

# United States—Latin America and the Caribbean Trade Developments

**2021**



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# United States—Latin America and the Caribbean Trade Developments

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## Introduction

United States Trade Developments 2021 provides an overview of selected developments in United States trade relations with Latin America and the Caribbean. This is an annual report elaborated by the ECLAC Washington Office. Following the global focus on the climate crisis and the specific emphasis on President Biden's trade policy on advancing a sustainable environment and climate path, this year's report includes a section on trade in circular economy goods.

United States trade shows a healthy recovery in both imports and exports of goods and services, although some categories of services are still suffering the effects of the Covid-19 pandemic restrictions. Travel, transport, and tourism have not recovered to the pre-pandemic levels. Trade in goods, on the other hand, has recovered in all major categories. The United States rebounded rapidly and robustly from the COVID-19 pandemic recession in the first half of 2021, as federal stimulus spending helped the economy expand at an annualized rate of over 6%, which translated to increased consumption domestically and abroad. The rest of the world, albeit more slowly and unevenly, has also recovered, increasing the demand for U.S. goods as well.

In March 2021, the Office of the United States Trade Representative presented "President Biden's 2021 Trade Agenda and 2020 Annual Report to Congress" unveiling the new administration's top priorities: i) tackling the COVID-19 pandemic and restoring the economy, ii) putting workers at the center of trade policy, iii) putting the world on a sustainable environment and climate path, iv) advancing racial equity and supporting underserved communities, v) addressing China's coercive and unfair economic trade practices through a comprehensive strategy, vi) partnering with friends and allies, vii) standing up for American farmers, ranchers, food manufacturers, and fishers, viii) promoting equitable economic growth around the world, and ix) making the rules count.

Trade policy is an integral part of President Biden's Build Back Better agenda that seeks to build a more robust industrial and innovation base, a sustainable infrastructure and a clean energy matrix, and a stronger, caring economy.

The President's trade agenda will also seek to restore the United States leadership by promoting a fair international trading system that promotes inclusive economic growth and addresses the climate crisis through bilateral and multilateral engagement.

In addition, the trade agenda will support the Administration's vision of reducing greenhouse gas emissions and achieving net-zero global emissions by 2050, or before, by fostering U.S. innovation and production of climate-related technology and promoting resilient renewable energy supply chains. The United States will work with other countries towards environmental sustainability and raising global climate ambition.

After an extensive review of the United States-China economic relationship, the U.S. Trade Representative unveiled the Biden Administration's China trade policy on 4 October. The Administration announced that it would continue enforcing the "Economic and Trade Agreement between the Government of the United States of America and the Government of the People's Republic of China" the so-called "Phase-One Agreement," and that it will quickly reestablish a "targeted tariff exclusion process" to waive duties imposed by the previous Administration for those companies that want to import goods covered by them. It emphasized that discussions with China were necessary before the United States could decide on the next steps, including taking enforcement action against the Asian country. It reiterated, however, the Administration's commitment to using all available tools to address the range of China's unfair trade practices that continue to harm U.S. workers and businesses.

Acknowledging that the Phase-One agreement did not address China's state-centered and non-market trade practices and their harmful impact on the U.S. economy, the Administration is moving ahead with other policies—investment at home and greater coordination with allies—that will put the U.S. in a stronger position to interact with China. During the announcement, it stressed the need to work with allies to create fair and open markets.

The trade strategy with Latin America and the Caribbean has not been unveiled. The United States has six free trade agreements (FTAs) with 12 countries: Mexico and Canada under the United States–Mexico–Canada Agreement (2020); Chile (2004); Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic under the Dominican Republic–Central America–United States Free Trade Agreement (2006–2009); Peru (2009); Colombia (2012); and Panama (2012). In addition, the United States has Trade and Investment Framework Agreements (TIFAs) or Trade and Investment Council Agreements (TICs) in force with Argentina, the Caribbean Community, Ecuador, Uruguay, and Paraguay. With Brazil, the United States has in force an Agreement on Trade and Economic Cooperation (ATEC) since 2011, updated in 2020 with a Protocol on Trade Rules and Transparency. The Protocol with Brazil, the first of its kind, highlights the importance of openness and procedural fairness in trade rules. It comprises three annexes, each with state-of-the-art provisions for trade agreements: Trade Facilitation and Customs Administration, Good Regulatory Practices, and Anti-Corruption.

In December 2020, the United States and Ecuador updated their 1990 TIC with a Protocol on Trade Rules and Transparency. The Protocol establishes high-standard trade rules with Ecuador, based on the United States–Mexico–Canada Agreement and the Protocol with Brazil. It comprises four annexes, each with state-of-the-art provisions for trade agreements: Customs Administration and Trade Facilitation, Good Regulatory Practices, Anti-Corruption, and Small and Medium-Sized Enterprises.

On 25 January 2021, President Biden signed Executive Order 14005 called “Executive Order on Ensuring the Future is Made in All of America by All American Workers,” regulating federal government procurement practices to increase the federal government purchase of made in the United States products to strengthen the country’s manufacturing production and employment. This continues the United States trade policy shift away from globalization and free trade and toward protecting U.S. workers and revitalizing struggling domestic industries observed under President Trump’s term. Arguably, these trends have been accelerated by the Covid-19 pandemic.

The Executive Order tightens domestic content rules, appoints a new senior leader in the Executive Office of the President in charge of the government’s Made-in-America policy approach, increases oversight of potential waivers to Buy American requirements, and ends false advertising. The EO also extends Buy American to other forms of government assistance. For example, if companies benefit from taxpayer-funded research that leads to new products and profits, those products should be made in the U.S., or the company should reimburse the government for its support. The order requires all federal agencies to report on their implementation of current Made in America laws and make recommendation for achieving the President’s Made in America goals, and to continue to do so on a bi-annual basis. It reiterates the President’s strong support for the Jones Act: ship American and its mandate that only U.S.-flag vessels carry cargo between U.S. ports.

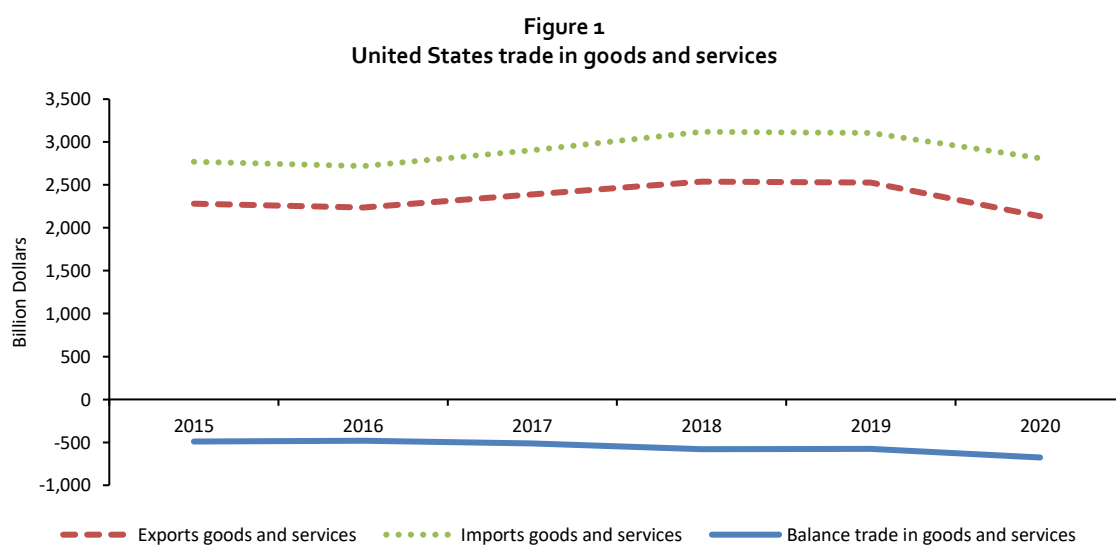
The report is organized as follows: the next section highlights United States trade flows, emphasizing the 2021 figures compared to the same period in 2020 and 2019 to assess the trade disruption of the Covid-19 pandemic and its recovery. Section II highlights the most significant developments in the United States-China bilateral trade relations. Section III review the main initiatives taken by the governments and the private sector to advance the circular economy in North America. Section IV presents an overview of trade and gender.at.



## I. United States trade

### A. Trade in goods and services

After growing gradually in the five years before the Covid 19 pandemic, United States trade in goods and services fell significantly in 2020 but quickly recovered in 2021 (figure 1, table 1).



Source: ECLAC on the basis of US Census Bureau.

Historically, the U.S. runs a trade deficit in goods and a trade surplus in services. In 2020, total exports of goods and services fell US\$394 billion while imports fell US\$ 294 billion. As a result, the total trade deficit worsened to US\$100 billion. The increase in the total trade deficit in 2020 resulted from a worsening trade deficit in goods and the trade surplus in services (table 1).

During the first seven months of 2021, the United States trade deficit in goods kept on growing. From January to July 2021, the trade deficit in goods was US\$626 billion, 24% higher than during the same period in 2020 and 21.5% higher than in 2019. As trade in goods recovered, U.S. imports of goods grew more than U.S. exports of goods, partly due to the U.S. economy recovering faster than most of its trade partners except for China. However, the increased demand from China was not enough to narrow the gap, given the significant trade deficit that the U.S. runs with China (table 2).

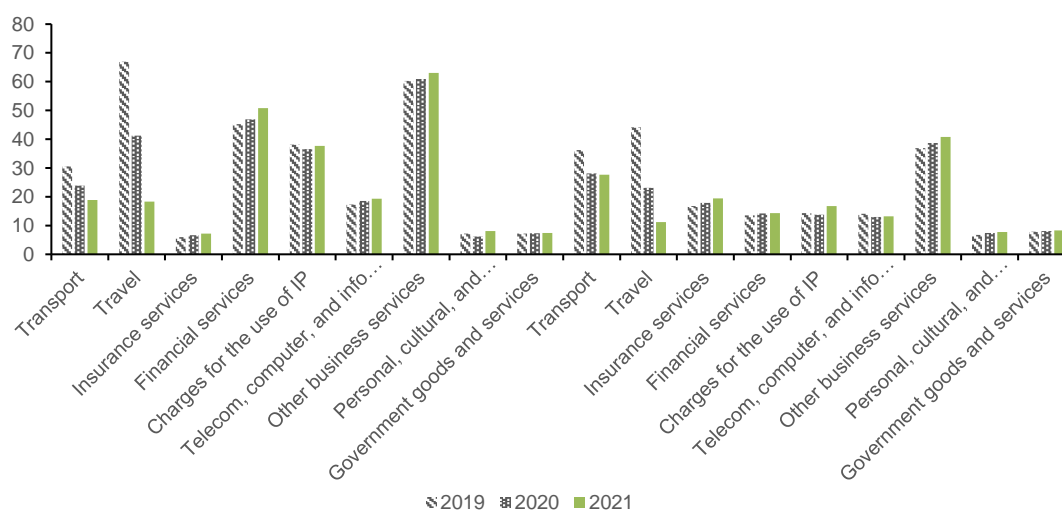
The United States trade surplus in services has kept falling in 2021. At US\$142 billion in the first seven months of the year, it is 6% lower than in the same period of 2020 and 15% below that of 2019 (table 1). This is because exports of services could not fully recover due mainly to tourism and travel (figure 2) still being affected by Covid-19 pandemic restrictions.

**Table 1**  
**United States trade in goods and services, seasonally adjusted, 2019, 2020, 2021**  
(Billions of dollars)

	Annual						January-July		Change in billions of dollars 2021-2020	Percentage change 2021- 2020
	2015	2016	2017	2018	2019	2020	2020	2021		
<b>Balance</b>										
Total	-491	-481	-513	-581	-576	-677	-354	-485	-131	37.1%
Goods	-762	-750	-799	-879	-862	-922	-504	-626	-122	24.2%
Services	270	268	287	298	285	245	151	142	-9	-6.0%
<b>Exports</b>										
Total	2 280	2 238	2 391	2 539	2 528	2 134	1 223	1 428	205	16.8%
Goods	1 511	1 457	1 557	1 677	1,652	1 429	804	994	190	23.6%
Services	769	781	834	862	876	706	419	435	15	3.6%
<b>Imports</b>										
Total	2 771	2 720	2 904	3 120	3 105	2 811	1 577	1 913	336	21.3%
Goods	2 273	2 207	2 356	2 556	2 514	2 351	1 308	1 620	312	23.8%
Services	498	513	547	564	591	460	269	293	24	9.1%

Source: ECLAC on the basis of US Census Bureau.

**Figure 2**  
**United States trade in services by category, first quarter, 2019, 2020, 2021**  
*(Billions of dollars)*



Source: ECLAC on the basis of Bureau of Economic Analysis, international trade in goods and services, April 2021.

