**BASC Research Brief: U.S. Foreign Economic Policy**

**Executive Summary**

The United States' foreign economic policies are strategies pursued by the U.S. in cooperation with other countries for the goal of promoting growth, investment, and stability through means of trade agreements, sanctions, and foreign aid. However, the initiation of protectionist policies, the tariff wars, and the withdrawal from the Trans-Pacific Partnership (TPP) in 2017 during the Trump administration strongly impacted the United States’ ability to compete on the world stage. While the Biden administration has received pressure to rejoin the newly formed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), attention has been shifted towards bilateral cooperation and domestic industrial and infrastructure policies, reducing the likelihood of multilateral trade talks in the close future.

As the U.S. reaches new trade agreements with countries like the U.K., Japan, and the European Union (EU), tensions with China still exist with respect to unfair labor practices, harmful industrial policies, and high tariffs extended from the Trump era. The Biden administration has placed the strengthening of U.S. domestic markets and productions as a high priority and seeks to achieve this goal by steering investment into domestic agricultural and infrastructure sectors, along with passing new policies that provide research and development (R&D) support for new technologies, address rising inflation, and combat social problems.

 This research brief aims to outline the current stage of U.S. foreign economic policy from trade, investment, and industrial policy perspectives. We will analyze the potential directions for U.S. foreign economic policies based on existing conditions. We begin with a review of relevant terminologies and subsequently a timeline for related events mentioned throughout. We will then provide a furnished literature review based on existing academic research and other policy materials and conclude with a commentary.

**Definitions**

* **U.S. Foreign Economic Policy:** U.S. foreign economic policy is the strategies and policies the U.S. pursues with other countries for the goal of promoting growth, investment, and stability through means such as trade agreements, sanctions, and foreign aid.
* **USTR:** USTR stands for the Office of the United States Trade Representative. It was created in 1962 and tasked with providing trade counsel to the President, leading international trade negotiations, overseeing dispute resolutions, and other trade matters.
* **Trade Barrier:** trade barrier is the restriction on the flow of goods and services imposed by the government. It normally takes the form of tariffs, quotas, subsidies and others that increase the cost for foreign actors to sell their goods in a particular market.
* **Restrictive Data Policy:** restrictive data policy restricts the collection, use, and sharing of data by individuals or organizations, and could be imposed by governments, companies, or other entities to protect privacy and enhance security.
* **Safeguard Trigger:** temporary measures implemented by the government to protect domestic industries from sudden surges of imports harmful to local markets. It could take the form of tariffs, quotas, and other restrictive measures.
* **CPTPP:** CPTPP stands for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, created after the United States withdraw from the original Trans-Pacific Partnership negotiation in 2017. This is a free trade agreement formed by 11 countries around the Pacific Rim that aims to reduce trade barriers between members and promote economic integration and growth.
* **FTA:** FTA stands for free trade agreements normally between two or more countries for the purpose of reducing trade barriers, increase economic growth and prosperity, and establish common rules and standards. Free trade agreements are negotiated and signed by governments, and must be ratified in order to come into effect.
* **Clean Energy Deployment Targets:** government or organizational goals set to increase the utilization of clean energy technologies to reduce greenhouse gas emissions and mitigate climate change impacts.
* **Sanctions:** restrictive or prohibitive measures taken by one or more countries for economic activities in response to perceived violations of established rules. Sanctions take the form of embargos, travel bans, restricted financial transactions, and normally for the goal of applying pressures to alter behavior.
* **USMCA:** USMCA stands for the United States-Mexico-Canada Agreement, a free trade agreement replacing the North American Free Trade Agreement between the three countries that was effective on July 1, 2020. It is designed to update rules and regulations governing trade, labor, environment, and intellectual property.
* **NAFTA:** NAFTA stands for the North American Free Trade Agreement, a trilateral agreement between the U.S., Mexico, and Canada that went into effect on January 1st, 1994, to eliminate trade barriers and promote economic integration. It is later replaced by USMCA in 2020.
* **PIIE:** PIIE stands for the Peterson Institute for International Economics. It is a non-profit and nonpartisan research institution based in Washington, D.C., focusing on international economic policy issues.
* **G20:** A forum for international economic cooperation made up by 19 countries and the European Union established in 1999 in response to the financial crisis. The G20 holds annual summits that provide opportunities for leaders to coordinate responses.
* **WTO:** WTO stands for the World Trade Organization, an intergovernmental organization established in 1995 to promote and regulate international trade. Currently, the WTO has 164 members and operates based on principles of non-discrimination, transparency, and predictability. It also aims to promote fair trade practices through negotiation and agreement enforcement.
* **Section 301 of U.S. Trade Law:** Section 301 of the 1974 U.S. Trade Act is a provision that allows the U.S. government to enact responses to countries that engage in unfair trade practices. Once the U.S. Trade Representative (USTR) finds unfair practices through investigation, the government could implement actions such as sanctions or tariffs.
* **RCEP:** Regional Comprehensive Economic Partnership is a free trade agreement established among 15 countries for economic integration that include provision for trade and dispute settlement mechanisms.
* **FOMC:** The Federal Open Market Committee is a branch of the U.S. Federal Research system tasked with implementing monetary policies. The 12 voting members meet eight times a year to review economic conditions and decide the necessity of changes for fulfilling the mandate of employment and prices.
* **FDI:** FDI stands for Foreign Direct Investment, cross-border investments with the objective of establishing interest and control over other entities in the host country. FDI takes many forms and could be made in any sector to drive economic growth and development through stimulate local industries and creating jobs.
* **APEC:** Asia-Pacific Economic Cooperation, a forum established in 1989 consisting of 21 members around the Pacific Rim with the main objective of promoting free trade and economic cooperation.
* **TPP:** The Trans-Pacific Partnership trade agreement between 12 countries aimed to promote economic integration and free trade. It was negotiated and signed in 2016, however, with the United States’ withdrawal in 2017, the agreement never went into effect and was replaced by CPTPP.
* **CFIUS:** CFIUS stands for the Committee on Foreign Investment in the United States established in 1975 and tasked with reviewing and approving certain foreign investments in the United States. It assesses the national security implications of foreign investments and the potential risks of such investments.
* **OECD:** Organisation for Economic Co-operation and Development established in 1961. Made up of 38 mainly developed countries aimed to promote economic growth and development, OECD conducts research and analysis and share expertise for developing countries, and published indicators that are widely used by academics and the public.

