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ECLAC Office in Washington, D.C.

United States-Latin America and the Caribbean Trade Developments

2023

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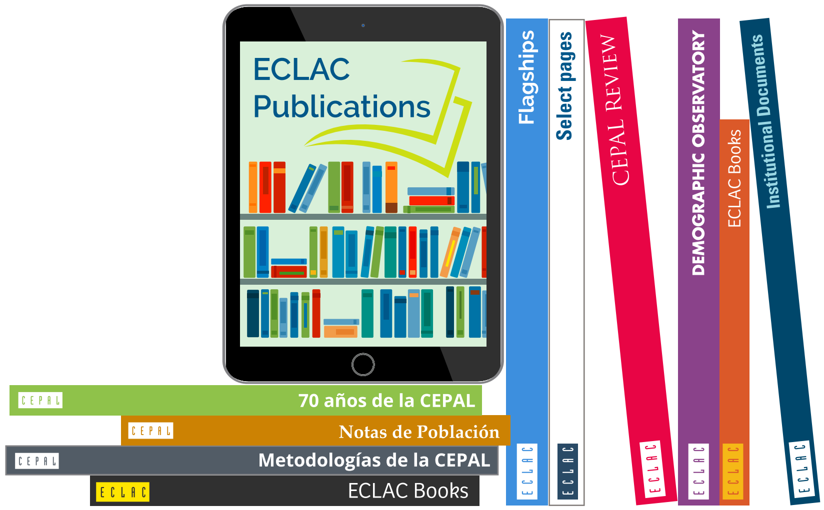

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Introduction

United States Trade Developments 2023 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.

According to the WTO, global goods trade declined in the first three months of 2023, extending a downturn that started in 2022 and is expected to continue during most of 2023. Similarly, in the United States, in the first six months of 2023, trade in goods fell by 3.9%, ending the recovery that had started in 2021. After the significant drop experienced during the COVID-19 pandemic, the United States' total trade in goods and services rebounded in 2021 to its pre-pandemic levels and reached a new record high in 2022.

United States' total trade in goods with Latin America and the Caribbean totaled US$ 567 billion in the first six months of 2023, about the same value as in 2022 (US$ 568 billion). Latin America and the Caribbean represented about 22% of total United States trade in goods in the first semester of 2023, almost 1% more than the share of the first half of 2022. U.S. trade with Latin America and the Caribbean continues to be dominated by trade with Mexico, with about 70% of the U.S. trade with the region.

With higher geopolitical tensions as a backdrop, the Biden Administration's 2023 trade policy agenda continues to seek 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. In the aftermath of the COVID-19 pandemic and war in Ukraine, the focus on fortifying relationships with U.S. partners and allies to strengthen critical supply chains to endure shocks and disruptions to the system has also been reinforced.

The 2023 Trade Policy Agenda that the Office of the United States Trade Representative presented in March 2023 states that "the U.S. trade agenda will continue to focus on unlocking new opportunities for American workers and families while also supporting and strengthening the middle class, driving decarbonization, and creating good-paying jobs across the American economy." (USTR, 2023a). The United States Trade Representative Katherine Tai has summed up the U.S. Administration's approach to trade: "Our new approach recognizes people as more than just consumers, but also producers, the workers, wage-earners, providers, and community members that comprise a vibrant middle class. Our focus has shifted from liberalization and the pursuit of efficiency and low costs —at any cost— to raising standards, building resiliency, driving sustainability, and fostering more inclusive prosperity at home and abroad" (Bivens, 2023).

This consolidates the fundamental shift in the direction of United States trade policy observed in the last five years, a movement away from lowering trade barriers and enhancing the rules-based trading order that the U.S. helped develop over the last five decades. Trade policy has moved toward building U.S. competitiveness through a new strategic industrial policy, export controls, and national content requirements. Several measures have been taken to make the United States a global powerhouse in chip manufacturing, help in the transition to a clean energy economy, and build the U.S. industry. This change has created uneasiness in major trading partners and continued escalating tensions with China.

In his remarks at the Brookings Institution in April 2023, Jake Sullivan, National Security Advisor, explained the context in which the United States' international economic policy changes emerge. After the Second World War, the United States led a fragmented world to build a new international economic order. While it contributed to lifting hundreds of millions of people out of poverty and led to shared prosperity and technological innovations, underlying failings became more visible in the last few decades as a shifting global economy left many U.S. workers and their communities behind. The 2008 financial crisis shook the foundations of the country's middle class, and the COVID-19 pandemic exposed the fragility of its supply chains, whereas a changing climate poses urgent challenges, and the invasion of Ukraine has underscored the risks of "over-dependence" (Sullivan, 2023).

The United States faced, from the new Administration's perspective, four fundamental challenges. First, the country's industrial base had been undermined**.** In the name of "oversimplified market efficiency, entire supply chains of strategic goods —along with the industries and jobs that made them— moved overseas." Second, the U.S. faced a new backdrop defined by geopolitical and security competition, with important economic impacts, while contending with the reality that "a large non- market economy had been integrated into the international economic order in a way that posed considerable challenges." The third challenge was the accelerating climate crisis and the urgent need for a just and efficient energy transition. And finally, the new Administration had to face the challenge of inequality and its damage to democracy. President Biden knew the solution to each of these challenges was to "restore an economic mentality that champions building." And that is, according to Sullivan, the core of their economic approach. "To build capacity, to build resilience, to build inclusiveness, at home and with partners abroad" (Sullivan, 2023).

Concerning U.S. trade agreements, the new trade policy is "moving beyond traditional trade deals to innovative new international partnerships." (Sullivan, 2023) to solve the challenges of "creating diversified and resilient supply chains. Mobilizing public and private investment for a just, clean energy transition and sustainable economic growth. Creating good jobs along the way, family-supporting jobs. Ensuring trust, safety, and openness in our digital infrastructure. Stopping a race-to-the-bottom in corporate taxation. Enhancing protections for labor and the environment. Tackling corruption. That is a different set of fundamental priorities than simply bringing down tariffs" (Sullivan, 2023).

In this context, the new ambitious regional economic initiative, the Indo-Pacific Economic Framework, focuses on "hastening the clean-energy transition, implementing tax fairness and fighting corruption, setting high standards for technology, and ensuring more resilient supply chains for critical goods and inputs.", is a good example. He added that the new Americas Partnership for Economic Prosperity (APEP) is aimed at the same basic set of objectives in the Latin America and Caribbean region.

The Americas Partnership for Economic Prosperity, launched at the Summit of Americas in June 2022, seeks to foster regional competitiveness, resilience, shared prosperity, and inclusive and sustainable investment while tackling the climate crisis by seeking high-standard agreements in these critical areas (USTR, 2023a). The partnership includes 12 countries. (Barbados, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Panama, Peru, the United States, and Uruguay). Eight of the initial partners already have a free trade agreement with the United States (Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Mexico, Panama, and Peru). Negotiations on commitments are in the preparation stage.

The Administration's trade agenda reinforces the commitment to continued enforcement of existing U.S. trade agreements. This includes utilizing the United States-Mexico-Canada Agreement's Rapid Response Mechanism to raise labor standards across North America and address unfair trade practices that harm U.S. workers and businesses.

In respect to Cuba, the current U.S. Administration has been relieving some of the economic sanctions reinstated by the Trump Administration. For example, restrictions on remittances sent from the United States to Cuba have been reduced. In addition, in January 2023, the United States reopened its embassy in Havana, resuming all visa and Consular services. This marks the first-time visa services have been offered in Havana since 2017, when they were shut down following health incidents among embassy staff from what became known as "Havana syndrome": unexplained medical symptoms that have since been reported by diplomatic personnel and federal employees in various parts of the world. The decision to reopen visa services came after the arrival of hundreds of migrants to the Florida Keys by boat led to the temporary shutdown of Dry Tortugas National Park. According to U.S. Customs and Border Protection, Cubans are now second only to Mexicans in numbers detained at the U.S. southern border. Resuming visa services is a way to try to ensure a legal pathway to migration, the United States could give out as many as 20,000 visas this year.

The Biden Administration's 2023 Trade Agenda has also 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 also passed the Inflation Reduction Act last year, which, through subsidies, direct payments, and other economic tools, seeks to accelerate the United States energy transition to reduce gas emissions significantly.

The Administration acknowledges that the U.S. relationship with China is complex, competitive, and of profound consequence. It takes a holistic and pragmatic approach to the relationship, which is also a worker-centered trade policy. This includes, for example, infrastructure investment through the Bipartisan Infrastructure Law, strengthening U.S. capacity in critical technologies through the CHIPS and Science Act, and manufacturing clean energy technology in the United States and free trade partners' economies through the Inflation Reduction Act. The U.S. also uses all existing tools to combat the harms of China's state-led, non-market practices.

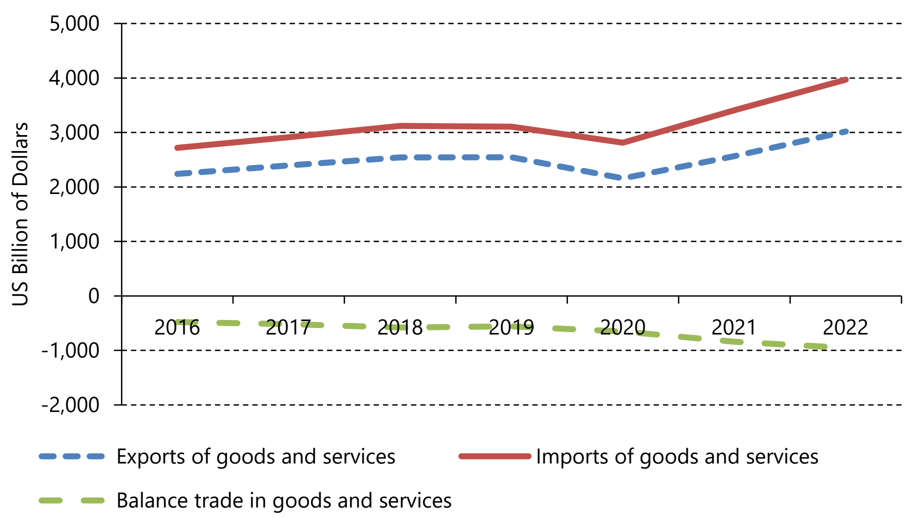
The report is organized as follows: the next section highlights United States trade flows, emphasizing the 2022 figures compared to the same period in 2021 and 2020 to assess the trade disruption of the COVID-19 pandemic and its recovery, as well as the first six months of 2023. Section II highlights the most significant developments in the United States-China bilateral trade relations. Section III reviews the main initiatives the governments and the private sector took to advance the circular economy in North America. Section IV describes some of the trade dispute cases under the United States-Mexico-Canada trade agreement.

I. United States trade

A. Trade in goods and services[1]

After the significant drop experienced during the COVID-19 pandemic, the United States' total trade in goods and services rebounded in 2021 to its pre-pandemic levels and reached a new record high in 2022 (Figure 1).

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



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

[1] Unless expressly stated, series are non-seasonally adjusted.

In 2022, total exports of goods and services grew US$451 billion, while imports grew US$561 billion. As a result, the total trade deficit worsened to US$951 billion from US$842 billion in 2021. The United States continues to run a trade deficit in goods (-US$1,183 billion) and a trade surplus in services (US$232 billion) (Table 1).

The first six months of 2023 – also presented in Table 1 -show that the United States trade deficit improved with respect to the same period a year earlier, from US$527 billion to US$ 409 billion. This is due to a reduction in the trade in goods deficit and an improvement in the trade in services surplus.

Table 1
United States trade in goods and services, seasonally adjusted 2017 to 2023
(in US billions of dollars)

					Annual			Jan-Jun	
	2017	2018	2019	2020	2021	2022	2021	2022	2023
Balance									
Total	-517	-579	-559	-653	-842	-951	-396	-527	-409
Goods	-799	-879	-857	-913	-1 084	-1 183	-527	-642	-538
Services	282	300	298	260	242	232	130	115	129
Exports									
Total	2 394	2 542	2 546	2 160	2 567	3 018	1 231	1 478	1 515
Goods	1 557	1 677	1 655	1 434	1 766	2 090	847	1 025	1 024
Services	837	866	891	726	801	929	384	452	491
Imports									
Total	2 911	3 121	3 106	2 813	3 409	3 970	1 627	2 005	1 925
Goods	2 356	2 556	2 512	2 347	2 849	3 273	1 373	1 667	1 563
Services	555	565	593	466	559	697	254	338	362

Source: ECLAC based on the Bureau of Economic Analysis (BEA).

1. Trade in goods

In the first six months of 2023, trade in goods fell by 3.9% (Table 1), ending the recovery that had started in 2021. This is consistent with what was observed worldwide. According to the WTO, global goods trade declined in the first three months of the year, extending a downturn that started in 2022 and is expected to continue during most of 2023. U.S. exports of goods are almost at the same value as in 2022, at about US$1,025 billion. Foods, feeds and beverages; and industrial supplies are the two sectors that contracted during this period, while exports of capital goods, auto-vehicles, consumer goods, and other goods show improvements. For its part, U.S. imports of goods declined by 6.2% in the first half of 2023 with respect to the previous year, from US$1,667 billion to US$1,563 billion (Table 1). Within sectors, industrial supplies and consumer goods were the most affected (Table 2).

Table 2
United States trade in goods by principal end-use category
(in US billions 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												
2022	93.1	407.3	279.7	76.6	122.4	35.4	105.0	418.6	426.4	193.8	445.7	62.7
2023	83.5	363.5	296.4	88.1	131.9	43.1	99.9	348.0	428.4	222.6	384.6	65.2
Change in billion dollars	-9.6	-43.8	16.8	11.4	9.5	7.7	-5.1	-70.6	2.0	28.8	-61.2	2.5
Percentage change	-10.3%	-10.7%	6.0%	14.9%	7.7%	21.7%	-4.9%	-16.9%	0.5%	14.9%	-13.7%	4.0%

Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

The United States trade deficit in goods with China continues to be the largest among all trading partners, although it has been reduced from previous years. This deficit, at US$130 billion in the first half of 2023, almost doubled that of Mexico (US$76 billion), the second largest in the World (Table 3).

Table 3
United States trade in goods, top 15 partners by total trade in goods, 2023 1H
(in US billions of dollars)

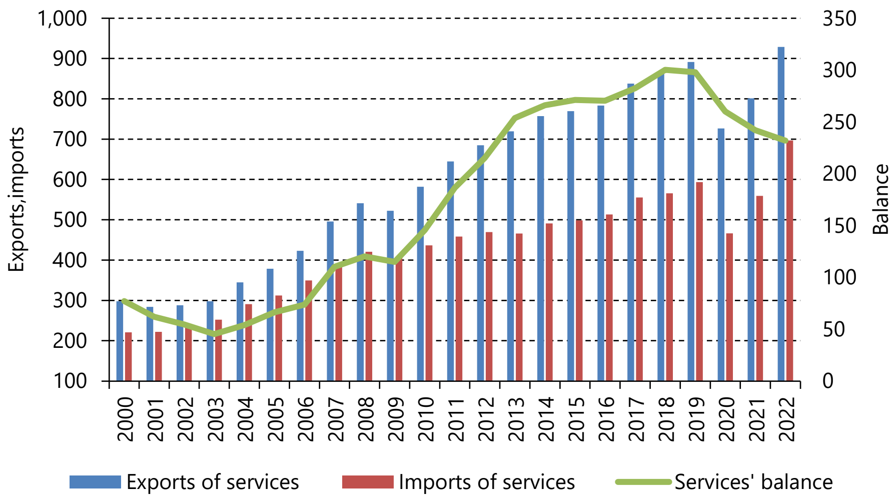
Rank	Country	Balance of Trade	Exports	Imports	Total Trade	Percentage of total trade
1	Mexico	-75.5	161	236.0	396.6	15.5
2	Canada	-32.8	178	210.6	388.4	15.2
3	China	-130.4	73	203.0	275.6	10.8
4	Germany	-41.3	38	79.7	118.2	4.6
5	Japan	-33.8	37	71.2	108.6	4.2
6	Republic of Korea	-25.3	31	56.7	88.2	3.4
7	United Kingdom	6.5	38	32.0	70.5	2.8
8	India	-22.5	20	42.4	62.3	2.4
9	Taiwan	-21.1	20	40.9	60.6	2.4
10	Netherlands	21.7	40	18.6	58.9	2.3
12	Vietnam	-47.9	5	52.8	57.6	2.3
11	France	-6.6	22	28.6	50.6	2.0
13	Italy	-22.1	14	35.6	49.1	1.9
14	Ireland	-31.1	9	40.0	48.9	1.9
15	Switzerland	-14.7	14	29.0	43.3	1.7
	Total all countries	-512.3	1 022.5	1 534.8	2 557.3	100
	Total top 15	-476.8	700.3	1 177.1	1 877.3	73.4

Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

2. Trade in services

U.S. trade in services began rebounding gradually from the impact of the COVID-19 pandemic starting in 2021. In 2022, trade in services reached a new record high both for imports (US$ 697 billion) and exports (US$ 929 billion of dollars), with a slight reduction (US$ 10 billion) compared with 2021 in the trade surplus. The trade surplus in services has gradually declined since 2019 (Figure 2).