## 1. Trade in goods

Trade in goods recovered since the lows of 2020. From January to July 2021, exports of goods increased US\$190 billion or 23.6% from the same period 2020. Imports of goods increased by US\$312 billion or 23.8% with respect to the same period last year.

Trade in all end-use goods categories has recovered in 2021 (table 2), led by trade in industrial supplies, auto vehicles, and consumer goods.

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

	Exports						Imports					
	Foods, Feeds, Beverage	Ind. Supplies	Capital Goods	Auto. Vehicles	Consumer Goods	Other Goods	Foods, Feeds, Beverage	Ind. Supplies	Capital Goods	Auto. Vehicles	Consumer Goods	Other Goods
Jan-Jul												
2020	76.4	262.6	268.7	65.1	95.6	32.9	87.7	284.9	362.5	155.4	349.0	60.1
2021	93.9	354.0	298.7	84.4	120.2	38.9	102.8	353.5	436.1	207.0	441.1	68.1
Change in billion dollars	17.6	91.3	30.0	19.3	24.6	5.9	15.1	68.6	73.6	51.7	92.1	8.0
Percentage change	23.0%	34.8%	11.2%	29.7%	25.7%	18.0%	17.2%	24.1%	20.3%	33.3%	26.4%	13.3%

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

The top 15 U.S. trade partners represent 75% of total trade. Among them, Mexico is the top trading partner representing close to 15% of total United States Trade, and is the only country from Latin America and the Caribbean in this group.

**Table 3**  
**United States trade in goods, top 15 trade partners by total trade in goods, 2021**  
(Billions of dollars)

Rank	Country	Balance of Trade	Exports	Imports	Total Trade	Percentage of total trade
1	Mexico**	-61.2	157	218.3	375.5	14.7%
2	Canada**	-23.6	175	198.2	372.8	14.6%
3	China	-187.2	83	270.0	352.8	13.8%
4	Japan	-36.6	43	79.4	122.1	4.8%
5	Germany	-39.6	37	76.8	114.0	4.5%
6	Korea, South*	-14.0	39	53.1	92.2	3.6%
7	United Kingdom	3.1	35	32.1	67.3	2.6%
8	Vietnam	-49.4	7	56.1	62.7	2.5%
9	Taiwan	-20.5	21	41.5	62.5	2.4%
10	India	-17.7	22	39.7	61.7	2.4%
12	Switzerland	-23.4	13	36.3	49.2	1.9%
11	Netherlands	11.6	30	18.5	48.6	1.9%
13	Italy	-22.3	13	35.0	47.7	1.9%
14	Ireland	-33.3	7	40.2	47.2	1.8%
15	France	-13.4	16	29.6	45.7	1.8%
Total all countries		-590.0	984.4	1 574.3	2 558.7	100.0%
Total top 15		-527.5	697.2	1 224.8	1 922.0	75.1%

Source: ECLAC on the basis of Bureau of Economic Analysis, supplemental Exhibit 4. Data is not seasonally adjusted.

United States' total trade in goods is highly concentrated on its top three trade partners: Mexico, Canada, and China. Mexico with US\$376 billion traded in the first seven months of 2021, followed by Canada with US\$373 billion and China with US\$353 billion. Together they represent 43% of total US trade (Table 3).

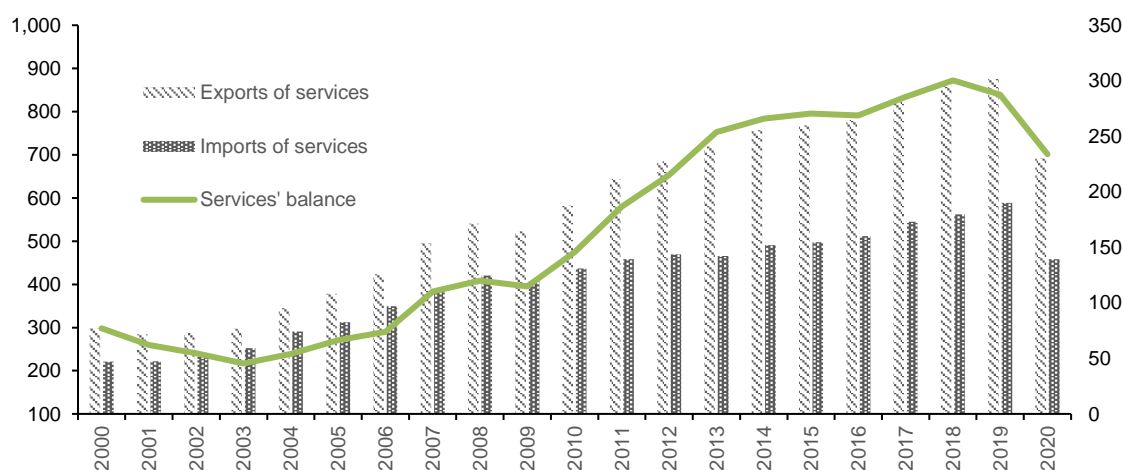
The United States trade deficit with China continues to be the largest among all countries. This deficit, at US\$187 billion, is three times as large as the U.S. trade deficit with Mexico, the second largest in the world.

## 2. Trade in services

United States trade in services has been steadily increasing since the early 2000s. The United States has recorded a trade in services surplus at least since 2000, as the value of exports has consistently exceeded the value of imports. The surplus reached the maximum in 2018 (US\$300 billion) and decreased to US\$234 billion in 2020 when the pandemic stalled trade in general but particularly affected trade in services.



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



Source: own elaboration based on BEA's data.

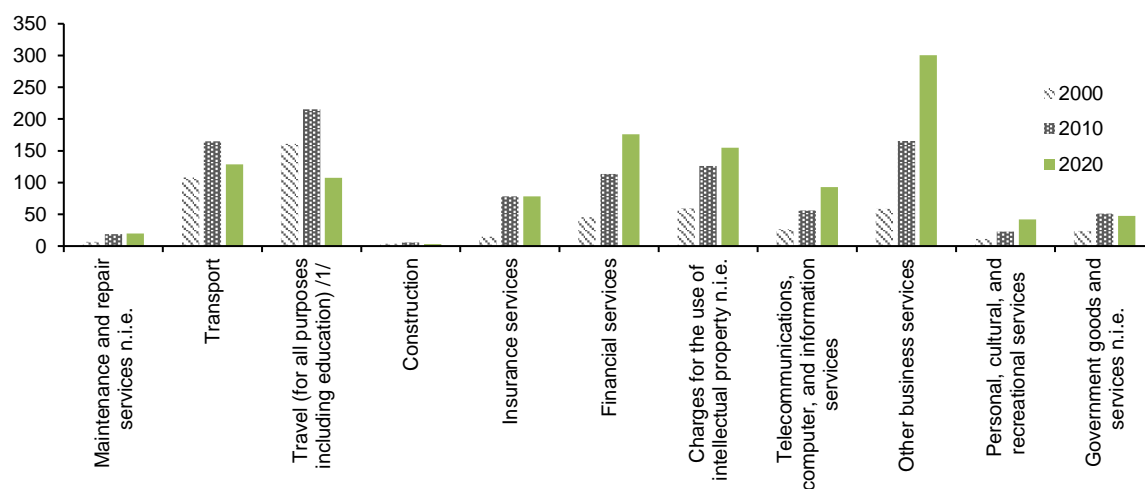
Most major services categories grew in the period 2000-2020 (figure 4), although travel, transportation, and government services, n.e.i. fell in 2020 due to the pandemic.

United States trade in services shows an increasing surplus in most major services categories such as financial services, charges for the use of intellectual property n.i.e., other business services, telecommunications, computer, and other information services. On the other hand, transport, construction insurance, and government services show increasing deficits over the period (figure 5).

In 2020, the top 15 trading partners in services represented 71% of total trade in services, an increase with respect to the two previous years-66% in 2018 and 67% in 2019 (table 4).

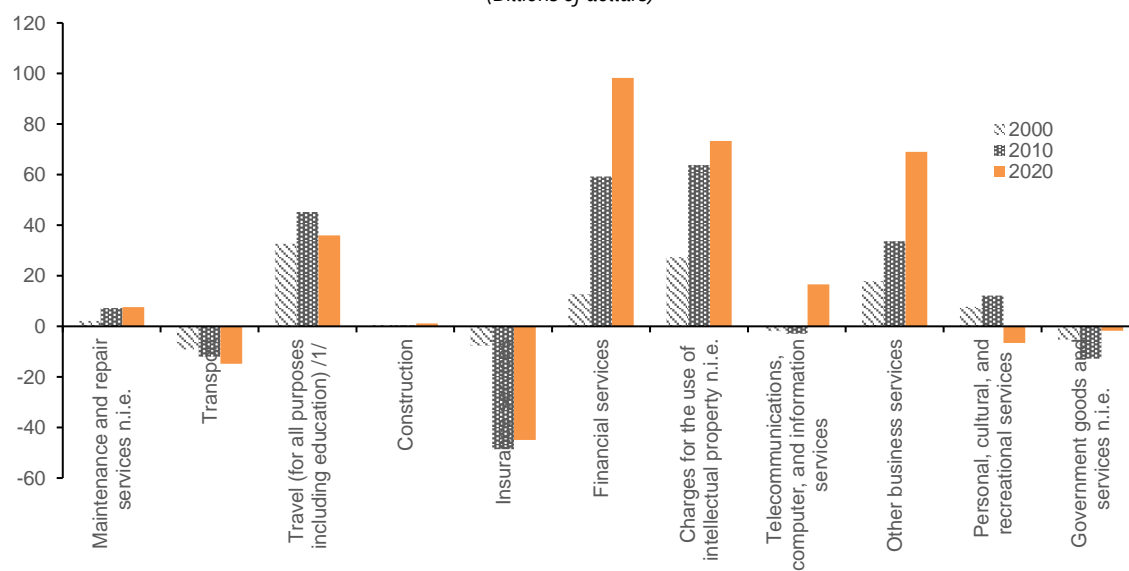
The top U.S. service trade partner is the United Kingdom, followed by Canada and Ireland. Trade with China represents 5% of total trade in services, while India represents 4% and Mexico, the only country from the region among the top 15, only represents 3% of total trade in services.

**Figure 4**  
**United States Trade in Services by Major Category, 2000, 2010, 2020**  
*(Billions of dollars)*



Source: ECLAC on the basis of Bureau of Economic Analysis.

**Figure 5**  
**United States Balance of Trade in Services, by Major Category, 2000, 2010, 2020**  
*(Billions of dollars)*



Source: ECLAC on the basis of Bureau of Economic Analysis.

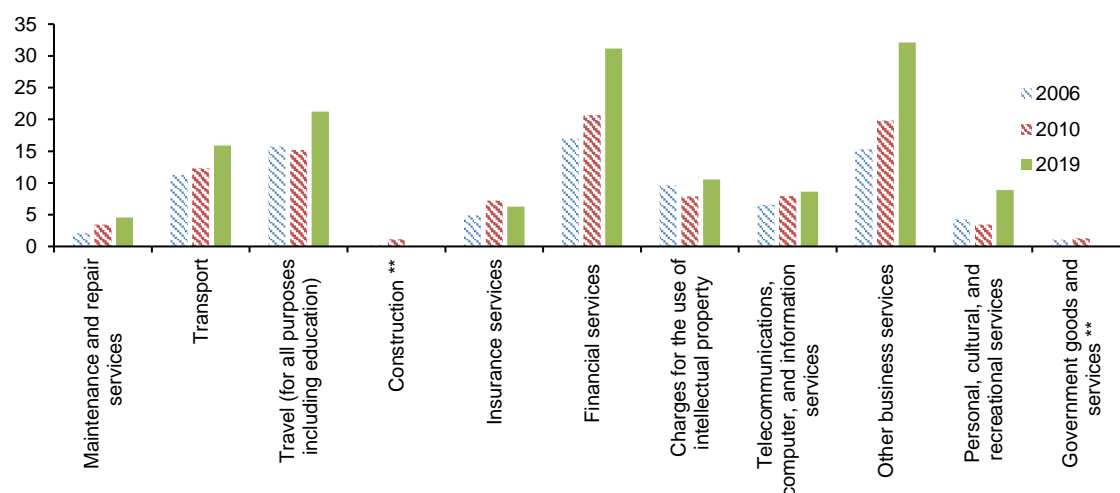
**Table 4**  
**United States Trade in Services Top 15 Partners by Total Trade in Services in 2020**  
*(Millions of dollars)*