**Timeline:**

* **Trade**
	+ **2017:**
		- The U.S. withdrew from the Trans-Pacific Partnership (TPP).
			* The cultivation of protectionist trade policies in the Trump administration led the United States to withdraw from the TPP. In response, former TPP countries created the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on March 8th, 2018.[[1]](#footnote-1)
	+ **2018:**
		- The initiation of the Tariff War by the Trump Administration on multiple fronts: solar panel and washing machines tariffs, steel and aluminum tariffs, unfair trade practices for technology and intellectual property, auto tariffs, illegal immigration, and the semiconductor industry.[[2]](#footnote-2)
			* Countries hit by Trump’s tariffs: Argentina, Brazil, Canada, China, India, Mexico, Netherlands, Norway, Poland, Russia, Singapore, Slovakia, South Korea, Taiwan, Turkey, United Arab Emirates, United Kingdom, and the European Union.
				+ EU countries include: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden,
	+ **2020:**
		- In January 2020, U.S.-China signed the Phase One trade deal in which China agreed to purchase an additional $200 billion worth of goods and services from the United States over the next two years, remove barriers to a long list of U.S. exports, and the suspension of planned tariffs on China by the U.S.. [[3]](#footnote-3)
			* According to PIIE, “China bought only 58 percent of the U.S. exports it had committed to purchase under the agreement”, due mainly to the Covid-19 pandemic.[[4]](#footnote-4)
		- The United States continued Section 232 of the Trade Expansion Act, the steel and aluminum tariffs, which were first imposed in 2018 and extended through 2020.[[5]](#footnote-5)
		- Trade War continuation with EU.
			* The U.S. and the European Union had trade disputes over the subsidies for aircraft manufacturing, leading the U.S. to impose tariffs on a range of goods and the EU responded in with tariffs on U.S. goods.[[6]](#footnote-6)
		- US-Mexico-Canada Agreement (USMCA) went into effect in July 2020.
			* The replacement of the previous North American Free Trade Agreement by the new US-Mexico-Canada agreement to promote trade, intellectual property, and labor standards.[[7]](#footnote-7)
	+ **2021:**
		- The Biden administration announced the Trade Policy Review in 2021.[[8]](#footnote-8)
			* The comprehensive review of current U.S. agreements, trade policies toward China, and the role of international organizations like the World Trade Organization (WTO) serve to ensure actions align with the administration’s security and economic goals.
		- Further Trade disputes between the US. And China.
			* Both countries continue to impose tariffs on each other’s goods with the United States taking a strengthened stand on guarding intellectual property and technology transfer.[[9]](#footnote-9)
			* The tariffs and restrictions imposed by the United States also hope to serve as mechanisms to address the forced labor program in China, specifically the Uyghur Muslims in Xinjiang.[[10]](#footnote-10)
				+ President Joe Biden signed the Uyghur Forced Labor Prevention Act on December 23rd, 2021, to “keep US consumers from being unwitting accomplices to the grave human rights abuses the Chinese government is perpetrating in the Xinjiang Autonomous Region”.[[11]](#footnote-11)
		- U.S. re-evaluates Ethiopia’s status under the African Growth and Opportunity Act (AGOA) which grants countries duty-free access to the U.S..[[12]](#footnote-12)
			* Ethiopia risks losing access to AGOA if ongoing human rights conflicts and humanitarian crisis goes unaddressed, according to U.S. global trade representative Katherine Tai’s office.[[13]](#footnote-13)
		- APEC Ministerial Virtual Multilateral Meeting held in November 2021.
			* The APEC meeting was held virtually on November 8th and 9th, 2021 to discuss trade facilitation efforts for Covid-19 vaccines and medical supplies, investment in health systems and cross-border travel, structural reform, open trade markets and supply chains, connectivity cooperation, and continued support for a multilateral trading system.[[14]](#footnote-14)
		- ASEAN digital trade talks were held in September 2021.
			* The USTR-ASEAN economic minister meeting began in September 2021 to discuss future prospects of digital trade, topics including how to strengthen supply chain resilience and sustainability.[[15]](#footnote-15)
	+ **2022:**
		- The U.S.-Canada dairy dispute was resolved in January 2022.
			* As the Biden administration continued to implement the US-Mexico-Canada agreement, the dispute panel of the USMCA rules in its first-ever case and founds that “Canada’s dairy tariff-rate quota allocation measures to be inconsistent with Canada’s USMCA obligations.”[[16]](#footnote-16) This ruling paved the way for a $200 million increase in American dairy exports to Canada.
			* The dispute was initially filed in December 2020, and in May 2021 the U.S. triggered the use of a dispute resolution panel for the first time since the signing of the agreement.
		- The U.S. imposed sanctions on Russia’s involvement in Ukraine in January 2022.
			* Four individuals were sanctions by the Department of the Treasury’s Office of Foreign Assets Control (OFAC) for engaging in Russian government-directed activities to destabilize Ukraine.[[17]](#footnote-17)
			* The goal of the sanction is to “target, undermine, and expose Russia’s ongoing destabilization effort in Ukraine” as Russia has launched operations to degrade Ukraine’s ability to function through recruiting current and former Ukraine government officials, control key infrastructure, and disseminate false information. [[18]](#footnote-18)
		- New updates to previous tariffs through bilateral agreements.
			* The U.S. and Japan reached an agreement on beef safeguard tariffs on March 24th, 2022, and an agreement on steel and aluminum tariffs in February 2022.
				+ The beef safeguard tariffs agreements were set to increase Japan’s “safeguard trigger” for higher tariffs on U.S. beef imports. The new trigger mechanism includes three benchmarks that must all be met before a tariff increase can be implemented. Most importantly, the agreement states that imports must exceed both the beef trigger level originally established in the bilateral U.S.-Japan Trade Agreement as well as the CPTPP trigger level.[[19]](#footnote-19)
				+ The steel and aluminum agreement was set to transform the Trump administration’s 25% tariff on Japanese steel imports into a tariff-rate quota. Up to 1.25 million metric tons of Japanese steel may be imported tariff-free to the United States every year, although any additional imports will be faced with a similar 25% tariff.[[20]](#footnote-20)
				+ This 1.25 million ton quantity is based on the average Japanese steel exports to the U.S. from 2018 to 2019.
				+ The changes will take effect on April 1, 2022.
			* The U.S. and the U.K. began bilateral trade talks and remove tariffs on steel and aluminum in March 2022.
				+ On March 21 and 22, trade representatives from the United States and the United Kingdom met for the first time since bilateral FTA negotiations were suspended last year in 2021. The topics discussed included cooperation on environmental protection, labor rights, and digital trade. There were no indications of resuming FTA negotiations in the near term.[[21]](#footnote-21)
				+ After the meeting, the Biden administration announced it would remove a majority of the Trump-era tariffs on British steel and aluminum exports. The UK also agreed to remove its retaliatory tariffs on U.S. products like whiskey, blue jeans, and motorcycles.[[22]](#footnote-22)
		- U.S. President Joe Biden proposed the Chip 4 Alliance in March 2022, a technology partnership to build a semiconductor supply network.
			* Partners include South Korea, Japan, and Taiwan with the goal of undermining Chinese chip industry development and shifting supply chain dependence away from China to become more globally diversified.[[23]](#footnote-23)
			* South Korea’s trade minister expressed high expectations to join the alliance in December 2022. Despite strong economic ties with China and the potential for a decline in commercial trade, South Korea views it wiser to join the Chip 4 Alliance for market diversification and reduce reliance on China. [[24]](#footnote-24)
		- The Biden administration announced new export control policy in October 2022 on restricting artificial intelligence (AI) and semiconductor technologies to China. [[25]](#footnote-25)
			* “The restrictions block leading U.S. AI computer chip designers, such as Nvidia and AMD, from selling their high-end chips for AI and supercomputing to China.”[[26]](#footnote-26)
			* The new policy intends to undermine the Chinese artificial industry’s development by cutting off access to high-end AI chips, which could be used for military-civil fusion developments.
		- Developments / sanctions add (focus on semiconductor) / DOC restrictions on American firms and ally restrictions
	+ **2023:**
		- The United States secured a deal with Japan and the Netherlands in January 2023 to restrict exports of advanced chip-making machinery to China.[[27]](#footnote-27)
			* The deal involves getting the Netherlands and Japan to impose tighter export controls on China.
			* “The agreement would extend some export controls of the United States adopted in October 2022 to companies based in the two allied nations, including ASML Holding NV (ASML.AS), Nikon Corp. (7731.T), and Tokyo Electron Ltd (8035.T).”[[28]](#footnote-28)
		- The Indo-Pacific Economic Framework has entered the second negotiating round with ministerial leaders in Bali.[[29]](#footnote-29)
* **Investment:**
	+ **2020:**
		- In 2020, US inward FDI decreased significantly, while that of China increased slightly.[[30]](#footnote-30) FDI flow between the US and China has reached a record low since 2009. Particularly, US FDI in China reached the lowest since 2004. This contrasts to China’s slight increase in FDI in the US in 2020 affected by Tencent’s expansion compared to 2019. However, considering China’s peak FDI in the US during 2016-2017, this shows a significant decrease in the past 4 years.[[31]](#footnote-31)
	+ **2021:**
		- The American Rescue Plan Act introduced in March 2021 designed to provide economic relief and support to Americans impacted by the Covid-19 pandemic.[[32]](#footnote-32)
			* The plan seeks to provide critical support to communities by “providing emergency grants, lending, and investment to hard-hit small businesses”.[[33]](#footnote-33)
			* The plan seeks to “distribute more than $360 billion in emergency funding for state, local, territorial, and Tribal governments to ensure that they are in a position to keep front-line public workers on the job and paid while effectively distributing the vaccine.”[[34]](#footnote-34)
		- The Bipartisan Infrastructure Deal was passed in November 2021.[[35]](#footnote-35)
			* This Bipartisan Infrastructure Deal seeks to rebuild America’s roads, bridges, rails, expand clean drinking water access, and ensure Americans’ access to the internet, and other related issues such as environmental justice.
			* The deal projects to add an average of 1.5 million jobs per year for the next ten years.
		- The American Jobs Plan is an investment in America to create more jobs to build the country.[[36]](#footnote-36)
			* The plan will “create millions of good jobs, rebuild our country’s infrastructure, and position the United States to out-compete China”.[[37]](#footnote-37)
		- President Biden’s Buy American Plan
			* On July 28, 2021, the President announced changes to the implementation of the Buy American Act. This Plan supports the expansion of the domestic market through supporting domestic supply chains and products.[[38]](#footnote-38)
			* It encourages the use of American manufactured components by increasing the domestic content threshold to 75%, and tightens the rules on reporting the total domestic content in products.
			* To counter the negative foreign direct investment **(**FDI) trend in the US over the last few years, the Biden administration focuses on strengthening the domestic market and encouraging US production. This plan involves $400 billion government spending on purchasing US-made goods and services.[[39]](#footnote-39)
		- Expansion and Changes to U.S. Foreign Direct Investment Regulations
			* More investment into the agricultural sector is anticipated under the Foreign Adversary Risk Management Act (“FARM” act).[[40]](#footnote-40)
				+ Under the FARM act, agricultural supply chains, including production facilities, will be considered as “critical infrastructure.”[[41]](#footnote-41)
				+ The act will extend “CFIUS review to any merger, acquisition, transfer, joint venture, or other transaction that could result in foreign control of a U.S. business engaged in agriculture production and/or uses agricultural products.”[[42]](#footnote-42)
				+ CFIUS will have greater responsibilities in handling foreign investments in US agriculture because it will be in charge of reporting investments to Congress.[[43]](#footnote-43)
	+ **2022:**
		- The Fed Weighs Responses to High US Inflation Rat
			* As inflation continues to rise across the United States, the central bank is considering raising interest rates “sooner than expected.”[[44]](#footnote-44) However, reactions are mixed on whether the inflation is transitory, or warrants stronger reactionary measures.
			* Following the pandemic response, consumer prices had “the largest one-year jump in prices in 30 years and applied across staples like food, energy and rent.”[[45]](#footnote-45)
			* 12 out of 18 of the Federal Reserve’s Open Market Committee members expected at least three raises to the federal funds interest rate in 2022, according to the most recent quarterly survey released on Wednesday, December 15, 2021.[[46]](#footnote-46)
			* The IMF’s January 2022 World Economic Outlook update decreased the U.S. growth forecast by 1.2 points to 4%, citing concerns about inflation, the Federal Reserve’s tight monetary policy, and the administration’s failed infrastructure stimulus package.[[47]](#footnote-47)
		- President Biden signs Executive Order for robust reviews of foreign investment in the United States due to evolving national security risks in September 2022.
			* The executive order directs the Committee on Foreign Investment in the United States (CFIUS) to review investments that could have an effect on the country’s supply chain resiliency, effects on the country’s technological leadership status, and investments in areas that could pose cybersecurity risks from data breaches.[[48]](#footnote-48)
		- The announcement of the CHIPS and Science Act in August 2022 is attracting major foreign investment in semiconductor production and innovation in the U.S.
			* The CHIPS and Science Act is attracting over $200 billion in private investments across 16 states for increasing domestic manufacturing capacity; Further, over 40 new semiconductor ecosystem projects have been announced for facilities construction and existing site expansions. These investments and projects will create 40,000 new high-quality jobs announced in the semiconductor ecosystem for supporting the U.S. economy. [[49]](#footnote-49)
		- South Korea invests $22 Billion in U.S. Tech in July 2022
			* South Korean conglomerate SK Group announced in July 2022 to invest $15 billion in the U.S. semiconductor industry for both research and development, and materials and packaging facility. Another $5 billion is intended to spend on the green energy business for battery materials and e-vehicle charging systems.[[50]](#footnote-50)
		- TSMC increases investment in Arizona to $40 billion with the second chip plant.[[51]](#footnote-51)
			* The second chip plant of TSMC opened in Arizona in December 2022, raising previous investment from $12B to $40 B, and will bring a boost to the Arizona economy post-pandemic, meet the large demand for chips, and raise the employment rate. The expansion was the result of the previously passed CHIPS and Science Act that served to encourage investment in semiconductor production in the United States and benefit the manufacturing chain.[[52]](#footnote-52)
* **Industrial Policy:**
	+ **2020:**
		- In past months, Republicans maintained a strong stance against increasing the debt ceiling.
			* As a result of expenditure in coronavirus relief measures, tax-cut, and military spending increases, the federal debt increased substantially in 2020.
			* The White House reviewed potential solutions, such as minting a $1 trillion coin but rejected them as impractical.
	+ **2021:**
		- US spending on research has declined from 2% to 1/7 of 1% of GDP over the last 25 years. In the global context, US government spending on R&D since the 2008 financial crisis showed a 5% increase, which is slower than the average of OECD countries. To combat competition from other countries, the US is focusing on energy technologies, semiconductors, batteries, electric cars, computing, and biotechnology to meet its initiatives, especially on energy and climate. Historically, this investment in R&D is one of the largest to date since World War II and will use a raise in taxes on businesses as one of its ways to meet the goal.[[53]](#footnote-53)
		- The Biden Administration passes the CHIPS and Science Act which intends to create jobs, lower costs, strengthen the domestic supply chain, and counter China.
			* First introduced and sponsored by U.S. Representative Tim Ryan on July 1st, 2021, the Act was to provide funding to increase semiconductor supply chain resilience, domestic production, and strengthen the workforce.
			* The act was passed in the House on July 28th, 2021, and by the Senate on June 22nd, 2022. After resolving differences to the Act, the policy was proposed to the president on August 2nd, 2022, and was signed into law on August 9th, 2022.[[54]](#footnote-54)
		- The release of the critical supply chain review encourages the adoption of ally-shoring policies to strengthen the supply chain and competitiveness.[[55]](#footnote-55)
			* Ally-shoring policies favor partnerships with countries that share the same values as the United States and serve to strengthen democracy by reducing reliance on China, diversifying the global supply chain in case of shock like the pandemic, and strengthening ally relations. Further, ally-shoring policies could create new job opportunities and promote economic growth within the United States to where it’s needed.[[56]](#footnote-56)
	+ **2022:**
		- Congress moves forward with America Competes Act of 2022
			* On Friday, February 4, the House of Representatives passed a $350 billion spending bill called the America Competes Act in a 222-210 vote along party lines. The bill is designed to increase federal funding for scientific research and the development of new technologies. The House bill includes contentious trade policy changes to allow more protections for U.S. workers as well as funding for key Democratic priorities like climate change, human rights, domestic social inequality, and an allocation of $8 billion to help developing countries transition to clean energy sources.[[57]](#footnote-57) In June 2021, the Senate passed a $210 billion version of the bill called the U.S. Innovation and Competition Act.
			* The House bill passed the Senate on March 38, 2022 and is currently in reconciliation as of April 4.
			* One key point of agreement between the two chambers is the allocation of $52 billion for five years to support the research and development of the domestic semiconductor chip industry. A letter was submitted by a bipartisan group of over 140 lawmakers from both chambers urging the final bill to include funding for U.S. chip production.[[58]](#footnote-58)
	+ **2023:**
		- The United States launched a new dialogue in 2023 on friend-shoring with Japan and South Korea to invite company competitions for the approved $50 billion share.[[59]](#footnote-59)
			* The launch of the first CHIPS Act provided the first opportunity for companies to compete in the approved $50 billion to construct and expand domestic manufacturing semiconductor facilities.
			* This dialogue also serves to build a unified front with allies for restricting China’s access to semiconductor manufacturing machinery.
		- The Biden administration has renewed concern over TikTok as a national security threat to data security and privacy.
			* TikTok, a popular social media application owned by a Chinese parent company ByteDance, was threatened with a ban in 2020 during the Trump administration with the demand to sell itself to a U.S.-based company.[[60]](#footnote-60) The concern is mainly regarding data security and data privacy as the company is a social media application with an estimated 100 million users in the U.S..
				+ In 2020, TikTok was also fined 186 million won ($155,000 USD) by South Korea’s Korea Communications Commission for collecting data on children under 14 years old without legal guardian consent.[[61]](#footnote-61)
			* “The core American concern appears to be that the Chinese government will be able to access this data and potentially leverage it for espionage or blackmail. U.S. officials also worry the apps censor political speech and could be used to spread misinformation.”[[62]](#footnote-62)
			* Despite the Biden ministration having rescinded the Trump-era order targeting TikTok, CFIUS has continued negotiations and renewed concerns over sensitive user data that might be shared with the Chinese government.[[63]](#footnote-63)
			* In an interview, TikTok’s CEO stated the Chinese government has not tried to acquire data from them and it won’t be shared even if asked.[[64]](#footnote-64)China, on the other hand, accused the U.S. of overreaction when the U.S. required its federal employees to remove TikTok from government-issued phones.[[65]](#footnote-65)