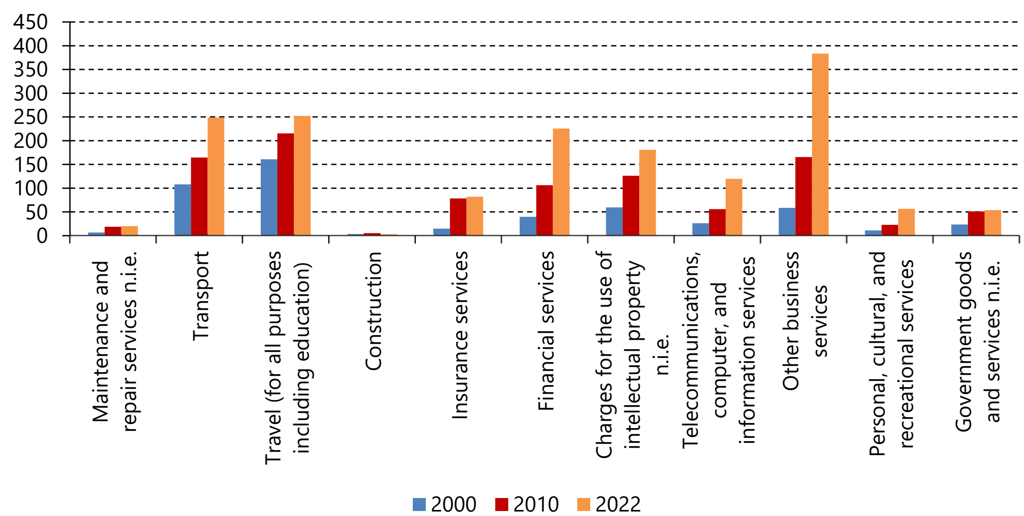
Figure 2
United States trade in services
(in US billions of dollars, balance in right axis)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

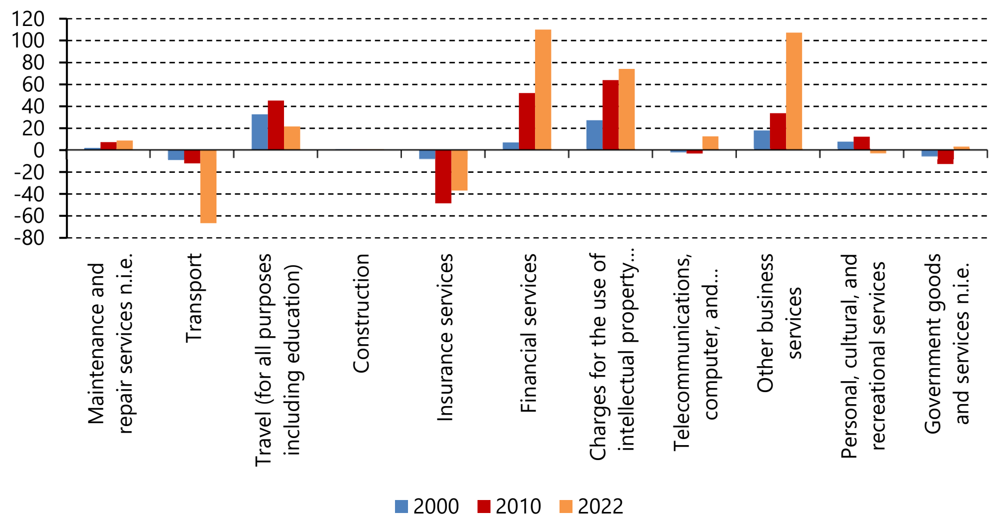
In 2022, the main service categories by total trade are other business services (US$ 383 billion), travel (US$ 252 billion), transport (US$ 249 billion), and financial services (US$ 225 billion). Financial and other business services show the most significant surpluses with US$ 110 billion and US$ 107 billion, respectively. Meanwhile, transport is the sector with the largest .deficit (US$ 67 billion), followed by insurance (US$ 37 billion) (Figures 3 and 4).

Figure 3
United States trade in services by major category
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

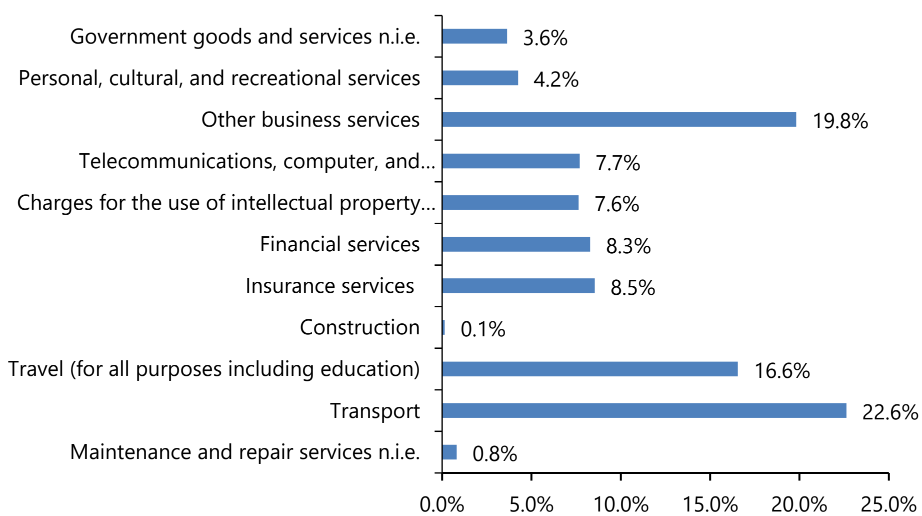
Figure 4
United States balance of trade in services by major category
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

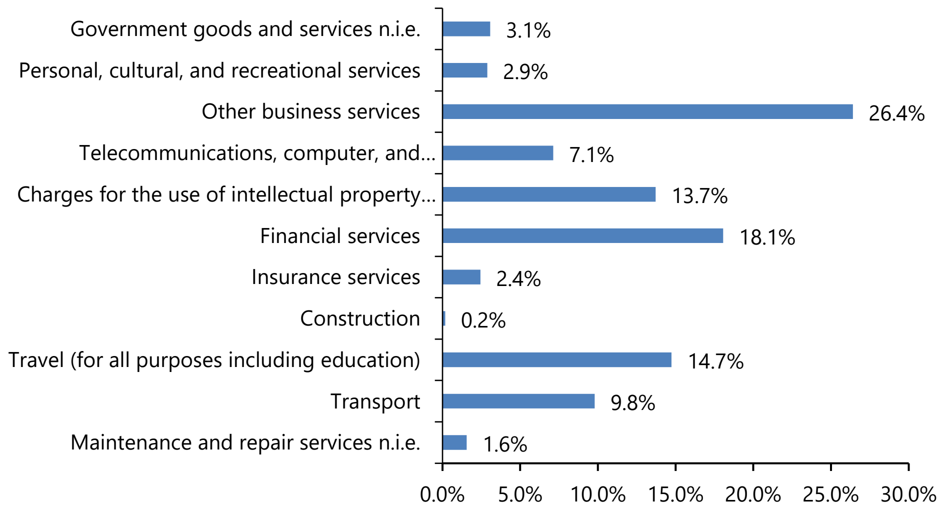
The services categories with the highest U.S. import share in 2022 were transport, other business services, and travel, accounting for 22.6%, 19.8%, and 16.6% of total services imports, respectively. (Figure 5). Regarding exports, other business services had the highest share (26.4%), followed by travel and financial services (18.1%) (Figure 6).

Figure 5
United States imports of services by major category, 2022
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

Figure 6
United States exports of services by major category, 2022
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA).

In 2022, the top 15 trading partners in services represented 66% of the total service trade, slightly more than in 2021 but significantly higher than in 2019 (61%). The top United States trade-in-services partner is the United Kingdom, with 10% of total United States trade-in services, followed by Canada and Ireland (both with 7%). The two countries from the region among the top 15 are Mexico and Brazil, with 5% and 2% of total trade in services, respectively. China represents 4% (Table 4).

Table 4
United States trade in services 2020 to 2022, top 15 partners by total trade in services in 2022
(in US millions of dollars)

Rank	Country	Balance of Services			Exports			Imports			Total Trade in Services			Percentage of total trade		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
1	United Kingdom	6 947	5 769	8 533	61 699	68 270	81 985	54 752	62 501	73 452	116 451	130 771	155 437	10	10	10
2	Canada	19 394	20 029	26 621	52 708	57 093	71 268	33 314	37 064	44 647	86 022	94 157	115 915	7	7	7
3	Ireland	50 365	54 993	61 895	67 545	76 108	84 292	17 180	21 115	22 397	84 725	97 223	106 689	7	7	7
4	Switzerland	17 494	19 817	21 541	41 500	48 846	55 643	24 006	29 029	34 102	65 506	77 875	89 745	5	6	6
5	Germany	-1 206	-1 866	-2 153	29 864	32 247	40 863	31 070	34 113	43 016	60 934	66 360	83 879	5	5	5
6	Japan	5 325	5 153	-2 438	37 853	36 648	38 334	32 528	31 495	40 772	70 381	68 143	79 106	6	5	5
7	Mexico	5 922	2 761	-631	23 461	31 054	37 700	17 539	28 293	38 331	41 000	59 347	76 031	3	4	5
8	China	25 094	17 986	14 872	41 166	39 430	41 494	16 072	21 444	26 622	57 238	60 874	68 116	5	4	4
9	India	-9 876	-10 516	-7 366	16 317	18 491	25 881	26 193	29 007	33 247	42 510	47 498	59 128	4	3	4
10	France	2 083	-1 514	-4 325	15 579	17 045	22 391	13 496	18 559	26 716	29 075	35 604	49 107	2	3	3
12	Singapore	17 128	22 311	23 683	26 505	31 856	34 308	9 377	9 545	10 625	35 882	41 401	44 933	3	3	3
11	Netherlands	9 922	11 080	13 210	21 080	23 452	27 848	11 158	12 372	14 638	32 238	35 824	42 486	3	3	3
13	Republic of Korea	7 924	6 637	7 589	17 714	19 212	22 249	9 790	12 575	14 660	27 504	31 787	36 909	2	2	2
14	Australia	9 027	10 251	12 721	15 056	16 497	21 550	6 029	6 246	8 829	21 085	22 743	30 379	2	2	2
15	Brazil	10 175	9 906	15 732	14 964	15 144	21 859	4 789	5 238	6 127	19 753	20 382	27 986	2	1	2
	Total all countries	259 996	241 937	231 825	726 297	801 142	928 532	466 301	559 205	696 707	1 192 598	1 360 347	1 625 239	100	100	100
	Total top 15	175 718	172 799	189 485	483 011	531 393	627 665	307 293	358 594	438 180	790 304	889 987	1 065 845	6 627	6 542	6 558

Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

B. Trade with Latin America and the Caribbean

1. Trade in goods

Latin America and the Caribbean represented about 22% of total United States trade in goods in the first semester of 2023, almost 1% more than the share of the first half of 2022. United States' total trade in goods with Latin America and the Caribbean totaled US$ 567 billion in the first six months of 2023, about the same value as in 2022 (US$ 568 billion). Goods exports totaled US$ 258 billion, and imports reached US$ 308 billion, resulting in a trade deficit in goods for the United States of US$ 50 billion. (Table 5). However, the U.S. runs a trade surplus with most countries in the region; the US$50 billion deficit reflects the deficit that the U.S. has with Mexico (US$76 billion), the second largest behind China's.

Exports of goods to Latin America and the Caribbean in the first half of 2023 fell 4.5% (US$ 12.2 billion) with respect to the same period of 2022. Meanwhile, United States imports of goods from Latin America and the Caribbean increased by 3.7% (US$ 11 billion) in the same period. The U.S. economy grew faster than that of LAC, partially explaining the decrease in exports and the increase in imports.

The top five markets in Latin America and the Caribbean for the United States exports during the first six months of 2023 were: Mexico (US$ 161 billion), Brazil (US$ 23 billion), Chile (US$ 10 billion), Colombia (US$ 9 billion), and, Dominican Republic (US$ 7 billion). Meanwhile, the top five Latin America and the Caribbean exporters to the United States market were Mexico (US$ 236 billion), Brazil (US$ 18 billion), Chile (US$ 9 billion), Colombia (US$ 8 billion), and Costa Rica (US$ 5 billion).

Table 5
United States trade in goods with Latin America and the Caribbean, Jan-Jun 2022, Jan-Jun 2023
(in US billion dollars)

	Jan-Jun.2023				Jan-Jun.2022			
	Balance	Exports	Imports	Total Trade	Balance	Exports	Imports	Total Trade
Mexico**	-75.49	160.55	236.05	396.60	-63.44	160.61	224.06	384.67
South America	*11.13*	*61.82*	*50.68*	*112.50*	*19.36*	*70.76*	*51.39*	*122.15*
Argentina	3.28	6.29	3.01	9.30	3.29	6.75	3.47	10.22
Bolivia (Plurinational State of)	0.04	0.22	0.18	0.41	-0.14	0.26	0.39	0.65
Brazil	4.58	22.73	18.15	40.88	8.59	26.50	17.91	44.41
Chile*	0.89	10.08	9.19	19.28	2.56	11.47	8.91	20.38
Colombia*	0.59	8.56	7.98	16.54	1.86	11.17	9.31	20.48
Ecuador	-0.58	3.73	4.32	8.05	-1.35	3.76	5.11	8.87
Guyana	-0.90	0.66	1.56	2.22	-0.93	0.55	1.47	2.02
Paraguay	1.19	1.30	0.12	1.42	0.86	1.00	0.14	1.14
Peru*	1.43	5.72	4.29	10.01	2.55	6.56	4.01	10.57
Suriname	0.18	0.22	0.04	0.26	0.17	0.21	0.04	0.26
Uruguay	0.63	1.07	0.45	1.52	1.10	1.51	0.41	1.91
Venezuela (Bolivarian Republic of)	-0.18	1.21	1.40	2.61	0.80	1.01	0.21	1.23
Central America	*7.11*	*21.92*	*14.81*	*36.73*	*9.31*	*23.55*	*14.24*	*37.78*
Belize	0.29	0.32	0.02	0.34	0.20	0.23	0.02	0.25