Rank	Country	Balance of Services			Exports			Imports			Total Trade in Services			Percentage of total trade		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
1	United Kingdom	16 553	14 886	10 192	78 794	77 703	62 691	62 241	62 817	52 500	141 035	140 520	115 191	10%	10%	10%
2	Canada	30 398	30 795	24 415	68 722	69 512	53 685	38 324	38 717	29 270	107 046	108 229	82 955	8%	7%	7%
3	Ireland	33 958	34 630	43 059	52 386	57 438	61 949	18 428	22 808	18 890	70 814	80 246	80 839	5%	5%	7%
4	Japan	11 458	13 714	6 962	46 677	49 679	37 817	35 219	35 965	30 855	81 896	85 644	68 672	6%	6%	6%
5	Switzerland	20 424	20 306	17 138	41 917	45 319	42 016	21 493	25 013	24 878	63 410	70 332	66 894	4%	5%	6%
6	Germany	1 611	510	-1 960	35 478	36 227	29 594	33 867	35 718	31 554	69 345	71 945	61 148	5%	5%	5%
7	China	39 553	39 543	24 785	58 467	59 354	40 394	18 914	19 811	15 610	77 381	79 165	56 004	5%	5%	5%
8	United Kingdom Islands, Caribbean	27 128	29 108	34 081	38 142	40 197	44 498	11 014	11 089	10 417	49 156	51 286	54 915	3%	3%	5%
9	India	-7 132	-6 111	-9 503	22 575	23 584	16 377	29 706	29 695	25 880	52 281	53 279	42 257	4%	4%	4%
10	Mexico	4 541	2 228	6 211	32 865	32 738	23 433	28 324	30 510	17 222	61 189	63 248	40 655	4%	4%	3%
12	Bermuda	-15 570	-21 850	-20 864	8 148	6 786	8 305	23 718	28 636	29 169	31 866	35 422	37 474	2%	2%	3%
11	Singapore	15 034	14 349	13 464	24 567	25 398	24 695	9 534	11 049	11 231	34 101	36 447	35 926	2%	2%	3%
13	Netherlands	6 044	5 446	5 466	19 404	20 138	18 090	13 360	14 692	12 624	32 764	34 830	30 714	2%	2%	3%
14	France	1 969	1 941	2 203	21 473	22 306	15 492	19 504	20 365	13 289	40 977	42 671	28 781	3%	3%	2%
15	South Korea	13 104	12 493	8 146	23 372	23 449	17 823	10 268	10 957	9 677	33 640	34 406	27 500	2%	2%	2%
	Total all countries	297 799	285 174	245 342	861 725	876 295	705 643	563 926	591 121	460 301	1 425 651	1 467 416	1 165 944	100%	100%	100%
	Total top 15	199 073	191 988	163 795	572 987	589 828	496 859	373 914	397 842	333 066	946 901	987 670	829 925	66.4%	67.3%	71.2%

Source: ECLAC on the basis of Bureau of Economic Analysis.

Most of the bilateral trade with the United Kingdom is in financial services and other business services where the United States runs a significant surplus.

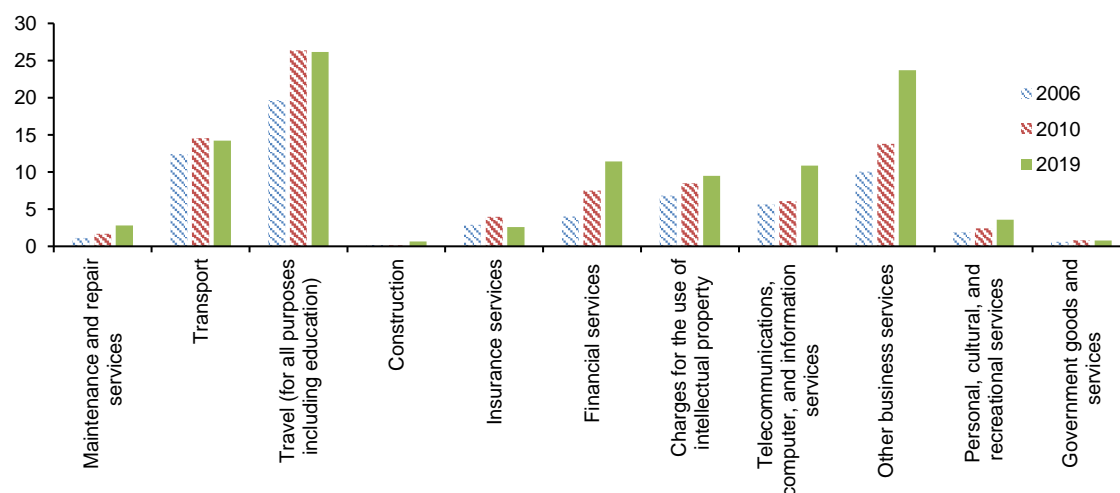
**Figure 6**  
United States-United Kingdom, total trade in services, by major category  
(Billions of dollars)



Source: ECLAC on the basis of Bureau of Economic Analysis.

In the case of Canada, however, most trade in services is in travel and transport, followed by business services. The U.S. runs a trade surplus in services with Canada in almost all major categories.

**Figure 7**  
United States-Canada, total trade in services, by major category  
(Billions of dollars)



Source: ECLAC on the basis of Bureau of Economic Analysis.

## B. Trade with Latin America and the Caribbean

United States imports from Latin America and the Caribbean have been growing in value since the early 2000s, with significant falls during the global financial crisis of 2008-2009 and the Covid-19 pandemic in 2020 (figure 8).

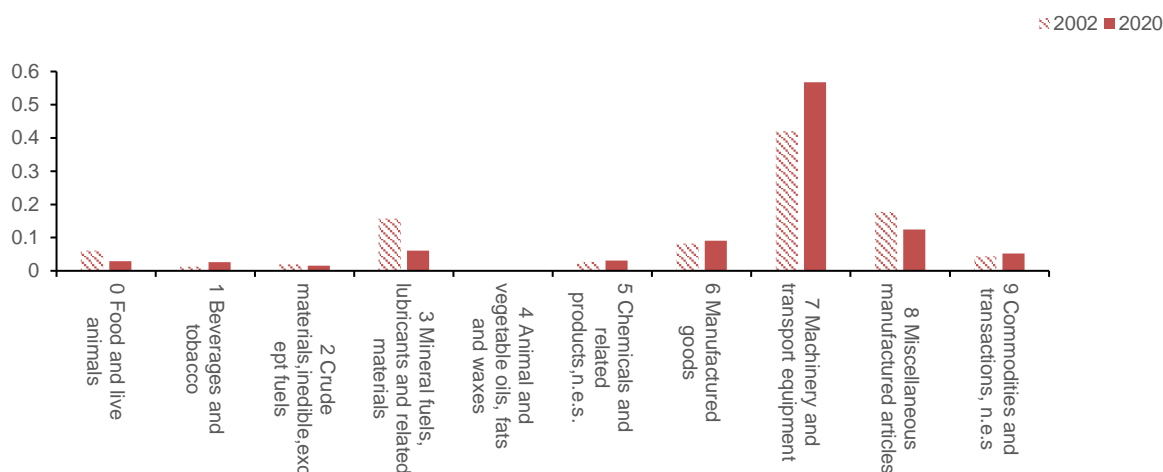
**Figure 8**  
**United States imports from Latin America and the Caribbean, 2002-2020**  
(Billions of dollars)



Source: ECLAC on the basis of U.S. Census Bureau Dataweb.

About 60% of United States imports from the region are machinery and transport equipment (figure 9), and 12% are miscellaneous manufacturing. Between 2002 and 2020, food and large animals and minerals and fuel have lost participation in the total imports from the region.

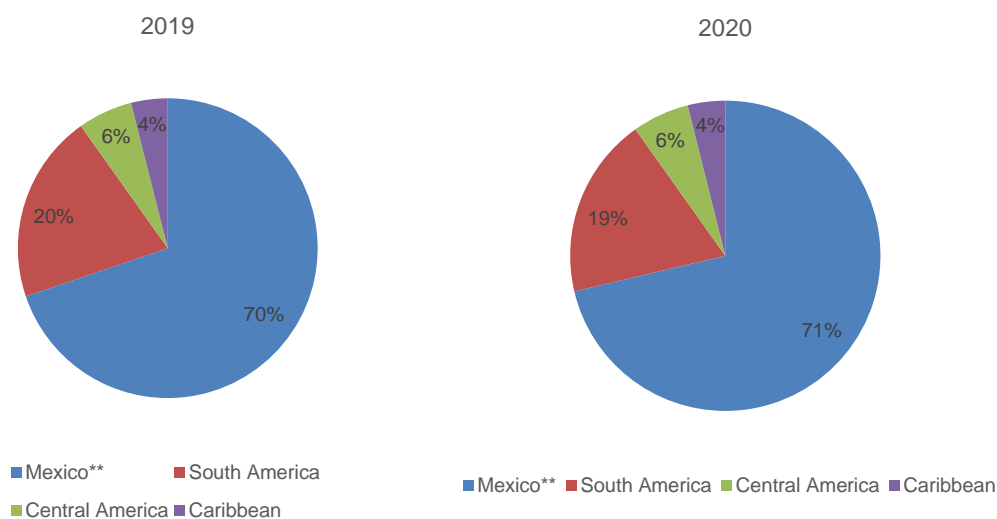
**Figure 9**  
**United States imports from Latin America and the Caribbean, by major industry category, 2002, 2020**  
*(in Percentages)*



Source: ECLAC on the basis of U.S. Census Bureau Dataweb.

United States trade with Latin America and the Caribbean is dominated by trade with Mexico, representing around 70% of U.S. trade with the region (figure 10).

**Figure 10**  
**United States trade with Latin America and the Caribbean, by region**

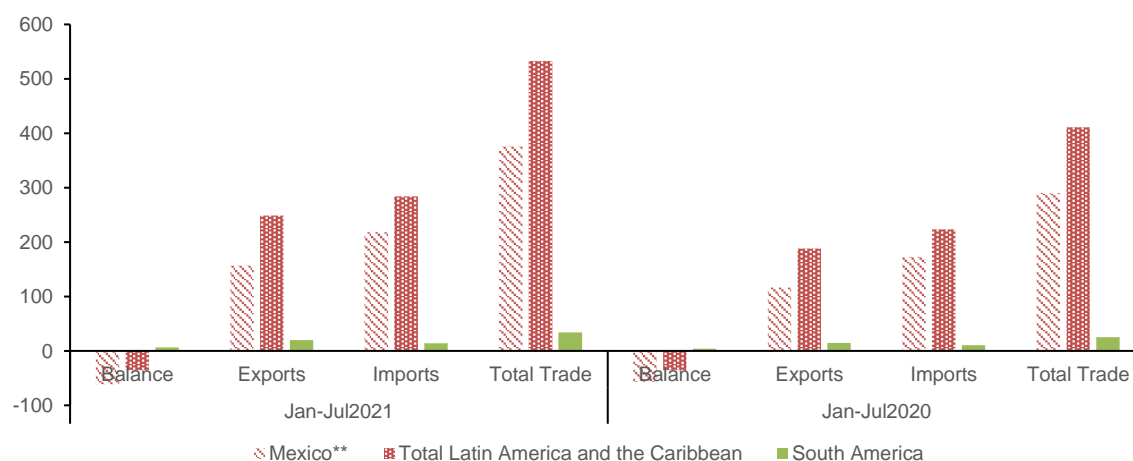


Source: ECLAC on the basis of Bureau of Economic Analysis, Exhibit 4S.

Besides Mexico, the top 5 trade partners in the region are Brazil, Colombia, Chile, Peru, and Dominican Republic (table A1). Except for Brazil, all of them have a free trade agreement with the United States.

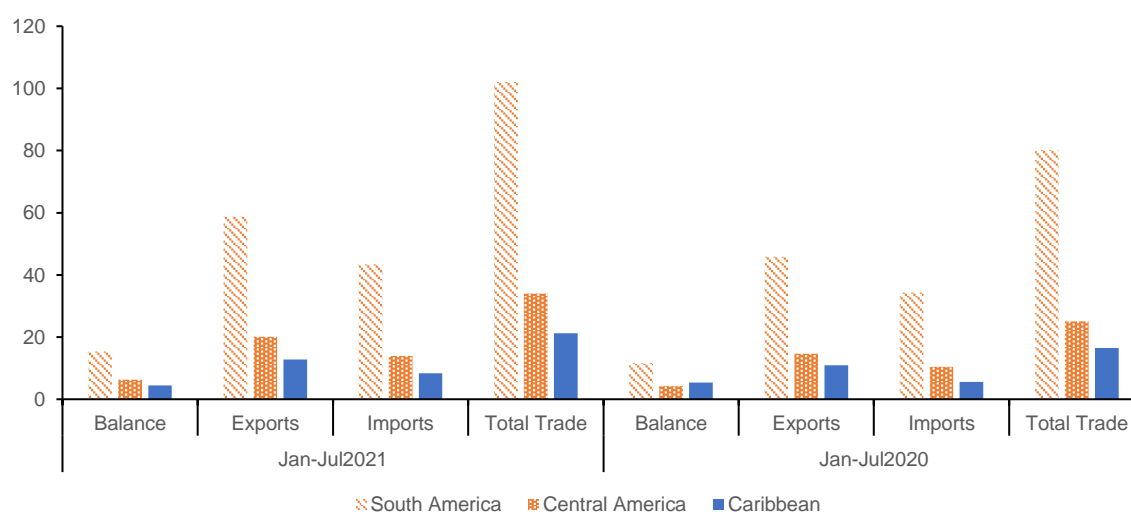
The United States continues to run a trade surplus with the region (figures 11 and 12), except for Mexico.