**Recent Developments**

**[Trade]**

1. **[New]** The governor of Virgina Youngkin met with Taiwanese President on April 24th for a stop on the five-day Asian trade mission.
	* The meeting works to potentially boost Youngkin’s profile for a presidential bid, but risks damaging relations with China.[[66]](#footnote-66)
2. The United States Trade Representative office released President Biden’s 2023 Trade Policy Agenda and 2022 Annual Report to Congress.
	* Trade policy visions include: Indo-Pacific Economic Framework for Prosperity (IPEF), The U.S.-Taiwan 21st Century Trade Initiative to strengthen ties, and the Americas Partnership for Economic Prosperity with another 11 countries to drive regional prosperity.[[67]](#footnote-67)
3. The Indo-Pacific Economic Framework has entered the second negotiating round with ministerial leaders in Bali.[[68]](#footnote-68)
4. President Joe Biden proposed the Chip 4 Alliance in March 2022, a technology partnership to build a semiconductor supply network.
	* Partners include South Korea, Japan, and Taiwan with the goal of undermining Chinese chip industry development and shifting supply chain dependence away from China to become more globally diversified.[[69]](#footnote-69)
	* South Korea’s trade minister expressed high expectations to join the alliance in December 2022. Despite strong economic ties with China and the potential for a decline in commercial trade, South Korea views it wiser to join the Chip 4 Alliance for market diversification and reduce reliance on China. [[70]](#footnote-70)
5. The Biden Administration announced new export control policy in October 2022 on restricting artificial intelligence (AI) and semiconductor technologies to China. [[71]](#footnote-71)
	* The new policy intends to undermine the Chinese artificial industry’s development by cutting off access to high-end AI chips, which could be used for military-civil fusion developments.
6. The United States secured a deal with Japan and the Netherlands in January 2023 to restrict exports of advanced chip-making machinery to China.[[72]](#footnote-72)
	* The deal involves getting the Netherlands and Japan to impose tighter export controls on China.
	* “The agreement would extend some export controls of the United States adopted in October 2022 to companies based in the two allied nations, including ASML Holding NV (ASML.AS), Nikon Corp. (7731.T), and Tokyo Electron Ltd (8035.T).”[[73]](#footnote-73)
7. USTR Releases 2022 National Trade Estimate Report on Foreign Trade Barriers
8. On March 31, the Office of the U.S. Trade Representative released its 2022 National Trade Estimate Report on Foreign Trade Barriers, reviewing significant trade barriers around the world in agriculture, digital trade, investment, labor, environment, and intellectual property.[[74]](#footnote-74)
	* China remained a key country of concern due to its harmful industrial policies and labor practices. The report notes that the USTR is prepared to “pursue all available domestic trade tools” to protect U.S. competitiveness despite this.
	* The report also targeted different restrictive data policies in countries like China, the EU, India, Indonesia, Korea, Russia, Turkey, and Vietnam.
9. U.S. and Japan reach agreement on beef safeguard tariffs
	* On March 24, 2022, the United States and Japan reached a new agreement to increase the latter’s “safeguard trigger” for higher tariffs on U.S. beef imports. The new trigger mechanism includes three benchmarks that must all be met before a tariff increase can be implemented. Most importantly, the agreement states that imports must exceed both the beef trigger level originally established in the bilateral U.S.-Japan Trade Agreement as well as the CPTPP trigger level.[[75]](#footnote-75)
10. U.S. and UK begin bilateral trade talks and remove tariffs on steel and aluminum
	* On March 21 and 22, trade representatives from the United States and United Kingdom met for the first time since bilateral FTA negotiations were suspended last year in 2021. The topics discussed included cooperation on environmental protection, labor rights, and digital trade. There were no indications of resuming FTA negotiations in the near term.[[76]](#footnote-78)
	* After the meeting the Biden administration announced it would remove a majority of the Trump-era tariffs on British steel and aluminum exports. The UK also agreed to remove its retaliatory tariffs on U.S. products like whiskey, blue jeans, and motorcycles.[[77]](#footnote-79)
11. U.S. and Japan reach agreement on steel and aluminum tariffs
	* The U.S. and Japan have reached an agreement to transform the Trump administration’s 25% tariff on Japanese steel imports into a tariff-rate quota. Up to 1.25 million metric tons of Japanese steel may be imported tariff-free to the United States every year, although any additional imports will be faced with a similar 25% tariff.[[78]](#footnote-80)
	* This 1.25 million ton quantity is based on the average Japanese steel exports to the U.S. from 2018 to 2019.
	* The changes will take effect on April 1, 2022.
	* A joint statement by the USTR Katherine Tsai and Commerce Secretary Gina Raimondo stated that the “agreement will counter practices by China that harm our industries and workers, showcasing the strength of the U.S.-Japan relationship.”[[79]](#footnote-81)
12. U.S. extends tariffs on solar products
	* On Friday, February 4, President Biden announced that the U.S. would extend its tariff on imported crystalline silicon solar products at a rate of 14-15% for the next four years. At the same time, the administration also offered exceptions for two-sided panels in an attempt to meet the demand for its clean energy deployment targets.
	* Biden also directed the USTR to engage in talks with Mexico and Canada to allow for duty-free solar imports from those countries.
13. U.S. sanctions on Russia’s involvement in Ukraine
	* On January 20, 2022, the U.S. Treasury Department launched targeted **sanctions** on four individuals linked with Russia destabilization activity in Ukraine.[[80]](#footnote-82) When asked by reporters on January 26, President Biden said he would also consider personal sanctions on Russian President Vladimir Putin if Russia invades Ukraine.[[81]](#footnote-83)
14. U.S.-Canada dairy dispute resolved
	* On January 4, 2022, the dispute resolution panel of the USMCA ruled in its first-ever case that Canada’s tariffs on U.S. dairy imports violated the terms of the USMCA, paving the way for a $200 million increase in American dairy exports to Canada. This industry was previously omitted from the NAFTA agreement.
	* The initial complaint was filed in December 2020 and in May 2021 the U.S. triggered the use of a dispute resolution panel for the first time since the signing of the agreement.
15. Biden signs Uyghur Forced Labor Prevention Act
	* On December 23, 2021, President Biden signed the Uyghur Forced Labor Prevention Act that requires firms to provide “clear and convincing evidence” that their products are not made with forced labor from China’s Xinjiang region before they can be imported into the U.S. market.[[82]](#footnote-84)
	* PIIE analysts note that the “clear and convincing evidence” standard creates a “presumption of guilty-until-proven-innocent” on products from the region. However, necessary auditing process to prove such innocence is not available in China, creating an opportunity to evasion, mislabeling, or import restrictions altogether.
16. Lew’s statement on U.S. tariff on Chinese goods
	* Former Treasury Secretary Jacob Lew said on Tuesday, November 30th that eliminating tariffs on goods would be helpful in reducing inflation rate in the U.S.[[83]](#footnote-85)
	* According to Peterson Institute for International Economics, the U.S. placed an average 19.3% of tariffs on Chinese goods, while China placed about 20.7% on American goods in early 2021.
	* The increase in U.S. consumer price index was the highest in 30 years at 6.2%.[[84]](#footnote-86)
17. Upcoming Biden and Xi Meeting
	* The US President Joe Biden and Xi also met virtually on November 15. A statement by the White House reveals that Biden will “discuss ongoing efforts to address the COVID-19 pandemic and support global economic recovery.”[[85]](#footnote-87)
	* An anonymous senior official in the Biden administration stated that Biden hoped to discuss topics on which the two countries currently disagreed, with the hope of resolution. More specifically, he plans to address “China’s human rights abuses, America’s commitment to defending Taiwan, China’s support of state based industries, and its policies regarding cybertechnologies.”[[86]](#footnote-88)
18. APEC Ministerial Meeting
	* The 2021 Asia-Pacific Economic Cooperation Ministerial Meeting was held virtually from November 8 to 9.[[87]](#footnote-89)
	* APEC is the last multilateral meeting of the year.
	* The topics discussed at the meeting include trade facilitation efforts for COVID-19 vaccines and medical supplies, investment in health systems and cross-border travel, structural reform, open trade markets and supply chains, connectivity cooperation, and support for multilateral trading system.[[88]](#footnote-90)
	* Additionally, the APEC Ministers issued a joint statement regarding the COVID-19 pandemic, among other multilateral goals.[[89]](#footnote-91)
	* During the meeting, Xi Jinping, Chinese leader, said “the region must not return to the tensions of the Cold War era.”[[90]](#footnote-92)
19. Deal on European Steel and Aluminum Tariffs
	* At the G20 meeting, President Biden and other world leaders reached a deal that “rolls back tariffs on European steel and aluminum.”[[91]](#footnote-93)
	* The current 25% tariff on steel and 10% on aluminum will be transformed to a tariff rate quota, which is determined based on levels of imports.[[92]](#footnote-94)
	* European tariffs on American products will also be averted.
	* The deal seeks to lower carbon intensity in steel and aluminum production and ease trade tensions, which will allow the US and the EU to “manufacture ‘cleaner’ products than the ones produced in China.”[[93]](#footnote-95)
20. US Call for Liberalization of the Chinese Market
	* On October 20, the United States said “China’s industrial policies “skew the playing field” against imported goods.”[[94]](#footnote-96)
	* China developed closed market policy against foreign imports that preferred domestic production.
		1. Wang Wentao, Commerce Minister of China, said “China has stayed committed to deepening reform, expanding, opening up and growing its open economy at a higher level."[[95]](#footnote-97)
	* Other countries, such as Canada and the European Union, are also calling for the same objective for China.
		1. According to Reuters, the EU “urged China to adopt further market reforms and play a role in the WTO equal to its economic weight.”[[96]](#footnote-98)
		2. Australia pointed out China’s trade practices increasingly violated its WTO commitments.