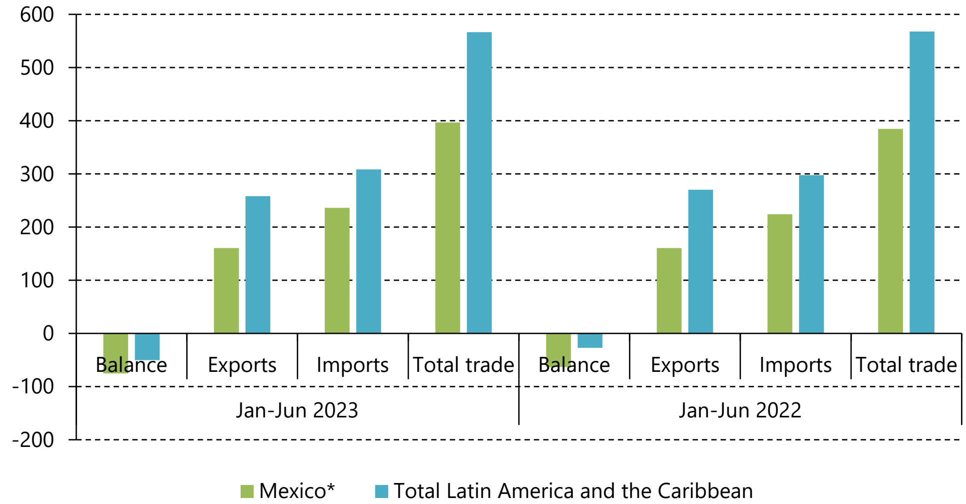
	Jan-Jun.2023				Jan-Jun.2022			
	Balance	Exports	Imports	Total Trade	Balance	Exports	Imports	Total Trade
Costa Rica**	-0.48	4.71	5.19	9.89	0.22	4.15	3.93	8.09
El Salvador**	0.86	2.13	1.27	3.40	1.11	2.57	1.45	4.02
Guatemala*	2.29	4.89	2.61	7.50	2.38	5.20	2.82	8.02
Honduras**	0.54	3.43	2.90	6.33	1.12	4.18	3.06	7.24
Nicaragua**	-1.38	1.18	2.56	3.74	-1.39	1.30	2.69	3.99
Panama*	4.99	5.26	0.27	5.53	5.67	5.92	0.25	6.18
Caribbean	*6.90*	*13.81*	*6.91*	*20.72*	*7.58*	*15.33*	*7.76*	*23.09*
Antigua and Barbuda	0.41	0.42	0.01	0.43	0.55	0.56	0.01	0.56
Bahamas	1.65	2.60	0.95	3.55	1.59	2.26	0.67	2.93
Barbados	0.34	0.36	0.03	0.39	0.39	0.41	0.02	0.44
Cuba	0.18	0.18	0.00	0.19	0.15	0.15	0.00	0.16
Dominica	0.03	0.04	0.00	0.04	0.12	0.12	0.00	0.12
Dominican Republic**	3.09	6.58	3.48	10.06	3.29	6.73	3.45	10.18
Grenada	0.09	0.10	0.01	0.11	0.06	0.07	0.01	0.08
Haiti	0.20	0.63	0.42	1.05	0.32	0.89	0.57	1.46
Jamaica	1.14	1.33	0.19	1.52	1.10	1.26	0.16	1.43
St Kitts and Nevis	0.08	0.09	0.01	0.10	0.06	0.08	0.02	0.10
St Lucia	0.39	0.40	0.00	0.40	0.48	0.49	0.01	0.50
St Vincent and the Grenadines	0.08	0.09	0.00	0.09	0.06	0.07	0.00	0.07
Trinidad and Tobago	-0.79	1.00	1.79	2.78	-0.60	2.24	2.84	5.08
Total Latin America and the Caribbean	-50.4	258.1	308.4	566.5	-27.2	270.3	297.4	567.7
Total World	-515.9	1 005.2	1 521.1	2 526.4	-612.4	1 011.6	1 624.0	2 635.6

Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

Figure 7 shows that Mexico represents 70% of the United States' trade with the region, driving U.S. exports to the region, imports from the region, and trade balance with the region.

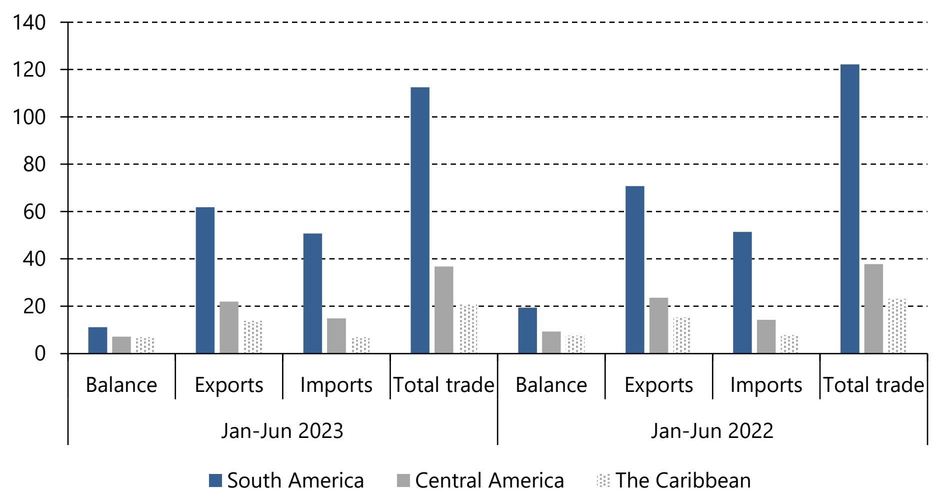
When excluding Mexico (Figure 8), the trade balance favors the United States in all the sub - regions. After Mexico, South America dominates trade in sub-regions due to the United States' trade value with Brazil, Chile, and Colombia.

Figure 7
United States trade in goods with Mexico, Latin America, and the Caribbean
(in US billion dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

Figure 8
United States trade in goods by sub-region
(in US billions of dollars)

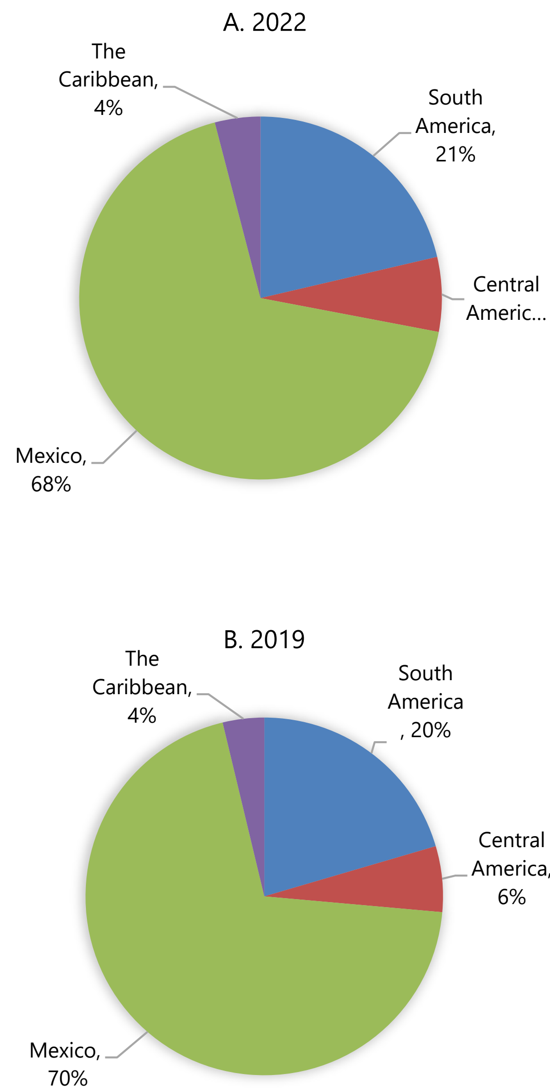


Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

The share of U.S. trade with sub-regions has not significantly changed since 2019 (Figure 9).

In 2022, the United States trade in goods with Mexico represented 68% of total trade with Latin America and the Caribbean. South America represented about 21% of the share, Central America 7%, and the Caribbean 4%.

Figure 9
United States trade in goods with Latin America and the Caribbean by region



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

Besides Mexico, the top trade partners on an annual basis in the region are Brazil, Chile, Colombia, and Peru (Table 6). All except Brazil 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 US billion dollars)

	2019	2020	2021	2022
Mexico	615	536	660	779
Brazil	74	58	78	93
Chile	26	23	32	39
Colombia	29	23	30	38
Peru	16	13	17	22

Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

2. Trade in services

Trade in services with Latin America (exports and imports) totaled US$100 billion in the first semester of 2023, exports summed US$ 55 billion, and imports US$ 45 billion. The United States services trade surplus with Latin America reached US$ 11 billion in the first semester of 2023 (Table 7).

United States exports of services to Latin America increased by 13% (US$ 7 billion) in the first semester of 2023 compared with the same period in 2022, while the United States' imports of services from the region increased 17% (US$ 7 billion). As a result, the United States services trade surplus was similar to that of H1 2022 (US$ 11 billion).

A few countries in the region ran a surplus in trade in services with the United States in the first semester of 2023: Mexico (US$ 2.8 billion), the Dominican Republic (US$ 2.7 billion); Costa Rica (US$ 1.1 billion), and, Panama (US$ 0.1 billion). On the other hand, Brazil presents the most significant deficit (U.S. surplus) in trade in services, reaching US$ 8.6 billion in the first semester of 2023.

Table 7
United States trade in services with Latin America, 1H 2022-23
(in US billion dollars)

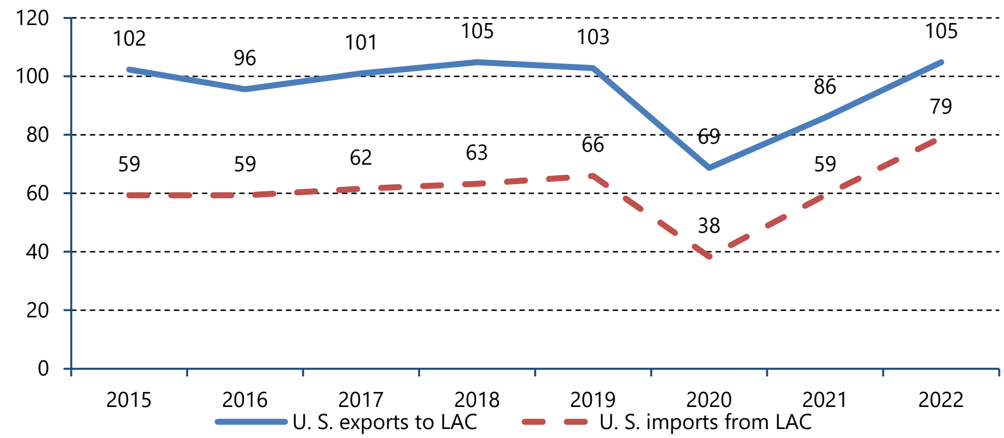
	2023 H1			2022 H1		
	Balance of Services	Exports	Imports	Balance of Services	Exports	Imports
Argentina	2.2	4	1	2	3	1
Brazil	8.6	12	3	7	10	3
Chile	1.2	4	2	1	3	2
Colombia	0.6	4	3	1	4	3
Costa Rica	-1.1	1	2	-1	1	2
Dominican Republic	-2.7	1	4	-2	1	3
El Salvador	0.1	1	1	0	1	1
Guatemala	0.3	1	1	0	1	1
Honduras	0.3	1	0	0	1	0
Mexico	-2.8	19	22	-1	17	18
Nicaragua	0.0	0	0	0	0	0
Panama	-0.1	1	2	0	1	1
Peru	1.0	2	1	1	2	1
Venezuela (Bolivarian Republic of)	0.8	1	0	1	1	0
Other	2.3	4	2	1	3	1
Latin America	11	55	45	11	49	38

Source: ECLAC based on the United States Census Bureau Dataweb.

Concerning annual data, in 2022, U.S. service exports to LAC countries2 reached US$105 billion and imports US$79 billion. The global COVID-19 pandemic in 2020 interrupted the overall upward trend of bilateral service trade, but in 2022, imports and exports recovered to pre-pandemic levels (Figure 10).

2 LAC aggregate includes: Argentina, Brazil, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela, and the Dominican Republic.

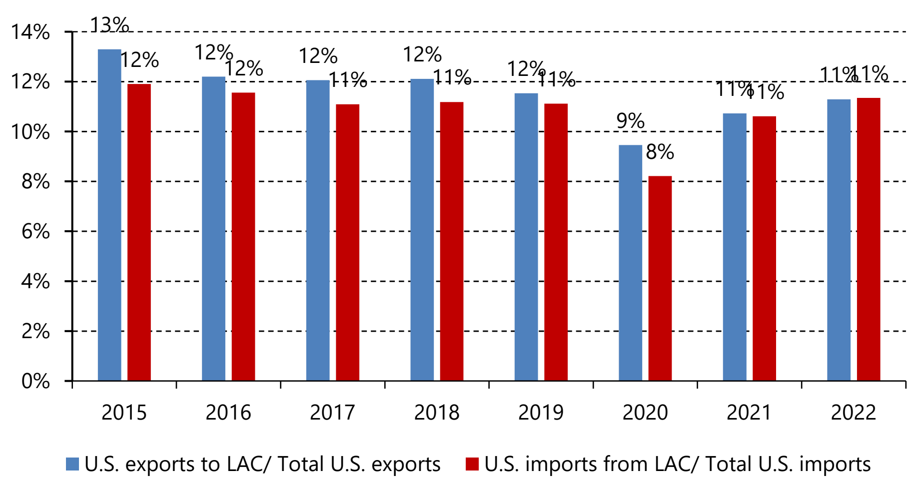
Figure 10
United States trade in services with LAC
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

As reflected in Figure 11, the share of U.S. service exports and imports to/from LAC countries in total U.S. service trade had remained stable in the eight years from 2015 to 2022, except for the year 2020 when trade suffered the effects of the COVID-19 pandemic. U.S. service exports to LAC countries were about 12% of total services exports from 2015 to 2019, with a sharp drop to 9% in 2020 and rebounding in 2021 and 2022 to 11%. Similarly, imports of services from LAC were 11% of total U.S. imports of services, with an important reduction in 2020 (where they reached a share of 8%).

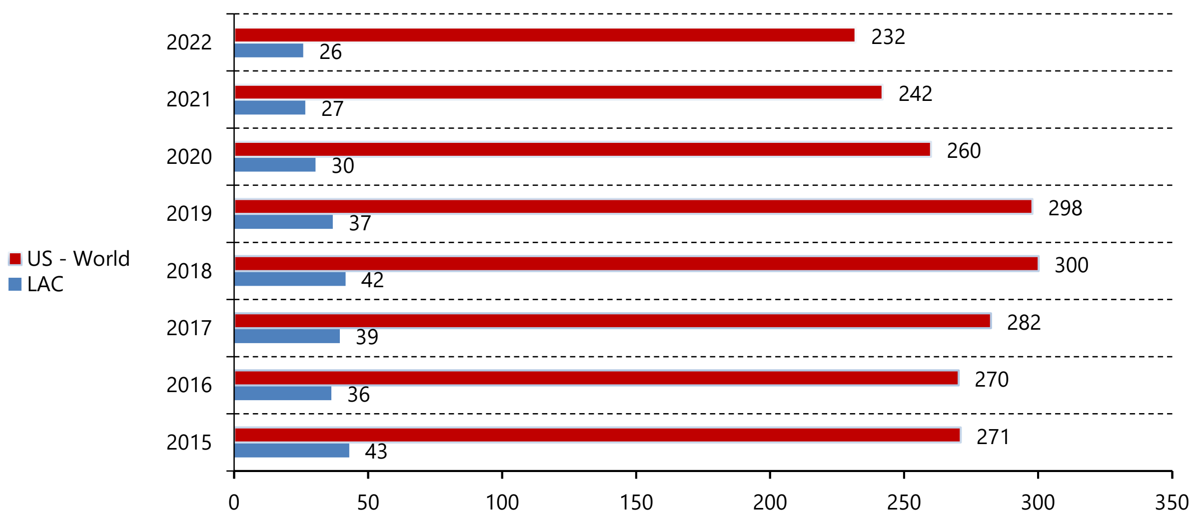
Figure 11
United States trade in services with LAC
As a share of total U.S. imports and exports



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

The U.S. trade in services surplus with LAC has declined from US$42 billion in 2018 to US$26 billion in 2022. This surplus mirrors the overall balance of U.S. service trade, that also fell from US$300 in 2018 to US$232 billion in 2022 (Figure 12).