**Figure 11**  
United States trade in goods and services with Mexico and Latin America and the Caribbean  
(Billions of dollars)



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

**Figure 12**  
United States trade in goods and services, by sub-region  
(Billions of dollars)



Source: ECLAC on the basis of Bureau.

## C. Trade in COVID-19 related goods

The Covid-19 pandemic exposed the United States' dependency on imported essential medical equipment as well as medicines. As a result, one of the priorities of the U.S. trade agenda has become the support of long-term investments to strengthen domestic production of these products, to expand industrial capacity in the pharmaceutical industry to increase resilience when facing future public health crises. Introduced in last year's report in the context of the pandemic, this section presents United States trade figures in COVID-19 related trade.

This section follows the USITC's classification of COVID-19 related products<sup>1</sup> to describe U.S. international trade in medical supplies, equipment, and pharmaceutical products<sup>2</sup>.

The U.S. runs a trade deficit in COVID-19 related products<sup>3</sup>. In 2019, the trade deficit amounted to almost US\$60 billion, and in 2020 it increased even further to US\$62.5 billion. The deficit was only US\$8 billion 15 years ago.

**Table 5**  
**United States trade in Covid-19 related goods, 2005, 2010, 2015, 2020**  
(Billions of dollars)

	2005	2010	2015	2020
Imports	20.72	30.97	45.80	110.41
Exports	12.63	22.12	23.51	47.88
Trade Balance	-8.09	-8.85	-22.30	-62.53

Source: ECLAC on the basis of USITC Dataweb.

Most of the Covid-19 related products that reach the U.S. market originated in China. In 2020, imports from China amounted to US\$24 billion, followed by Ireland with US\$10.8 billion and Germany with US\$9.9 billion. Mexico is the fourth with US\$8.6 billion in 2020, and Canada is 6<sup>th</sup> with US\$4.88 billion.

<sup>1</sup> On 6 April 2020, the Senate Finance Committee and the House of Representatives Ways and Means Committee asked the U.S. International Trade Commission (USITC) to identify the goods that are relevant to responding to the COVID-19 crisis. The report identified 112 product lines at the harmonized tariff standardization 10-digit (HTS-10) reporting numbers classified in 7 categories: COVID-19 test kits/testing instruments; disinfectants and sterilization products; medical imaging, diagnostic, oxygen therapy, pulse oximeters, and other equipment; medicines (pharmaceuticals); non-PPE medical consumables and hospital supplies; personal protective equipment; and other.

<sup>2</sup> Trade in medical supplies, equipment and medicines is much broader than what is considered in this section.

<sup>3</sup> Chad P. Brown of the Peterson Institute of International Economics has identified a set of HTS6 codes that best reflect the medical supply and equipment products that are in short demand as a result of the COVID-19 pandemic. Although there is some overlap with those identified in the USITC report, they are not identical. Sutter, 2020 also identified HS-6 medical supplies, equipment and pharmaceutical products.



**Table 6**  
**Top 10 country sources of Covid-19 related goods to the United States**  
*(Billions of dollars)*

	2005	2010	2015	2020
China	3.00	5.62	8.21	24.24
Ireland	2.11	1.07	4.82	10.78
Germany	1.50	1.73	2.28	9.93
Mexico	2.90	4.56	5.83	8.55
Belgium	0.40	0.83	1.18	7.60
Canada	1.37	2.18	2.43	4.88
Switzerland	0.28	0.46	0.78	4.37
Singapore	0.30	0.36	0.96	3.54
Japan	1.40	1.71	2.12	3.50
Malaysia	0.59	1.20	1.59	3.04

Source: ECLAC on the basis of USITC Dataweb.

Covid-19 related medicines (pharmaceuticals), on the other hand, are almost exclusively originated in OECD countries (Table 7), except for India, the fourth top supplier of Covid-19 related products to the United States. No country from the region makes the top-10 list of Covid-19 related medicines suppliers to the United States.

**Table 7**  
**Top 10 country sources of Covid-19 related medicines (pharmaceutical) to the United States, 2005, 2010, 2015, 2020**  
*(Millions of dollars)*

	2005	2010	2015	2020
Belgium	0.35	0.77	1.09	6.93
Ireland	0.03	0.02	3.21	4.82
Germany	0.08	0.14	0.17	2.32
India	0.15	0.32	0.60	2.30
Italy	0.15	0.24	0.52	2.07
Canada	0.31	0.72	0.60	1.86
Switzerland	0.00	0.01	0.04	1.81
Singapore	0.00	0.00	0.00	1.79
United Kingdom	0.42	0.60	0.36	1.03
Spain	0.03	0.00	0.01	0.80

Source: ECLAC on the basis of USITC Dataweb.

Mexico, Costa Rica, Dominican Republic are the top suppliers of Covid-19 products from Latin America and the Caribe with a total of US\$11.4 billion in 2020 as compared with US\$24.4 billion from China alone. Mexico exported a total of US\$8.5 billion in 2020, and Costa Rica US\$2 billion. (table 8).

With respect to Covid-19 related medicines, the top exporters to the United States were Mexico, and Brazil with US\$115.3 million, less than a sixth of what Belgium alone exported in 2020 (US\$6.93 billion).

**Table 8**  
**United States imports of Covid-19 related products from Latin America and the Caribbean, 2005,2010,2015,2020**  
*(Million of dollars)*

	2005	2010	2015	2020
Mexico	2 898.42	4 558.72	5 827.74	8 547.86
Costa Rica	436.02	576.76	1 174.04	2 020.98
Dominican Republic	498.58	649.37	868.24	979.08
Brazil	88.64	353.99	512.41	372.87
Honduras	65.83	68.35	97.74	167.40
Uruguay	0.55	0.83	28.87	15.13
Guatemala	12.39	7.37	20.05	65.38
Colombia	11.01	19.54	36.76	38.76
Nicaragua	0.83	1.20	3.74	32.40
El Salvador	1.01	1.85	3.56	25.97
Argentina	2.97	5.16	3.43	6.48
Panama	0.68	0.07	0.19	4.34
Chile	3.53	2.31	2.81	4.46
Ecuador	0.43	2.88	1.01	3.87
Peru	1.17	0.85	4.34	2.76
Haiti	1.50	0.32	0.77	5.35
Paraguay	0.10	0.06	0.64	0.69
Venezuela (Bolivarian Republic of)	3.78	0.39	0.14	0.24
Jamaica	0.16	4.26	0.41	0.24
Trinidad and Tobago	1.08	0.07	0.05	0.03
St Lucia	3.69	2.34	0.00	0.00
Bahamas	0.00	0.02	0.05	0.00
Bolivia (Plurinational State of)	0.01	0.05	0.10	0.03
Dominica	0.80	0.20	0.03	0.06
Grenada	0.07	0.00	0.00	0.00
St Vincent and the Grenadines	0.00	0.00	0.00	0.00
Antigua and Barbuda	0.00	0.00	0.00	0.00
Barbados	0.06	0.16	0.01	0.81
Guyana	0.00	0.00	0.01	0.05
St Kitts and Nevis	0.02	0.00	0.04	0.01
Suriname	0.00	0.00	0.01	0.01
Belize	0.01	0.01	0.00	0.00
Total	4 033.33	6 257.15	8 587.19	12 295.27

Source: ECLAC on the basis of USITC Dataweb.

**Table 9**  
**United States imports of COVID-19 related medicines from Latin America and the Caribbean countries**  
**(Millions of dollars)**

	2005	2010	2015	2020
Mexico	0.55	0.00	0.43	68.88
Brazil	0.00	0.00	49.06	46.54
Colombia	0.00	0.00	0.00	0.53
Argentina	0.02	22.70	0.00	2.77
Costa Rica	0.00	0.00	0.17	0.08
Guatemala	0.00	0.00	0.00	0.11
Honduras	0.00	0.38	0.00	0.01
Dominican Republic	0.98	0.00	0.00	0.02
<b>Total</b>	<b>1.54</b>	<b>23.08</b>	<b>49.67</b>	<b>118.94</b>

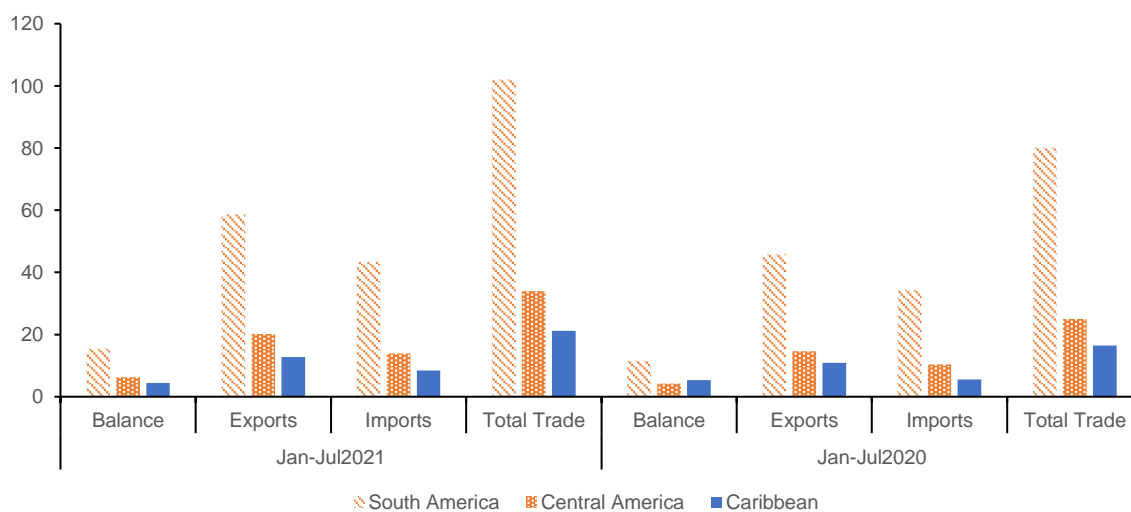
Source: ECLAC on the basis of USITC Dataweb.



## II. United States trade relations with China

United States exports of goods to China have remained stable since trade tensions began in 2017 (figure 13). U.S. imports of goods, on the other hand, fell significantly starting in the last quarter of 2018, and were subsequently also hit by the Covid-19 pandemic in 2020. The goods trade deficit, a sensitive figure in the bilateral relationship, continues to be significant and has not changed significantly as a result of the measures taken –from US\$375 billion in 2017 to US\$310.2 billion in 2020.

**Figure 13**  
United States trade in goods with China, monthly figures, 2017-2021  
(Billions of dollars)

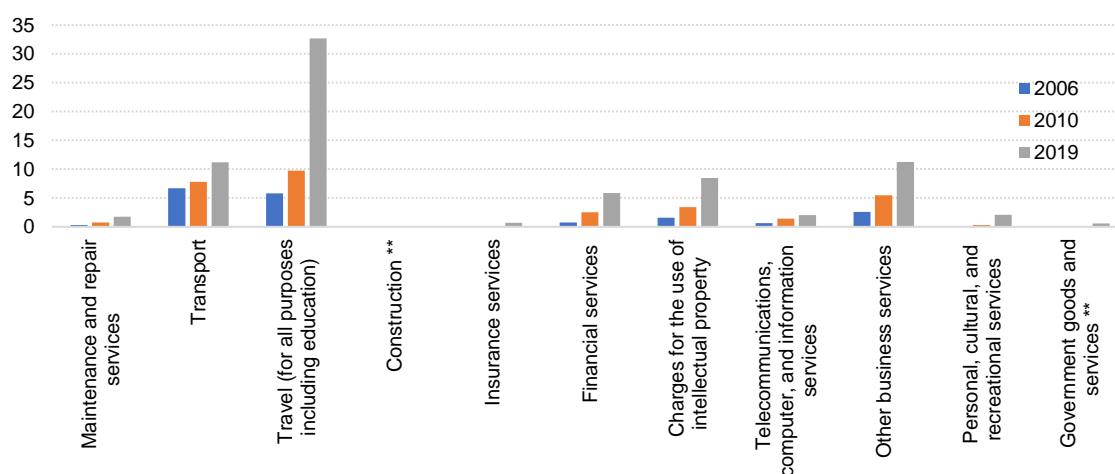


Source: ECLAC on the basis of Bureau of Economic Analysis.

The goods deficit with China, the largest that the United States runs with any country, totaled US\$187.2 billion in July, an increase of 39.1% compared to the same period in 2020.