* + 1. India mentioned its trade with China became “skewed in favour of China.”[[97]](#footnote-99)
	+ David Bisbee, the United States Trade Representative to the World Trade Organization, said China conducted “unfair trade practices,” bringing attention to China’s encouragement of state enterprises through measures including industrial subsidies, data restrictions.[[98]](#footnote-100)
1. Drop in US Exports
	* According to Bloomberg, US exports fell “for the first time in seven months.”[[99]](#footnote-101)
		1. Exports “fell 4.7% from record high in August to $142.2 billion.”[[100]](#footnote-102)
			1. Value of industrial supplies exports fell by 9.9%, and that of capital goods fell by 3.6%.[[101]](#footnote-103)
	* Bloomberg stated that “the value of imports rose 0.5% to $238.4 billion.”[[102]](#footnote-104)
2. Duty Free Status of Ethiopia on US Market Access Pending
	* On October 14th, Katherine Tai, US Trade Representative, said Ethiopia’s duty-free status in the African Growth and Opportunity Act will soon be decided.
		1. This reevaluation of status resulted from Ethiopia’s recent humanitarian crisis.
			1. Ethiopia exported duty-free goods to the US in the past, which granted them access to the US market and its benefits.
	* Potential suspension of duty-free status will result in the worsening of Ethiopia’s fragile economy.
		1. Billene Seyoum, Ethiopian Spokesperson of the Prime Minister, said “suspension would take away 1 million jobs from the nation of 109 million people.”[[103]](#footnote-105)
3. Biden Signals Continued Measures to Counter China
	* On October 4, Katherine Tai, the United States Trade Representative, announced the Biden administration’s main plan to counter China.
		1. The US will keep China accountable for the commitments it made as part of the trade deal with the US in January 2020.
			1. Tai indicated her plan to discuss with Chinese representatives on its failure to live up to the commitment.
	* It will also partner with allies to counter China.
	* Tai said the US “will use the full range of tools we have and develop new tools as needed to defend American economic interests from harmful policies and practices” and “look at all available tools.”[[104]](#footnote-106)
		1. The Office of the United States Trade Representative is considering investigating China's use of subsidies.
			1. This could lead to greater tariffs and other punitive actions.
		2. Tai emphasized that the US will “continue to have serious concerns with China’s state-centered and nonmarket trade practices.”
	* There is no clear indication that the Biden administration will lower the tariffs set in the Trump administration.[[105]](#footnote-107)
4. US Trade Investigation of Chinese Industrial Subsidies
	* As of September 11, 2021, the Biden administration was “considering launching an investigation into Chinese subsidies under Section 301 of US trade law.”[[106]](#footnote-108)
		1. United States may decide to impose additional tariffs of about $300 billion[[107]](#footnote-109) because of the investigation.
		2. If so, the United States would engage with allies and the World Trade Organization, in the hopes of applying international pressure.[[108]](#footnote-110)
5. ASEAN Digital Trade Talks
	* On September 7, 2021, the CEO of the U.S.-ASEAN Business Council, signaled that digital trade talks may be forthcoming between the United States and ASEAN.
	* Despite stalling US progress on joining multilateral trade agreements in the Asia-Pacific, there is still potential for US cooperation with many member states of the RCEP and TPP agreements in this realm.
	* The US Trade Representative is “expected to discuss prospects for a digital trade agreement and how to strengthen supply and sustainability efforts.”[[109]](#footnote-111)
	* Vice President Harris’ trip to Singapore and Vietnam in late August 2021 has also been viewed as signaling that the United States is re-engaging with the region after “US engagement ... waned during the Trump administration.”[[110]](#footnote-112)

**[Investment]**

1. **[New]** The Biden administration pledges $500 million on curbing Amazon deforestation.
	* April 20th, 2022, President Biden pledged $500 million to help Brazil’s efforts to curb the deforestation of Amazon rainforest and urged other countries to fight the effects of global warming.[[111]](#footnote-113)
2. The Biden administration has called on the Republican party in congress to urgently raise the debt cap without additional conditions as the U.S. is reaching the previous debt limit set at $31 trillion.[[112]](#footnote-114)
3. TSMC increases investment in Arizona to $40 billion with second chip plant.
	* The second chip plant of TSMC opened in Arizona in December 2022, raising previous investment from $12B to $40 B, and will bring a boost to the Arizona economy post-pandemic, meet the large demand for chips, and raise the employment rate. The expansion was the result of the previously passed CHIPS and Science Act that served to encourage investment in semiconductor production in the United States and benefit the manufacturing chain.
4. **[New]** South Korea invests $22 Billion in U.S. Tech in July 2022
	* South Korean conglomerate SK Group announced in July 2022 to invest $15 billion in the U.S. semiconductor industry for both research and development, and materials and packaging facility. Another $5 billion is intended to spend on the green energy business for battery materials and e-vehicle charging systems.[[113]](#footnote-115)
5. **[New]** The announcement of the CHIPS and Science Act in August 2022 is attracting major foreign investment in semiconductor production and innovation in the U.S.
	* The CHIPS and Science Act is attracting over $200 billion in private investments across 16 states for increasing domestic manufacturing capacity; Further, over 40 new semiconductor ecosystem projects have been announced for facilities construction and existing site expansions. These investments and projects will create 40,000 new high-quality jobs announced in the semiconductor ecosystem for supporting the U.S. economy. [[114]](#footnote-116)
6. **[New]** President Biden signs Executive Order for robust reviews of foreign investment in the United States due to evolving national security risks in September 2022.
	* The executive order directs the Committee on Foreign Investment in the United States (CFIUS) to review investments that could have an effect on the country’s supply chain resiliency, effects on the country’s technological leadership status, and investments in areas that could pose cybersecurity risks from data breaches.[[115]](#footnote-117)

