, including outgoing Secretary of State Mike Pompeo. In a statement released, China's Foreign Ministry said it had decided to sanction those "who have seriously violated China's sovereignty and who have been mainly responsible for such U.S. moves on China-related issues." The sanctions prohibit those individuals and their immediate family members from entering mainland China, Hong Kong and Macao. They are also restricted from doing business with China, as are any companies or institutions associated with them.
10 March	The United States Trade Representative (USTR) published an extension of the COVID-19 related medical-care and response product exclusions from Section 301 duties covering imports from China. The agency determined it would be inappropriate to allow the exclusions to lapse in consideration of the ongoing efforts to combat the COVID-19 pandemic. The extensions are effective for six months through September 30, 2021. USTR originally extended the Section 301 exclusions for these 99 products on December 29, 2020. The extensions were set to expire on March 31, 2021. The list of products includes x-ray equipment, oxygen tubes, hand soap, hand sanitizer, and personal protective equipment, among others.
12 March	The Federal Communications Commission (FCC) designated five Chinese companies as posing a threat to national security under Public Law No: 116-124 (03/12/2020) aimed at protecting U.S. communications networks. The FCC said the companies included Huawei Technologies Co, ZTE Corp, Hytera Communications Corp, Hangzhou Hikvision Digital Technology Co and Zhejiang Dahua Technology Co.
17 March	The U.S. sanctioned an additional 24 Chinese and Hong Kong officials over Beijing's ongoing crackdown on political freedoms in Hong Kong, ahead of U.S. Secretary of State Antony Blinken's meeting with top Chinese diplomats in Alaska. Foreign financial institutions that knowingly conduct significant transactions with the listed individuals will be subject to the U.S. sanctions.
17 March	The Federal Communications Commission (FCC) launched a proceeding to determine whether to end China Unicom Americas' authority to provide domestic interstate and international telecommunications services within the United States under section 214 of the Communications Act. The Commission has raised concerns regarding the vulnerability of subsidiaries of Chinese state-owned enterprises to the exploitation, influence, and control of the Chinese government.
22 March	The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned two current Chinese government officials in connection with serious human rights abuses against ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR). These designations include Wang Junzheng, the Secretary of the Party Committee of the Xinjiang Production and Construction Corps (XPCC), and Chen Mingguo, Director of the Xinjiang Public Security Bureau (XPSB). These individuals are designated pursuant to Executive Order (E.O.) 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act and targets perpetrators of serious human rights abuse and corruption.
8 April	The Department of Commerce's Bureau of Industry and Security (BIS) has added seven Chinese supercomputing entities to the Entity List for conducting activities that are contrary to the national security or foreign policy interests of the United States.
8 April	The U.S. Senate Foreign Relations Committee's Democratic Chairman, Senator Robert Menendez (D-NJ), and Senator Jim Risch (R-ID), introduced a bipartisan agreement entitled the Strategic Competition Act of 2021. The Act seeks to counter the expanding global influence of China. If enacted, the bill would place additional sanctions on Chinese officials accused of alleged human rights abuses in Hong Kong and Xinjiang, authorize funds to promote democracy in Hong Kong, and void all restrictions on U.S. officials' interaction with Taiwanese counterparts.
16 April	U.S. President Joe Biden and Japanese Prime Minister Yoshihide Suga committed to working together to take on the challenges from China, at a joint news preference in the White House.
21 April	The U.S Senate Foreign Relations Committee has approved the Strategic Competition Act of 2021, signaling bipartisan consensus on orienting U.S. policy towards being more aggressive in efforts to counter China. The Act was amended to provide more aid to Africa and Latin America to counter China's financial aid to these countries, grant greater funding for U.S technology industries, and strengthen the U.S. International Development Finance Corp to compete against the China Development Bank, which has played an instrumental role in Beijing's signature Belt and Road Initiative.
3 June	President Biden issued a new executive order barring Americans from investing in Chinese firms that are linked to the country's military or that sell surveillance technology used to repress dissent or religious minorities, both inside and outside China. The new order expands on an earlier Trump-era blacklist and hits 59 Chinese firms, including the communications giant Huawei. Many of the newly targeted companies are subsidiaries and affiliates of major state-owned companies and businesses named on the earlier blacklist.
8 June	The U.S. Senate adopted by a 68-32 vote S. 1260, the United States Innovation and Competition Act (USICA), intended to boost the country's ability to compete with Chinese technology. The bill would invest more than US$250 billion to boost U.S. semiconductor production, scientific research, development of artificial intelligence, and space exploration in the face of growing economic, technological, and military competition from China. The Senate's action highlights a bipartisan consensus in Congress on the U.S. strategy for responding to China's rise.
9 June	President Joe Biden withdrew a series of Trump-era executive orders that sought to ban new downloads of WeChat and TikTok. To replace the Trump-era ban, Biden signed new orders calling for the Commerce Department to launch national security reviews of apps with links to foreign adversaries, including China.
10 June	China's national legislature, the National People's Congress (NPC), approved the Anti-Foreign Sanctions Law. The new law offers a legal foundation for China to counter U.S. and EU sanctions over trade, technology, Hong Kong, and Xinjiang. The Law gives the Chinese government a legal tool to respond to

	foreign sanctions with its own countersanctions, which could affect individuals and companies doing business in China, along with other foreign actors operating in the country.
10 June	U.S. Commerce Secretary Gina M. Raimondo held an introductory call with the Minister of Commerce of the People's Republic of China, Wang Wentao. Secretary Raimondo discussed the Biden-Harris Administration's focus on economic policies benefiting American workers and expressed U.S. concerns, including China's unfair and market-distorting industrial policies, the need to level the playing field for U.S. companies in China, and the importance of protecting U.S. technology from unauthorized users.
24 June	The U.S. Commerce Department ordered a ban on U.S. imports of a key solar panel material from Chinese-based Hoshine Silicon Industry Co., Ltd. to halt commerce tied to the country's repressive campaign against Uyghurs and other minorities.
9 July	The Department of Commerce's Bureau of Industry and Security (BIS) added 34 entities to the Entity List for their involvement in, or risk of becoming involved in, activities contrary to the foreign policy and national security interests of the United States. Of these 34 entities, 14 are based in the People's Republic of China (PRC) and have enabled Beijing's campaign of repression, mass detention, and high-technology surveillance against Uyghurs, Kazakhs, and members of other Muslim minority groups in the Xinjiang Uyghur Autonomous Regions of China (XUAR), where the PRC continues to commit genocide and crimes against humanity. Commerce added another five entities directly supporting PRC's military modernization programs related to lasers and C4ISR programs to the Entity List.
16 July	The U.S. Department of State, the U.S. Department of the Treasury, the U.S. Department of Commerce, and the U.S. Department of Homeland Security issued an advisory to highlight growing risks associated with actions undertaken by the Government of the People's Republic of China and the Government of the Hong Kong Special Administrative Region (SAR) that could adversely impact U.S. companies that operate in the Hong Kong SAR of the People's Republic of China.
23 July	China announced its decision to impose sanctions on seven American citizens and entities, including former Commerce Secretary Wilbur Ross, in response to recent U.S. actions over Chinese threats to Hong Kong's autonomy. This marks the first time China places counter-sanctions measures using its new anti-foreign sanction law. China also imposed unspecified "reciprocal counter-sanctions" on the current or former heads of a range of organizations, including the Congressional-Executive Commission on China, U.S.-China Economic and Security Review Commission, National Democratic Institute for International Affairs, International Republican Institute, Human Rights Watch, and on the Washington-based Hong Kong Democracy Council.
25 August	The U.S. officials have approved license applications for the Chinese telecom company Huawei to purchase chips for its auto component business. The license applications are said to be worth hundreds of millions of dollars and the chips will be used in vehicle components, such as video screens and sensors. It's suspected that the license is approved because auto chips are considered less sophisticated, which are less susceptible to US bans.
1 September	Stating that they would gravely damage U.S.-China trade relations, China's ambassador to the U.S. denounced the U.S. Innovation and Competition Act and the Ensuring American Global Leadership and Engagement Act. Ambassador Qin Gang stated that the bills "underestimate the common interests between the two countries," and that if they are passed, China may be forced to retaliate with comparable measures.
27 September	The World Trade Organization rejected China's complaint against a U.S. safeguard measure on Chinese solar panel imports. In a statement, argued that the WTO's ruling has "substantially lowered the threshold of imposing safeguard measures." China appealed the ruling, stating that it did so to ensure that the WTO respects prior precedent.
4 October	In a speech, USTR Katherine Tai says the Biden administration will enforce the phase one agreement, including the $200 billion purchase commitments. It will also begin a new "targeted tariff exclusion process" to provide selective relief to US importers adversely affected by the US tariffs that remain on nearly two-thirds (roughly $335 billion) of US imports from China. Notably, however, she also says that the Biden Administration is not planning on negotiating a 'phase two' deal, rather it will focus on having China meet its pre-agreed quotas. Tai further mentioned that this comes at a time when China has "doubled down" on its non-market economic practices.
20 October	In a trade policy review overseen by the World Trade Organization, accusations were leveled at China for not addressing its state-run economy, which is alleged to disrupt global trade and create unfair trade landscapes. Notably, the U.S. alleged that China continues to produce in areas where there is a global overcapacity. In response, China's Vice Minister of Commerce Wang Shouwen characterized the accusations as untrue, stating that there is no overcapacity in its copper, steel, and aluminum production.
11 November	China's President Xi Jinping stated that China is seeking market reform, increasing market access and foreign investment opportunities, as it pursues its application to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. This comes soon after the U.S. has put forward its own plans to be competitive in the Indo-Pacific region with its Indo-Pacific Economic Framework.
23 December	U.S. President Joseph Biden signed the Uyghur Forced Labor Prevention Act into law, which would restrict goods that can be imported from China's Xinjiang Uyghur Autonomous Region. China has repeatedly denied the existence of forced labor practices in the region.
	2020
15 January	The United States and China sign the Economic and Trade Agreement Between the United States of America and the People's Republic of China: Phase One. The agreement took effect on 14 February 2020. China agrees to purchase an additional US$200 billion worth of some items of U.S. exports with respect to the 2017 value over 2020 and 2021. Most tariffs remain in effect but as part of the China will halve tariffs on 1,717 U.S. goods, lowering the tariff on some items from 10% to 5%, and others from 5%