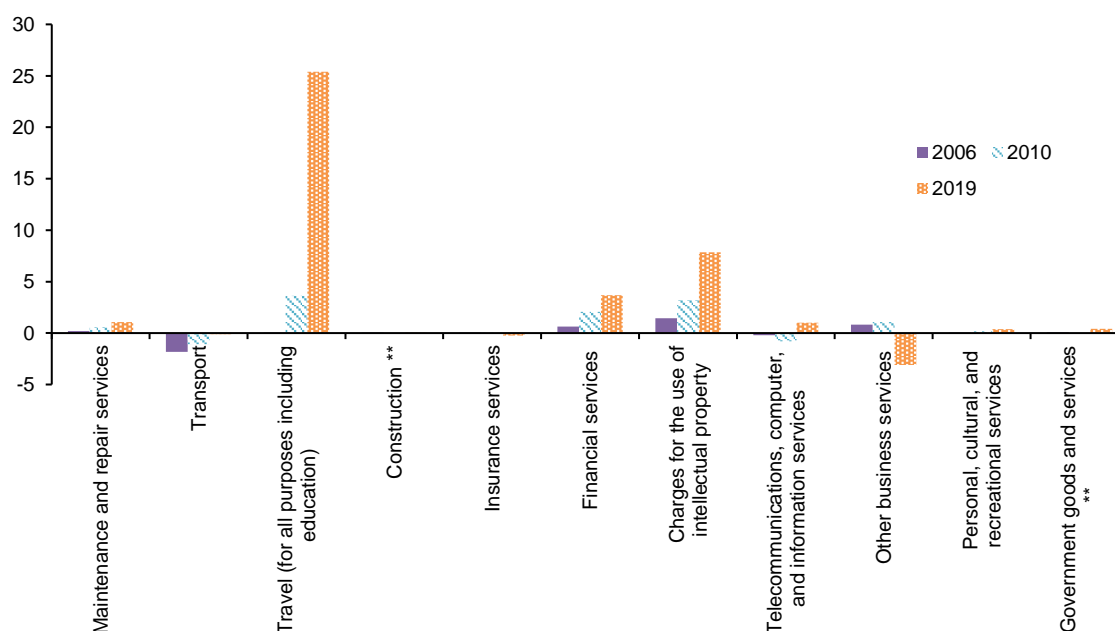
The United States runs a surplus in the bilateral trade in services (figure 15). Most of the trade in services is concentrated in travel, transport, and charges for the use of intellectual property (figure 14).

**Figure 14**  
United States trade in services with China, by major category, 2006, 2010, 2019  
(Billions of dollars)



Source: ECLAC on the basis of Bureau of Economic Analysis.

**Figure 15**  
United States Balance of Trade in Services, by major category, 2006, 2010, 2019  
(Billions of dollars)



Source: ECLAC on the basis of Bureau of Economic Analysis.

Three years after the Trump Administration announced that it would be pursuing a new, more aggressive approach to the United States engagement with China to condemn this country's unfair trading practices and restore balance to the bilateral trade relationship, tensions have extended beyond trade to encompass a range of geopolitical and human rights issues.

At the beginning of October 2021, the Biden Administration announced that after careful consideration, the focus of the strategy with respect to China would be in enforcing the Phase One Agreement while strengthening the United States stance by working with allies in promoting market-oriented, rules-based international trade and investing domestically in infrastructure and innovation to improve the United States competitive edge in international markets.

The Phase-One Agreement was signed on 15 January 2020, following two years of escalating tensions (table 5) between the two largest economies in the world. On 14 February 2020, the Phase One Agreement went into effect. As part of the trade deal, China agreed to purchase at least US\$200 billion more in U.S. goods and services for the two years covering from January 1, 2020, through December 31, 2021, above the 2017 baseline levels. Additionally, the agreement establishes a robust dispute resolution system that ensures prompt and effective implementation and enforcement.

According to the Peterson Institute for International Economics, China has failed to buy the required U.S. goods stipulated by the trade agreement. The COVID-19 pandemic made meeting that obligation even more difficult as Chinese import demand plunged. In 2020, China's total imports of covered products from the United States were only US\$99.9 billion, reaching only 58% of the commitment. By 2021, China has committed to purchase no less than an additional US\$98.2 billion of covered goods from the United States relative to these 2017 baselines. Through June 2021, China's total imports of covered products from the United States were US\$68.0 billion, compared with a year-to-date target of US\$99.0 billion. Over the same period, U.S. exports to China of covered products were US\$53.4 billion, compared with a year-to-date target of US\$84.1 billion.<sup>45</sup>

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<sup>4</sup> Bown, Chad P. "Anatomy of a FLOP: Why Trump's US-China Phase One Trade Deal Fell Short." PIIE, February 8, 2021. <https://www.piie.com/blogs/trade-and-investment-policy-watch/anatomy-flop-why-trumps-us-china-phase-one-trade-deal-fell>.

<sup>5</sup> Bown, Chad P. "US-China Phase ONE TRACKER: China's Purchases of US Goods." PIIE, July 26, 2021. <https://www.piie.com/research/piie-charts/us-china-phase-one-tracker-chinas-purchases-us-goods>

**Table 10**  
**Chronology of escalating tensions between the United States and China**

2021	
13 January	Customs and Border Protection (CBP) issued a Withhold Release Order (WRO) against cotton products and tomato products produced in Xinjiang Uyghur Autonomous Region (XUAR) based on information that reasonably indicates the use of detainee or prison labor and situations of forced labor. The agency identified the following forced labor indicators through its investigation: debt bondage, restriction of movement, isolation, intimidation, and threats, withholding of wages, and abusive living and working conditions.
20 January	China imposed sanctions on 28 former Trump administration officials, including outgoing Secretary of State Mike Pompeo. In a statement released, China's Foreign Ministry said it had decided to sanction those "who have seriously violated China's sovereignty and who have been mainly responsible for the such U.S. moves on China-related issues." The sanctions prohibit those individuals and their immediate family members from entering mainland China, Hong Kong, and Macao. They are also restricted from doing business with China, as are any companies or institutions associated with them.
5 February	In their first high-level conversation since President Joe Biden took office, the U.S. Secretary of State Antony Blinken spoke with China's top foreign policy official, Yang Jiechi. Blinken stressed human rights and the ongoing military coup in Myanmar, while Yang called for Washington to stop interfering in China's internal affairs and respect China's sovereignty.
10 March	The United States Trade Representative (USTR) published an extension of the COVID-19 related medical-care and response product exclusions from Section 301 duties covering imports from China. The extensions are effective for six months through September 30, 2021. USTR originally extended the Section 301 exclusions for these 99 products on December 29, 2020. The extensions were set to expire on March 31, 2021. The list of products includes x-ray equipment, oxygen tubes, hand soap, hand sanitizer, and personal protective equipment, among others.
12 March	The Federal Communications Commission (FCC) designated five Chinese companies as posing a threat to national security under a 2019 law aimed at protecting U.S. communications networks: Huawei Technologies Co, ZTE Corp, Hytera Communications Corp, Hangzhou Hikvision Digital Technology Co, and Zhejiang Dahua Technology Co
17 March	The U.S. sanctioned an additional 24 Chinese and Hong Kong officials over Beijing's ongoing crackdown on political freedoms in Hong Kong, ahead of U.S. Secretary of State Antony Blinken's meeting with top Chinese diplomats in Alaska that week. Foreign financial institutions that knowingly conduct significant transactions with the listed individuals will be subject to U.S. sanctions.
17 March	The Federal Communications Commission (FCC) launched a proceeding to determine whether to end China Unicom Americas' authority to provide domestic interstate and international telecommunications services within the United States under section 214 of the Communications Act. The Commission has raised concerns regarding the vulnerability of subsidiaries of Chinese state-owned enterprises to the exploitation, influence, and control of the Chinese government.
22 March	The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned two current Chinese government officials with serious human rights abuses against ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR). These individuals are designated according to Executive Order (E.O.) 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act and targets perpetrators of severe human rights abuse and corruption. These designations include Wang Junzheng, the Secretary of the Party Committee of the Xinjiang Production and Construction Corps (XPCC), and Chen Mingguo, Director of the Xinjiang Public Security Bureau (XPSB).
8 April	The Department of Commerce's Bureau of Industry and Security (BIS) has added seven Chinese supercomputing entities to the Entity List for conducting activities that are contrary to the national security or foreign policy interests of the United States. They are: National Supercomputing Center Jinan, National Supercomputing Center Shenzhen, National Supercomputing Center Wuxi, National Supercomputer Center Zhengzhou, Shanghai High-Performance Integrated Circuit Design Center, Sunway Microelectronics, Tianjin Phytium Information Technology.
21 April	The U.S. Senate Foreign Relations Committee has approved the Strategic Competition Act of 2021, signaling bipartisan consensus on orienting U.S. policy towards being more aggressive in efforts to counter China. The Act was amended to provide more aid to Africa and Latin America to counter China's financial aid to these countries, grant greater funding for U.S. technology industries, and strengthen the U.S. International Development Finance Corp to compete against the China Development Bank, which has played an instrumental role in Beijing's signature Belt and Road Initiative.
3 June	President Biden issued a Executive Order 14032 barring United States citizens from investing in Chinese firms linked to the country's military or selling surveillance technology used to repress dissent or religious minorities, both inside and outside China. The new order expands on an earlier Trump-era blacklist and hits 59 Chinese firms, including the communications giant Huawei. Many newly targeted companies are subsidiaries and affiliates of major state-owned companies and businesses named on the earlier blacklist.



8 June	The U.S. Senate adopted the United States Innovation and Competition Act (USICA), intended to boost the country's ability to compete with Chinese technology. The bill would invest more than US\$250 billion to boost U.S. semiconductor production, scientific research, development of artificial intelligence, and space exploration in the face of growing economic, technological, and military competition from China. The Senate's action highlights a bipartisan consensus in Congress on the U.S. strategy for responding to China's rise.
9 June	President Joe Biden withdrew a series of Trump-era executive orders that sought to ban new downloads of WeChat and TikTok. To replace the Trump-era ban, Biden signed new orders calling for the Commerce Department to launch national security reviews of apps with links to foreign adversaries, including China.
10 June	The National People's Congress (NPC) approved the Anti-Foreign Sanctions Law in China's national legislature. The new law offers a legal foundation for China to counter U.S. and EU sanctions over trade, technology, Hong Kong, and Xinjiang. The Law gives the Chinese government a legal tool to respond to foreign sanctions with its countersanctions, affecting individuals and companies doing business in China and other foreign actors operating in the country.
24 June	The U.S. Commerce Department ordered a ban on U.S. imports of a key solar panel material from Chinese-based Hoshine Silicon Industry Co., Ltd. to halt commerce tied to the country's repressive campaign against Uyghurs and other minorities.
9 July	The Department of Commerce's Bureau of Industry and Security (BIS) added 34 entities to the Entity List for their involvement in, or risk of becoming involved in, activities contrary to the foreign policy and national security interests of the United States. Of these 34 entities, 14 are based in the People's Republic of China (PRC) and have enabled Beijing's campaign of repression, mass detention, and high-technology surveillance against Uyghurs, Kazakhs, and members of other Muslim minority groups in the Xinjiang Uyghur Autonomous Regions of China (XUAR), where the PRC continues to commit genocide and crimes against humanity. Commerce added another five entities directly supporting PRC's military modernization programs related to lasers and C4ISR programs to the Entity List.
16 July	The U.S. Department of State, the U.S. Department of the Treasury, the U.S. Department of Commerce, and the U.S. Department of Homeland Security issued an advisory to highlight growing risks associated with actions undertaken by the Government of the People's Republic of China and the Government of the Hong Kong Special Administrative Region (SAR) that could adversely impact U.S. companies that operate in the Hong Kong SAR of the People's Republic of China.
23 July	China announced its decision to impose sanctions on seven U.S. citizens and entities, including former Commerce Secretary Wilbur Ross, in response to recent U.S. actions over Chinese threats to Hong Kong's autonomy. This marks the first time China has placed counter-sanctions measures using its new anti-foreign sanction law. China also imposed unspecified "reciprocal counter-sanctions" on the current or former heads of a range of organizations, including the Congressional-Executive Commission on China, U.S.-China Economic and Security Review Commission, National Democratic Institute for International Affairs, International Republican Institute, Human Rights Watch, and on the Washington-based Hong Kong Democracy Council.
25 August	The U.S. officials have approved license applications for the Chinese telecom company Huawei to purchase chips for its auto component business. The license applications are worth hundreds of million of dollars, and the chips will be used in vehicle components, such as video screens and sensors. It's suspected that the license is approved because auto chips are considered less sophisticated, which are less susceptible to US bans.