1. Federal Reserve indicates further tightening in the U.S. economy
* Minutes from the FOMC meeting on March 15-16 were released on April 6, 2022, signaling that the Fed may be preparing to raise interest rates by another half percentage point and to sell off its $9 trillion asset portfolio at its next meeting in May. The minutes led to a steep drop in the stock market and an increase in 10-year Treasury yield up to 2.606%.[[116]](#footnote-118)
	+ Global bond markets have been on an eight-month selloff and reacted to this news with further slumps.[[117]](#footnote-119)
1. U.S. Employment Increases but Real Wages Down
* U.S. payroll employment jumped by 467,000 in January 2022, outpacing expectations in the post-holiday season and in spite of the rising Omicron cases. The unemployment rate is now just 0.5% above its pre-pandemic level, consistent across sectors.[[118]](#footnote-120)
* Since December 2020, nominal wages also rose by 4.5%, the fastest increase since 1983. However, these gains were offset by huge increases in inflation, which led to a 4.3% annual decrease in real wages between September and December 2021.[[119]](#footnote-121)
1. The Fed Weighs Responses to High US Inflation Rates
* As inflation continues to rise across the United States, the central bank is considering raising interest rates “sooner than expected.”[[120]](#footnote-122) However, reactions are mixed on whether the inflation is transitory, or warrants stronger reactionary measures.
* Following the pandemic response, consumer prices had “the largest one-year jump in prices in 30 years and applied across staples like food, energy and rent.”[[121]](#footnote-123)
* 12 out of 18 of the Federal Reserve’s Open Market Committee members expected at least three raises to the federal funds interest rate in 2022, according to the most recent quarterly survey released on Wednesday, December 15, 2021.[[122]](#footnote-124)
* The IMF’s January 2022 World Economic Outlook update decreased the U.S. growth forecast by 1.2 points to 4%, citing concerns about inflation, the Federal Reserve’s tight monetary policy, and the administration’s failed infrastructure stimulus package.[[123]](#footnote-125)
1. Expansion and Changes to US Foreign Direct Investment Regulations
* More investment into the agricultural sector is anticipated under the Foreign Adversary Risk Management Act (“FARM” act).[[124]](#footnote-126)
	+ Under the FARM act, agricultural supply chains, including production facilities, will be considered as “critical infrastructure.”[[125]](#footnote-127)
	+ The act will extend “CFIUS review to any merger, acquisition, transfer, joint venture, or other transaction that could result in foreign control of a U.S. business engaged in agriculture production and/or uses agricultural products.”[[126]](#footnote-128)
		- CFIUS will have greater responsibilities in handling foreign investments in US agriculture because it will be in charge of reporting investments to Congress.[[127]](#footnote-129)
* The Bureau of Industry and Security gained control over genetic tools, such as assemblers and softwares used in genetic technology.
	+ Genetic technology is considered as “emerging technologies” under the jurisdiction of the Committee on Foreign Investment in the US (CFIUS).[[128]](#footnote-130)
1. Biden Pushes for Investment in Infrastructure
* On October 5, President Biden delivered a speech in Michigan to sell his proposals on spendings in social security programs and infrastructure.[[129]](#footnote-131)
	+ The President said “to oppose these investments is to be complicit in America's decline.”[[130]](#footnote-132)
* There was a delay in House Democrats passing Biden’s $1-trillion infrastructure bill and $3.5 trillion spending package.
	+ White House Spokesperson Karein Jean-Pierre said the administration is considering reducing the size of the proposed spending package.
1. President Biden’s Buy American Plan
* On July 28, 2021, the President announced changes to the implementation of the Buy American Act. This Plan supports the expansion of the domestic market through supporting domestic supply chains and products.[[131]](#footnote-133)
	1. It encourages the use of American manufactured components by increasing the domestic content threshold to 75%.
	2. It tightens the rules on reporting the total domestic content in products.
* To counter the negative foreign direct investment **(**FDI) trend in the US over the last few years, the Biden administration focuses on strengthening the domestic market and encouraging US production.
	1. This plan involves $400 billion government spending on purchasing US-made goods and services.[[132]](#footnote-134)

**[Industrial Policy]**

1. **[New]** The Biden administration has renewed concern over TikTok as a national security threat to data privacy and security.
	* TikTok, a popular social media application owned by a Chinese parent company ByteDance, was threatened with a ban in 2020 during the Trump administration with the demand to sell itself to a U.S.-based company.[[133]](#footnote-135) The concern is mainly regarding data security and data privacy as the company is a social media application with an estimated 100 million users in the U.S..
		1. In 2020, TikTok was also fined 186 million won ($155,000 USD) by South Korea’s Korea Communications Commission for collecting data on children under 14 years old without legal guardian consent.[[134]](#footnote-136)
	* “The core American concern appears to be that the Chinese government will be able to access this data and potentially leverage it for espionage or blackmail. U.S. officials also worry the apps censor political speech and could be used to spread misinformation.”[[135]](#footnote-137)
	* Despite the Biden ministration having rescinded the Trump-era order targeting TikTok, CFIUS has continued negotiations and renewed concerns over sensitive user data that might be shared with the Chinese government.[[136]](#footnote-138)
	* In an interview, TikTok’s CEO stated the Chinese government has not tried to acquire data from them and it won’t be shared even if asked.[[137]](#footnote-139)China, on the other hand, accused the U.S. of overreaction when the U.S. required its federal employees to remove TikTok from government-issued phones.[[138]](#footnote-140)
2. **[New]** The United States launched a new dialogue in 2023 on friend-shoring with Japan and South Korea to invite company competitions for the approved $50 billion share.
	* The launch of the first CHIPS Act provided the first opportunity for companies to compete in the approved $50 billion to construct and expand domestic manufacturing semiconductor facilities.
	* This dialogue also serves to build a unified front with allies for restricting China’s access to semiconductor manufacturing machinery.
3. **[New]** The Biden Administration passes the CHIPS and Science Act which intends to create jobs, lower costs, strengthen the domestic supply chain, and counter China.
	* First introduced and sponsored by U.S. Representative Tim Ryan on July 1st, 2021, the Act was to provide funding to increase semiconductor supply chain resilience, domestic production, and strengthen the workforce.
		1. The act was passed in the House on July 28th, 2021, and by the Senate on June 22nd, 2022. After resolving differences to the Act, the policy was proposed to the president on August 2nd, 2022, and was signed into law on August 9th, 2022.[[139]](#footnote-141)
4. **[New]** The release of the critical supply chain review encourages the adoption of ally-shoring policies to strengthen the supply chain and competitiveness.
	* Ally-shoring policies favor partnerships with countries that share the same values as the United States and serve to strengthen democracy by reducing reliance on China, diversifying the global supply chain in case of shock like the pandemic, and strengthening ally relations. Further, ally-shoring policies could create new job opportunities and promote economic growth within the United States to where it’s needed.
5. Congress moves forward with America Competes Act of 2022
	* On Friday, February 4, the House of Representatives passed a $350 billion spending bill called the America Competes Act in a 222-210 vote along party lines. The bill is designed to increase federal funding for scientific research and the development of new technologies. The House bill includes contentious trade policy changes to allow more protections for U.S. workers as well as funding for key Democratic priorities like climate change, human rights, domestic social inequality, and an allocation of $8 billion to help developing countries transition to clean energy sources.[[140]](#footnote-142) In June 2021, the Senate passed a $210 billion version of the bill called the U.S. Innovation and Competition Act.
	* The House bill passed the Senate on March 38, 2022 and is currently in reconciliation as of April 4.
	* One key point of agreement between the two chambers is the allocation of $52 billion for five years to support the research and development of the domestic semiconductor chip industry. A letter was submitted by a bipartisan group of over 140 lawmakers from both chambers urging the final bill to include funding for U.S. chip production.[[141]](#footnote-143)
6. Canadian government officials warn Biden’s electric vehicle tax credit may affect Canadian auto industry and cross-border supply chain.[[142]](#footnote-144)
	* The $12,500 tax credit, part of Biden’s “Build Back Better” proposal, applies only to vehicles manufactured wholly in America. Canadian officials argue this is equivalent to a 34% tariff and may cause major manufacturers to move out of the country and back to the U.S. It would also hurt existing auto plants on the U.S.-Canada border that engage in free trade of parts and assembly for both markets.
7. On Monday, November 15, President Biden signed the $1 trillion infrastructure bill into law.
* Prior to the signing ceremony, Biden signed an executive order to signal that the majority of materials used in the creation of new infrastructure in the United States will be made in the United States.[[143]](#footnote-145)
* The Build Back Better package is the next focus for the Biden White House, according to the White House National Economic Council director, Brian Deese. He stated that “he is confident that House Speaker Nancy Pelosi would bring the bill to a vote this week.”[[144]](#footnote-146)
* White House officials are hopeful that the economic benefits from both bills could help to address rising inflation, which they credit to the effects of the COVID-19 pandemic.
1. Suspension of Steel and Aluminum Trade Dispute between the US and EU
* The US and EU held a discussion on October 31 on steel and aluminum industries and reached an agreement to decrease carbon intensity of steel and aluminum industries.[[145]](#footnote-147)
	+ The plan proposes that “the United States will stop applying punitive tariffs on each other’s steel and aluminum exports.”[[146]](#footnote-148)
	+ While the plan is still in development, according to the Washington Post, “the idea is that both jurisdictions will align on ways to measure the life-cycle emissions in the steel and aluminum sector.”[[147]](#footnote-149)
		- This will allow putting restrictions on imports that do not meet the environmental standard.
		- This will also allow keeping tariffs on Chinese products that are not environmentally friendly.[[148]](#footnote-150)
1. Call for Expansion of APEC List of Environmental Goods
* According to the Chatto Creek Trade Report, the APEC Policy Unit Tariffs called for expansion of the list of environmental goods.
	+ The tariffs on the products are held to be less than 5% under the commitment.[[149]](#footnote-151)
		- The APEC list started in 2012 to reduce the tariff rates of the listed items under 5% by 2020.[[150]](#footnote-152)
	+ The list currently includes 54 products.[[151]](#footnote-153)
		- The products include: solar panels, wind turbines, bamboo flooring, as well as environmental monitoring, analysis, and assessment equipment, among others.[[152]](#footnote-154)
	+ Carlos Kuriyama, a senior analyst at The APEC Policy Support Unit, said “International trade allows lower-cost access to environmental technologies and promotes competition to spur the development of environmental goods and services.”
1. Controversy over Raising the Debt Ceiling
* On October 4, congressional standoff intensified over the issue of raising the debt ceiling.
	+ Republicans opposed raising the debt ceiling and increasing government spending, while Democrats argued over the amount of spending.
		- Senate Republicans voted twice in recent days against measures that involved increasing funding for the government.
		- Democrats opposed the reconciliation process suggested by Senate Minority Leader Mitch McConnell.
* According to CNBC, failure to address the debt ceiling could “roil financial markets, raise the cost of borrowing and increase the threat of a first-ever U.S. default.”[[153]](#footnote-155)
	+ The deadline to make the decision is October 18 to avoid the threat of a default on US debt.
	+ Fitch Ratings warned of a credit downgrade. President Biden warned of an increase in interest rates.
1. New Industrial Policy: The Endless Frontier Act
* On June 8, 2021, the Senate passed the Endless Frontier bill, co-sponsored by Republican Todd C. Young and Democrat Charles E. Schumer, and gained wide bipartisan support. It plans to audaciously invest in research, development, and manufacturing of critical technology.[[154]](#footnote-156)
	+ The Act emphasizes the importance of strengthening the National Science Foundation.
	+ Specifically, 100 billion USD will be allocated for strategically important science as well as technology research and development (R&D). Another 10 billion USD aims at creating regional innovation hubs for boosting American manufacturing and innovation.[[155]](#footnote-157)

The Act has multi-level goals: creating manufacturing jobs, competing against China in the semiconductor industry, facilitating post-pandemic resilience, reinvigorating the US innovation economy, and maintaining US dominance in the global economic and technological arenas.