	to 2.5%. The tariff cuts will apply to a list of additional tariffs that took effect on September 1, worth US$75 billion, effectively halving tariffs on US$75 billion worth of goods. The U.S. commitment under the Phase One Trade Deal is to slash tariffs from 15% to 7.5% on US$120 billion worth of goods.
17 February	China grants tariff exemptions to 696 U.S. goods to fulfill the commitments made in the trade deal with the U.S. The 696 products include pork, beef, soybeans, wheat, corn, sorghum, ethanol, liquefied natural gas, crude oil, steel rails, and some medical equipment.
10 March	Invoking section 721 of the Defense Production Act of 1950, President Trump ordered the divestiture of the U.S. firm StayNTouch, Inc. by the Chinese firm Beijing Shiji Information Technology Co., Ltd., on 6 March 2020, citing national security concerns. The Federal Register published the document on 10 March 2020.
8 May	The U.S. and China reaffirm their commitments under Phase-One trade deal. According to an announcement made by the USTR and the U.S. Treasury Secretary, the Chinese Vice Premier, the U.S. Trade Representative, and the U.S. Treasury Secretary held a conference call where they pledged their continued support for the Phase One Trade Deal, which took effect in February. In confirmation, China's Commerce Ministry released a statement saying that the two sides agreed to improve the atmosphere for implementation of the Phase One Trade Deal, which calls for Beijing to boost its purchases from the U.S. by US$200 billion, over two years, compared to the 2017 baseline. China ramped up its imports of U.S. pork, purchasing 40,200 tons of meat just in early May, the largest order since October 2019. This comes as U.S. meat output has dropped by more than 30% due to slaughterhouse closures under COVID-19.
12 May	China announces new list of U.S. commodities excluded from tariffs from May 19, 2020 to May 18, 2021. China's State Council Customs Tariff Commission announced a new list of 79 U.S. products eligible to be excluded from retaliatory tariffs. The latest list includes U.S. imports of medical disinfectants, rare earth ores, silver and gold ores and concentrates, and some nickel and aluminum alloy products. This is the fifth list of U.S. items exempted from tariff.
12 May	President Donald Trump ordered the main federal government pension fund, Federal Retirement Thrift Investment, not to invest its portfolio in Chinese companies, citing a serious national security risk to the US.
15 May	President Trump extended his May 2019 executive order barring U.S. firms from buying telecommunications equipment made by companies deemed to be national security risks. The U.S. Department of Commerce followed up by extending a temporary license that allows some U.S. companies to work with the Chinese company Huawei until 13 August.
15 May	The U.S. Department of Commerce's Bureau of Industry and Security (BIS) announced new restrictions on Huawei's ability to use U.S. technology and software to design and manufacture its semiconductors abroad. This announcement cuts off Huawei's efforts to undermine U.S. export controls.
29 May	President Trump issued a presidential proclamation that bars the entry (or the issuance of visas) of Chinese students to the United States who are in "F" or "J" status in graduate-level programs and who are or had been associated with People's Republic of China (PRC) entities involved with the PRC's "military-civil fusion strategy." The proclamation also calls on the U.S. State Department to consider using its visa revocation authority to revoke previously issued visas in this category and directs the U.S. State Department and Department of Homeland Security (DHS) in the next 60 days to review possible immigration measures for other immigrant and non-immigrant visa classifications to deal with this issue.
4 June	New Nasdaq restrictions affecting listing of Chinese Companies. Nasdaq requires auditing firms to ensure all listed companies comply with international reporting and inspection standards.
14 July	The U.S. Department of Agriculture announced that China booked its biggest single-day U.S. corn purchase on July 14, buying 1.762 million metric tons of U.S. corn. The deal eclipsed the previous single-day record sale to China of 1.45 million tons of corn set in 1994. And this is after July 10 when Chinese buyers just purchased 1.365 million tons of US corn. On July 14, China also booked deals to buy 129,000 tons of soybeans. The trade deals are to meet China's commitments in the US-China phase one trade deal to buy US$80 billion worth U.S. agricultural products in 2020 and 2021.
15 July	President Trump signs an executive order formally revoking Hong Kong's "special status" in diplomatic and trade relations and declares the U.S. will treat the city of Hong Kong as part of mainland China, including for trade, export control and visa purposes.
17 July	The United States asked the World Trade Organization to authorize retaliatory tariffs against China for what it claims is Beijing's failure to implement a dispute settlement panel ruling that found China was violating its agricultural domestic support commitments. The U.S. is asking the WTO to authorize tariffs on US$1.3 billion worth of Chinese products, which it claims is "on the level of the nullification or impairment of benefits accruing" to the U.S. from China's noncompliance, according to the communication. China had until 30 June 2020 to implement the February 2019 dispute settlement panel ruling that found China was miscalculating its domestic support for wheat and rice and, when calculated correctly, was in excess of its domestic support commitments.
17 July	The U.S. Commerce Department's Bureau of Export Administration announces new rule making explicit that Huawei needs a special license to purchase semiconductor chips using U.S. technology or software even if the chips were produced in a third country. These new rule amend the longstanding foreign-produced direct product rule as follows: where U.S. software or technology is the basis for a foreign-produced item that will be incorporated into, or will be used in the "production" or "development" of any "part," "component," or "equipment" produced, purchased, or ordered by any Huawei entity on the Entity List; or when any Huawei entity on the Entity List is a party to such a transaction, such as a "purchaser," "intermediate consignee," "ultimate consignee," or "end-user."
17 July	The U.S. Commerce Department added 38 Huawei affiliates to the Entity List.
20 July	The U.S. Commerce Department's Bureau of Industry and Security adds eleven Chinese entities implicated in human rights abuses in Xinjiang to the Entity List.