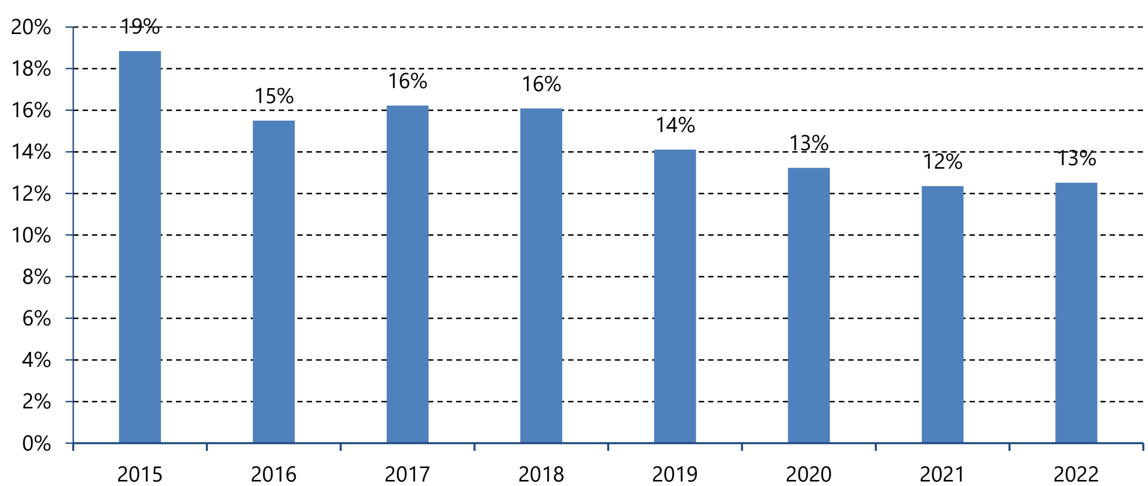
Figure 12
United States trade in services balance
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

The U.S. service trade surplus with LAC as a share of the total U.S. services trade surplus (excluding LAC) has been decreasing since 2018 (when representing 19% of the total surplus) to 2022 (13%). These shares can be seen in Figure 13.

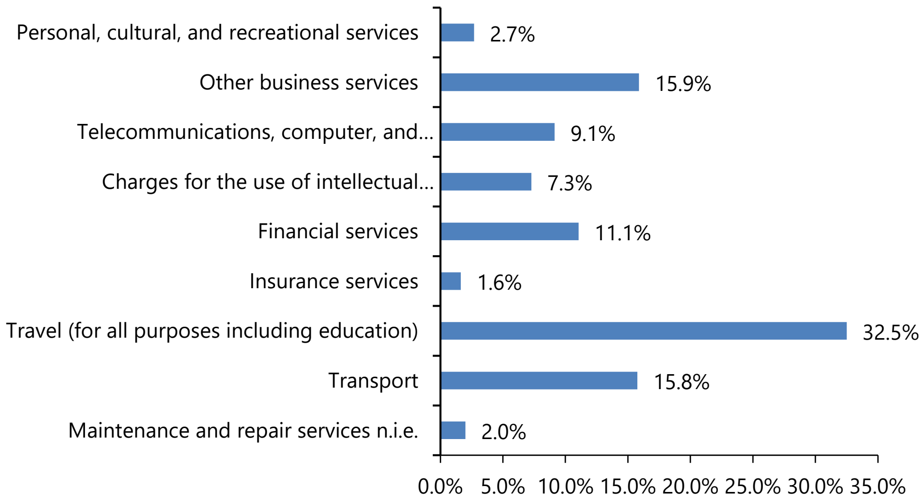
Figure 13
As a share of U.S. balance with the rest of the World
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

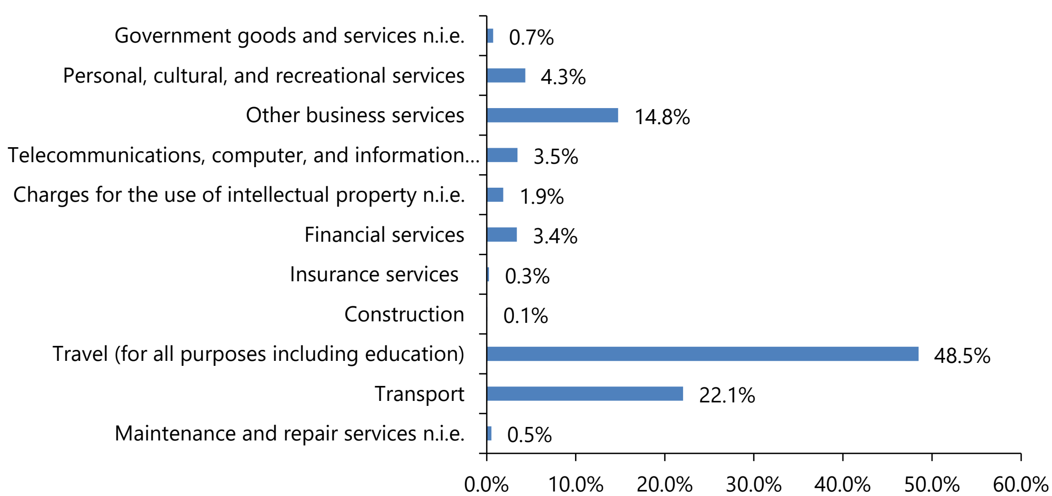
Travel is the largest category of trade in services, accounting for 32.5% of services exports to the region and 48.5% of its imports in 2022. Transport is the second largest (Figures 14 and 15).

Figure 14
United States export of services to LAC by sector
Share to total United States exports to LAC, 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

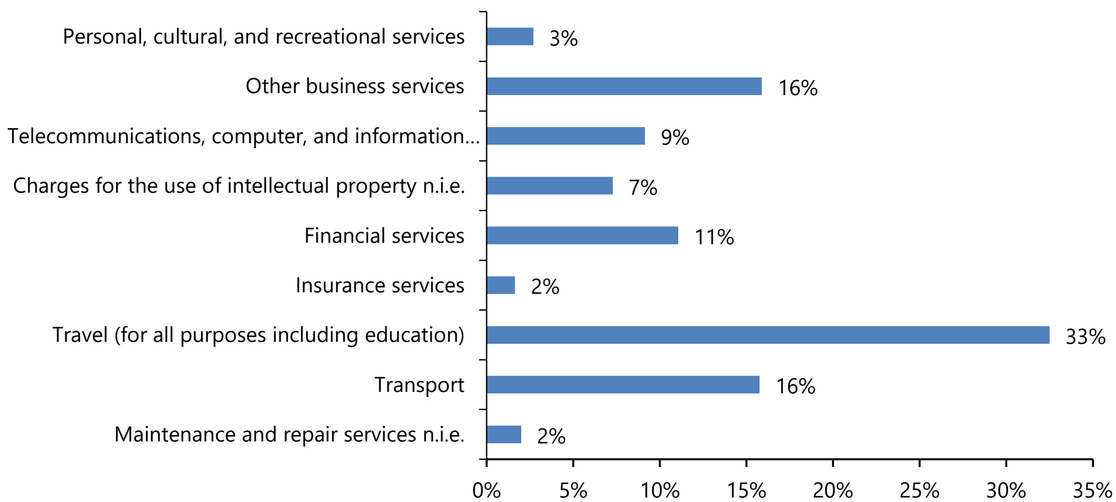
Figure 15
United States import of services from LAC by sector
Share to total United States imports from LAC, 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

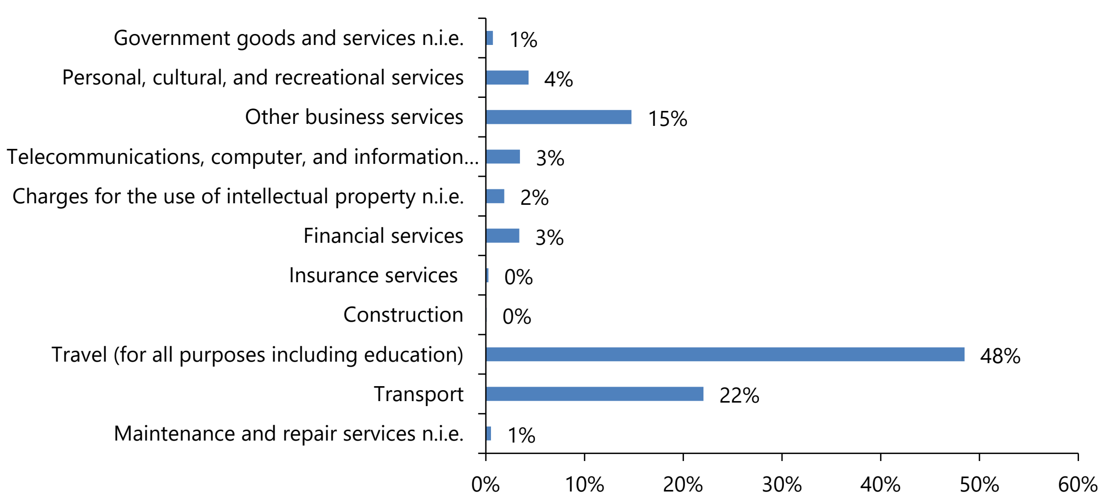
Figures 16 and 17 show the value of U.S. trade of services with LAC as a share of U.S. service trade with the world in 2022. Again, Travel has the highest share both in exports (33%) and imports (48%). Transport and Other business services (16%) rank second in exports and Transport (22%) in imports.

Figure 16
United States export of services to LAC by sector
Share to total United States exports to the World, 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

Figure 17
United States imports of services from LAC by sector
Share to total United States imports from the World, 2022
(Percentages)

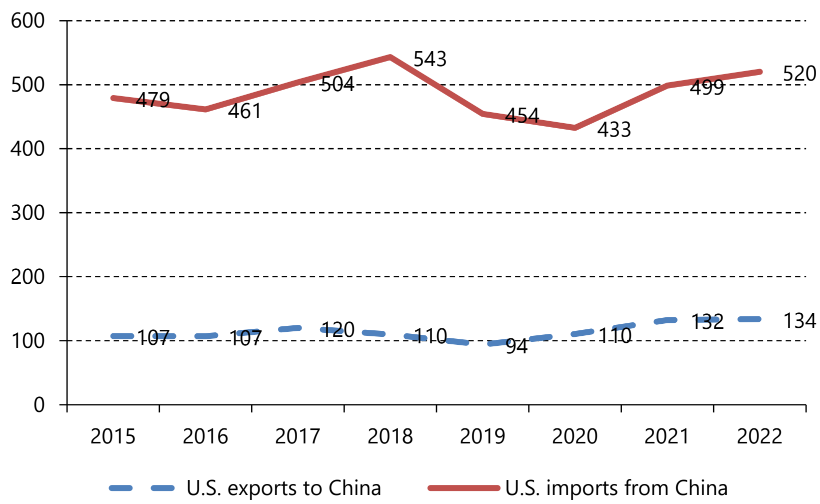


Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

C. Trade with China

Trade in goods between the United States and China reached US$ 654 billion in 2022, indicating US$ 520 billion in United States imports from China and US$ 134 billion in U.S. exports to China. As presented in Figure 22, the 2022 value of United States imports from China is still below the level observed in 2018, right before trade tensions with China began. However, United States exports to China in 2022 have already surpassed the 2018 levels by US$ 24 billion. As pointed out by Chad Bown, U.S. exports to China are, however, underperforming compared to foreign countries selling to China (Bown, 2023). This behavior is partly the result of the retaliatory tariffs imposed by China on U.S. exports and decreasing U.S. competitiveness associated with higher input costs due to tariffs imposed by the U.S. beginning in 2018.

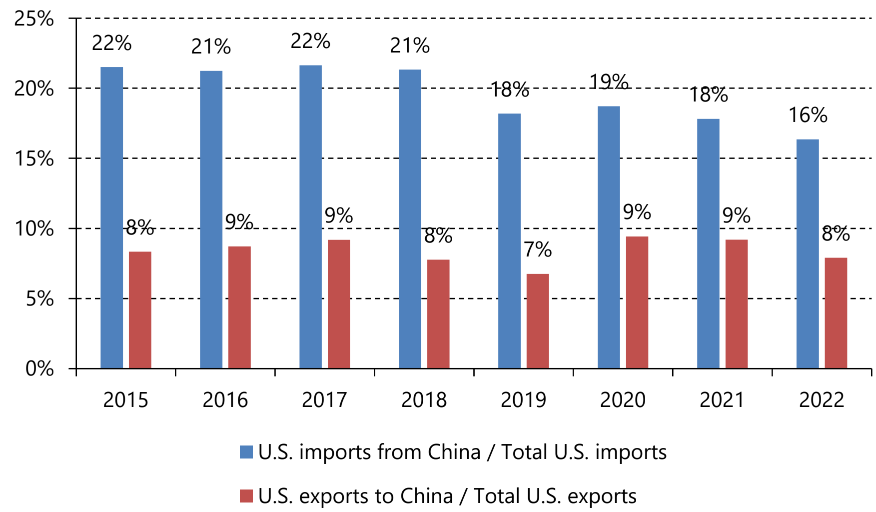
Figure 18
United States trade in goods with China
(in US billions of dollars)



Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

Figure 19 shows United States exports to China as a share of total United States exports was 8% in 2022, the same as in 2018, and a slight reduction from 2020 and 2021 (9%). At 16%, the share of United States imports from China as a proportion of total United States imports is five percentage points lower than in 2018 and the lowest value since 2015.

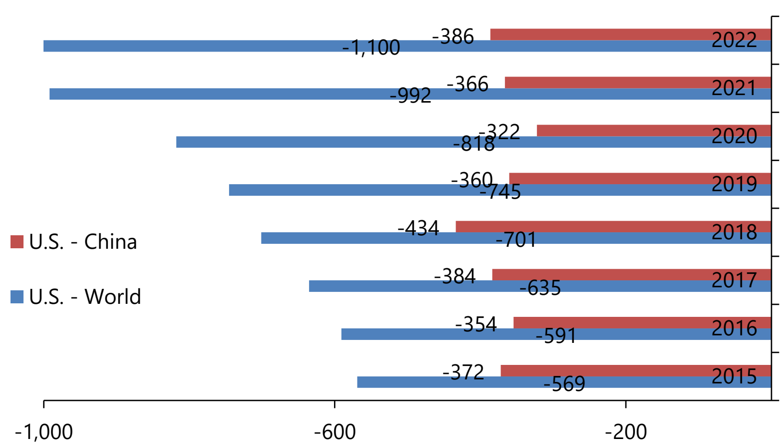
Figure 19
Share of trade in goods with China in total United States trade in goods,2015-2022
(Percentages)



Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

Encompassing the trajectory of the United States trade deficit with the world, the United States trade deficit with China increased by US$ 20 billion in 2022 compared to 2021, totaling US$ 386 billion, as presented in Figure 20. The trade deficit with China remains below that observed in 2018.

Figure 20
United States trade balance
(in US billions of dollars)



Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

The sectoral composition of U.S. imports from China in 2022 shows that most imports came from machinery and transport equipment (49.8%), followed by miscellaneous manufactured articles (29.7%). U.S. exports to China also show machinery and transport equipment (27.1%) as the leading SITC sector exporter, followed by crude materials (22.0%) and chemicals (16.6%) (Table 8).