**Historical Background**

**[Trade]**

1. China has developed trade practices that did not comply with the WTO commitments since 20 years ago when it joined the organization. While others expected China will change and adjust to WTO expectations, it has so far made little progress in doing so, according to David Bisbee, the charge d’affaires of the U.S. mission in Geneva.[[156]](#footnote-158)

2. Ethiopia faced growing famine-related issues in the northern parts of the country, specifically Tigray, Amhara, and Afar. This resulted in a massive increase in its inflation rate, which neared 35%. The humanitarian crisis led the US to reevaluate Ethiopia’s status in African Growth and Opportunity Act (AGOA). [[157]](#footnote-159) Additionally, Ethiopia has been an active exporter to the US. Last year, its US exports exceeded $200 million. The goods were duty-free under AGOA.[[158]](#footnote-160)

3. China fell short on achieving purchasing commitments set in a trade deal with the US in 2020. It fell short by 40% last year, which China contended as a special circumstance created by the pandemic.

* China has also been accused of its unjust practices, such as “blocking its airlines from buying “tens of billions of dollars” of products from Boeing.”[[159]](#footnote-161)
* The US met with Australia, Japan, and India to discuss alliance against China’s influence in the Asia-Pacific region. The US also created a deal with Australia, which would provide them with nuclear submarines.

4. The Trump administration cultivated a protectionist trade policy through 2020, which has altered the United States’ ability to remain competitive on the global market. The US withdrew from the Trans-Pacific Partnership in 2017. In response, former TPP countries created the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The Biden administration has faced pressure to join the CPTPP to reignite multilateral trade negotiation and counter China’s influence.[[160]](#footnote-162) However, the focus on domestic industrial policy and infrastructure has taken center stage since Biden was inaugurated in 2021, making a concerted effort toward multilateral trade talks unlikely soon.

**[Investment]**

1. Since its creation in 1975, Committee on Foreign Investment in the US (**CFIUS**) has played an important role in regulating foreign investments, such as implementing the Foreign Investment Risk Review Modernization Act (FIRRMA).[[161]](#footnote-163)

2. Democrafts extended the deadline to pass President Biden’s infrastructure and human infrastructure bills to October 31.

* Survey done by Quinnipiac University shows that about 65% of the surveyed supported the infrastructure bill and 62% supported the human infrastructure bill in August, 2021.[[162]](#footnote-164)
* The White House indicated that the package would be supported by increasing taxes on wealthy households and corporations.[[163]](#footnote-165)

3. In 2020, US inward FDI decreased significantly, while that of China increased slightly.[[164]](#footnote-166) FDI flow between the US and China has reached a record low since 2009. Particularly, US FDI in China reached the lowest since 2004. This contrasts to China’s slight increase in FDI in the US in 2020 affected by Tencent’s expansion compared to 2019. However, considering China’s peak FDI in the US during 2016-2017, this shows a significant decrease in the past 4 years.[[165]](#footnote-167)

**[Industrial Policy]**

1. In past months, Republicans maintained a strong stance against increasing the debt ceiling.

* As a result of expenditure in coronavirus relief measures, tax-cut, and military spending increase, the federal debt increased substantially in 2020.
* The White House reviewed potential solutions, such as minting a $1 trillion coin, but rejected them as impractical.

2. US spending on research has declined from 2% to 1/7 of 1% of GDP over the last 25 years. In the global context, US government spending on R&D since the 2008 financial crisis showed 5% increase, which is slower than the average of OECD countries. To combat competition from other countries, the US is focusing on energy technologies, semiconductors, batteries, electric car, computing, and biotechnology to meet its initiatives, especially on energy and climate. Historically, this investment on R&D is one of the largest to date since World War II and will use a raise on taxes on businesses as one of its ways to meet the goal.[[166]](#footnote-168)

**Commentary:**

Recent trade agreements formed by the United States with its allies regarding the semiconductor industries’ developments have the goal of diversifying the global supply chain, reducing dependence on China, and undermining Chinese chip industry development by cutting off its access to the high-end chip market. Along with trade talks and sanctions, the United States has shifted its emphasis towards onshoring and ally-shoring policies to build infrastructure at home to attract foreign investment to increase and promote economic growth. However, as the Biden administration further promotes domestic manufacturing and investments, the prospects of resolving current tensions with China through multilateral trade talks might be delayed.

After the Word Trade Organization’s eighth review of trade policy, China has been accused by the United States and other countries of undermining a rule-based system by practicing unfair trade and industrial policies.[[167]](#footnote-169) Further, recent supply-chain competition between the U.S. and China only deepened tensions as U.S.-imposed export restrictions, U.S.-led trade dialogues, and new U.S. industrial policies all aim to thwart China’s efforts to become more technologically self-reliant by cutting off China’s access to high-end chips from the United States and its allies. The determination of the United States to undermine Chinese developments brought pressure on U.S. allies to join the fight.

Middle powers like Japan, South Korea, and Taiwan are likely to suffer economic losses given their status as major semiconductor producers and the deep trade ties with China if they chose to participate in U.S.-led efforts to restrict China.[[168]](#footnote-170) Allies need to adjust strategic plans on investment and security fronts in face of increased U.S.-China tensions. South Korea’s SK Group, the world’s fourth-largest chip producer, had to negotiate an extended grace period before the U.S. impose export restrictions on China to finish upgrading its chip plants in China.[[169]](#footnote-171) Japan turned towards strengthening self-defense capabilities by budget allocations, expanding current ally partnerships, and participating in the Chip 4 Alliance talks.[[170]](#footnote-172) The Alliance proposed by the United States with member countries Japan, South Korea, and Taiwan serves to diversify the global supply chain and reduce Chinese involvement. While initially posed economic concerns for members due to deep ties with China, the recent supply chain shock due to Covid-19 and the increasingly tense political climate has caused countries to reconsider their participation and the future prospects of supply chain resilience.

The United States' enactment of protectionist policies to promote domestic markets spurred the European Union to pass its own Chips Act designed to strengthen EU strategic autonomy. The EU Chips Act targets to boost the global share of EU semiconductor industry manufacturing from 10% to 20% by 2030 and increase its data processing revenues which the United States currently holds dominance.[[171]](#footnote-173) While reshoring and protectionist policies bring benefits to domestic markets and supply chain resilience, the U.S. and the E.U. are locked in a production competition that reduces revenues of bilateral and multilateral cooperation for a critical industry based on shared knowledge and machinery. Therefore, it is critical for the future of the industry that like-minded governments work together instead of pursuing individual protectionist policies.

Works Cited

APEC. “2021 APEC Ministerial Meeting.” Accessed November 11, 2021. https://www.apec.org/meeting-papers/annual-ministerial-meetings/2021/2021-apec-ministerial-meeting.

“Analysis | The E.U.-U.S. Steel Deal Could Transform the Fight against Climate Change.” *Washington Post*. Accessed November 4, 2021. https://www.washingtonpost.com/politics/2021/10/31/eu-us-steel-deal-could-transform-fight-against-climate-change/.

APEC. “APEC Ministers Issue Joint Statement.” Accessed November 15, 2021. https://www.apec.org/press/news-releases/2021/apec-ministers-issue-joint-statement.

BBC News Staff. “Ukraine: US Could Sanction Putin Personally If Russia Invades, Biden Says.” *BBC News*, January 26, 2022, sec. Europe. https://www.bbc.com/news/world-europe-60134295.

“Biden: U.S. Risks ‘Losing Our Edge as a Nation’ Without Infrastructure Investment | Politics | US News.” Accessed October 7, 2021. https://www.usnews.com/news/politics/articles/2021-10-05/biden-us-risks-losing-our-edge-as-a-nation-without-infrastructure-investment.

US News & World Report. “Biden, Xi to Address Asia-Pacific Leaders on Trade, COVID Recovery.” Accessed November 11, 2021. //www.usnews.com/news/world/articles/2021-11-11/biden-xi-to-address-asia-pacific-leaders-on-trade-covid-recovery.

Cohen, Patricia. “Slowdowns in the U.S. and China Will Hold Back Global Growth, a Report Says.” *The New York Times*, January 25, 2022, sec. Business. https://www.nytimes.com/2022/01/25/business/imf-world-economic-report.html.

Farge, Emma. “U.S. Trade Chief: Ethiopia’s Duty-Free Market Status to Be Decided ‘Soon.’” *Reuters*, October 14, 2021, sec. Africa. https://www.reuters.com/world/africa/us-trade-chief-ethiopias-duty-free-market-status-be-decided-soon-2021-10-14/.

Fitzgerald, Maggie. “The Majority of Fed Members Forecast Three Interest Rate Hikes in 2022 to Fight Inflation.” CNBC, December 15, 2021. https://www.cnbc.com/2021/12/15/the-majority-of-fed-members-forecast-three-interest-rate-hikes-in-2022-to-fight-inflation.html.