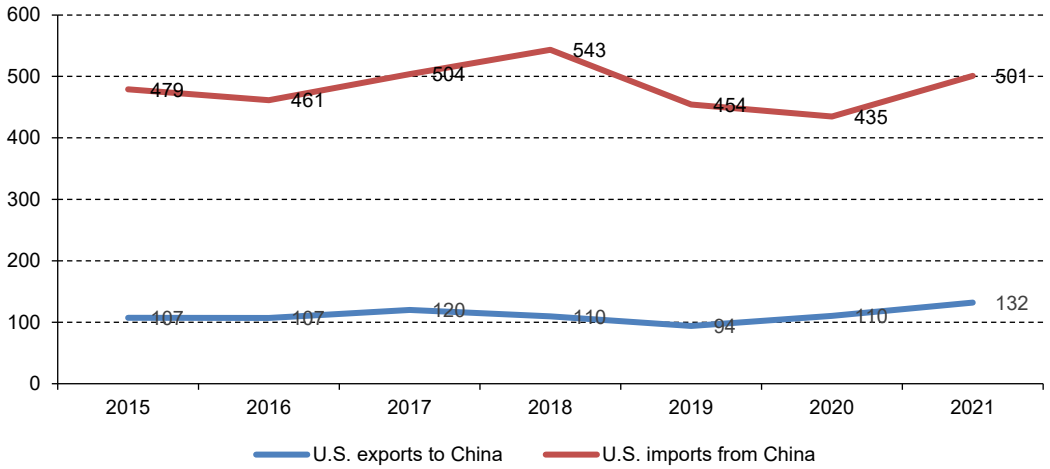
21 July	The United States orders China Consulate in Houston, Texas closed, “to protect American intellectual property" and the private information of Americans.
22 July	The U.S. seeks public comments to exclude Chinese imports from Section 301 tariffs. The Office of the U.S. Trade Representative (USTR) has announced 37 exemption lists, which excluded specific Chinese imports from U.S. additional tariffs. However, 84% of the exclusion requests had been rejected by the USTR by 31 January 2020. With the COVID-19 pandemic worsening in the U.S, the USTR is now prioritizing the review of requests concerning medical products. It is also seeking public comments on whether to remove additional products subject to Section 301 tariffs that are necessary to the US response to COVID-19.
24 July	China orders the closure of the U.S. consulate in the south-western city of Chengdu, China.
17 July	
11 August	The U.S. Customs and Border Protection (CBP) issued a notice requiring that goods produced in Hong Kong and exported to the U.S. must be marked to indicate that their origin is “China” after September 25, 2020. Failure to mark an article in accordance with the requirements shall result in the levy of a duty of ten percent ad valorem.
19 August	The U.S. government announced it would suspend or terminate three bilateral agreements with Hong Kong, covering surrender of fugitive offenders, the transfer of sentenced persons, and reciprocal tax exemptions on income derived from the international operation of ships. The suspension of the reciprocal tax agreement implies that Hong Kong-registered shipping firms, which derive transport income from the U.S. may be subject to U.S. taxes on their gross income.
25 August	Ambassador Lighthizer and Secretary Mnuchin participated in a regularly scheduled call with China’s Vice Premier Liu He to discuss implementation of the historic Phase One Agreement between the United States and China. The parties addressed steps that China has taken to effectuate structural changes called for by the Agreement that will ensure greater protection for intellectual property rights, remove impediments to American companies in the areas of financial services and agriculture, and eliminate forced technology transfer. The parties also discussed the significant increases in purchases of U.S. products by China as well as future actions needed to implement the agreement. Both sides see progress and are committed to taking the steps necessary to ensure the success of the agreement.
1 September	Dozens of U.S. imports from China, including disposable face masks, respirators, Bluetooth tracking devices and musical instruments, are granted short extensions to previous tariff exemptions until the end of 2020.
14 September	U.S. Customs and Border Protection (CBP) issued five Withhold Release Orders (WRO) today on products from the People’s Republic of China (PRC). The products subject to the WROs are produced with state-sponsored forced labor in the Xinjiang Uyghur Autonomous Region, where the Chinese government is engaged in systemic human rights abuses against the Uyghur people and other ethnic and religious minorities. The new WROs direct CBP Officers at all ports of entry to withhold release on cotton, apparel, hair products and computer parts from four Xinjiang companies.
15 September	China’s Tariff Commission of the State Council announced that it will extend tariff exemptions for 16 U.S. products for one year. The products were originally exempt from China’s additional tariffs from September 17, 2019 to September 16, 2020. Now, the September 16, 2020 deadline has been extended for another year to September 16, 2021. Exemption list 1 covers products like shrimp and prawn seedlings, lubricants, and alfalfa meal. Exemption list 2 covers products like release agent, whey for fodder, Iso-alkane solvent, and lubricating base oil.
15 September	U.S. resumes tariff-free treatment of non-alloyed, unwrought aluminum from Canada retroactive to September 1, 2020, provided Canada restricts exports of those products. Canada withdraws its planned retaliation but denies it agreed to export quotas.
2 December	The U.S. Department of Homeland Security announced that U.S. Customs and Border Protection (CBP) personnel at all U.S. ports of entry will detain shipments containing cotton and cotton products originating from the Xinjiang Production and Construction Corps (XPCC). CBP’s Office of Trade directed the issuance of a Withhold Release Order (WRO) against cotton products made by the XPCC based on information that reasonably indicates the use of forced labor, including convict labor.
2 December	President-elect Joe Biden will not immediately remove tariffs imposed by President Donald Trump on China, a legacy of the outgoing administration’s trade war. “I’m not going to make any immediate moves, and the same applies to the tariffs. I’m not going to prejudice my options.” (New York Times).

Source: ECLAC on the basis of official documents, news articles, and specialized publications.

B. Trade flows

Trade in goods between the United States and China reached US$ 633 billion in 2021, reflecting US$ 501 billion in United States imports from China and US$ 132 billion in exports. As presented in Figure 17, the 2021 value of United States imports from China is the second-highest amount on record after the peak of 2018. On the other side, United States exports to China reached the highest value of the series in 2021.

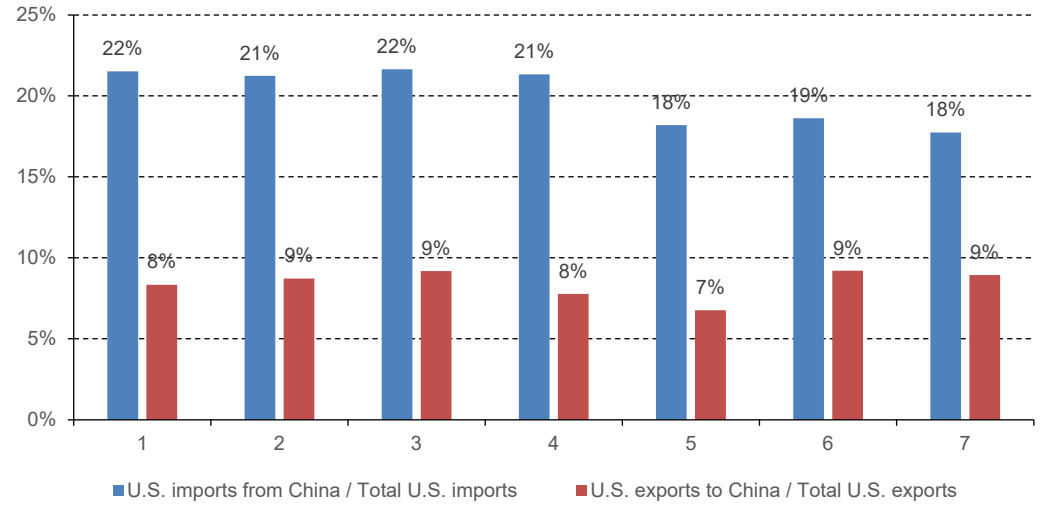
Figure 17
United States trade in goods with China
(in billion of dollars)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

United States exports to China as a share of total United States exports hovered around 9% in 2021 and 2020, above their 2019 value (7%), which was the lowest value in recent years. For its part, the share of United States trade with China as a proportion of total United States trade is shown in Figure 18. This figure highlights that the share of China in total United States imports decreased to around 18% since 2019, from an average of 21% in the previous years.

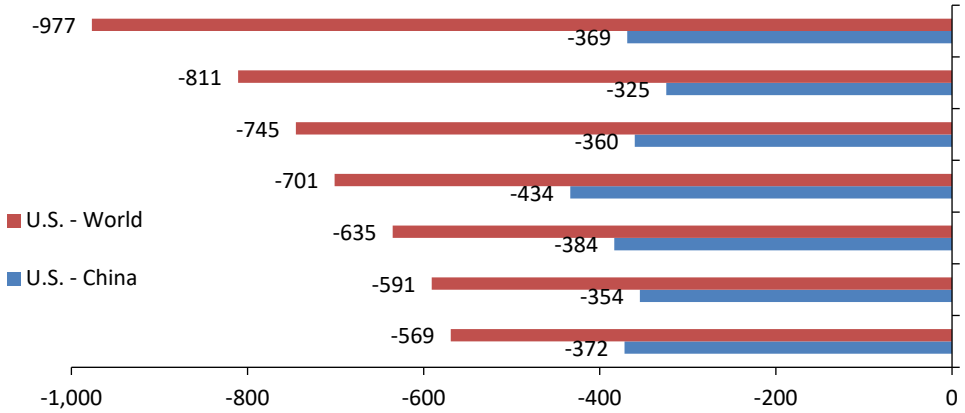
Figure 18
Share of trade in goods with China in total United States trade in goods,2015-2021
(in percentages)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

The United States' trade balance with China has fallen significantly since 2018 (when it reached US$ 434 billion), and the deficit in 2021 totaled US$ 369 billion. Meanwhile, the United States' total trade deficit has increased, reaching a record US$ 977 billion in 2021 (figure 19).