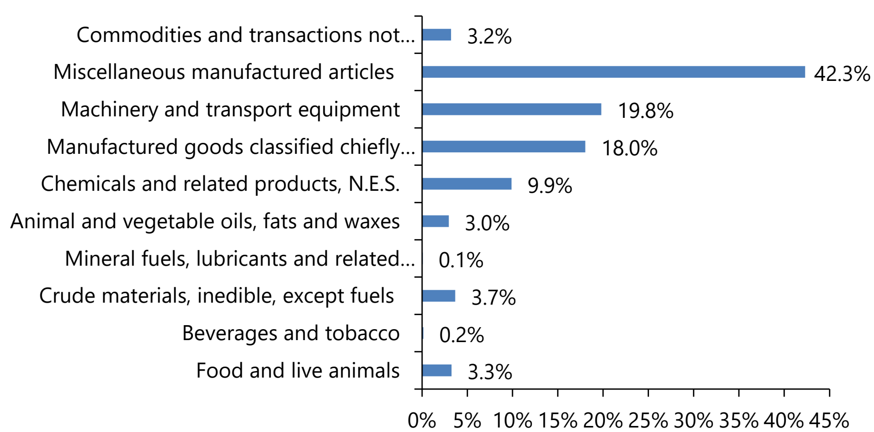
Table 8
United States trade of goods with China
(SITC sectorial share within China's trade with the U.S., 2022)
(Percentages)

	2022	
	Imports	Exports
Food and live animals	1.0	12.3
Beverages and tobacco	0.0	0.3
Crude materials, inedible, except fuels	0.4	22.0
Mineral fuels, lubricants and related materials	0.0	9.2
Animal and vegetable oils, fats and waxes	0.1	0.0
Chemicals and related products, N.E.S.	5.9	16.6
Manufactured goods classified chiefly by material	11.2	3.5
Machinery and transport equipment	49.8	27.1
Miscellaneous manufactured articles	29.7	7.6
Commodities and transactions not classified elsewhere in the SITC	1.9	1.3
Total	100.0	100.0

Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

Miscellaneous manufactured articles imports from China represented 42.3% of total United States imports in 2022, followed by machinery and transport equipment (19.8%) and manufactured goods (18.0%) as the sectors with the highest market share among all United States sectorial imports.

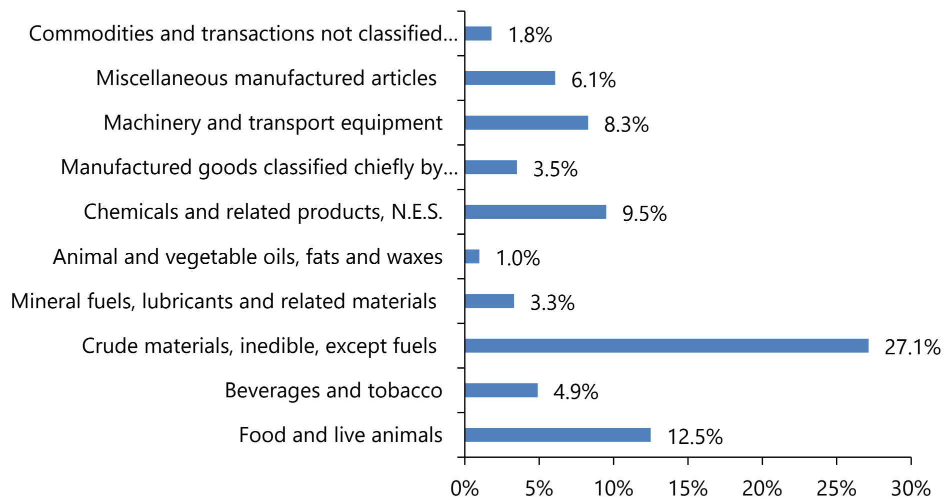
Figure 21
United States imports of goods from China
(SITC sectorial share to total United States imports, 2022)
(Percentages)



Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

Most U.S. exports of goods to China in 2022 were crude materials, inedible, except fuels (27.1% of total U.S. exports) (Figure 22). The second largest was food and live animals (12.5% of total United States exports).

Figure 22
United States exports of goods to China
(SITC sectorial share to total United States exports, 2022)
(Percentages)

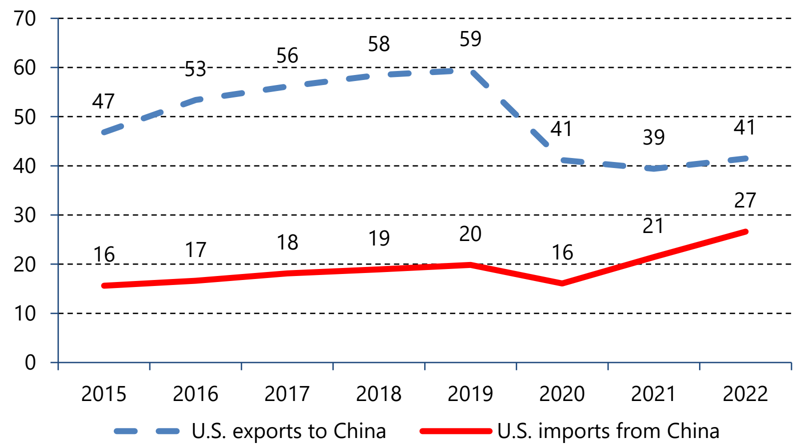


Source: ECLAC based on the United States International Trade Commission (USITIC) dataweb.

1. Trade in services with China

In 2022, total trade in services between the U.S. and China reached US$ 68 billion, of which the U.S. imported US$ 27 billion from China and exported US$ 41 billion to this country (Figure 23). U.S. imports of services from China have increased rapidly since 2020 and at a higher rate than U.S. exports of services to China, which have remained stagnant since 2020. As a result, the surplus in services with China saw a significant reduction from US$25 billion in 2020 to US$14 billion in 2022.

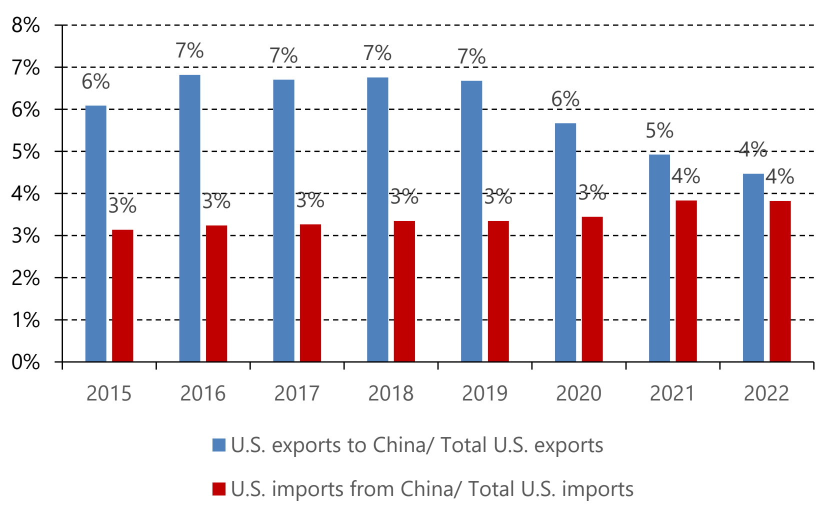
Figure 23
United States trade in services with China
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

As shown in Figure 24, the share of services imports from China in total U.S. service imports was 4% in 2022, like in previous years. For its part, the percentage of U.S. exports to China in the entire U.S. service exports started to decline in 2020, reaching a share of 4% in 2022.

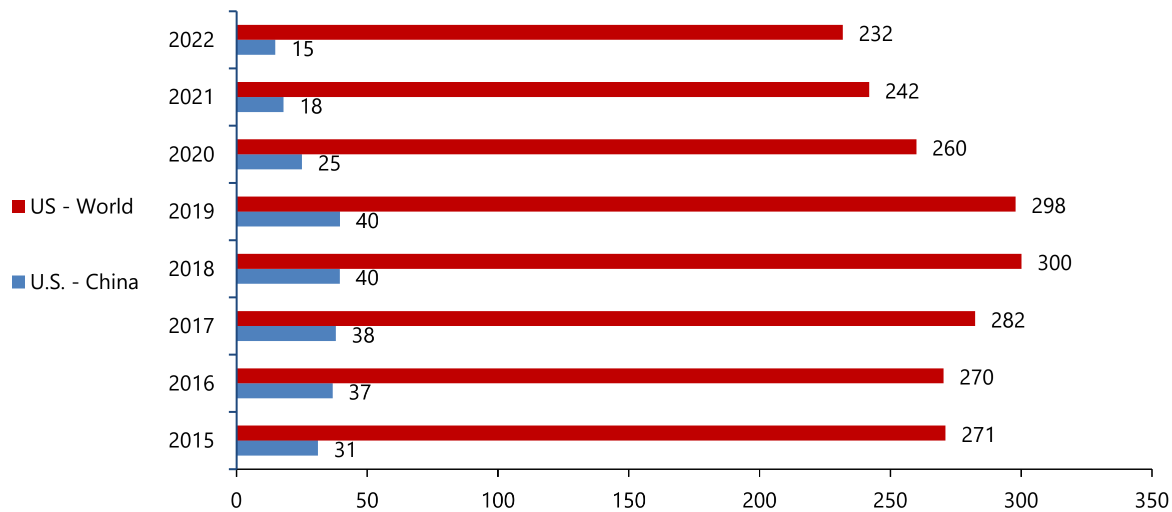
Figure 24
United States trade in services with China
Share of trade in services with China in total United States trade in services
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

The U.S. trade surplus in services with China has experienced a significant decline recently, from US$40 billion in 2018-2019 to US$ 15 billion in 2022, which follows a declining trend since 2020. The overall U.S. service surplus also declined since 2018, reaching a recent low of US$ 232 billion in 2022. (Figure 25)

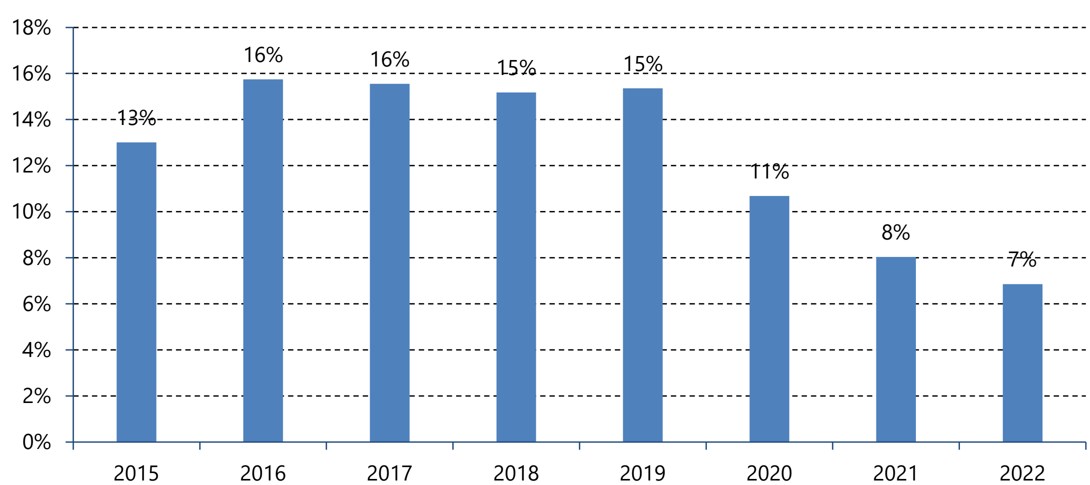
Figure 25
United States balance of trade in services
(in US billions of dollars)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

The share of the U.S. balance of trade in services with China to those of the U.S. global trade in services has presented a contractive trend since 2019 (when it was 15%), with the last value, in 2002, of 7%.

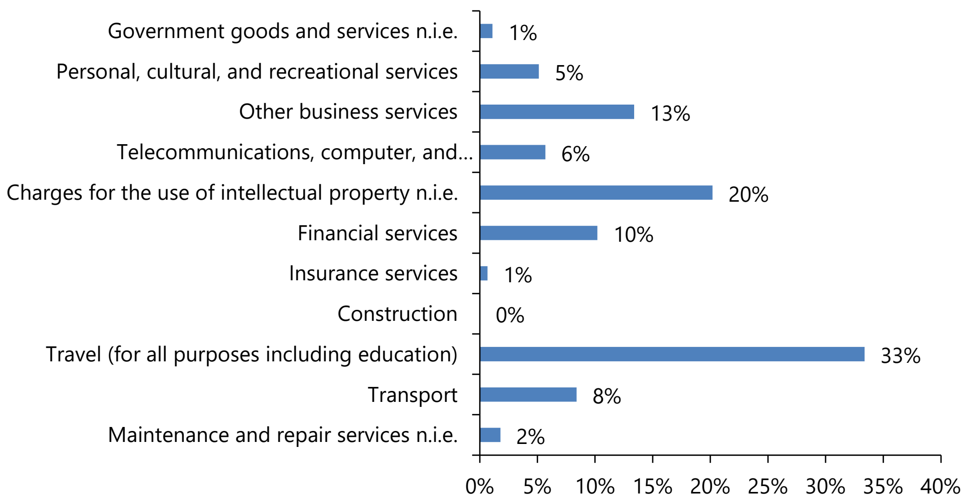
Figure 26
United States trade in services balance with China
As a share of the United States balance with the rest of the World
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

During 2022, travel accounted for the most significant proportion of U.S. exports (33%), followed by charges for using intellectual property (20%). Overall, U.S. services exports to China remain 25% below 2017 levels (Bown, 2023)

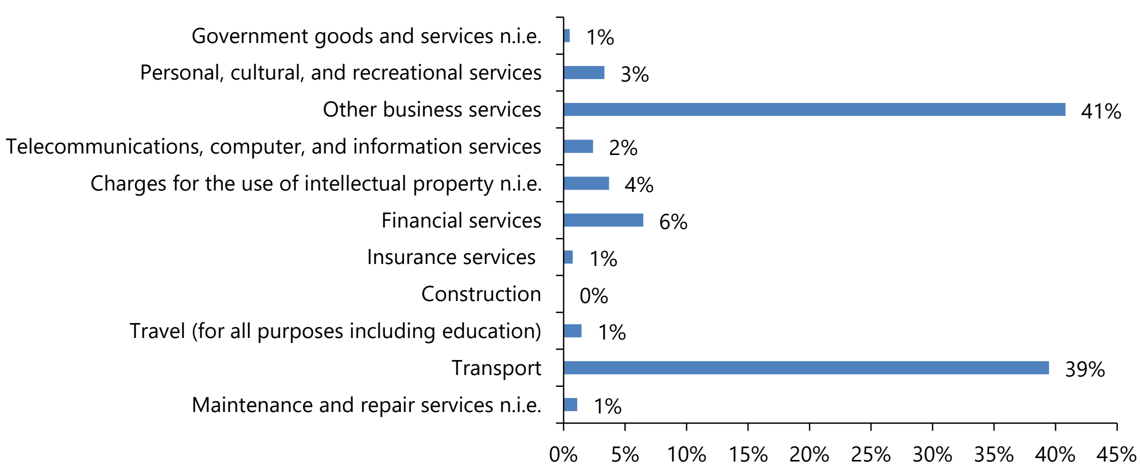
Figure 27
United States export of services with China by sector - sectorial share, 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

For the same classification and year, Figure 28 reflects the shares but for U.S. imports from China. It highlights that other business services (41%) are the main sector, closely followed by transport (39%).