## 2020

15 January	The United States and China signed the Economic and Trade Agreement Between the United States of America and the People's Republic of China: Phase One to take effect on 14 February 2020. China agrees to purchase an additional US\$200 billion worth of some items of U.S. exports with respect to the 2017 value over 2020 and 2021. Most tariffs remain in effect, but as part of the deal, China will halve tariffs on 1,717 U.S. goods, lowering the tariff on some items from 10% to 5% and others from 5% to 2.5%. The tariff cuts will apply to a list of additional tariffs that took effect on September 1, worth US\$75 billion, effectively halving tariffs on US\$75 billion worth of goods. The U.S. commitment under the Phase One Trade Deal is to slash tariffs from 15% to 7.5% on US\$120 billion worth of goods.
17 February	China grants tariff exemptions to 696 U.S. goods to fulfill the commitments made in the trade deal with the U.S. The 696 products include pork, beef, soybean, wheat, corn, sorghum, ethanol, liquefied natural gas, crude oil, steel rails, and medical equipment.
10 March	Invoking section 721 of the Defense Production Act of 1950, President Trump ordered the divestiture of the U.S. firm StayNTouch, Inc. by the Chinese firm Beijing Shiji Information Technology Co., Ltd., on 6 March 2020, citing national security concerns. The Federal Register published the document on 10 March 2020.

- 8 May The U.S. and China reaffirm their commitments under the Phase-One trade deal. According to an announcement made by the USTR and the U.S. Treasury Secretary, the Chinese Vice Premier, the U.S. Trade Representative, and the U.S. Treasury Secretary held a conference call where they pledged their continued support for the Phase One Trade Deal, which took effect in February. In confirmation, China's Commerce Ministry released a statement saying that the two sides agreed to improve the atmosphere for the implementation of the Phase One Trade Deal, which calls for Beijing to boost its purchases from the U.S. by US\$200 billion, over two years, compared to the 2017 baseline. China ramped up its imports of U.S. pork, purchasing 40,200 tons of meat just in early May, the largest order since October 2019. This comes as U.S. meat output has dropped by more than 30% due to slaughterhouse closures under COVID-19.
- 12 May China announces a new list of U.S. commodities excluded from tariffs from May 19, 2020 to May 18, 2021. China's State Council Customs Tariff Commission announced a new list of 79 U.S. products eligible to be excluded from retaliatory tariffs. The latest list includes U.S. imports of medical disinfectants, rare earth ores, silver and gold ores and concentrates, and some nickel and aluminum alloy products. This is the fifth list of U.S. items exempted from tariff.
- 12 May President Donald Trump ordered the main federal government pension fund, Federal Retirement Thrift Investment, not to invest its portfolio in Chinese companies, citing a serious national security risk to the US.
- 15 May President Trump extended his May 2019 executive order barring U.S. firms from buying telecommunications equipment made by companies deemed to be national security risks. The U.S. Department of Commerce followed up by extending a temporary license that allows some U.S. companies to work with the Chinese company Huawei until 13 August.
- 15 May The U.S. Department of Commerce's Bureau of Industry and Security (BIS) announced new restrictions on Huawei's ability to use U.S. technology and software to design and manufacture its semiconductors abroad. This announcement cuts off Huawei's efforts to undermine U.S. export controls.
- 29 May President Trump issued a presidential proclamation that bars the entry (or the issuance of visas) of Chinese students to the United States who are in "F" or "J" status in graduate-level programs and who are or had been associated with the People's Republic of China (PRC) entities involved with the PRC's "military-civil fusion strategy."
- The proclamation also calls on the U.S. State Department to consider using its visa revocation authority to revoke previously issued visas in this category and directs the U.S. State Department and Department of Homeland Security (DHS) in the next 60 days to review possible immigration measures for other immigrant and non-immigrant visa classifications to deal with this issue.
- 4 June New Nasdaq restrictions affecting listing of Chinese Companies. Nasdaq requires auditing firms to ensure all listed companies comply with international reporting and inspection standards.
- 14 July The U.S. Department of Agriculture announced that China booked its biggest single-day U.S. corn purchase on July 14, buying 1.762 million metric tons of U.S. corn. The deal eclipsed the previous single-day record sale to China of 1.45 million tons of corn set in 1994. And this is after July 10, when Chinese buyers just purchased 1.365 million tons of US corn. On July 14, China also booked deals to buy 129,000 tons of soybeans. The trade deals are to meet China's commitments in the US-China phase one trade deal to buy US\$80 billion worth of U.S. agricultural products in 2020 and 2021.
- 15 July President Trump signs an executive order formally revoking Hong Kong's "special status" in diplomatic and trade relations and declares the U.S. will treat the city of Hong Kong as part of mainland China, including for trade, export control, and visa purposes.
- 17 July The United States asked the World Trade Organization to authorize retaliatory tariffs against China for what it claims is Beijing's failure to implement a dispute settlement panel ruling that found China was violating its agricultural domestic support commitments. The U.S. is asking the WTO to authorize tariffs on US\$1.3 billion worth of Chinese products, which it claims is "on the level of the nullification or impairment of benefits accruing" to the U.S. from China's noncompliance, according to the communication. China had until 30 June 2020 to implement the February 2019 dispute settlement panel ruling that found China was miscalculating its domestic support for wheat and rice and, when calculated correctly, was in excess of its domestic support commitments.
- 20 July The U.S. Commerce Department's Bureau of Industry and Security adds eleven Chinese entities implicated in human rights abuses in Xinjiang to the Entity List.
- 21 July The United States ordered China Consulate in Houston, Texas closed, "to protect American intellectual property" and the private information of Americans.
- 22 July The U.S. seeks public comments to exclude Chinese imports from Section 301 tariffs. The Office of the U.S. Trade Representative (USTR) has announced 37 exemption lists, which excluded specific Chinese imports from U.S. additional tariffs. However, 84% of the exclusion requests had been rejected by the USTR by 31 January 2020. With the COVID-19 pandemic worsening in the U.S., the USTR is now prioritizing the review of requests concerning medical products. It is also seeking public comments on whether to remove additional products subject to Section 301 tariffs that are necessary to the US response to COVID-19.

24 July	China orders the closure of the U.S. consulate in the south-western city of Chengdu, China.
17 July	The U.S. Commerce Department's Bureau of Export Administration announced a new rule making explicit that Huawei needs a special license to purchase semiconductor chips using U.S. technology or software even if the chips were produced in a third country. These new rules amend the longstanding foreign-produced direct product rule as follows: where U.S. software or technology is the basis for a foreign-produced item that will be incorporated into, or will be used in the "production" or "development" of any "part," "component," or "equipment" produced, purchased, or ordered by any Huawei entity on the Entity List; or when any Huawei entity on the Entity List is a party to such a transaction, such as a "purchaser," "intermediate consignee," "ultimate consignee," or "end-user."
17 July	The U.S. Commerce Department added 38 Huawei affiliates to the Entity List.
11 August	The U.S. Customs and Border Protection (CBP) issued a notice requiring that goods produced in Hong Kong and exported to the U.S. must be marked to indicate that their origin is "China" after September 25, 2020. Failure to mark an article in accordance with the requirements shall result in the levy of a duty of ten percent ad valorem.
19 August	The U.S. government announced it would suspend or terminate three bilateral agreements with Hong Kong, covering the surrender of fugitive offenders, the transfer of sentenced persons, and reciprocal tax exemptions on income derived from the international operation of ships. The suspension of the reciprocal tax agreement implies that Hong Kong-registered shipping firms, which derive transport income from the U.S., may be subject to U.S. taxes on their gross income.
25 August	Ambassador Lighthizer and Secretary Mnuchin participated in a regularly scheduled call with China's Vice Premier Liu He to discuss implementation of the historic Phase One Agreement between the United States and China. The parties addressed steps that China has taken to effectuate structural changes called for by the Agreement that will ensure greater protection for intellectual property rights, remove impediments to American companies in the areas of financial services and agriculture, and eliminate forced technology transfer. The parties also discussed the significant increases in purchases of U.S. products by China as well as future actions needed to implement the agreement. Both sides see progress and are committed to taking the steps necessary to ensure the success of the agreement.
1 September	Dozens of U.S. imports from China, including disposable face masks, respirators, Bluetooth tracking devices, and musical instruments, are granted short extensions to previous tariff exemptions until the end of 2020.
14 September	U.S. Customs and Border Protection (CBP) issued five Withhold Release Orders (WRO) today on products from the People's Republic of China (PRC). The products subject to the WROs are produced with state-sponsored forced labor in the Xinjiang Uyghur Autonomous Region. The Chinese government is engaged in systemic human rights abuses against the Uyghur people and other ethnic and religious minorities. The new WROs direct CBP Officers at all ports of entry to withhold release on cotton, apparel, hair products, and computer parts from four Xinjiang companies.
15 September	China's Tariff Commission of the State Council announced that it will extend tariff exemptions for 16 U.S. products for one year. The products were originally exempt from China's additional tariffs from September 17, 2019 to September 16, 2020. Now, the September 16, 2020 deadline has been extended for another year to September 16, 2021. Exemption list 1 covers products like shrimp and prawn seedlings, lubricants, and alfalfa meal. Exemption list 2 covers products like release agent, whey for fodder, Iso-alkane solvent, and lubricating base oil.
2 December	The U.S. Department of Homeland Security announced that U.S. Customs and Border Protection (CBP) personnel at all U.S. ports of entry would detain shipments containing cotton and cotton products originating from the Xinjiang Production and Construction Corps (XPCC). CBP's Office of Trade directed the issuance of a Withhold Release Order (WRO) against cotton products made by the XPCC based on information that reasonably indicates the use of forced labor, including convict labor.
2019	
15 February	Almost 15% of all 2017 U.S. imports are now subject to trade protection, President Trump's actions affect 12.6% of 2017 U.S. imports. China is one of the biggest targets together with Canada, Mexico, the EU and South Korea.
24 February	The U.S. announced a delay in raising tariffs from 10% to 25% on US\$200 billion of Chinese imports, which were expected to be applied on March 1, 2019.
5 May	The U.S. announced that the 25% tariffs on US\$200 billion of Chinese imports that were delayed on February 24 would be applied starting May 10. In addition, President Trump indicates that "shortly" 25% tariffs will be imposed on all U.S. imports from China.
13 May	China announces it will increase tariffs on \$60 billion of U.S. exports it had already hit last September by June 1 <sup>st</sup> .

15 May	Executive Order on Securing the Information and Communications Technology and Services Supply Chain. The Order gives the federal government the power to block US companies from buying foreign-made telecommunications equipment deemed a national security risk. Under the order, which gives the Secretary of Commerce power to determine which transactions may be potential risks, no single company is immediately marked as a threat. But the plan is largely seen as a move against China-based Huawei, which some US lawmakers have deemed a security threat.
1 June	China raised the tariff rate on US\$36 billion of the US\$60 billion list from September 2018.
12 June	China's average tariff rate to every country other than the U.S. decreased from 8% to 6.7% since 2018.
1 August	The U.S. announced a 10% tariff on an additional US\$300 billion of imports from China, going into effect on 1 September 2019. The list covers final consumer goods such as toys, footwear, and clothing.
13 August	The U.S. announced a 10% tariff on US\$112 billion of imports from China starting 1 September (mainly clothing, and shoes, then US\$160 billion on December 15, 2019 (toys and electronics).
23 August	China announced US\$75 billion of U.S. exports, effective 1 September and 15 December 2019. The most significant changes are the increase in its average tariff on U.S. autos from 12.6% to 42.6%. Later the same day President Trump announced an increase of 5 percentage points in the tariff rate on the US\$112 billion list that would begin 1 September and the US\$160 billion list on 15 December. Also, the current 25% tariff on US\$250 billion of Chinese goods will increase to 30%, starting 1 October.
11 September	China announces it will exclude 16 products (less than \$2 billion of US exports) from its retaliatory tariffs imposed in 2018, such as some animal feeds, chemicals, and petroleum products. President Trump plans to delay his tariff increase on \$250 billion of Chinese imports from 25 to 30 percent, originally set out on August 23, 2019, from October 1 to October 15.
11 October	Trump announces the October 15 tariff increase on \$250 billion of US imports from China (25 percent raised to 30 percent) will not go ahead as planned. He also states negotiations had resulted in a forthcoming "substantial phase one deal" with China, "subject to getting it written."
26 November	US releases new regulatory guidelines for its telecom networks procedure to protect telecom networks from national security threats. The US Commerce Department has issued a notice introducing a new procedure for identifying, assessing, and addressing transactions that pose a national security risk to its telecommunications network and service supply chain. The procedure will give the US government power to restrict US companies from importing and using foreign technology in their domestic supply chain infrastructure. Secretary Wilbur Ross said whether a transaction will be prohibited or mitigated will be considered on a "case-by-case, fact-specific basis." While the document makes no mention of Huawei or ZTE equipment, it might impact the two Chinese companies as they were placed on the US entity "blacklist", earlier in May, and on Friday, November 22, were voted unanimously as national security risks by the US Federal Communications Commissions.
13 December	Trump calls off the scheduled December 15 tariff increase and indicates his administration and China have reached an agreement on the legal text of an 86-page deal that will be signed in January 2020.
2018	
7 February	After conducting a Section 201 investigation, the U.S. implements 'global safeguard tariffs' on solar panel and washing machine imports.
22 March	Following the results of the Section 301 investigation, President Trump signed a Presidential Memorandum Targeting China's Economic Aggression directing the following acts: To file a WTO case against China for their discriminatory licensing practices; To restrict investment in key technology sectors, and to impose tariffs on Chinese products.
23 March	The U.S. imposes a 25% tariff on all steel imports with some exceptions and a 10 % tariff on all aluminum imports except from Argentina and Australia.
2 April	China imposes tariffs ranging 15%-25% on 128 products worth US\$3 billion, including fruit, wine, seamless steel pipes, pork, and recycled aluminum in retaliation to the U.S.' steel and aluminum tariffs.
3 April	The USTR releases an initial list of 1,334 proposed products worth US\$50 billion subject to a potential 25% tariff.
4 April	China reacts to USTR's initial list and proposes 25% tariffs to be applied on 106 products worth US\$50 billion on goods such as soybeans, automobiles, chemicals.
16 April	The U.S. Department of Commerce concludes that Chinese telecom company ZTE violated U.S. sanctions. As a result, U.S. companies are banned from doing business with ZTE for seven years.
17 April	China announces antidumping duties of 178.6 % on imports of sorghum from the U.S.
18 May	China announces that it will stop tariffs on U.S. sorghum during negotiations.
20 May	The U.S and China agree to a truce after China reportedly agrees to buy more U.S. goods.