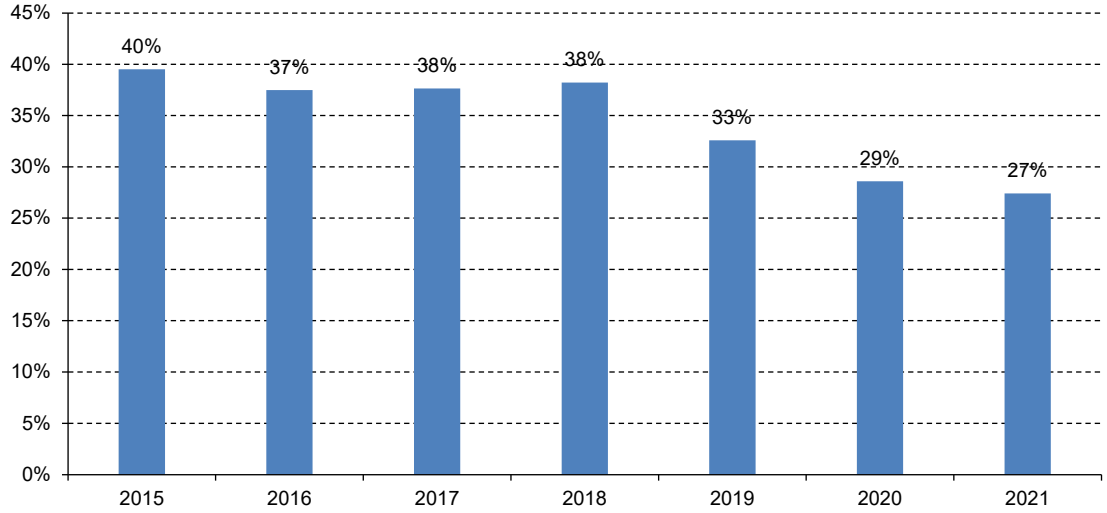
Figure 19
United States trade balance
(in billion of dollars)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

Figure 20 presents the United States' trade deficit with China as a share of the total United States trade deficit. In 2018, the deficit with China represented 38% of the United States trade deficit; in 2019 fell to 33% and kept falling in 2020 (29%) and 2021 (27%). In 2018, the United States administration adopted several trade measures in the context of its trade dispute with China. On 22 March 2018, the United States Trade Representative (USTR) released a report finding that China was conducting unfair trade practices related to technology transfer, intellectual property, and innovation under Section 301 of the Trade Act of 1974. Under Section 301(2), China Trade Barriers Investigation "Discriminatory or unreasonable practices" resulted in three stages of actions taken. In Stage 1, a 25% import tariff was imposed on 818 United States imports (around US$34 billion) on 6 July 2018. Stage 2 resulted in a 25% import tariff on 279 United States imports (about US$16 billion) on 23 August 2018. Stage 3 resulted in a 10% tariff on 5,745 United States imports (about US$200 billion) on 24 September 2018, which, on 10 May 2019, was increased to 25%. The new tariffs under sections 232, 201, and 301 affected 85 percent of tariff lines from China.

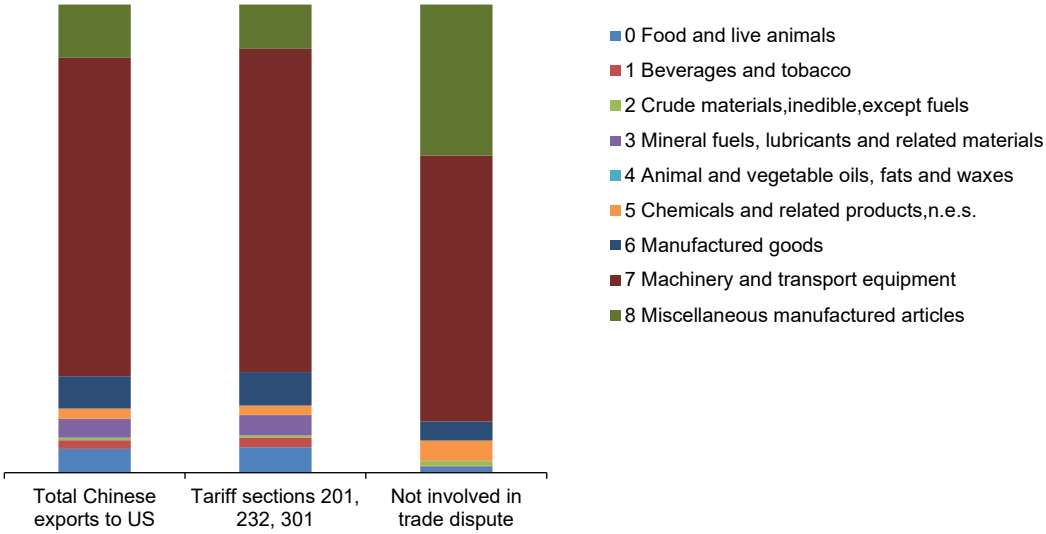
Figure 20
United States trade deficit with China
(as a share of the United States deficit with the World)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

Figure 21 depicts the United States' imports from China by the trade dispute involvement and sectoral composition, which highlights that China's most significant sectoral share of tariff-affected goods falls on manufactured and chemical goods (SITC sections 7, 8, 6, and 5).

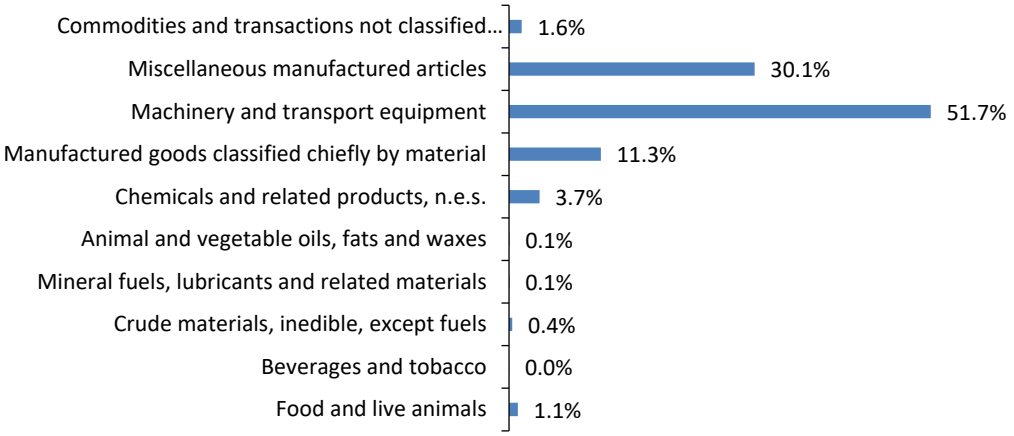
Figure 21
United States: Imports from China by Trade Dispute Involvement and Sectoral Composition average 2015-2020
(in percentages)



Source: Trade Tensions between China and the United States: an opportunity for Latin America and the Caribbean in the United States market? (Artecona et al., forthcoming).

Figure 22 presents the sectoral market share of United States imports from China for the average of 2015-2021. The figure shows that most imports came from machinery and transport equipment (51.7% of total United States imports from China), followed by miscellaneous manufactured articles (30.1%).

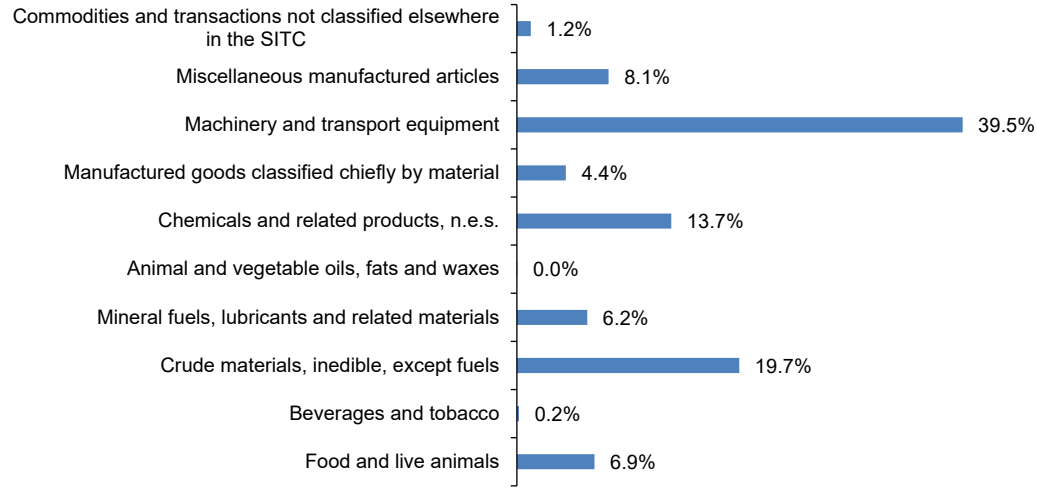
Figure 22
United States imports of goods from China
(SITC sectorial share, average 2015-2021)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

For the same sectorial classification and years, Figure 23 reflects United States exports to China, which highlights machinery and transport equipment (with 39.5% of total United States exports to China) as the leading SITC sector exporter, followed by crude materials (19.7%), and chemicals (13.7%).

