



Industry and Economic Analysis

WHAT WE DO

The USITC conducts research and analysis to support trade negotiators and policy decisionmakers. By maintaining the highest level of industry, economic, and regional trade expertise, the USITC is recognized for its independent research and analysis through objective and timely studies. While most of the USITC's formal research is conducted through its general factfinding investigations under section 332 of the Tariff Act of 1930, the agency's work in this area also includes probable economic effect investigations under the Trade Act of 1974 as well as other research initiatives.

HOW WE DO IT

Investigative teams for general factfinding and probable economic effect investigations typically include trade analysts, economists, and attorneys; nomenclature experts are sometimes part of these teams. Fact-gathering methods in USITC general factfinding investigations may include public hearings; written or phone surveys of U.S. producers, importers, and consumers; domestic and foreign fieldwork; interviews with industry, government, and academic experts; extensive literature reviews; data compilation

and analysis; and the development and application of new and insightful analytical techniques. Members of Congress often testify at Commission hearings in general factfinding investigations to share the views and concerns of their constituents. USITC industry and economic analysis incorporates numerous analytical approaches, including statistical (econometric) and simulation analyses. The type of simulation analysis used varies, depending on the nature of the investigation, and ranges from single-sector (partial equilibrium) to multisector and multicountry (general equilibrium).

In order to support its general equilibrium modeling capabilities, the USITC uses both a global database and a more detailed (500 sector) database of the U.S. economy.

USITC staff travel when necessary to conduct field visits related to the USITC's general factfinding investigations. Staff traveled to southeast Asia to gather information about rice production and exports in connection with *Rice: Global Competitiveness of the U.S. Industry*, completed during FY 2015 for the U.S. House of Representatives Committee on Ways and Means.

KEY REPORTS RELEASED IN FY 2015

- *Trade, Investment, and Industrial Policies in India, Effects on the U.S. Economy*, Inv. No. 332-543, USITC Publication 4501, December 2014 (conducted at the request of the Committee on Ways and Means, U.S. House of Representatives, and the Committee on Finance, U.S. Senate)
- *Global Competitiveness of the U.S. Rice Industry*, Inv. No. 332-549, USITC Publication 4530, April 2015 (conducted at the request of the Committee on Ways and Means, U.S. House of Representatives)
- *Trade and Investment Policies in India, 2014-2015*, Inv. No. 332-550, USITC Publication 4566, September 2015 (conducted at the request of the Committee on Ways and Means, U.S. House of Representatives, and the Committee on Finance, U.S. Senate)
- *Generalized System of Preferences: Possible Modifications, 2014 Review*, Inv. No. 332-554, USITC Publication 4562, August 2015 (conducted at the request of the U.S. Trade Representative)
- *Proposed Recommendations Relating to Recommended Modifications in the Harmonized Tariff Schedule to Conform with Amendments to the Harmonized System Recommended by the World Customs Organization, and to Address Other Matters*, Inv. No. 1205-11, Publication 4556, July 2015 (required by statute)
- *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries*, Inv. No. 332-227, USITC Publication 4567, September 2015 (required by statute)
- *The Year in Trade 2014*, USITC Publication 4543, July 2015
- *Recent Trends in U.S. Services Trade, 2015 Annual Report*, Inv. No. 332-345, USITC Publication 4526, May 2015
- *Shifts in the U.S. Merchandise Trade, 2014*, Inv. No. 332-345, USITC Publication 4536, June 2015

KEY CONFIDENTIAL REPORTS SUBMITTED TO THE U.S. TRADE REPRESENTATIVE IN FY 2015

- *U.S. Environment Goods Trade*, Inv. No. 332-548, submitted in October 2014





General Factfinding Investigations

Under section 332 of the Tariff Act of 1930, the USITC conducts general investigations on any matter involving tariffs or international trade.

USITC general factfinding investigations are usually conducted at the request of the U.S. Trade Representative, the U.S. House of Representatives' Committee on Ways and Means, or the U.S. Senate's Committee on Finance. The resulting reports convey the Commission's objective findings and independent analyses on the subjects investigated. The Commission makes no recommendations on policy or other matters in its general factfinding reports. Upon completion of each investigation, the USITC submits its findings and analyses to the requester. General factfinding investigation reports are subsequently released to the public, unless they are classified by the requester for national security reasons.

Probable Economic Effect Investigations

Under section 131 of the Trade Act of 1974, at the request of the President, the USITC investigates the effects on U.S. industries and consumers of possible tariff modifications resulting from trade agreements and of duty-free entry of specific products from developing countries under the Generalized System of Preferences.

Under section 2104(b) of the Trade Act of 2002, at the request of the USTR, the USITC assesses the probable economic effect on the U.S. industry producing the product concerned and on the U.S. economy as a whole of a tariff reduction on import-sensitive agricultural products.

Under section 2104(f) of the Trade Act of 2002, the USITC provides the President and the Congress with a report that assesses the likely impact on the U.S. economy as a whole and on specific industry sectors and the interests of U.S. consumers of proposed free trade agreements with foreign countries. Although the authority under section 2104(f) of the Trade Act of 2002 has expired, if trade promotion authority is renewed, the Commission anticipates it would continue to provide analysis of any negotiated trade agreements.

Other Research Initiatives

Under section 1205 of the Omnibus Trade and Competitiveness Act of 1988, the USITC is responsible for reviewing the Harmonized Tariff Schedule of the United States (HTS) and for recommending to the President modifications that it



The commercial shipping port of Mariel was among the sites USITC staff visited while traveling in Cuba to gather information used in the Commission's investigation *Overview of Cuban Imports of Goods and Services and Effects of U.S. Restrictions*, which was launched during FY 2015.

considers necessary or appropriate to conform the HTS with amendments to the global Harmonized System Convention.

Staff Products

USITC staff produce a variety of staff products that are intended to keep the Commission and trade policymakers in Congress and the executive branch informed of the latest developments in the international trade arena. These staff publications represent the views of the individual staff authors and are not the views of the Commission or of any individual Commissioner. Items of this genre include staff research papers and short briefing papers known as Executive Briefings on Trade.

In addition, USITC staff in the Offices of Economics and Industries produce working papers and USITC economists publish research notes, which are available to their peers and the public through the USITC's Internet site. Staff also occasionally prepare Industry and Trade Summary reports on select products, which include information on product uses, U.S. and foreign producers, and customs treatments of the products being studied; they also analyze the basic factors bearing on the competitiveness of the U.S. industry in domestic and foreign markets. Staff also author articles on matters related to international trade that appear in *The Journal of International Commerce & Economics*, a web-based journal.