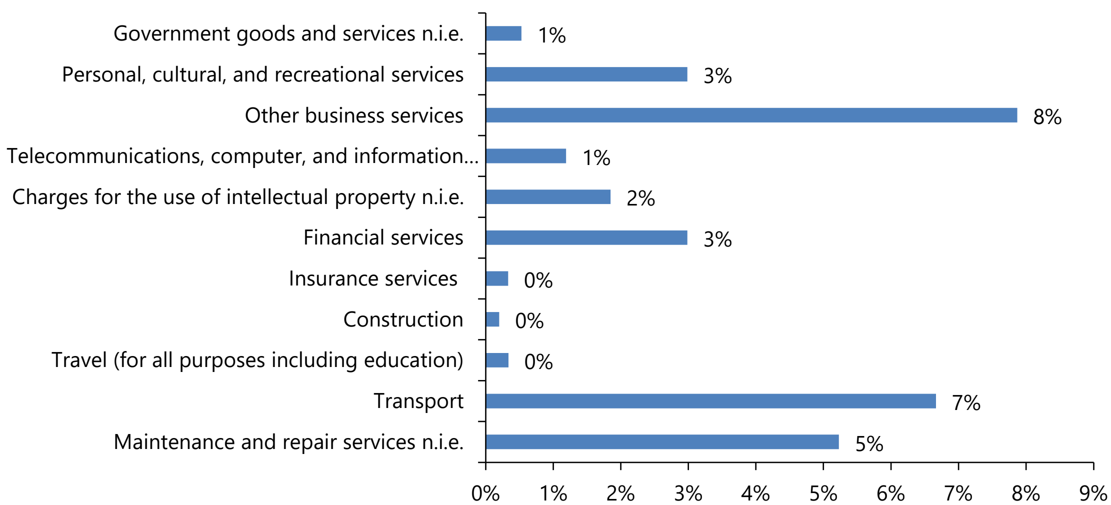
Figure 28
United States imports of services with China by sector - sectorial share, average 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

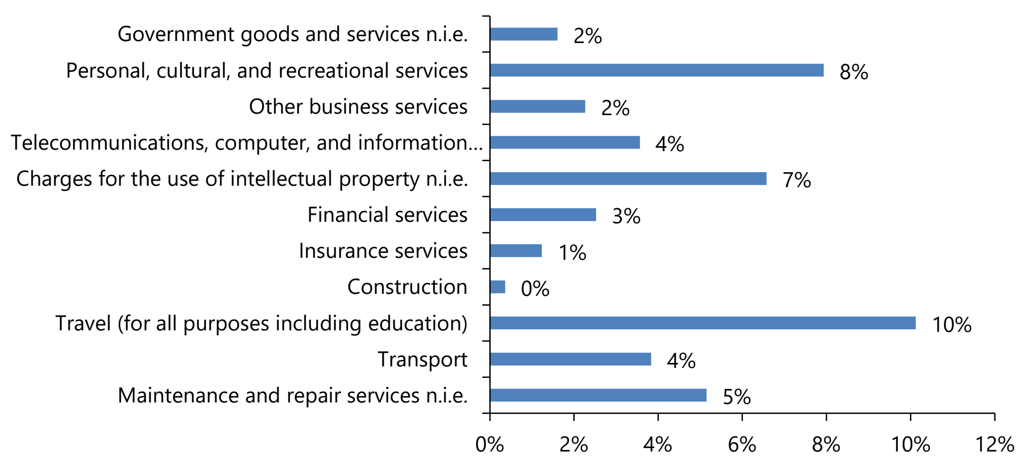
Finally, Figures 29 and 30 show the share of U.S. services trade with China regarding total U.S. trade in service by sector for 2022. Only three categories presented in Figure 7 represent equal or more than 5% of total U.S. service imports: Other business services (8%), transport (7%), and maintenance and repair services n. i.e. (5.0%). Regarding exports, Figure 34 shows that travel accounts for the highest share (10%), followed by personal, cultural, and recreational services (8%) and charges for the use of intellectual property (7%).

Figure 29
United States imports of services with China by sector
Share to total United States imports of services, 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

Figure 30
United States exports of services with China by sector
Share to total United States exports of services, 2022
(Percentages)



Source: ECLAC based on the Bureau of Economic Analysis (BEA) data.

II. United States Trade relations with China

This chapter describes the evolution of the escalating tensions in the relationship between the two largest economies in the world that started in 2018 and the impact that the tariffs levied in this context have had on trade flows between them.

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

The year 2023 has been a tumultuous one for U.S.-China relations. The thaw of the frosty bilateral relations that started with the first face-to-face meeting between presidents Biden and Xi on the sidelines of the G-20 Summit in Bali, Indonesia, in November 2022, when the U.S. announced that it would "compete vigorously with China but does not want conflict" was brought to an abrupt end with the discovery of a Chinese surveillance balloon over the United States in February 2023.

Since then, the U.S. has been trying to clarify and reframe the U.S. strategy towards China, hoping to facilitate the dialogue between the two governments and set the bilateral relationship on a more even base. The diplomatic language shifted from economic decoupling from China— now deemed not possible but also non desirable— towards "strategic derisking"[3]. In a speech pronounced 20 April 2023, U.S. Treasury Secretary Janet Yellen underlined that the U.S. was not trying to constrain China's development but rather to have a "healthy economic engagement that benefits both countries." Although she reiterated that the Administration would prioritize national security over economics, she explained that the U.S. seeks to narrowly target restrictions on national security grounds, calibrating them to mitigate spillovers into other areas –to build a "small yard with a high fence" as was later described.

3 Sullivan 27 April 2023 speech.

From the Chinese perspective, the reframing is perceived as a mere reassertion of what President Xi calls the U.S. strategy of "containment, encirclement, and suppression." The U.S. tariffs enacted in 2018 remain in place, the export controls on advanced computing, semiconductor manufacturing equipment, and software in effect since October 2022, and the new controls on U.S. outbound investment in China that Congress passed in 2023 signal no effective change in the U.S.'s strategy towards China, in their view.

The table below (Table 9) provides a chronological evolution of the escalating tensions between the two largest economies in the world.

Table 9
Chronology of the escalating tensions between China and the United States

	2023
February	Shooting down of Chinese spy balloon. From January 28 to February 4, 2023, a high-altitude balloon originating from China flew across North American airspace, including Alaska, western Canada, and the contiguous United States. On February 4, the U.S. Air Force shot down the balloon over U.S. territorial waters off the coast of South Carolina. U.S. cancels Secretary of State Antony Blinken's visit to China after the appearance of the spy balloon.
March	Japan and the Netherlands implement new export controls on semiconductor manufacturing technology that complement US restrictions to cut off Chinese access to critical equipment for chipmaking.
21 May	As a retaliation, China banned chip purchases from the U.S. firm Micron Technology to major Chinese customers for use in critical information infrastructure" including in the telecommunications, transportation, and defense sectors, owing to national-security concerns.
25 July	U.S. Senate targets China, voting to Restrict Farmland Purchases and U.S. Investment.
9 August	President Biden issues an executive order (Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern) restricting U.S. investment in China. Beyond banning new private-equity, venture-capital and joint-venture investments in advanced semiconductors and quantum computers, the executive order also requires U.S. citizens doing business in China to inform the U.S. government about direct investments in artificial intelligence and other types of semiconductors.
	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. 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."
11 February	The U.S. announced its Indo-Pacific Economic Framework and stated that it will be a central strategy in strengthening the U.S.-Asia relationship and countering further Chinese influence in the region. This framework includes provisions that have the U.S. deepening trade commitments with its regional trading partners and expanding its defense presence in the area by investing in cybersecurity and the U.S. Coast Guard's presence.
18 February	The U.S. Trade Representative added two of China's e-commerce platforms to its annual list of "notorious markets." This list demarcates markets as harmful platforms that sell counterfeit or pirated goods. In response, China's Ministry of Commerce claimed that the move was both irresponsible and hypocritical, pointing to past examples of U.S. failures to protect copyright.
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."
26 May	During an event hosted by the Asia Society, U.S. Secretary of State Antony Blinken identified China as the only country with both the intent and the power to challenge the international order. He claimed that, in response to China's alleged spying and hacking efforts towards the U.S., the Biden Administration is implementing stronger export controls and investment screenings to keep China from accessing "sensitive technologies, data or critical infrastructure, compromise our supply chains, or dominate key strategic sectors."

3 June	In response to the U.S.' Uyghur Forced Labor Prevention Act impending implementation, China's Foreign Ministry spokesperson, Zhao Lijian, issued a statement: "We urge the U.S. to refrain from enforcing the Act, stop using Xinjian-related issues to interfere in China's internal affairs and contain China's development. If the U.S. is bent on doing so, China will take forceful measures to firmly defend its own interests and dignity."
21 June	China's Ministry of Foreign Affairs released a document titled "Reality Check: Falsehoods in US Perceptions of China," which was made in direct response to U.S. Secretary of State Antony Blinken's critical speech at the Asia Society. The document details a list of grievances that China has towards the U.S., accusing them of violated the principles the United Nations Charter and putting their domestic law above international law.
August	U.S. House Speaker Nancy Pelosi visits Taipei, Taiwan. In response, Beijing launched joint military exercises around the island and suspended or canceled eight official military dialogues and cooperation channels with the United States.
October	The Bureau of Industry and Security in the U.S. Department of Commerce implements new controls on advanced computing and semiconductor manufacturing exports to China that make it harder for the Asian country to obtain, or produce, advanced chips.
	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. The agency identified the following forced labor indicators through the course of its investigation: debt bondage, restriction of movement, isolation, intimidation, and threats, withholding of wages, and abusive living and working conditions.
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.
5 February	The U.S. Secretary of State Antony Blinken spoke with China's top foreign policy official, Yang Jiechi, in their first high-level conversation since President Joe Biden took office. Blinken stressed on human rights and the ongoing military coup in Myanmar, while Yang called for Washington to stop interfering in China's internal affairs and respect China's sovereignty.
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 a 2019 law 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 later this week. 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 countersanctions" 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 an echo of Trump-era trade policies, U.S. Trade Representative Katherine Tai stated that they plan to re-engage with China over their Phase One trade agreements. Notably, however, 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 will take effect 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 fulfil 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."
29 May	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.
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	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.
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.

B. Impact of United States tariffs on China's imports

As a result of the escalating trade tensions, starting in July 2018, the United States imposed or increased a series of tariffs on some US$300 billion worth of imports from China that have been mostly maintained until today.

Following the Peterson Institute for International Economics (PIIE) analysis, this section looks at the evolution of selected U.S. imports of goods from China classified into three categories: 1) products not hit by tariffs due to the trade conflict; 2) products with moderate tariff increase due to the trade conflict; and 3) products facing high increases in tariffs in the context of the trade conflict. Table 10 presents United States imports of selected products from China as a share of total U.S. imports from China, classified according to these tariff categories.

Table 10
United States imports of selected products from China by tariff category
Share in total United States imports from China by selected period
(Percentages)

	Jul 2017-Jun 2018	Jan-Jun 2023
Products not subject to tariffs		
Total	33	43
Laptops and monitors	8	10
Phones, including smartphones	9	9
Video game consoles	1	2
Toys	3	3
Others not subject to tariffs	12	20
Products subject to a 7.5 percent tariff		
Total	20	20
Clothing and footwear	7	5
P.P.E. and COVID-19 products	1	2
Exercise equipment	1	1
Lithium batteries, including for electric vehicles	0	3
Others subject to a 7.5 percent tariff	11	9
Products subject to a 25 percent tariff		
Total	47	37
Auto parts	2	2
Furniture	6	4
Semiconductors	1	1
Others subject to a 25 percent tariff	39	30

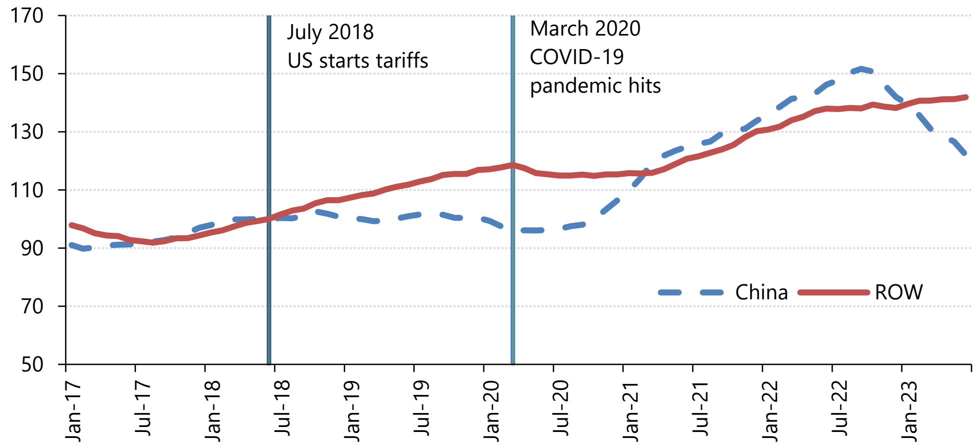
Source: Updated by ECLAC on the basis of Bown, Chad (2023).

Among the first group of products (Figure 31), U.S. imports from the world increased 40% in value between July 2018 and June 2023. Moreover, U.S. imports from China show a similar trend to that of the rest of the world until the end of 2022, and then a significant drop in U.S. imports from China that is not observed in imports from the rest of the world.

Products in this category performed well, and U.S. imports from China increased their share in total imports from 33% in July 2017-June 2018 to 43% in January-June 2023. The lockdown due to the

COVID-19 pandemic played a crucial role in the increased demand for homework, schooling, and entertainment products. In this sense, laptops and computer monitors, phones, video game consoles, and related products imported from China gained participation in total U.S. imports from China.

Figure 31
United States imports of products not hit by tariffs from China
(12 months moving average index of value, June 2018=100)



Source: Updated by ECLAC on the basis of Bown, Chad (2023).

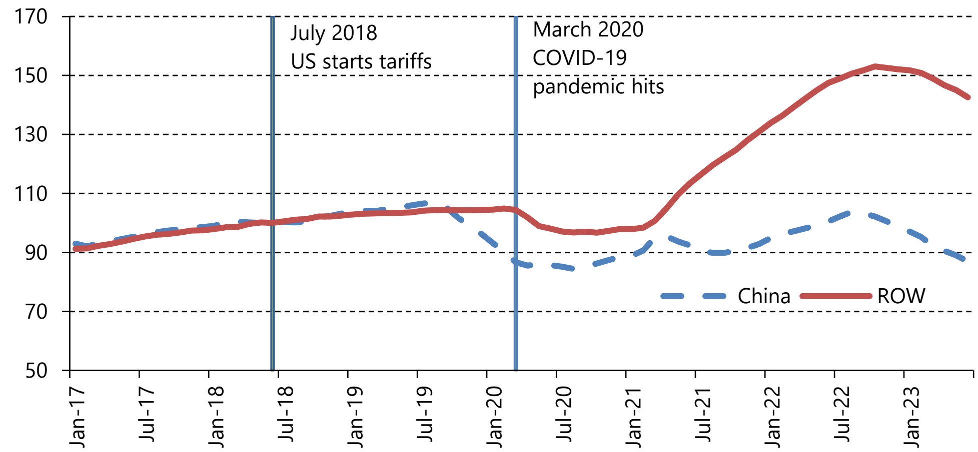
The second category comprises products hit with a moderate tariff of 7.5 percent starting in August 2029. On average, the impact of the tariffs in this group of products on the value of U.S. imports from China was a decrease of 19% between August 2019 and June 2023 19%. This behavior contrasts with the significant increase in the value of U.S. imports of these products from the rest of the World. The tariffs were effective in selectively affecting imports from China. This category includes clothing and footwear, personal protective equipment and COVID-19 products, exercise equipment, and lithium batteries.

However, U.S. imports of exercise equipment and lithium batteries have been an exception; U.S. imports from China increased significantly despite increased tariffs. The increase in imports of exercise equipment can be explained by the pent-up demand for this kind of goods due to the measures taken to control the spread of the COVID-19 disease. In the case of lithium batteries, that can be explained by the increased demand for electric vehicles.

Finally, those products that were hit by the highest tariff increases (a 25 percent duty) showed a strong decline of 33% in U.S. imports from China, when comparing June 2023 with pre-trade conflict levels. This reduction is even more critical when considering the upward tendency for most of the period under analysis of the rest of the world's imports of similar products. The products leading this category are intermediate inputs and capital equipment, such as IT hardware and consumer electronics (such as network servers, modems, routers, and smartwatches).

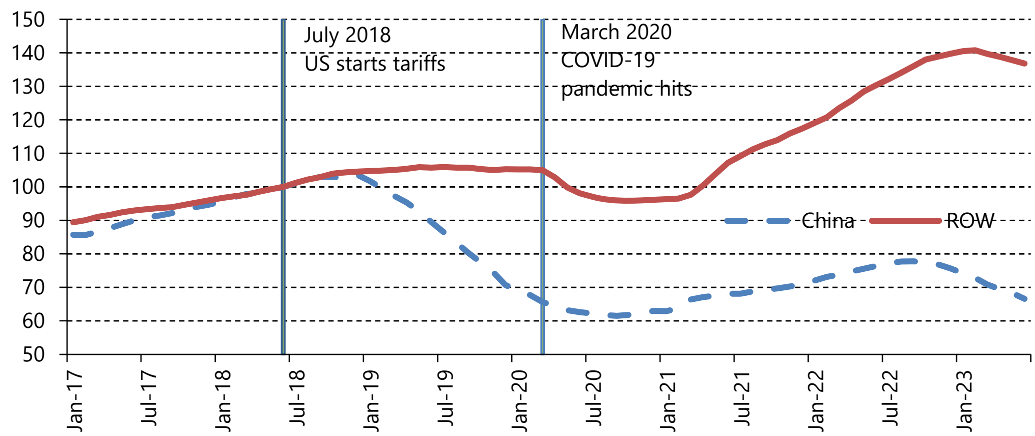
Products with high tariffs were significantly impacted as total United States imports from China as a share of U.S. imports of those products show a substantial reduction from 47% in July 2017 – June 2018 to 37% in January- June 2023.