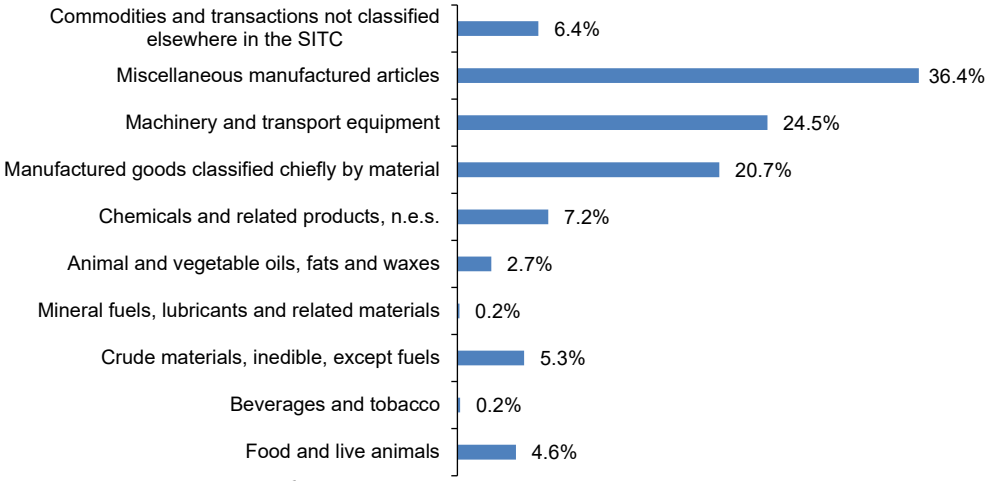
Figure 23
United States exports of goods to China
(SITC sectorial share, average 2015-2021)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

A similar analysis is presented in Figure 24; however, in this case, the values reflect the SITC sectoral market share of United States imports from China in relation to total United States imports, again for the average of 2015-2021. The figure highlights miscellaneous manufactured articles (36.4% of total United States imports), followed by machinery and transport equipment (24.5%), and manufactured goods (20.7%) as the sectors with the highest market share among all United States sectorial imports.

Figure 24
United States imports of goods from China
(SITC sectorial share to total United States imports, average 2015-2021)

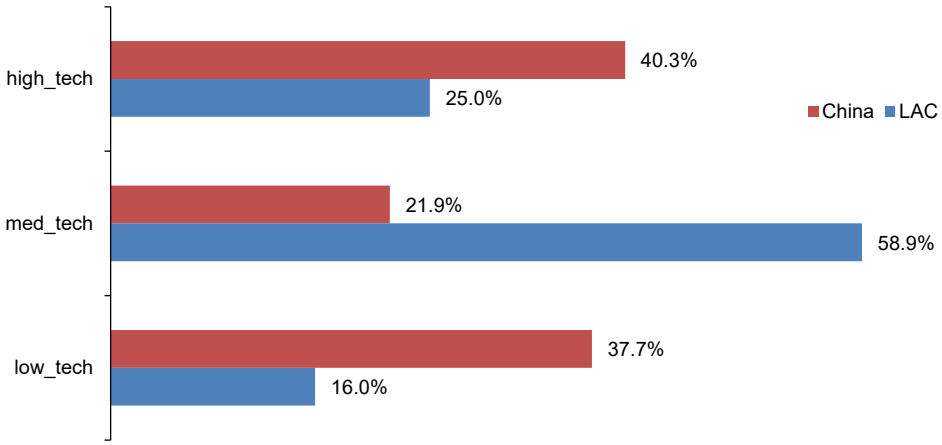


Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

Finally, following Lall's[14] technological classification of products (Lall 2000), Figure 25 presents this classification for 2021. The data belongs to the United States imports from China, Latin America and the Caribbean (LAC). The results for China reflect that most of the United States imports from this country are classified as high technological products (40.3%), followed by low technological (37.7%), and the remaining as medium technological (21.9%). In the case of LAC, most of the United States imports belong to medium technology (58.9%), followed by high technology (25%) and low technology (16%) categories.

14 Lall's (2001) technological classification of products includes the following categories and subcategories:
Primary products (PP).
Resource-based manufactures (RB): agro-based (RB1), and other products (RB2).
Low technology manufactures (LT): textile, garment, and footwear (LT1), and other products (LT2).
Medium technology manufactures (MT): automotive (MT1), process (MT2), and engineering (MT3).
High technology manufactures (HT): electronic and electrical (HT1), and other products (HT2).
For the analysis in this section, only those categories belonging to low, medium, and high technology manufactures were considered.

Figure 25
United States imports of goods from LAC and China by Lall's technological classification in 2021
(share of total technological classified imports)



Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov).

Moreover, Table 16 opens Lall's classification for LAC of Figure 26 in some selected countries of the region, where it can be seen that most countries have a significant share in medium technology, as was reflected in the aggregated data presented in Figure 25.

Table 16
United States imports goods from selected LAC countries
(share by Lall's technological classification, 2021)

	low_tech	med_tech	high_tech
Argentina	15.6%	55.1%	29.3%
Bolivia	90.6%	8.8%	0.5%
Brazil	14.4%	63.7%	21.8%
Chile	19.3%	67.5%	13.2%
Colombia	62.9%	31.4%	5.7%
Costa Rica	17.5%	71.0%	11.5%
Dominican Republic	42.4%	48.4%	9.2%
Ecuador	38.3%	56.2%	5.5%
El Salvador	93.6%	3.3%	3.1%
Guatemala	93.1%	6.6%	0.3%
Honduras	77.2%	22.6%	0.2%
Mexico	12.6%	60.5%	26.9%
Nicaragua	78.8%	21.1%	0.1%
Panama	60.0%	20.5%	19.6%
Paraguay	41.5%	57.5%	0.9%
Peru	86.9%	12.2%	0.9%
Uruguay	38.4%	54.0%	7.6%
Venezuela	6.7%	92.6%	0.7%

Source: Authors' calculations based on data from the United States International Trade Commission (dataweb.usitc.gov)

.

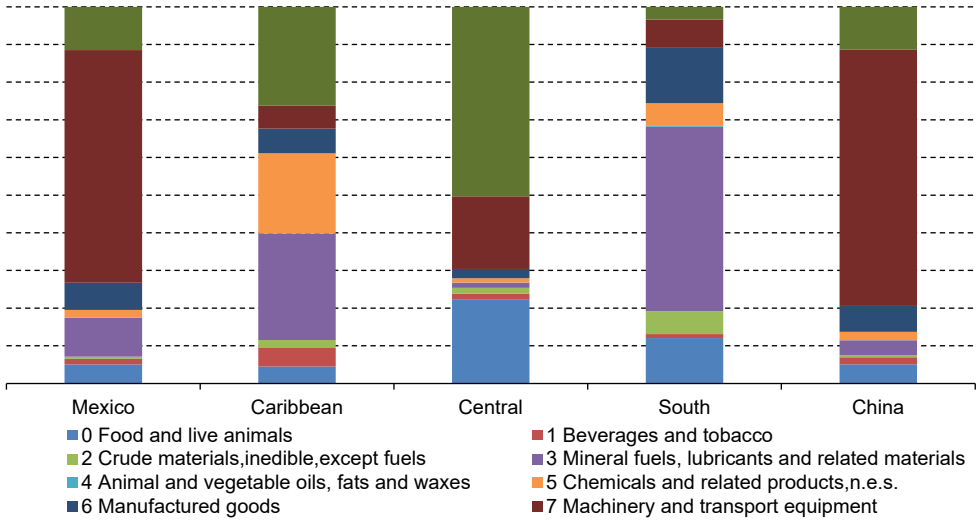
IV. Competition between China and Latin America and Caribbean exports in the United States market

China's products have been successfully accessing the global market for some time, first through unilateral tariff reductions of its own while benefiting from low tariffs abroad, then through gaining membership into the World Trade Organization, and more recently, by increasing its competitiveness in manufacturing exports in a wide breadth of products. In the United States market, China's manufacturing exports exploded between 1972 and 2001, and its market share increased faster than Latin America's. In 2018, China's share in the United States import market (20%) surpassed Latin America's (18.6%). While China continued to deepen its access to the United States market, most Latin American countries lost market share between 2002 and 2018. The only exceptions were Mexico, Peru, Chile, and Colombia, all countries with a Free Trade Agreement with the United States. (Artecona and Perrotti, 2020). Mexico made up more than 80% of the roughly US$765 billion LAC exports in 2020. The United States remains the leading trade partner for Latin America and Caribbean exports.

A. Chinese and Latin America and the Caribbean exports to the United States

A closer look reveals significant differences in the sectoral composition of exports by subregion (figure 26). Machinery and transport equipment and, to a lesser extent, mineral fuels, lubricants, and related materials make up most of the region's exports to the United States. Mineral fuels and chemical products make up most of the Caribbean exports; meanwhile, food, tobacco, and beverages dominate the basket of Central America's exports, while South America mainly exports natural-resource-based products. Mexico's exports, representing about 80% of Latin American and Caribbean exports to the United States, are driven by machinery and transport equipment. Like Mexico, China's exports to the United States are also dominated by machinery and transport equipment exports.