JD Supra. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” Accessed October 20, 2021. https://www.jdsupra.com/legalnews/further-expansion-of-u-s-regulation-of-4119891/.

Hayashi, Yuka. 2022. U.S., U.K. to Kick Off Bilateral Trade, Investment Dialogues Next Week - WSJ. *Wall Street Journal*. Available at <https://www.wsj.com/articles/u-s-u-k-to-kick-off-bilateral-trade-investment-dialogues-next-week-11647421203>. Accessed 7 April 2022.

Hendrix, Cullen S., and Marcus Noland. “The US Response to Forced Labor by Uyghurs in China Is Constructive but Incomplete.” Peterson Institute for International Economics, December 13, 2021. https://www.piie.com/blogs/realtime-economic-issues-watch/us-response-forced-labor-uyghurs-china-constructive-incomplete.

Holland, Steve. “Biden, Needing a Boost, to Sign $1 Trillion Infrastructure Bill.” *Reuters*, November 15, 2021, sec. United States. https://www.reuters.com/world/us/biden-needing-boost-sign-1-trillion-infrastructure-bill-2021-11-15/.

Nebehay, Stephanie. “U.S., Trading Partners Urge China to Liberalise Further.” *Reuters*, October 20, 2021, sec. Business. https://www.reuters.com/business/us-takes-aim-chinas-unfair-trade-practices-wto-review-2021-10-20/.

Office of the United States Trade Representative. 2022a. United States and Japan Reach an Agreement to Increase Beef Safeguard Trigger Level Under the U.S.-Japan Trade Agreement. *United States Trade Representative*. Available at <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/united-states-and-japan-reach-agreement-increase-beef-safeguard-trigger-level-under-us-japan-trade>. Accessed 7 April 2022.

Office of the United States Trade Representative. 2022b. USTR Releases 2022 National Trade Estimate Report on Foreign Trade Barriers. *United States Trade Representative*. Available at <http://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/ustr-releases-2022-national-trade-estimate-report-foreign-trade-barriers>. Accessed 7 April 2022.

Rogers, Katie, Jim Tankersley, and Marc Santora. “At G20, Climate Change and Vaccine Access Confront Leaders.” *The New York Times*, October 30, 2021, sec. World. https://www.nytimes.com/live/2021/10/30/world/g20-summit-2021-biden.

Reynolds, Garfield and Michael MacKenzie. 2022. Global Bond Selloff Deepens as Fed Steps Up Tightening Rhetoric. *Yahoo Finance*. Available at <https://www.yahoo.com/now/global-bond-selloff-deepens-fed-045950519.html>. Accessed 7 April 2022.

Shalal, Andrea. 2022. U.S. and Japan strike deal on beef tariffs. *Reuters*, sec. Asia Pacific. Available at <https://www.reuters.com/world/asia-pacific/us-japan-strike-deal-beef-tariffs-2022-03-24/>. Accessed 7 April 2022.

Schneider, Howard. “Fed’s ‘transitory’ Inflation Plot Thickens Again with Rate at 30-Year High.” *Reuters*, November 11, 2021, sec. Business. https://www.reuters.com/business/feds-transitory-inflation-plot-thickens-again-with-rate-30-year-high-2021-11-11/.

Share, Twitter, Twitter, and Twitter. “Expand APEC’s Environmental Goods List to Fight Climate Change.” Accessed November 4, 2021. https://www.pna.gov.ph/articles/1158565.

Shear, Michael D. “Biden and Xi to Meet amid Economic and Military Tensions.” *The New York Times*, November 15, 2021, sec. U.S. https://www.nytimes.com/2021/11/15/us/politics/biden-china-xi-jinping.html.

Swanson, Ana. 2022. The U.S. scales back metal tariffs as Britain lifts duties on American whiskey and jeans. *The New York Times*, sec. Business. Available at <https://www.nytimes.com/2022/03/22/business/us-britain-trade.html>. Accessed 7 April 2022.

Swanson, Ana, and Keith Bradsher. “U.S. Signals No Thaw in Trade Relations With China.” *The New York Times*, October 4, 2021, sec. Business. https://www.nytimes.com/2021/10/04/business/economy/us-china-trade.html.

Tan, Weizhen. “Rolling Back U.S.-China Tariffs Would Ease Inflation in the U.S., Former Treasury Secretary Says.” CNBC, November 30, 2021. https://www.cnbc.com/2021/11/30/removing-us-china-trade-tariffs-would-ease-inflation-jacob-lew.html.

Timiraos, Nick. 2022. Fed Signals Faster Pace of Rate Increases, Likely Bond Runoff. *Wall Street Journal*, sec. Economy. Available at <https://www.wsj.com/articles/fed-signals-half-percentage-point-increases-could-be-warranted-at-coming-meetings-11649268002>. Accessed 7 April 2022.

“Trade News | Melbourne, VIC | Chatto Creek Advisory.” Accessed November 4, 2021. https://www.chattocreek.com.au/news.

U.S. Department of the Treasury. “Press Release: Treasury Sanctions Russian-Backed Actors Responsible for Destabilization Activities in Ukraine,” 2022. https://home.treasury.gov/news/press-releases/jy0562.

“U.S. Blasts China’s Harmful Industrial Policies in WTO Review.” *Bloomberg.Com*, October 20, 2021. https://www.bloomberg.com/news/articles/2021-10-20/u-s-blasts-china-s-harmful-industrial-policies-in-wto-review.

“U.S. Merchandise-Trade Gap Widens to Record as Exports Drop.” *Bloomberg.Com*, October 27, 2021. https://www.bloomberg.com/news/articles/2021-10-27/u-s-merchandise-trade-gap-widens-to-record-as-exports-decline.

Washington, Brittney. 2022. Why China Has U.S. Congress Focused on Computer Chips. *Bloomberg.com*. Available at <https://www.bloomberg.com/news/articles/2022-03-17/why-china-has-u-s-congress-focused-on-computer-chips-quicktake>. Accessed 7 April 2022.

White House. 2021. 28 July. *FACT SHEET: Biden-⁠Harris Administration Announces Supply*

*Chain Disruptions Task Force to Address Short-Term Supply Chain Discontinuities*. Available from <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/08/fact-sheet-biden-harris-administration-announces-supply-chain-disruptions-task-force-to-address-short-term-supply-chain-discontinuities/>. Accessed 15 September 2021.

Zremski, Jerry. “Canada Says Biden Electric Vehicle Tax Credit Could Threaten Buffalo Auto Plants.” Buffalo News, January 2022. https://buffalonews.com/news/local/canada-says-biden-electric-vehicle-tax-credit-could-threaten-buffalo-auto-plants/article\_3e07e1b8-5f55-11ec-9dca-eb0b93b82a15.html.