Figure 32
United States imports of products hit by 7.5% tariffs from China
(12 months moving average index of value, June 2018=100)



Source: Updated by ECLAC on the basis of Bown, Chad (2023).

Figure 33
United States imports of products hit by 25% tariffs from China.
(12 months moving average index of value, June 2018=100)



Source: Updated by ECLAC on the basis of Bown, Chad (2023).

III. 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

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 the Infrastructure, Investment, and Jobs Act (Bipartisan Infrastructure Laws), signed into law on 15 November 2021, that provided historic funding for its development and implementation.

1. Plastic Pollution and recycling

Plastic waste is a priority environmental problem. Less than 10 percent of the plastic that has ever been produced has been recycled, and recycling rates are not increasing (Bowler, 2023). Plastics, including single-use plastic products, are devastating fish and wildlife worldwide. Global efforts continue to tackle the material that takes centuries to break down. Canada, Chile, Kenya, the United Kingdom, and the European Union have placed various bans on single-use plastic goods. 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.

In the United States, 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. Part one of the series was launched on 15 November 2021 and is dedicated to the National Recycling Strategy that highlights the actions needed by governments, industry, and others to modernize the recycling and waste management system in the United States.

In addition, in September 2023, the Department of the Interior announced that all bureaus and offices had finalized sustainable procurement plans to phase out single-use plastics on public lands within the next decade. The Department-wide plans support the Secretary's Order (S.O.) No 3407, signed in June 2022, to reduce the procurement, sale, and distribution of single-use plastic products. S.O. 3407 is part of the implementation of President Biden's Executive Order 14057 of December 2021, which calls for federal agencies to take actions to reduce and phase out procurement of single-use plastic products to the maximum extent practicable.

"The Interior Department has an obligation to play a leading role in reducing the impact of plastic waste on our ecosystems and our climate. As the steward of the nation's public lands and the agency responsible for the conservation and management of fish, wildlife, plants, and their habitats, we are uniquely positioned to do better for our Earth," said Secretary Deb Haaland. "Our Department-wide efforts are inspiring bold action to phase out single-use plastic products as we seek to protect our natural environment and the surrounding communities."

2. The Mississippi river cities and towns initiative (MRCTI)[4]

The Mississippi River Cities and Towns Initiative, developed by mayors of the Mississippi River in partnership with the United Nations Environment Programme (UNEP) and the University of Georgia, aims to combat plastic pollution along the Mississippi River. Through this initiative, thousands of community volunteers are collecting data along the upper, middle, and lower Mississippi River to increase the understanding of the state of plastic pollution. This data is being generated through a *citizen science* approach using a free mobile app for tracking upstream and coastal litter called the Debris Tracker.

The initiative began in Spring 2021 in three pilot locations along the Mississippi River: Baton Rouge, Louisiana; St. Louis, Missouri; and St. Paul, Minnesota. As pilot locations, these cities promoted education and outreach materials about plastics in inland waters and supported local data collection events in their communities. Over 75,000 items were cataloged in these three cities with the Debris Tracker. The Second Phase was implemented in October 2021 in the Quad Cities in Illinois and Iowa, straddling the Mississippi River. These cities promoted education and outreach materials about plastics in inland waters and supported local data collection events in their communities. The third data collection phase wrapped up in the Mississippi Delta Region in Rosedale and Greenville, Mississippi, in June 2022, with over 6,400 items cataloged during this phase.

During the last annual meeting held in September 2023, attended by over 30 mayors, a resolution was adopted to facilitate the pursuit of a Mississippi River Compact, modeled alongside other multi-state waterway compacts focused on the protection and livelihood of the Mississippi River. In the same meeting, it was announced a partnership between MCRCTI and Indigenous Nations in the form of a Memorandum of Common Purpose with the aim *"to preserve and restore the ecological balance of the Mississippi River Corridor, honoring the legacy of our ancestors and safeguarding this vital resource for future generations."*

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4 Based on information of MCRCTI's official web page.

Over 100,000 plastic litter items have been cataloged through the initiative. The data gathered is helping to create the *first-ever plastic pollution map along the Mississippi River*, which cities and towns can use to take action. The data is being generated through the participation of thousands of community volunteers trained in using a free mobile phone app for tracking upstream and coastal litter.

3. United States: private sector circular economy 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 this market. Some market players 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."

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[5]: 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 2022, the United States imported US$ 12.3 billion in C.E. goods, representing 0.4% of total United States imports of goods. The share is similar to the values of 2010 when they amounted to US$9 billion or 0.5% of total United States imports of goods. The 2022 figures represent a significant decrease from the 2021 share, which was 0.8% (see Table 11).

The vast majority correspond to minerals, metals, and their manufactures, an extensive group encompassing waste and scrap metals, mechanical, motorized, and self-propelled machines that accounts for US$7 billion in 2022 (also in Table 11).

United States exports of C.E. goods amounted to US$37 billion in 2022, continuing with a substantial surplus in circular economy goods. United States exports of C.E. goods represented about 1.8% of total United States exports in 2022. Exports of C.E. goods have fluctuated US$11 billion in 2005, US$31 in 2010, and US$23 in 2015, showing an increasing trend in the last figures (also in Table 11).

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

Table 11
United States trade in C.E. goods by sector
(in US millions of dollars)

Imports	2000	2005	2010	2015	2020	2021	2022
Agriculture, food and beverages	147	415	617	1 580	1 721	2 049	2 271
Chemical, plastic and rubber	200	300	304	362	345	449	429
Forestry, pulp, paper and cardboard	105	113	222	391	587	697	641
Minerals, metals and their products	1 671	3 456	5 276	5 214	7 669	10 979	7 064
Musical instruments		17	10	10	8	8	11
Textiles and leather	61	126	128	148	138	174	183
Transport materials	1 363	658	2 678	3 096	8 034	9 640	1 665
Total CE imports	3 547	5 085	9 235	10 801	18 503	23 996	12 264
Total imports	1 218 022	1 673 455	1 913 857	2 248 811	2 331 477	2 828 875	3 242 530
Share of CE imports in total imports (%)	0.3	0.3	0.5	0.5	0.8	0.8	0.4

Exports	2000	2005	2010	2015	2020	2021	2022
Agriculture, food and beverages	1 988	1 945	5 673	7 778	6 668	8 280	9 269
Chemical, plastic and rubber	225	491	1 049	848	267	377	349
Forestry, pulp, paper and cardboard	1 294	1 775	3 458	4 163	3 883	4 934	5 603
Minerals, metals and their products	1 840	6 708	20 754	9 913	14 746	21 851	13 308
Musical instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Textiles and leather	75	80	51	27	25	36	38
Transport materials	1 608	160	278	248	6 530	8 474	8 735
Total CE exports	7 029	11 160	31 263	22 977	32 118	43 952	37 301
Total exports	781 918	901 082	1 278 495	1 503 328	1 429 995	1 757 822	2 065 157
Share of CE imports in total exports (%)	0.9	1.2	2.4	1.5	2.2	2.5	1.8

Source: ECLAC based on the United States Census Bureau data.

Latin America and the Caribbean represent about 18% of total United States imports of C.E. goods. In 2022, the United States imported US$2 billion of C.E. goods from the region, nearly 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 16% in 2015 to 18% in 2022 (Table 12). The region's exports have been mainly mineral, metals, and their manufactures (US$1.6 billion in 2022).

United States exports to the region have steadily increased since the beginning of the century, and 2022 reached US$9.5 billion or 26% of total United States exports of C.E. goods. Exports to the region are mainly agriculture, food and beverages, minerals, metals, and manufacturing (Table 12).

Table 12
United States trade in C.E. goods with Latin America and the Caribbean
(in US millions of dollars)

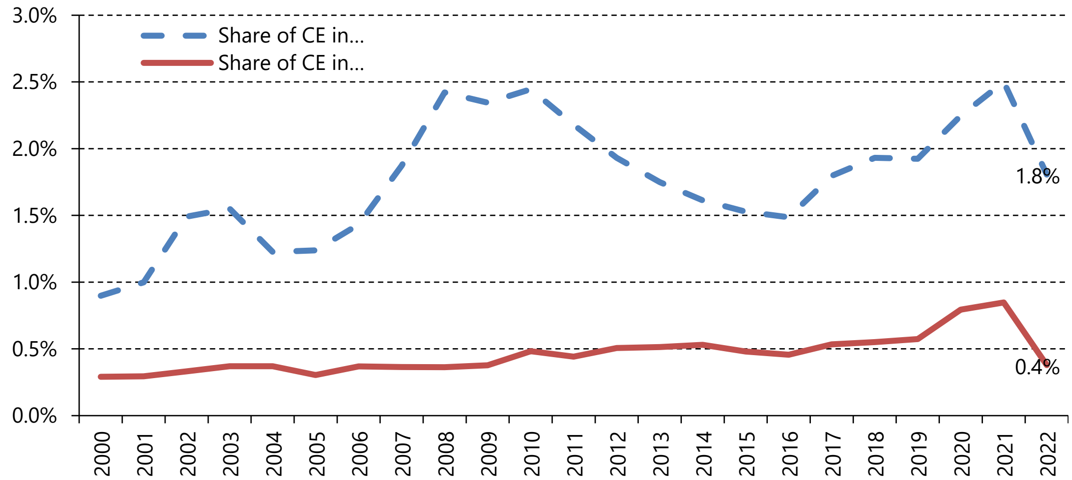
Imports	2000	2005	2010	2015	2020	2021	2022
Agriculture, food and beverages	56	113	127	175	151	182	204
Chemical, plastic and rubber	45	78	97	145	123	190	160
Forestry, pulp, paper and cardboard	5	5	8	10	5	5	5
Minerals, metals and their products	290	628	1 335	1 132	1 494	2 542	1 648
Musical instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Textiles and leather	14	52	50	45	25	29	33
Transport materials	24	2	84	244	530	664	177
Total CE imports from LAC	434	878	1 700	1 751	2 329	3 613	2 228
Share of CE imports from LAC over total U.S. CE imports (%)	12.2	17.3	18.4	16.2	12.6	15.1	18.2

Exports	2000	2005	2010	2015	2020	2021	2022
Agriculture, food and beverages	408	657	1 735	2 941	2 953	3 890	4 517
Chemical, plastic and rubber	35	33	47	42	46	99	122
Forestry, pulp, paper and cardboard	243	309	588	390	497	836	966
Minerals, metals and their products	335	888	1 316	1 339	1 475	2 540	2 499
Musical instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Textiles and leather	18	35	13	7	8	11	13
Transport materials	287	25	46	80	885	1 390	1 381
Total CE exports to LAC	1 327	1 947	3 746	4 799	5 864	8 766	9 498
Share of CE exports to LAC over total U.S. CE exports (%)	18.9	17.4	12.0	20.9	18.3	19.9	25.5

Source: ECLAC based on the United States Census Bureau data.

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 percentage of C.E. imports in the entire United States imports of goods has shown a soft upward trend that reached its maximum both in 2020 and 2021 at 0.8% but decreased in 2022 to 0.4%. Similarly, the share of exports of C.E. in total United States exports of goods peaked in 2021 (2.5%) but reduced in 2022 to 1.8% (Figure 34).

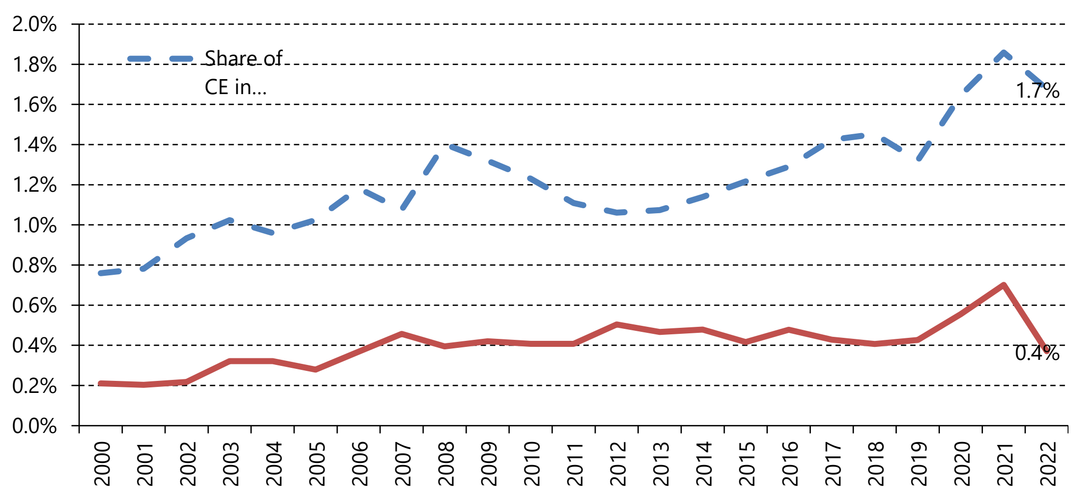
Figure 34
Share of C.E. in United States exports and imports of goods, 2000-2021
(Percentages)



Source: ECLAC based on the United States Census Bureau data.

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 share of 0.4% in 2022, similar to the worldwide share. For its part, C.E. exports to the region show more volatile performance over the period, reflecting a share of 1.7% in 2022 in the total United States exports to Latin America, similar to the 1.8% worldwide share (Figure 35).

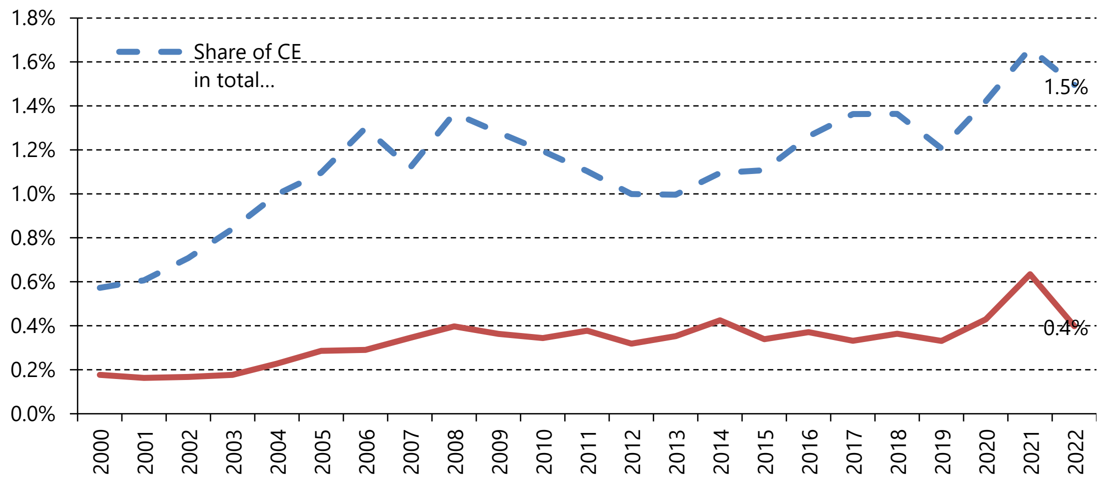
Figure 35
Share of C.E. goods in total exports, imports of goods with Latin America, 2000-2021
(Percentages)



Source: ECLAC based on the United States Census Bureau data.

United States trade in C.E. goods with Mexico shows similar shares to those of Latin America. United States C.E. imports and exports from Mexico reduced their share values in 2022 (0.4% and 1.5%, respectively) (Figure 36).