Figure 26
Export of Latin America and the Caribbean and China by SITC Sections, 2002-2020

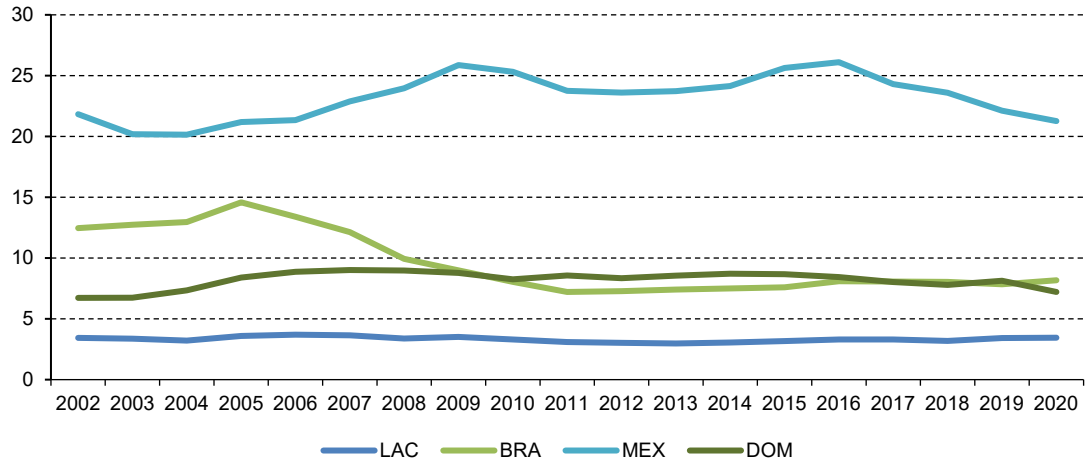


Source: Artecona, Perrotti, and Welslau (2023a, forthcoming).

The Export Similarity Index (ESI), which measures the similarity of exports of two countries in a common third market based on the relative product share among their respective total exports, when applied to LAC's and China's exports to the United States shows that the similarity of exports is not very high –an average of 3.3 for the period 2002-2020, and has not changed significantly over that period (figure 27). The highest average value of ESI is observed for Mexico (23.3), followed by Brazil (9.6) and the Dominican Republic (4.7). Moreover, Mexico's export similarity with respect to China increased from 2005 to 2009, hovered over a value of 25 between 2009 and 2017, and began a descent after that. In the case of Brazil, the country reached a peak of ESI in 2005, declining steadily until 2011, stabilizing around a value of 9 afterwards.

As a reference, globally, only five countries, all Asian, show an export similarity index with China that surpassed that of Mexico: Thailand (25.5), South Korea (28.5), Hong Kong (29.3), Vietnam (34.8), and Taiwan (42.5).

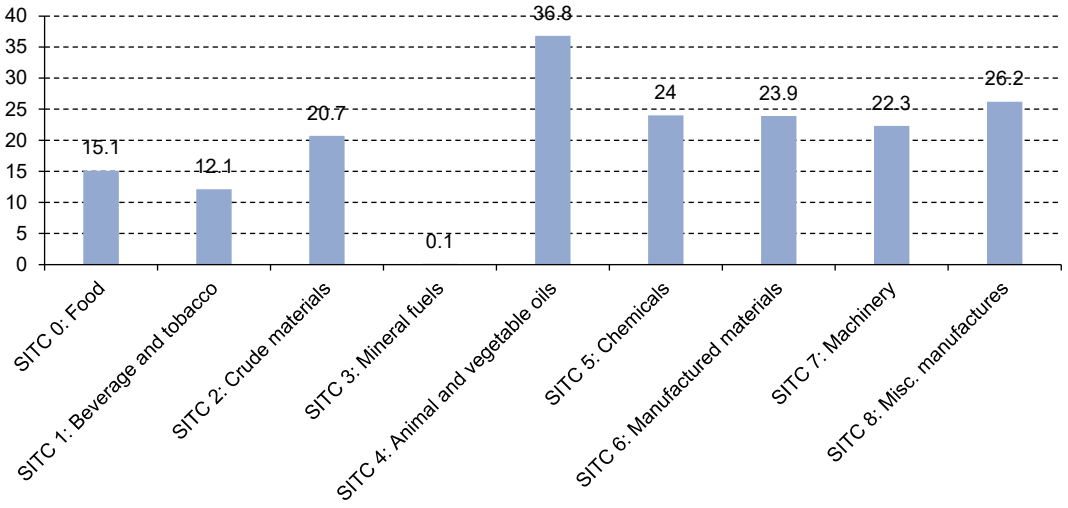
Figure 27
Export Similarity Index (ESI) between Latin America and China in the US Market, 2022-2020



Source: Artecona, Perrotti, and Welslau (2023a, forthcoming).

In addition, the similarities between China's and Mexico's exports to the United States can be observed more closely at the SITC industry level (figure 28). Mexico has the most exposure to China's exports threat in the United States in animal and vegetable oils with an ESI of 36.8, miscellaneous manufactures (26.2), chemicals (24), manufactured materials (23.9), machinery (22.3), and food (15.1). On the other hand, mineral fuels do not present Chinese competition for Mexico (0.1).

Figure 28
Evolution of Export Similarity by SITC sector between Mexico and China in the US Market in 2020



Source: Artecona, Perrotti, and Welslau (2023a, forthcoming).

B. The impact of China's exports to the United States on exports from Latin America and the Caribbean to the same market

Gravity models have been used in the literature to estimate and analyze the impact of Chinese exports on exports from Asian, African, and European countries in a third market. In a forthcoming document (Artecona, Perrotti, and Welslau (2023a, forthcoming)), three model specifications of an augmented gravity model: a non-linear Poisson specification (to account for zero trade flows)[15]; and two linear specifications that include country-year and country-sector-year fixed effects (accounting for Multilateral Resistance Terms)[16] are estimated to analyze the effect of United States imports from China on United States imports from LAC countries between 2002 and 2020 by using a sample of 33 exporters and product-level trade data disaggregated to the 10-digit level.

---

[15] The estimated gravity equation by using Pseudo Poisson maximum likelihood (PPML) is:

$$X_{ijspt} = exp\left[\beta_0 + \beta_1 lnCHX_{ispt} + \beta_2 lnY_{jt} + \beta_3 lnD_{ij} + \beta_4 contig_{ij} + \beta_5 landl_j + \beta_6 island_j + \beta_7 rta_{ijt} + \gamma_t\right] * \varepsilon_{ijspt},$$

where X_{ijspt} is the import value of commodity p, within HS section s, by importing country i from exporting country j, in year t. $lnCHX_{ispt}$ is the logarithm of United States import value for commodity p from China in year t. The remaining variables are logarithms of nominal exporter GDP lnY_j and of the weighted distance between importer and exporter lnD_{ij}, as well as dummy variables taking the value one if the exporter is landlocked, an island, shares a border or has a trade agreement with the United States in year t. Lastly, year fixed effects are account for the United States and global economic conditions, absorbing annual importer-specific variables like United States GDP.

[16] The linear augmented gravity models featuring fixed effects can be written as:

$$lnX_{ijspt} = \beta_0 + \beta_1 lnCHX_{ispt} + \gamma_{ijst} + \varepsilon_{ijspt},$$

where γ_{ijst} are, depending on the model, exporter-year or exporter-sector-year fixed effects. Since the data contains only one importer, directional time fixed effects also absorb all importer and country-pair characteristics.

The estimation results (tables 17 and 18) show a significant replacement of LAC exports by China's exports in the period considered. The results show that a percentage increase in imports from China leads to a decrease in imports from LAC countries between 0.25 and 1.26 percent. This effect is most pronounced in the manufacturing sector. The impact of United States imports from China on United States imports from Latin America and the Caribbean is found to be negative and significant across model specifications, estimation techniques, and levels of aggregation in trade flow data.

In addition, the model suggests that after accounting for Chinese export competition, free trade agreements (FTA), on average, led to increased imports from LAC countries by up to 1.5 percent. Overall, Chinese exports to the United States negatively affect exports from the region, but after controlling for that, FTAs positively impact the region's exports to the United States. That is, countries with a trade agreement with the United States seem to have an advantage over those that do not. This is particularly true for the manufacturing sector.

The smaller estimates came from the linear fixed effect estimation, potentially subject to a downward bias due to the omission of zero values. Conversely, higher estimates from the Poisson specification avoid such bias but omit structural trade terms. Countries with trade agreements in place traded up to 1.5 percent more. The positive effect of trade agreements becomes significant only after controlling for Chinese export competition. The sectoral decomposition shows that Chinese exports are negative and significant for manufacturing products, where a percentage increase led to a decrease in United States imports from LAC countries by about 0.4 percent. For resource-based products, the estimated effect is insignificant.

Table 17. Poisson IV Results at H.S. 10-digit level

	(I)	(II)	(III)
SITC sections	All Sectors	5-8, manufacturing	0-4, resource-based
ln_imp_ch	-1.257***	-0.402***	0.058
	-0.127	-0.143	-0.0508
ln_gdp_lac	0.986***	0.784***	0.902***
	-0.137	-0.165	-0.158
ln_distw	-1.956***	-2.515***	-1.294
	-0.643	-0.659	-1.054
contig	2.004**	1.098	-0.958
	-0.988	-0.931	-1.218
land	-0.33	-0.189	-1.446**
	-0.704	-0.706	-0.703
island	-1.308***	-1.423***	-1.819**
	-0.476	-0.523	-0.914
RTA	1.506***	0.883***	0.535
	-0.342	-0.285	-0.937
Constant	8.199***	17.24***	0.322
	-1.523	-5.457	-8.742
Observations	7 942 704	7 379 657	558 625

Source: Artecona, Perrotti, and Welslau (2023a, forthcoming).