29 May	End of truce, the U.S. reinstates tariff plans.
7 June	The U.S. and ZTE agree on a deal that will allow ZTE to resume business.
15 June	The U.S. revises the initial list of products released 3 April. List 1 implements a 25% tariff on a reduced 818 products (from 1,334) and is set to take effect on July 6, 2018. List 2 of 284 new products is also announced and under consideration.
16 June	China revised its initial tariff list on 4 April to include a 25% tariff on 545 products valued at US\$34 billion to take effect on 6 July 2018. China also proposes a second round of 25% tariffs on another 114 products valued at US\$16 billion.
6 July	The U.S. implements first China-specific tariffs, and China takes retaliatory measures.
2 August	The U.S. Department of Commerce adds 44 Chinese entities to its export control list that pose a "significant risk" to US national security.
14 August	China files WTO claim against the U.S.
23 August	U.S. and China implement the second round of tariffs, China files second WTO complaint.
24 September	U.S. and China implement a third round of tariffs. Total China-specific tariffs affect goods valued at US\$250 billion, total U.S.-specific tariffs applied by China affect US\$110.
19 November	U.S. releases list of proposed export controls on emerging technologies.
<hr/>	
2017	
28 April	Initiation of 232 investigations into whether steel/aluminum imports pose a threat to national security.
22 May	The U.S. and China agreed to a trade deal that would give U.S. firms greater access to China's agriculture, energy, and financial markets, and China gains access to the U.S. cooked poultry market.
18 August	Initiation of a Section 301 investigation into certain acts, policies, and practices of the Chinese government relating to technology transfer, intellectual property, and innovation.



### III. Trade and the circular economy

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

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

#### A. Circular economy initiatives in North America

While policy leadership on circular economy is growing at all levels of government, more is needed to ensure alignment and harmonization across the North American region.<sup>6</sup> Despite the United States and Canada's lack of a comprehensive and cross-border policy framework, several piecemeal initiatives that address circularity challenges are found at the federal and municipal levels.<sup>7</sup> Following is a brief description of some of them.

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<sup>6</sup> Circular North America: Accelerating the Transition to a Thriving and Resilient Low-carbon Economy, 2021.

<sup>7</sup> Transition to a Circular Economy: Opportunities for Recovery, Resiliency and Regeneration, 2021.

## 1. United States

### Federal level

- The Federal Government supports the circular economy through its own energy consumption. Following Section 203 of the **Energy Policy Act of 2005**, the federal government must consume at least 7.5 percent of its total electricity from renewable sources each year.<sup>8</sup>
- The Federal Government, led by the Environmental Protection Agency (EPA) and the United States Department of Agriculture (USDA), works with communities, organizations, businesses, and state and local governments to reduce food loss and waste by 50 percent by 2030. In collaboration with USDA, the EPA launched a **Call to Action by Stakeholders** to identify current opportunities and challenges in reducing food loss and waste in the United States.<sup>9,10</sup>
- The U.S. Congress appropriates annually federal funding for agency grants and loan programs that support the circular economy.<sup>11</sup> For example, federal funding has been secured by the U.S. Department of Energy for the **Reducing Embodied-Energy and Decreasing Emissions (REMADE) Institute** headed by the Rochester Institute of Technology's Golisano Institute for Sustainability (GIS).<sup>12</sup> This institute aims to accelerate the nation's transition to a circular economy through public-private partnerships to develop cutting-edge sustainable manufacturing technologies to make real, near-term environmental and economic impacts.<sup>13</sup>

### Municipal level

- The **City of Charlotte, North Carolina**, is the first U.S. city to commit to adopting the circular economy as a public sector strategy. Motivated to address poverty and economic opportunity, Charlotte is adopting a comprehensive waste diversion strategy called Circular Charlotte that could create more than 2,000 jobs while harnessing material that would otherwise be disposed of as a landfill. Together with stakeholders, the city has analyzed its waste streams and addressed the key issues impacting the entire city, economic and social mobility.<sup>14</sup>
- The **City of Phoenix, Arizona**, is working towards creating zero waste by 2050. To achieve its zero-waste target, the city supports the transition to a circular economy and encourages the retail industry to provide products that are either 100% recyclable or repurposed at the end of life. It is also centering considerable effort around recycling to expand its current recycling program and incubating local businesses to capture new products from the waste stream.<sup>15</sup> As a stepping stone, "Reimagine Phoenix" is the city's initiative to divert 40% of its waste from landfills by 2020 and better-manage its solid waste resources in the future.

<sup>8</sup> <https://www.energy.gov/eere/femp/federal-agency-use-renewable-electric-energy>.

<sup>9</sup> <https://www.epa.gov/sustainable-management-food/united-states-2030-food-loss-and-waste-reduction-goal#goal>.

<sup>10</sup> <https://www.epa.gov/sustainable-management-food/call-action-stakeholders-united-states-food-loss-waste-2030-reduction>.

<sup>11</sup> Transition to a Circular Economy: Opportunities for Recovery, Resiliency and Regeneration, 2021.

<sup>12</sup> <https://www.rit.edu/news/federal-funding-remade-institute-secured>.

<sup>13</sup> <https://remadeinstitute.org/>.

<sup>14</sup> Circular North America: Accelerating the Transition to a Thriving and Resilient Low-carbon Economy, 2021.

<sup>15</sup> Circular North America: Accelerating the Transition to a Thriving and Resilient Low-carbon Economy, 2021.



## Plastic industry

The **U.S. Plastic Pact Roadmap** is a collaborative, solutions-driven consortium led by The Recycling Partnership and the World Wildlife Fund, launched as part of the Ellen MacArthur Foundation's global Plastics Pact network.<sup>16</sup> Its goal is to unify diverse public-private stakeholders across the plastic value chain to rethink the design, use, and reuse of plastics, to create a path forward to realize a circular economy for plastic in the United States. The Strategy, titled Roadmap to 2025, is supported by nearly 100 corporations, startups, research entities, NGOs, universities, and state and local governments across the plastics packaging value chain in the U.S., and includes mandatory reporting and specific timeframes for realizing meaningful and targeted outcomes for a truly circular plastics economy to ensure that plastic remains in the economy and out of the environment for the years to come.<sup>17</sup> To ensure systematic change and accelerate progress, the Roadmap identifies four specific targets that address plastic waste management: 1) define a list of packaging to be designated as problematic or unnecessary by 2021, and take measures to eliminate them by 2025; 2) by 2025, 100 percent of plastic packaging will be reusable, recyclable or compostable by 2025; 3) by 2025, undertake ambitious actions to recycle or compost 50 percent of plastic packaging effectively; 4) by 2025, the average recycled content or responsibly sourced biobased content in plastic packaging will be 30 percent. Within this context, each stakeholder has different roles and responsibilities. Governments mainly have a 'Support' role, which means that they provide guidance and input and assist with distributing and disseminating outputs.<sup>18</sup> Only in two activities, one of target one and one of target two, governments 'Co-Lead', which means that one actor has a nominal leadership role, but Co-Leads are expected to play a significant and comparable role in terms of commitment to the effort.<sup>19</sup>

In June 2020, the **Plastic Waste Reduction and Recycling Research Act** was introduced in the U.S. Congress. This legislation seeks to provide a coordinated federal program to accelerate plastic waste reduction and support recycling research and development for the economic and national security of the United States. This Act is yet to be ratified.

## Automotive industry

Although the United States has implemented regulations through the EPA to standardize smog, soot, and other air pollution generated by on-road vehicles<sup>20</sup>, it has not adopted any regulation governing the incorporation of circular economy practices across the automotive value chain. The focus of most product stewardship programs related to vehicles in the U.S. has been on voluntary measures to address specific recycling targets, such as vehicle tires and mercury switches.<sup>21</sup> On the one hand, policy makers at all levels of government have paid particular attention to issues associated with vehicle tires and have taken actions to support tire recycling and reuse.<sup>22</sup> On the other hand, regarding mercury switches, in 2006 a coalition of federal, state, industry, and environmental nonprofit partners created the National Vehicle Mercury Switch Recovery Program (NVMSRP), a voluntary effort to promote safe removal of mercury switches from end-of-life vehicles (ELV) before they are shredded for recycling.<sup>23</sup> Another initiative is the ELV Solutions (ELVS), a national not-for-profit corporation formed by automobile manufacturers, which provides educational materials and collects and recycles automotive switches at no cost to dismantlers and recyclers.<sup>24</sup>

<sup>16</sup> <https://usplasticspact.org/about/>.

<sup>17</sup> Waste Not U.S. Plastics Pact Unveils Plan to Achieve Circular Economy in the U.S. by 2025.

<sup>18</sup> <https://usplasticspact.org/roadmap-reader/>.

<sup>19</sup> Ibid.

<sup>20</sup> <https://www.epa.gov/regulations-emissions-vehicles-and-engines/regulations-smog-soot-and-other-air-pollution-passenger>

<sup>21</sup> [https://archive.epa.gov/oswer/international/web/html/200811\\_elv\\_directive.html](https://archive.epa.gov/oswer/international/web/html/200811_elv_directive.html).

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

## 2. Canada

### Federal level

- The Federal Government of Canada established its **net-zero emissions target by 2050**. The government will aid the transition to a net-zero, circular economy through green procurement that includes life-cycle assessment principles and the adoption of clean technologies and green products and services.<sup>25</sup>
- The Prime Minister selected **Canada Infrastructure Bank (CIB)** as an essential vehicle for a sustainable recovery from the COVID-19 pandemic. The bank will allocate CAD\$10 billion within three years to strengthen the economic growth and contribute to the transition to a green, low-carbon economy.<sup>26</sup>
- The Government of Canada launched in November 2020 the first two streams of Canada's CAD\$20 million **Food Waste Reduction Challenge**. The Challenge's Streams A and B will award up to CAD\$10.8 million to innovators with a groundbreaking way of doing business that can prevent or divert food waste at any point from farm to plate.<sup>27</sup>

### Municipal level

- The City Council of **Toronto, Ontario** approved the Long-term Waste Management Strategy in 2016 and formed a Cross-Divisional Circular Economy Working Group to develop a strategy for City procurement to drive waste diversion. The framework outlines the city's circular economy procurement objectives and identifies numerous opportunities to leverage the city's buying power. Drawing on CAD\$1.8 million in funding, the initiative may be implemented across target sectors, including food and catering, waste management, textiles and clothing, information and technology, and construction and engineering.<sup>28</sup>

### Plastic industry

In November 2018, the Canadian Council of Ministers of the Environment (CCME) agreed to work collectively toward zero plastic waste by approving a **Strategy on Zero Plastic Waste**. The Strategy outlines areas where changes are needed across the plastic life-cycle, from design to collection, clean-up, and value recovery, underscoring the economic and business opportunities resulting from long-lasting and durable plastics.<sup>29</sup> In June 2019, environment ministers approved the **Canada-wide Action Plan on Zero Plastic Waste: Phase 1**, which focuses on product design, single-use plastics, collection systems, recycling capacity, and domestic markets. In July 2020, ministers approved the **Canada-wide Action Plan on Zero Plastic Waste: Phase 2**, which focuses on consumer awareness, aquatic activities, research and monitoring, clean-up, and global action. Together, phases 1 and 2 lay out concrete measures to keep plastics in the economy and out of the environment.<sup>30</sup>

The **Canada Plastic Pact** (CPP) is also a member of the Ellen MacArthur Foundation's Global Plastics Pact network. The CPP is a multi-stakeholder, industry-led, cross-value chain collaboration platform that aims to tackle plastic packaging waste and pollution by bringing together businesses, government, non-governmental organizations, and other key actors in Canada's local plastics value

<sup>25</sup> <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/greening-government/strategy.html#toc3-1>.