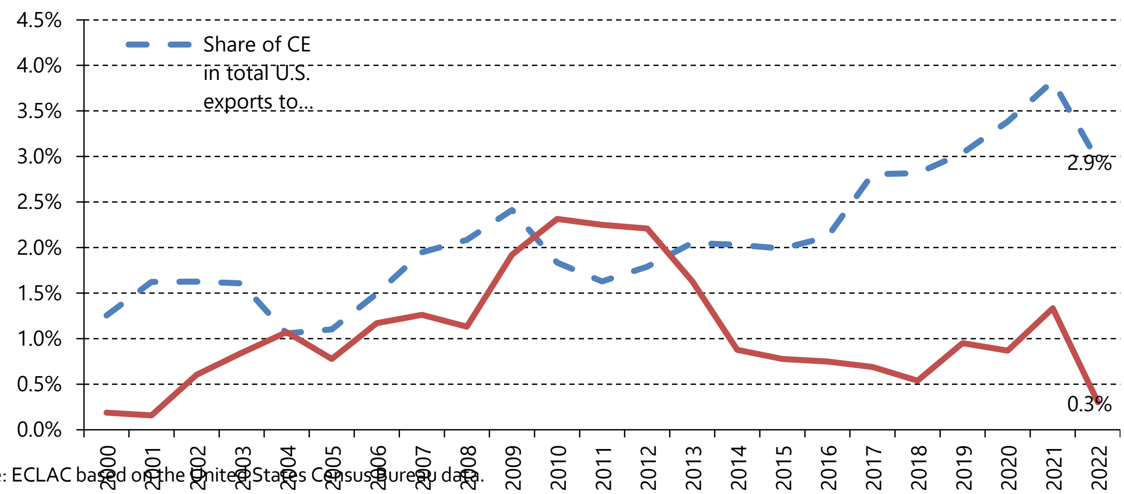
Figure 36
Share of C.E. goods in total exports and imports of goods with Mexico, 2000-2021
(Percentages)



Source: ECLAC based on the United States Census Bureau data.

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. Overall, the Caribbean's shares in imports and exports reduced significantly in 2022 (2.9% of exports and 0.3% of imports) compared with the previous year (Figure 37).

Figure 37
Share of C.E. goods in total exports and imports with the Caribbean, 2000-2021
(Percentages)



Source: ECLAC based on the United States Census Bureau data.

In recent years (2019-2022), the United States C.E. exports to Latin America have been concentrated in agriculture, food, and beverages, with 49% of C.E. exports corresponding to this sector and minerals, metals, and their products with 29%. At the beginning of the century (2000-2003), agriculture, food, and beverages (29%), followed by minerals, metals, and their products (28%) and transport materials (23%) were the most significant sectors. In recent years, transport was only 11% of C.E. exports (Table 13).

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 55% percent in 2000-2003 and 67% in 2019-2022. Imports of agriculture, food, and beverages from the region fell as a share of total imports from the region from 20% in 2000- 2003 to only 7% in 2019-2022. Between 2019 and 2022, transport materials were the second most important sector in C.E. imports from the region, with 18% of imports corresponding to that sector (Table 13).

Table 13
United States C.E. trade with Latin America by sector
(shares)

	Latin America			
	C.E. Exports		C.E. Imports	
	2000-2003	2019-2022	2000-2003	2019-2022
Agriculture, food and beverages	29	49	20	7
Chemical, plastic and rubber	3	1	9	6
Forestry, pulp, paper and cardboard	17	10	1	0
Minerals, metals and their products	28	29	55	67
Musical instruments	0	0	0	0
Textiles and leather	1	0	4	1
Transport materials	23	11	11	18

Source: ECLAC based on the United States Census Bureau data.

United States C.E. exports to the Caribbean have been concentrated between 2019 and 2022 in transport materials (58%) and agriculture, foods, and beverages (36%). However, the latter sector lost its share in the first twenty years of this century – between 2000-2003, 73% of C.E. exports to the Caribbean were in the agriculture, food, and beverages sector (Table 14)

United States C.E. imports from the Caribbean continue to be almost exclusively concentrated in minerals, metals, and their products, with 90% of the imports from the Caribbean corresponding to that sector in the period 2019-2022, with practically no variation from 2000-2003 when it reached a share of 87% (Table 14)

Table 14
United States C.E. trade with the Caribbean by sector
(shares)

	The Caribbean			
	C.E. Exports		C.E. Imports	
	2000-2003	2019-2022	2000-2003	2019-2022
Agriculture, food and beverages	73	36	8	0
Chemical, plastic and rubber	1	1	3	5
Forestry, pulp, paper and cardboard	2	1	0	0
Minerals, metals and their products	16	4	87	90
Musical instruments	0	0	0	0
Textiles and leather	2	0	2	4
Transport materials	5	58	0	0

Source: ECLAC based on the United States Census Bureau data.

IV. United States-Mexico-Canada Agreement (USMCA)

The United States-Mexico-Canada Agreement, in effect since 1 July 2021, is the foundation for the North American competitiveness promoted by the United States trade agenda and the basis for economic prosperity and social development in the Western Hemisphere. However, greater regional integration is needed to increase productive capacity and promote inclusive growth, including incentives under the CHIPS and Science Act to promote investment in semiconductor clusters along the border.

Building on the idea that the Western Hemisphere requires renewed economic focus on expanding and deepening regional supply chains, Senators Bill Cassidy (R-LA) and Michael Bennet (D- CO) co-sponsored the *Americas Trade and Investment Act*, an effort to promote shifting supply chains, strengthen broad-based growth, and deepen economic and financial integration by creating a pathway for hemispheric nations to accede to USMCA. The two lawmakers said their legislation also aims to counter China's growing influence in the region by deepening economic ties between the United States and the rest of Latin America and the Caribbean[6].

Despite not having an explicit accession process embedded in the USMCA, its Free Trade Commission could act on its own initiative or, alternatively, it could instruct working groups to take appropriate steps to facilitate the same result.

The best window to attempt an expansion would be in the context of the 2026 USMCA review process after the general election in Mexico and the United States (2024).

The *Americas Trade and Investment Act* is based on five pillars: *the Americas partnership, e-governance system, trade, investment, and people-to-people.*

6 "We need to prioritize partnerships in the Western Hemisphere to improve trade, bring manufacturing back to our shores, and compete with China," Sen. Cassidy said. Washington Trade Daily January 12, 2023

(i) "Americas Partnership for Economic Prosperity (APEP)" would be an expanding community of nations in the hemisphere focused on improving hemispheric integration to create more prosperous societies for their people.

(ii) The bill will create an e-governance system that will administer all interactions (public and private) within the APEP.

(iii) The bill will create a re-shoring and nearshoring account within the U.S. Treasury Department to finance the reshoring of U.S. industries, strategic supply chains, and other priorities, provide tax incentives for qualified reshoring and nearshoring expenses for U.S. companies from China, and a docking mechanism within USMCA, expands Caribbean Basin Trade Preference Area to include APEP countries as a temporary step until USMCA membership can be extended.

(iv) The bill creates the Americas Investment Corporation, Americas Enterprise Fund, strategic supply chains, and regional energy security.

(v) People-to-people includes humanitarian and development assistance, among others.

Worker-Centered trade policy and USMCA's Rapid Response Mechanism (RRM).

One of Biden Administration's main priorities is the effective enforcement of the USMCA's labor provisions –the strongest in any U.S. trade agreement, to ensure that trade benefits workers. The USMCA contains an innovative enforcement tool, the RRM, that allows the United States to quickly act and target specific facilities in Mexico where workers are being denied their rights to freedom of association and collective bargaining. Since the entry into force of the USMCA, a range of labor issues and disputes have arisen.

Table 15
United States-Mexico-Canada (USMCA) labor cases

	2021
12 May	The United States asked Mexico to review whether workers at a General Motors (G.M.) 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 G.M.'s Silao facility**.
8 July	The United States and Mexico announced the **first course of remediation under RRM** which seeks to provide the workers of the General Motors facility in Silao, Mexico with the ability to vote on whether to approve their collective bargaining agreement in free and democratic conditions, and to remediate the denial of the right of free association and collective bargaining to workers at the facility.
9 June	The United States Trade Representative requested that Mexico review whether workers at the Tridonex facility are being denied the right of free association and collective bargaining.
10 August	The Office of the United States Trade Representative (USTR) and Tridonex, a subsidiary of Cardone Industries, announced an agreement to address allegations filed on behalf of employees at the Tridonex facility in Matamoros, State of Tamaulipas, that workers are being denied the rights of free association and collective bargaining.
	2022
18 May	The United States asked Mexico to review whether workers at the Panasonic Automotive Systems of Mexico facility in Reynosa, State of Tamaulipas, are being denied the rights of free association and collective bargaining.
14 July	The United States and Mexico **announced the resolution** to a situation at the Panasonic Automotive Systems facility in Reynosa, Mexico where workers were previously denied their freedom of association and collective bargaining rights. The independent Mexican union and the facility engaged in constructive discussions, facilitated by the Government of Mexico, in connection with the USMCA matter. As a result, the facility took several actions, including renouncing a collective bargaining agreement it had signed with a union that lacked lawful bargaining authority; reimbursing workers for dues the company had deducted from workers 'paychecks on the union's behalf; offering

	reinstatement and backpay to twenty-six workers who were allegedly terminated for participating in union activity, and reimbursing workers for wages unpaid as a result of a work stoppage at the facility.
6 June	The United States 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.
16 August	The United States and Mexico **announced the successful resolution** of a USMCA facility-specific RRM petition regarding the situation at the Teksid Hierro de México, S.A. de C.V. (Teksid Hierro) facility in Frontera, Mexico. Mexico conducted a review in response to the June 6 request and facilitated constructive discussions between the company and the independent union to remediate the situation. The facility took several actions including providing access to the facility for the purpose of carrying out worker representation, paying union dues withheld from workers and owed to the independent union, and reinstating and offering back pay to thirty-six workers.
21 July	The United States asked Mexico to review whether workers at the Manufacturas VU (V.U.) 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 union that are not being afforded to another union, La Liga Sindical Obrera Mexicana.
14 September	The U.S. and Mexico have resolved the case in Piedras Negras under the USMCA RRM, with Mexico taking steps to protect worker rights at an auto-parts facility..
26 July	**Mexico's Federal Center for Conciliation and Labor Registration has approved new guidelines for union democracy in response to two years of labor reform efforts and worker-rights violation complaints under the USMCA.** The guidelines aim to improve organization, participation, and monitoring of union elections. This follows the U.S. invoking the RRM mechanism five times to address concerns about worker-rights violations in Mexico.
2 September	The U.S. has rejected a petition to investigate alleged worker-rights violations at a Mexican auto-parts facility, marking the first reported rejection under the USMCA's RRM. The Interagency Labor Committee decided not to review concerns about a union contract legitimization vote at a subsidiary of BBB Industries. The petition failed to provide sufficient evidence for the invocation of the enforcement mechanism. So far, four cases under the USMCA rapid-response mechanism have been resolved, with one case remaining under review.
27 September	The AFL-CIO, United Steelworkers, and Sindicato Independiente de las y los Trabajadores Libres y Democráticos de Saint Gobain México, a Mexican union, filed a USMCA RRM petition regarding the Saint Gobain México, SA, a facility in Cuautla, Mexico that exports automotive glass.
27 October	Worker-rights concerns at a Saint-Gobain glass plant in Cuautla, Mexico, raised under the USMCA RRM, have been **resolved** following the election of a new, independent union. This marks the sixth time an independent union in Mexico has won an election in connection with the USMCA rapid-response mechanism, and the U.S. has resolved five other cases without banning goods from the facilities involved.
	2023
30 January	The United States asked Mexico to review whether workers at the Manufacturas VU (V.U.) facility in Piedras Negras, State of Coahuila, are being denied the right of free association and collective bargaining. This is the second review requested for this facility, the first one of July 2022 was resolved but the conditions had been backsliding since then.
31 March	The United States and Mexico announced **a course of remediation** to address denials of rights at the Manufacturas VU automotive components facility in Piedras Negras, Coahuila, Mexico. This announcement marks the third time the United States and Mexico have agreed on a formal course of remediation under the United States-Mexico-Canada Agreement's (USMCA's) Facility-Specific Rapid Response Labor Mechanism (RRM).
06 March	The United States has asked Mexico to review whether workers at a Unique Fabricating facility in Santiago de Querétaro, State of Querétaro, are being denied the rights of free association and collective bargaining. The request, which was made in response to a petition, marks the seventh time the United States has formally invoked the Rapid Response Labor Mechanism (RRM) in the United States-Mexico-Canada Agreement (USMCA).
24 April	The United States announced the **resolution** of a USMCA RRM petition related to a Unique Fabricating facility in Santiago de Querétaro, where workers were denied their rights to freedom of association and collective bargaining. The announcement marks the eighth facility in which the United States has successfully used the RRM.
14 March	Canada's government will review a petition filed under the USMCA alleging worker rights violations at a German-owned auto parts facility, Fraenkische Industrial Pipes México S.A., in Silao, Mexico. Submitted by Canadian union Unifor and Mexican union SINTTIA, the petition invokes the USMCA's RRM. If Canada believes violations are occurring, Mexico will be asked to conduct its own review before a possible remediation process. The unions claim that workers at the facility have faced threats and intimidation while trying to elect a new, independent union.

16 March	The Mexican Economy Ministry has found evidence of worker-rights violations at the Manufacturas VU auto parts facility following a second U.S. request to review the plant under the USMCA's RRM. The Mexican government is launching a 10-day consultation period with the U.S. to develop a remediation plan.
22 May	The United States asked Mexico to review whether workers at a facility operated by Goodyear SLP, S. de R.L. de CV in the city and state of San Luis Potosí are being denied the rights to freedom of association and collective bargaining. The request, which was made in response to a petition, marks the eighth time the United States has formally invoked the RRM in the USMCA.
19 July	The United States and Mexico announced a **course of remediation** to address denials of rights at the Goodyear facility in the city and state of San Luis Potosí. This announcement marks the fourth time the United States and Mexico have agreed on a formal course of remediation under the USMCA's RRM.
31 May	The United States asked Mexico to review whether workers at a Draxton facility in Irapuato, Guanajuato are being denied the rights to freedom of association and collective bargaining. The self-initiated request marks the ninth time the United States has formally invoked the RRM under the USMCA and the second time to do so as a self-initiated action.
31 July	The United States and Mexico announced a **course of remediation** for the company and the Government of Mexico to address denials of rights at the Draxton facility in Irapuato, Guanajuato.
2 June	The United States asked Mexico to review whether workers at an Industrias del Interior (INISA) garment facility in the state of Aguascalientes, are being denied the right to freedom of association and collective bargaining. The request marks the tenth time the United States has formally invoked the RRM in the USMCA, and the first time the United States has done so in the garment sector.
16 June	The United States asked Mexico to review whether workers at the San Martin mine in the state of Zacatecas are being denied the rights to freedom of association and collective bargaining. The San Martin mine is a lead, zinc, and copper mine, owned and operated by the Grupo México conglomerate.
1 August	The Mexican government rejected the RRM petition and announced that the alleged labor violations outlined in a U.S. request on 16 June under the USMCA's RRM tool predate the pact and, accordingly, fall outside the mechanism's scope, citing "the principle of non-retroactivity."
31 August	The United States asked Mexico to review whether pilots at Aerotransported Mas de Carga (Mas Air), a Mexico City-based airline that provides cargo transportation services, are being denied the right to freedom of association and collective bargaining. The request marks the thirteenth time the U.S. has formally invoked the RRM under the USMCA.

Source: ECLAC based on USTR - USMCA Chapter 31 Annex A and World Trade Online, United States Trade Policy 2023 (USTR, 2023c).

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United States trade in goods fell by 3.9% year-on-year in the first six months of 2023, ending a recovery that started in 2021. This was a result of goods exports declining by almost 1% and goods imports by 6.3%. In contrast, in 2022, United States services trade reached a record high, with US$ 697 billion in imports and US$ 929 billion in exports.

United States-Latin America and the Caribbean Trade Developments 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 Biden's trade policy agenda on advancing a sustainable environment and climate path, this year's report includes a section on United States trade in circular economy goods.

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