1. Australian Government 2023. [↑](#footnote-ref-1)
2. Bown and Kolb 2018. [↑](#footnote-ref-2)
3. Mullen 2022. [↑](#footnote-ref-3)
4. Bown 2022. [↑](#footnote-ref-4)
5. Bown 2022. [↑](#footnote-ref-5)
6. Titievskaia 2020. [↑](#footnote-ref-6)
7. USTR 2023. [↑](#footnote-ref-7)
8. Lee 2021. [↑](#footnote-ref-8)
9. Swanson and Bradsher 2021. [↑](#footnote-ref-9)
10. Reuters and Lawder 2021. [↑](#footnote-ref-10)
11. Hendrix and Noland 2021. [↑](#footnote-ref-11)
12. Farge 2021. [↑](#footnote-ref-12)
13. Farge 2021. [↑](#footnote-ref-13)
14. APEC 2021. [↑](#footnote-ref-14)
15. Palmer 2021. [↑](#footnote-ref-15)
16. USTR Press Office 2022. [↑](#footnote-ref-16)
17. U.S. Department of the Treasury 2022. [↑](#footnote-ref-17)
18. U.S. Department of the Treasury 2022. [↑](#footnote-ref-18)
19. Office of the United States Trade Representative 2022a; Shalal 2022. [↑](#footnote-ref-19)
20. Swanson, “The U.S. and Japan Strike a Deal to Roll Back Trump-Era Steel Tariffs.” [↑](#footnote-ref-20)
21. Hayashi 2022. [↑](#footnote-ref-21)
22. Swanson 2022. [↑](#footnote-ref-22)
23. Kaur 2023. [↑](#footnote-ref-23)
24. He-rim 2022. [↑](#footnote-ref-24)
25. Allen 2022. [↑](#footnote-ref-25)
26. Allen 2022. [↑](#footnote-ref-26)
27. Reuters 2023. [↑](#footnote-ref-27)
28. Reuters 2023. [↑](#footnote-ref-28)
29. USTR 2023. [↑](#footnote-ref-29)
30. *PwC*, 05 March 2021. [↑](#footnote-ref-30)
31. *Rhodium Group*, 19 May 2021. [↑](#footnote-ref-31)
32. The White House 2021. [↑](#footnote-ref-32)
33. Ibid. [↑](#footnote-ref-33)
34. Ibid. [↑](#footnote-ref-34)
35. The White House 2021. [↑](#footnote-ref-35)
36. The White House 2021. [↑](#footnote-ref-36)
37. Ibid. [↑](#footnote-ref-37)
38. *The White House*, 2021. [↑](#footnote-ref-38)
39. *PwC*, 05 March 2021. [↑](#footnote-ref-39)
40. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-40)
41. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-41)
42. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-42)
43. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-43)
44. Schneider, “Fed’s ‘transitory’ Inflation Plot Thickens Again with Rate at 30-Year High.” [↑](#footnote-ref-44)
45. Schneider. [↑](#footnote-ref-45)
46. Fitzgerald, “The Majority of Fed Members Forecast Three Interest Rate Hikes in 2022 to Fight Inflation.” [↑](#footnote-ref-46)
47. Cohen, “Slowdowns in the U.S. and China Will Hold Back Global Growth, a Report Says.” [↑](#footnote-ref-47)
48. The White House 2022. [↑](#footnote-ref-48)
49. Casanova 2022. [↑](#footnote-ref-49)
50. Landis 2022. [↑](#footnote-ref-50)
51. Kinery 2022. [↑](#footnote-ref-51)
52. Ibid. [↑](#footnote-ref-52)
53. *Science Business*, 01 April 2021. [↑](#footnote-ref-53)
54. Rep. Ryan 2022. [↑](#footnote-ref-54)
55. The White House 2021. [↑](#footnote-ref-55)
56. Dezenski and Austin 2021. [↑](#footnote-ref-56)
57. Hayashi, “House Passes $350 Billion Competitiveness Bill, but Senate Fight Looms.” [↑](#footnote-ref-57)
58. Washington 2022. [↑](#footnote-ref-58)
59. Widakuswara 2023. [↑](#footnote-ref-59)
60. Thorbecke and Fung 2023. [↑](#footnote-ref-60)
61. BBC 2020. [↑](#footnote-ref-61)
62. Gertz 2020. [↑](#footnote-ref-62)
63. Maheshwari and Holpuch 2023. [↑](#footnote-ref-63)
64. Feiner 2023. [↑](#footnote-ref-64)
65. Murphy 2023. [↑](#footnote-ref-65)
66. Vozzella 2023. [↑](#footnote-ref-66)
67. USTR 2023. [↑](#footnote-ref-67)
68. USTR 2023. [↑](#footnote-ref-68)
69. Kaur 2023. [↑](#footnote-ref-69)
70. He-rim 2022. [↑](#footnote-ref-70)
71. Allen 2022. [↑](#footnote-ref-71)
72. Reuters 2023. [↑](#footnote-ref-72)
73. Reuters 2023. [↑](#footnote-ref-73)
74. Office of the United States Trade Representative 2022b. [↑](#footnote-ref-74)
75. Office of the United States Trade Representative 2022a; Shalal 2022. [↑](#footnote-ref-75)
76. Hayashi 2022. [↑](#footnote-ref-78)
77. Swanson 2022. [↑](#footnote-ref-79)
78. Swanson, “The U.S. and Japan Strike a Deal to Roll Back Trump-Era Steel Tariffs.” [↑](#footnote-ref-80)
79. USTR Press Office, “Tai, Raimondo Statements on 232 Tariff Agreement with Japan.” [↑](#footnote-ref-81)
80. “Press Release: Treasury Sanctions Russian-Backed Actors Responsible for Destabilization Activities in Ukraine.” [↑](#footnote-ref-82)
81. BBC News Staff, “Ukraine.” [↑](#footnote-ref-83)
82. Hendrix and Noland, “The US Response to Forced Labor by Uyghurs in China Is Constructive but Incomplete.” [↑](#footnote-ref-84)
83. Tan, “Rolling Back U.S.-China Tariffs Would Ease Inflation in the U.S., Former Treasury Secretary Says.” [↑](#footnote-ref-85)
84. Tan. [↑](#footnote-ref-86)
85. “Biden, Xi to Address Asia-Pacific Leaders on Trade, COVID Recovery.” [↑](#footnote-ref-87)
86. Shear, “Biden and Xi to Meet amid Economic and Military Tensions.” [↑](#footnote-ref-88)
87. “2021 APEC Ministerial Meeting.”2 [↑](#footnote-ref-89)
88. “2021 APEC Ministerial Meeting.” [↑](#footnote-ref-90)
89. “APEC Ministers Issue Joint Statement.” [↑](#footnote-ref-91)
90. “Biden, Xi to Address Asia-Pacific Leaders on Trade, COVID Recovery.” [↑](#footnote-ref-92)
91. Rogers, Tankersley, and Santora, “At G20, Climate Change and Vaccine Access Confront Leaders.” [↑](#footnote-ref-93)
92. Rogers, Tankersley, and Santora. [↑](#footnote-ref-94)
93. Rogers, Tankersley, and Santora. [↑](#footnote-ref-95)
94. Nebehay, “U.S., Trading Partners Urge China to Liberalise Further.” [↑](#footnote-ref-96)
95. Nebehay. [↑](#footnote-ref-97)
96. Nebehay. [↑](#footnote-ref-98)
97. Ibid. [↑](#footnote-ref-99)
98. Ibid. [↑](#footnote-ref-100)
99. “U.S. Merchandise-Trade Gap Widens to Record as Exports Drop.” [↑](#footnote-ref-101)
100. “U.S. Merchandise-Trade Gap Widens to Record as Exports Drop.” [↑](#footnote-ref-102)
101. “U.S. Merchandise-Trade Gap Widens to Record as Exports Drop.” [↑](#footnote-ref-103)
102. “U.S. Merchandise-Trade Gap Widens to Record as Exports Drop.” [↑](#footnote-ref-104)
103. Farge, “U.S. Trade Chief.” [↑](#footnote-ref-105)
104. New York Times, October 4, 2021. [↑](#footnote-ref-106)
105. New York Times, October 4, 2021. [↑](#footnote-ref-107)
106. *Wall Street Journal,* 11 September 2021. [↑](#footnote-ref-108)
107. *Bloomberg,* 10 September 2021. [↑](#footnote-ref-109)
108. *Wall Street Journal,* 11 September 2021. [↑](#footnote-ref-110)
109. *Politico*, 07 September 2021. [↑](#footnote-ref-111)
110. Adrianna Pita’s Interview with Jonathan Stromseth, 27 August 2021. [↑](#footnote-ref-112)
111. Wang and Puko 2023. [↑](#footnote-ref-113)
112. Romm 2023. [↑](#footnote-ref-114)
113. Landis 2022. [↑](#footnote-ref-115)
114. Casanova 2022. [↑](#footnote-ref-116)
115. The White House 2022. [↑](#footnote-ref-117)
116. Timiraos 2022. [↑](#footnote-ref-118)
117. Reynolds and Michael MacKenzie 2022. [↑](#footnote-ref-119)
118. Dynan and Powell III, “US Employment Jumped in January despite Omicron Wave.” [↑](#footnote-ref-120)
119. Furman and Powell III, “US Wages Grew at Fastest Pace in Decades in 2021, but Prices Grew Even More.” [↑](#footnote-ref-121)
120. Schneider, “Fed’s ‘transitory’ Inflation Plot Thickens Again with Rate at 30-Year High.” [↑](#footnote-ref-122)
121. Schneider. [↑](#footnote-ref-123)
122. Fitzgerald, “The Majority of Fed Members Forecast Three Interest Rate Hikes in 2022 to Fight Inflation.” [↑](#footnote-ref-124)
123. Cohen, “Slowdowns in the U.S. and China Will Hold Back Global Growth, a Report Says.” [↑](#footnote-ref-125)
124. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-126)
125. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-127)
126. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-128)
127. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-129)
128. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-130)
129. Alijazeera, October 5, 2021. [↑](#footnote-ref-131)
130. US News, October 5, 2021. [↑](#footnote-ref-132)
131. *The White House*, 2021. [↑](#footnote-ref-133)
132. *PwC*, 05 March 2021. [↑](#footnote-ref-134)
133. Thorbecke and Fung 2023. [↑](#footnote-ref-135)
134. BBC 2020. [↑](#footnote-ref-136)
135. Gertz 2020. [↑](#footnote-ref-137)
136. Maheshwari and Holpuch 2023. [↑](#footnote-ref-138)
137. Feiner 2023. [↑](#footnote-ref-139)
138. Murphy 2023. [↑](#footnote-ref-140)
139. Rep. Ryan 2022. [↑](#footnote-ref-141)
140. Hayashi, “House Passes $350 Billion Competitiveness Bill, but Senate Fight Looms.” [↑](#footnote-ref-142)
141. Washington 2022. [↑](#footnote-ref-143)
142. Zremski, “Canada Says Biden Electric Vehicle Tax Credit Could Threaten Buffalo Auto Plants.” [↑](#footnote-ref-144)
143. Holland, “Biden, Needing a Boost, to Sign $1 Trillion Infrastructure Bill.” [↑](#footnote-ref-145)
144. Holland. [↑](#footnote-ref-146)
145. “Analysis | The E.U.-U.S. Steel Deal Could Transform the Fight against Climate Change.” [↑](#footnote-ref-147)
146. “Analysis | The E.U.-U.S. Steel Deal Could Transform the Fight against Climate Change.” [↑](#footnote-ref-148)
147. “Analysis | The E.U.-U.S. Steel Deal Could Transform the Fight against Climate Change.” [↑](#footnote-ref-149)
148. “Analysis | The E.U.-U.S. Steel Deal Could Transform the Fight against Climate Change.” [↑](#footnote-ref-150)
149. “Trade News | Melbourne, VIC | Chatto Creek Advisory.” [↑](#footnote-ref-151)
150. "Expand APEC's Environemntal Goods List to Fight Climate Change." [↑](#footnote-ref-152)
151. “Trade News | Melbourne, VIC | Chatto Creek Advisory.” [↑](#footnote-ref-153)
152. "Expand APEC's Environemntal Goods List to Fight Climate Change." [↑](#footnote-ref-154)
153. CNBC, October 5, 2021. [↑](#footnote-ref-155)
154. *The Washington Post*, 14 June 2021. [↑](#footnote-ref-156)
155. *Senate Democrats*, 21 April 2021. [↑](#footnote-ref-157)
156. “U.S. Blasts China’s Harmful Industrial Policies in WTO Review.” [↑](#footnote-ref-158)
157. Farge, “U.S. Trade Chief.” [↑](#footnote-ref-159)
158. Farge. [↑](#footnote-ref-160)
159. Swanson and Bradsher, “U.S. Signals No Thaw in Trade Relations With China.” [↑](#footnote-ref-161)
160. *JD Supra,* 26 January 2021. [↑](#footnote-ref-162)
161. “Further Expansion of U.S. Regulation of Foreign Direct Investment.” [↑](#footnote-ref-163)
162. “Biden: U.S. Risks ‘Losing Our Edge as a Nation’ Without Infrastructure Investment | Politics | US News.” [↑](#footnote-ref-164)
163. US News, October 5, 2021. [↑](#footnote-ref-165)
164. *PwC*, 05 March 2021. [↑](#footnote-ref-166)
165. *Rhodium Group*, 19 May 2021. [↑](#footnote-ref-167)
166. *Science Business*, 01 April 2021. [↑](#footnote-ref-168)
167. Palmer 2021. [↑](#footnote-ref-169)
168. World Population Review 2023. [↑](#footnote-ref-170)
169. Nikkei staff writers 2022. [↑](#footnote-ref-171)
170. Allen and Benson 2023. [↑](#footnote-ref-172)
171. Timmers 2022. [↑](#footnote-ref-173)