Robust standard errors clustered by country pair H.S. chapters in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table 18. Fixed Effect Results at H.S. 10-digit level

	(I)		(II)		(III)	
SITC Section	All Sectors		5-8, manufacturing		0-4, resource-based	
2SLS FE	exp-year	exp-sitc-year	exp-year	exp-sitc-year	exp-year	exp-sitc-year
ln_imp_ch	-0.414***	-0.247***	-0.403***	-0.300***	-0.106**	0.0368
	-0.0491	-0.0383	-0.0648	-0.0466	-0.0505	-0.038
Observations	608 839	608 314	549 681	549 623	58 011	57 708

Source: Artecona, Perrotti, and Welslau (2023a, forthcoming).

Robust standard errors clustered by country pair H.S. chapters in parentheses. *** p<0.01, ** p<0.05, * p<0.1

(i) How did the United States-China trade tensions affect LAC's export to the United States?

The tensions between the two largest economies and the measures taken to restrict access to their respective markets had a significant impact on the LAC's exports to the United States Artecona, Perrotti, and Welslau (2023b, forthcoming) estimated the effect of the China-United States trade tensions on LAC's exports to the United States by using an augmented gravity trade model and found that for the products directly affected by the trade measures (i.e., products subject to tariffs under sections 232, 201, or 301), a percentage increase in the United States imports from China, on average, led to a decrease in imports from LAC of about 0.24 to 0.42 percent before the measures were taken. That is, taking as a baseline the average annual United States import value from LAC of these products from 2015 to 2018, a reduction of US$3.29 billion to US$5.75 billion for each percentage increase in imports from China was observed. After the measures were taken, a percentage increase in imports from China reduced imports from LAC by US$0.81 billion to US$0.97 billion. After the measures were put in place, the displacement effect was significantly lower, between 0.21 and 0.25 percent per percentage change in Chinese exports to the United States market.

The export composition of LAC during the two periods suggests that major product groups among the affected exports were manufactured goods, machinery and transport equipment, miscellaneous manufactured articles, and chemical and related products. Given the extent of the tariffs and the overall diversity of the export basket of the sample countries, however, export competition may have reduced significantly in various industries. Moreover, the displacement effect was much higher for goods not directly involved in the trade dispute: before the onset of trade tensions, a percentage increase in Chinese exports led to an average drop in LAC exports between 0.58 and 0.94 percent, or US$2.85 billion to US$4.63 billion. As for goods involved in the trade dispute, the effect decreases after trade measures are implemented, to about 0.64 to 0.74 percent or US$0.23 billion to US$0.27 billion.

V. United States-Mexico-Canada (USMCA)

- United States-Mexico-Canada (USMCA) labor cases.

Table 19
The USMCA Facility-Specific Rapid Response Labor Mechanism

	2021
12 May	United States has asked Mexico to review whether workers at a General Motors (GM) facility are being denied the right of free association and collective bargaining. USTR and the Department of Labor received information appearing to indicate serious violations of these workers' rights in Silao, State of Guanajuato in connection with a recent worker vote, organized by the existing union, to approve their collective bargaining agreement. Ambassador Tai has directed the Secretary of the Treasury to suspend the final settlement of customs accounts related to entries of goods from GM's Silao facility.
17-18 August	Workers voted to reject their existing collective bargaining agreement. Federal inspectors from the Secretariat of Labor and Social Welfare (STPS) oversaw the vote, while representatives of the International Labor Organization and Mexico's National Electoral Institute served as vote observers.
9 June	The United States Trade Representative has submitted a request to Mexico that Mexico review whether workers at the Tridonex facility are being denied the right of free association and collective bargaining.
10 August	Tridonex agrees to, among other steps: Provide severance and 6 months of backpay, totaling a minimum of 9 months of pay per worker and in many cases much more, to at least 154 workers who were dismissed from the plant, for a total backpay amount of more than $600,000. Support the right of its workers to determine their union representation without coercion, including by protecting its workers from intimidation and harassment and welcoming election observers in the plant leading up to and during any vote; Provide training to all Tridonex workers on their rights to collective bargaining and freedom of association; Remain neutral in any election for union representation at its facility; Maintain and strengthen safety protocols to protect its workers from COVID-19 and financially support any employees who are unable to report to work due to COVID-19 exposure or infection; Revise its procedures and train its managers on fair workforce reduction procedures; and Maintain and staff an employee hotline phone number to receive and respond to complaints of violations of workers' rights in the facility. In addition to these commitments made by Tridonex, the Government of Mexico has agreed to help facilitate workers' rights training for Tridonex employees, monitor any union representation

	election at the facility, and investigate any claims of workers' rights violations reported by employees at the plant.
	2022
18 May	The United States has asked Mexico to review whether workers at the Panasonic Automotive Systems de Mexico facility in Reynosa, State of Tamaulipas, are being denied the rights of free association and collective bargaining.
15 July	The independent Mexican union and the facility engaged in constructive discussions, facilitated by the Mexican government of Mexico, USTR said. In response the Panasonic facility agreed to: renounce a collective bargaining agreement it had signed with a union that lacked lawful bargaining authority and remove that union from the facility; reimburse workers for dues the company had deducted from workers' paychecks on that union's behalf; remain neutral in a representational vote that resulted in a landslide victory for the independent union, SNITIS; recognize SNITIS as the workers' bargaining representative and grant SNITIS access to the facility; offer reinstatement and backpay to 26 workers who were allegedly terminated for participating in union activity; reimburse workers for wages unpaid as a result of a work stoppage at the facility; and negotiate a new CBA with SNITIS, which, if submitted by SNITIS to a worker vote and approved by workers, would result in a significant wage increase. The Mexican government has agreed to conduct further inspections at the facility to monitor the situation. "By enforcing labor rights under the USMCA, we are creating a more competitive North American economy where workers and businesses can operate on a level playing field," USTR Katherine Tai said.
6 June	The United States has asked Mexico to review whether workers at the Teksid Hierro de México (Teksid Hierro) facility in Frontera, State of Coahuila, are being denied the rights of free association and collective bargaining.
2 August	The United States and Mexico agree that: The Secretariat of Labor and Social Welfare (STPS) will verify the appropriate amount of union dues owed to the Union by August 15, 2022, unless the Union and Teksid agree on the exact amount of union dues owed to the Union under the July 11 Agreement by August 8, 2022. 2. The STPS will oversee that Teksid has transferred the total amount owed to the Union by August 15, 2022.
15 August	The United States and Mexico agree that: 1. The August 11 Agreement represents an adequate means of verification of the appropriate amount of union dues owed to the Union under the July 11 Agreement and satisfies paragraph 1 of the August 2, 2022 Course of Remediation; and, 2. The August 11 Agreement represents a sufficient means of oversight by STPS of the total amount owed to the Union, as confirmed by the Union's agreement to the August 11 Agreement, and satisfies paragraph 2 of the of the August 2, 2022 Course of Remediation.
21 July	The United States has asked Mexico to review whether workers at the Manufacturas VU (VU) facility in Piedras Negras, State of Coahuila, are being denied the rights of free association and collective bargaining. The United States is concerned that, since at least June 2022, workers at the Facility are being denied the right of free association and collective bargaining in relation to the opportunities to conduct organizing activities at the Facility afforded to one union1 that are not being afforded to another union, La Liga Sindical Obrera Mexicana. Liquidation for all unliquidated entries of goods from the Facility will be suspended.

Source: ECLAC on the basis of USTR - USMCA Chapter 31 Annex A; Facility-Specific Rapid-Response Labor Mechanism

- United States Requests Consultations Under the USMCA Over Mexico's Energy Policies.

On 20 July 2022, the USTR announced that the United States had requested dispute settlement consultations with Mexico under the USMCA. The consultations relate to measures taken by Mexico's government that may undermine United States companies and United States-produced energy in favor of Mexico's state-owned electrical utility, the Comisión Federal de Electricidad (CFE), and state-owned oil and gas company, Petróleos Mexicanos (PEMEX).

According to the United States government, since December 2018, Mexico has pursued an energy policy centered on reinstating the primacy of its state-owned electrical utility, CFE, and oil and gas company, PEMEX, partially reversing the energy reform implemented by the Mexican government in 2013. For example, in March 2021, Mexico amended its Electric Power Industry Law so that its grid operator will prioritize distribution through Mexico's grid CFE-generated electricity over electricity

generated by all private competitors, irrespective of cost or environmental impact. Consultations will also raise concerns regarding the delay or denial of new permits, revocation of existing permits and other actions that are viewed as curtailing the ability of private companies to participate in Mexico's energy sector.

