

U.S. INTERNATIONAL TRADE COMMISSION

FY 2017 AT A GLANCE



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.

Among its mandates, the USITC conducts general factfinding investigations on matters related to trade and the global competitiveness of U.S. industries. The Commission completed its investigation *Aluminum: Competitive Conditions Affecting the U.S. Industry* during FY 2017 at the request of the U.S. House of Representatives Committee on Ways and Means.

KEY REPORTS RELEASED IN FY 2017

- ***Aluminum: Competitive Conditions Affecting the U.S. Industry***, Inv. No. 332-557, USITC Publication 4703, June 2017 (conducted at the request of the Committee on Ways and Means, U.S. House of Representatives)
- ***Global Digital Trade 1: Market Opportunities and Key Foreign Trade Restrictions***, Inv. No. 332-561, USITC Publication 4716, August 2017 (conducted at the request of the U.S. Trade Representative)
- ***The Economic Effects of Significant U.S. Import Restraints, Ninth Update***, Inv. No. 332-325, USITC Publication 4726, September 2017 (conducted at the request of the U.S. Trade Representative)
- ***Generalized System of Preferences: Possible Modifications, 2016 Review***, Inv. No. 332-560, USITC Publication 4716, August 2017 (conducted at the request of the U.S. Trade Representative)
- ***Probable Economic Effects of Certain Modifications to the U.S.-Morocco FTA Rules of Origin***, Inv. No. TA-103-030, USITC Publication 4662, January 2017 (conducted at the request of the U.S. Trade Representative)
- ***Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 23rd Report***, Inv. No. 332-227, Publication 4728, September 2017 (required by section 215(a) of the Caribbean Basin Economic Recovery Act)
- ***The Year in Trade 2016***, USITC Publication 4711, July 2017
- ***Shifts in U.S. Merchandise Trade, 2016***, Inv. No. 332-345, USITC Publication 4723, September 2017
- ***Recent Trends in U.S. Services Trade, 2017 Annual Report***, Inv. No. 332-345, USITC Publication 4682, May 2017

KEY CONFIDENTIAL REPORTS SUBMITTED TO THE U.S. TRADE REPRESENTATIVE IN FY 2016

- ***North American Free Trade Agreement: Advice on the Probable Economic Effect of Providing Duty-Free Treatment for Currently Dutiable Imports***, Inv. No. TA-131-042 and TPA-105-002, submitted in August 2017





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 provides advice to the President regarding the probable economic effect of the modification of a tariff or nontariff measure on industries producing like or directly competitive articles and on consumers.

Under section 105(a)(2)(B)(i)(III) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, at the request of the U.S. Trade Representative, the USITC assesses the probable economic effects on the U.S. industry producing the product concerned and on the U.S. economy as a whole of a tariff reduction on certain import sensitive agricultural products.

Under section 105(c) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, the USITC provides the President and Congress with a report that assesses the likely impact on the U.S. economy as a whole, specific industry sectors, and the interests of U.S. consumers of a trade agreement with one or more foreign countries. The USITC provides this report after the President has entered into the agreement and as part of the process under which Congress considers and approves a trade agreement and enacts any necessary implementation legislation.

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



At the request of the U.S. Trade Representative, the USITC launched three investigations during FY 2017 to examine uses of new digital technologies for U.S. firms and the impact of foreign policy barriers to digital trade on the competitiveness of U.S. firms in international markets. The first report, *Global Digital Trade 1: Market Opportunities and Key Foreign Trade Restrictions*, was completed in September 2017. The second and third reports, which will be confidential, will be completed in FY 2019.

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.