In addition, in December 2019, Mexico's energy regulator granted PEMEX – but not other companies, including United States companies – a five-year extension to comply with maximum sulfur content requirements under its fuel standard in certain parts of Mexico, which otherwise require the sale of ultra-low sulfur diesel fuel throughout the country. Without the extension, PEMEX would have to purchase ultra-low sulfur diesel imported from the United States and/or upgrade its facilities to produce ultra-low sulfur diesel in sufficient quantities.

More recently, in June 2022, Mexico's Secretary of Energy notified the Energy Regulatory Commission (CRE) and the National Natural Gas System Operator (CENAGAS) of a change in policy that would require, among other things, that users of Mexico's gas transportation network demonstrate that they source natural gas from PEMEX or CFE.

The United States has raised concerns with Mexico regarding its energy policies on numerous occasions, including in connection with the USMCA Free Trade Commission meetings in 2021 and 2022, the Deputies Meeting of the USMCA Free Trade Commission in 2022, and in meetings of the USMCA Committee on State-Owned Enterprises and Designated Monopolies. Ambassador Tai also consulted members of Congress and a broad range of stakeholders to hear their serious concerns about the deteriorating trajectory of Mexico's energy policies.

Under USMCA Article 31.4.5, the parties shall enter into consultations within 30 days of the United States' request unless the parties decide otherwise. Under USMCA Article 31.6.1, if the parties do not resolve the matter through consultations within 75 days of the United States' request, the United States may request the establishment of a panel.

Bibliography

Artecona, R., Perrotti, D., and Welslau, L.; China and Latin America and the Caribbean: Exports competition in the United States market ECLAC Washington Office Series N 23, 2022.

Artecona, R., Perrotti, D., and Welslau, L..; Trade Tensions between China and the United States: An Opportunity for Latin America and the Caribbean in the United States Market? Book Chapter, 2023, (forthcoming). (b).

Artecona, R., and Perrotti, D.; Latin America and the Caribbean exports to the United States: analysis of the competition with China and other regions at product level, 2002-2018. ECLAC Washington Office, 2021.

Blázquez-Lidoy, J., Rodríguez, J., & Santiso, J.; Angel or Devil? China's Trade Impact on Latin American Emerging Markets. In CEPAL Review (Vol. 90), 2006.

Devlin, R., Estevadeordal, A., & Rodríguez, A; The Emergence of China: Opportunities and Challenges for Latin America and the Caribbean. IDB, 2006.

Dombek, Curtis. 2022. "Does the USMCA Mean What It Says? The Disputes Panel Hearing on the Auto Core Parts Rules of Origin." Global Trade Law Blog. August 18, 2022. https://www.globaltradelawblog.com/2022/08/18/does-the-usmca-mean-what-it-says-the-disputes-panel-hearing-on-the-auto-core-parts-rules-of-origin/.

Fontagné, Lionesl, Guillaume Gaulier, and Soledad Zignano ; Specialisation across Varieties within Products and North-South Competition. Frankfurt: CEPII, 2007.

Hufford, Austen. 2022. "Caterpillar Works to Turn Old Engines Into New Profi Ts." The Wall Street Journal, May 10, 2022. https://www.wsj.com/articles/caterpillar-works-to-turn-old-engines-into-new-profits-11652175001.

Jenkins, R., Peters, E. D., & Moreira, M. M; The Impact of China on Latin America and the Caribbean. World Development, 36(2), 2008.

Lall, S. "The technological structure and performance of developing country manufactured exports, 1985-1998". Queen Elizabeth House Working Paper Series No 44, 2000.

Lall, S., & Weiss, J. China and Latin America: Trade Competition, 1990-2002. OECD, 2007.

Mulder, Nanno, Rodrigo Paillacar, and Soledad Zignano.; Market Positioning of Varieties in World Trade: Is Latin America Losing out on Asia? CEPII, 2009.

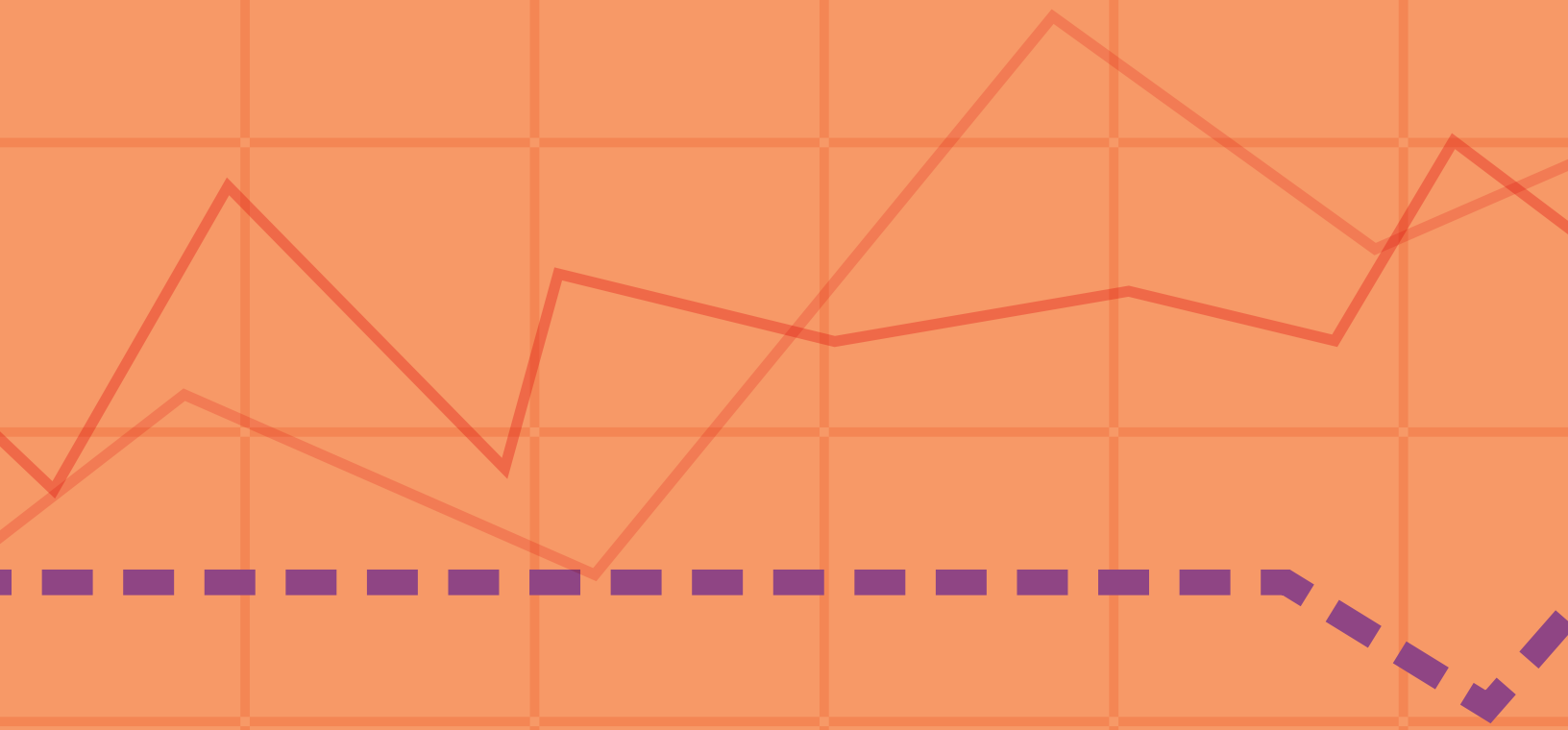
Olarreaga, M., Lederman, D., & Perry, G.; Latin America´s response to China and India: Overview of research findings and policy implications - Observatorio de Política. Revista de Economía y Estadística, XLV, 2007.

Schott, P. K.; The relative revealed competitiveness of China's exports to the United States vis a vis other countries in Asia, the Caribbean, Latin America and the OECD. IDB-INTAL, 2006.

Suliman, Adela. 2022. "Canada Banning Single-Use Plastics to Combat Pollution, Climate Change." The Washington Post, June 21, 2022.

United States trade in goods sustained the recovery that began in 2021. In the first six months of 2022, goods exports increased by 21% compared to the same period in 2021, while goods imports rose by 22%. Trade in services has not fully recovered, as major service industries such as travel and transport are still experiencing the lingering effects of the coronavirus disease (COVID-19) pandemic. Both exports and imports of services are yet to return to their pre-pandemic levels.

United States-Latin America and the Caribbean Trade Developments 2022 provides an overview of selected developments in trade relations between the United States and Latin America and the Caribbean. In light of the global focus on the climate crisis and the specific emphasis of President Joe Biden's trade policy agenda on advancing on a sustainable environment and climate path, this report includes a section on United States trade in circular economy goods.



ECLAC

Economic Commission for Latin America and the Caribbean (ECLAC)
Comisión Económica para América Latina y el Caribe (CEPAL)
www.eclac.org

LC/WAS/TS.2022/8