<sup>26</sup> <https://cib-bic.ca/en/partner-with-us/growth-plan/>.

<sup>27</sup> A HEALTHY ENVIRONMENT AND A HEALTHY ECONOMY: Canada's strengthened climate plan to create jobs and support people, communities, and the planet, 2020.

<sup>28</sup> Ibid.

<sup>29</sup> <https://ccme.ca/en/current-activities/waste#:~:text=In%20November%202018%20environment%20ministers,and%20out%20of%20the%20environment>.

<sup>30</sup> <https://ccme.ca/en/current-activities/waste#:~:text=In%20November%202018%20environment%20ministers,and%20out%20of%20the%20environment>.

chain.<sup>31</sup> Launching in fall 2020, the initiative is working towards the same unified vision of a circular economy for plastics by innovating to ensure necessary plastics are reusable, recyclable, or compostable, and recirculating plastics through the economy.<sup>32</sup> The Pact aims to amplify the expertise and capacity of Canadian stakeholders across the packaging value chain to ignite an industry-wide transformation towards circularity.<sup>33</sup>

### Automotive industry

Canada does not have any federal regulation for circular economy practices in the automotive value chain. However, in January 2021, the Minister of Economic Development and Official Languages and the Minister responsible for Western Economic Diversification Canada announced CAD\$1.9 million in funding to the University of British Columbia's Okanagan campus (UBCO) to develop an innovation hub that will promote clean technologies that convert carbon-based additives and components into new, sustainable products. UBCO will research how industrial waste can gain a second life as high-quality carbon products with this funding.<sup>34</sup> One example is the conversion of carbon collected during the recycling process of heavy industry vehicle tires into battery electrodes that power electric vehicles. Moreover, some private initiatives have been undertaken in Canada to support recycling programs in the automotive industry. For example, the Automotive Recyclers of Canada (ARC) developed and implemented the Canadian Auto Recyclers' Environmental Code (CAREC). This Code of Practice for Automotive Recyclers was designed to standardize recycling ELV and protect water, air, and soil from the harmful materials they contain.<sup>35</sup>

## B. United States trade in circular economy goods

The trade flows associated with the CE are difficult to quantify, and the few statistics available tend to underestimate their magnitude. There are four trade-in goods flows identified as CE flows: trade in used and second-hand goods, trade-in reconditioned and remanufactured goods, trade-in waste and waste for its valorization, and trade-in secondary raw materials. Of these four, only the waste for its valorization and waste trade has tariff lines in the Harmonized System that allow quantifying a portion of them. Most used and second-hand and reconditioned and remanufactured goods do not have their own classifications. Therefore, it is not possible to distinguish between a new and a used product or between a used or reconditioned product and a waste.

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

<sup>31</sup> <https://plasticspact.ca/>.

<sup>32</sup> CIRCULAR NORTH AMERICA: Accelerating the Transition to a Thriving and Resilient Low-carbon Economy, 2021.

<sup>33</sup> Ibid.

<sup>34</sup> <https://www.canada.ca/en/western-economic-diversification/news/2021/01/government-of-canada-announces-support-for-innovation-in-clean-technology-and-sustainable-materials.html>.

<sup>35</sup> <https://autorecyclers.ca/about-arc/our-codes/>.

Under this classification, the United States imported in 2020 US\$ 18,455 million in CE goods, representing 0.8% of total U.S. imports of goods. The number is about twice as high as ten years before when they amounted to US\$9,235 million or 0.5% of total U.S. imports of goods (see table 6).

The vast majority correspond to transport materials, mainly used motor vehicles --US\$8,007 million in 2020, and minerals, metals, and their manufactures, an extensive group encompassing waste and scrap metals, mechanical, motorized, and self-propelled machines --US\$7,671million in 2020.

United States exports of CE goods amounted to US\$32,158 million in 2020, showing a substantial surplus in circular economy goods. United States exports of CE goods represent about 2.3% of total U.S. exports in 2020. Exports of CE goods have been fluctuating –they were US\$11,160 in 2005, US\$31,263 in 2010, and US\$22,977 in 2015.

**Table 11**  
**United States trade in CE goods, by sector**  
(Millions of dollars)

	2000	2005	2010	2015	2020
<b>Imports</b>					
Agriculture, food and beverages	147	415	617	1 580	1 698
Minerals, metals and their products	1 671	3 456	5 276	5 214	7 671
Chemical, plastic and rubber	200	300	304	362	346
Textiles and leather	61	126	128	148	138
Forestry, pulp, paper and cardboard	105	113	222	391	587
Transport materials	1 363	658	2 678	3 096	8 007
Musical instruments	0	17	10	10	8
<b>Total CE imports</b>	<b>3 547</b>	<b>5 085</b>	<b>9 235</b>	<b>10 801</b>	<b>18 455</b>
<b>Total imports</b>	<b>1 218 022</b>	<b>1 673 455</b>	<b>1 913 857</b>	<b>2 248 811</b>	<b>2 335 991</b>
<b>Share of CE imports in total imports (%)</b>	<b>0.29%</b>	<b>0.30%</b>	<b>0.48%</b>	<b>0.48%</b>	<b>0.79%</b>
<b>Exports</b>					
Agriculture, food and beverages	1 988	1 945	5 673	7 778	6 669
Minerals, metals and their products	1 840	6 708	20 754	9 913	14 772
Chemical, plastic and rubber	225	491	1 049	848	267
Textiles and leather	75	80	51	27	25
Forestry, pulp, paper and cardboard	1 294	1 775	3 458	4 163	3 884
Transport materials	1 608	160	278	248	6 542
<b>Total CE exports</b>	<b>7 029</b>	<b>11 160</b>	<b>31 263</b>	<b>22 977</b>	<b>32 158</b>
<b>Total U.S. Exports</b>	<b>781 918</b>	<b>901 082</b>	<b>1 278 495</b>	<b>1 503 328</b>	<b>1 424 935</b>
<b>Share of CE exports in total exports (%)</b>	<b>0.90%</b>	<b>1.24%</b>	<b>2.45%</b>	<b>1.53%</b>	<b>2.26%</b>

Source: U.S. Census Bureau.

Latin America and the Caribbean represent about 13% of total U.S. imports of CE goods. In 2020 the United States imported US\$2,328 million of CE goods from the region, more than five times the amount it imported from the region twenty years ago. The region's share in the United States CE imports has fluctuated from 12% in 2000 to 18% in 2010 to 13% in 2020 (table 14). Imports from the region have been mainly in the mineral, metals and their manufactures.

United States exports of CE goods to the region amounted to US\$5,865 million in 2020 or 18% of total U.S. exports of CE goods. United States exports to the region have been steadily increasing since

the beginning of the century. Exports to the region are mainly agriculture, food and beverages, minerals, metals, and manufacturing (table 14).

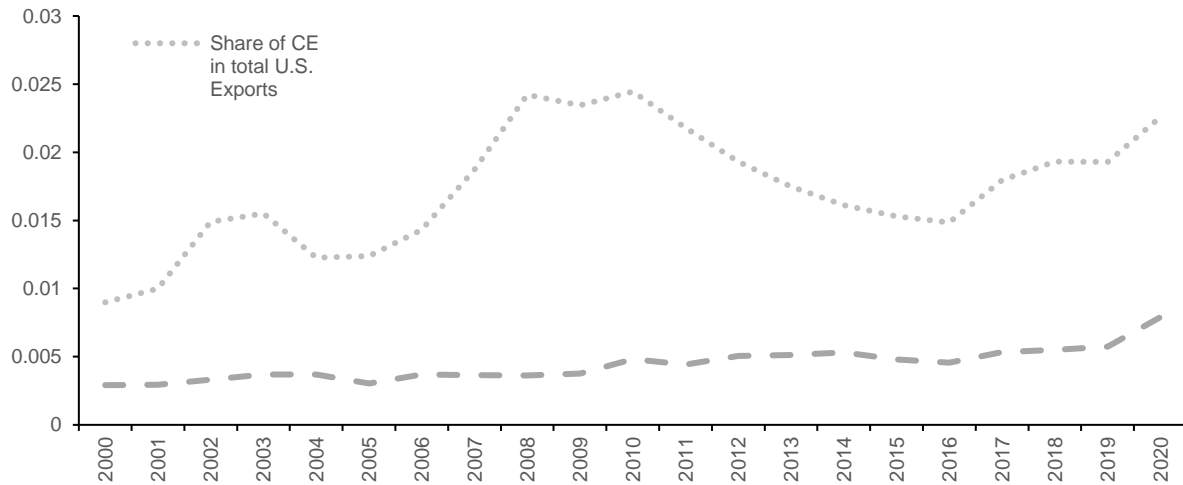
**Table 12**  
**United States trade in CE goods with Latin America and the Caribbean**  
*(Millions of dollars)*

	2000	2005	2010	2015	2020
<b>Imports</b>					
Agriculture, food and beverages	56	113	127	175	152
Minerals, metals and their products	290	628	1 335	1 132	1 493
Chemical, plastic and rubber	45	78	97	145	123
Textiles and leather	14	52	50	45	25
Forestry, pulp, paper and cardboard	5	5	8	10	5
Transport materials	24	2	84	244	530
Musical instruments	0	0	0	0	0
Total CE imports from LAC	434	878	1 700	1 751	2 328
Share of CE imports from LAC in total CE imports	12%	17%	18%	16%	13%
<b>Exports</b>					
Agriculture, food and beverages	408	657	1 735	2 941	2 952
Minerals, metals and their products	335	888	1 316	1 339	1 475
Chemical, plastic and rubber	35	33	47	42	46
Textiles and leather	18	35	13	7	8
Forestry, pulp, paper and cardboard	243	309	588	390	497
Transport materials	287	25	46	80	886
Total CE exports to LAC	1 327	1 947	3 746	4 799	5 865
Share of CE exports to LAC in total CE exports	19%	17%	12%	21%	18%

Source: U.S. Census Bureau.

The share of trade in circular economy goods in total U.S. trade has been increasing since 2000 both for imports and exports, however modestly. The share of CE imports in total U.S. imports of goods has shown a soft upward trend that reached its maximum in 2020 at 0.8%. In contrast, the share of exports of CE in total U.S. exports of goods reached a peak in 2010 (2.4%), declining afterward to a minimum share of 1.5% in 2016. From 2016 onwards, CE exports recovered to reach 2.3% of total U.S. exports of goods in 2020 (figure 16).

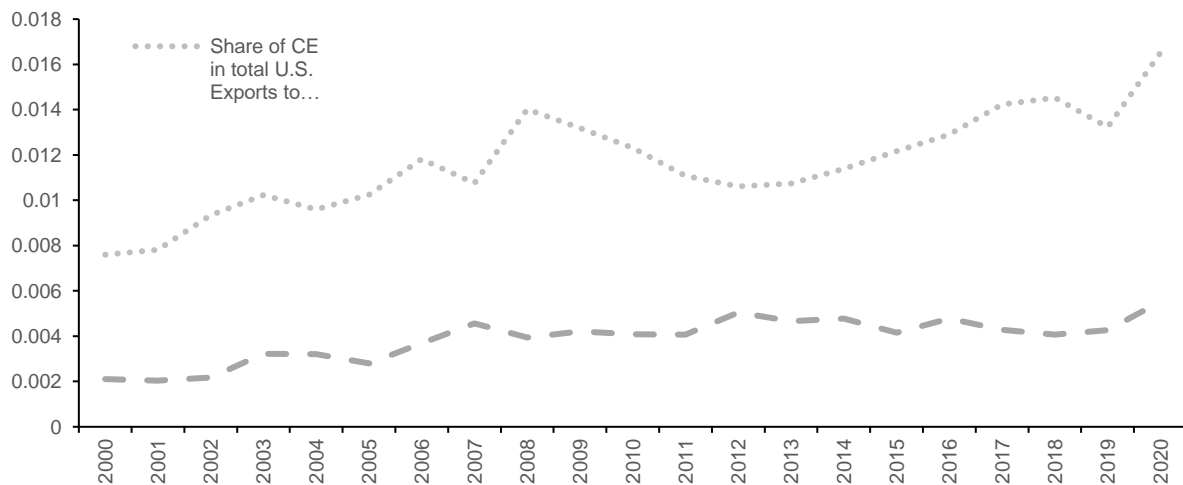
**Figure 16**  
**Share of CE goods in U.S. exports and imports of goods, 2000-2020**  
*(in percentages)*



Source: U.S. Bureau of Census.

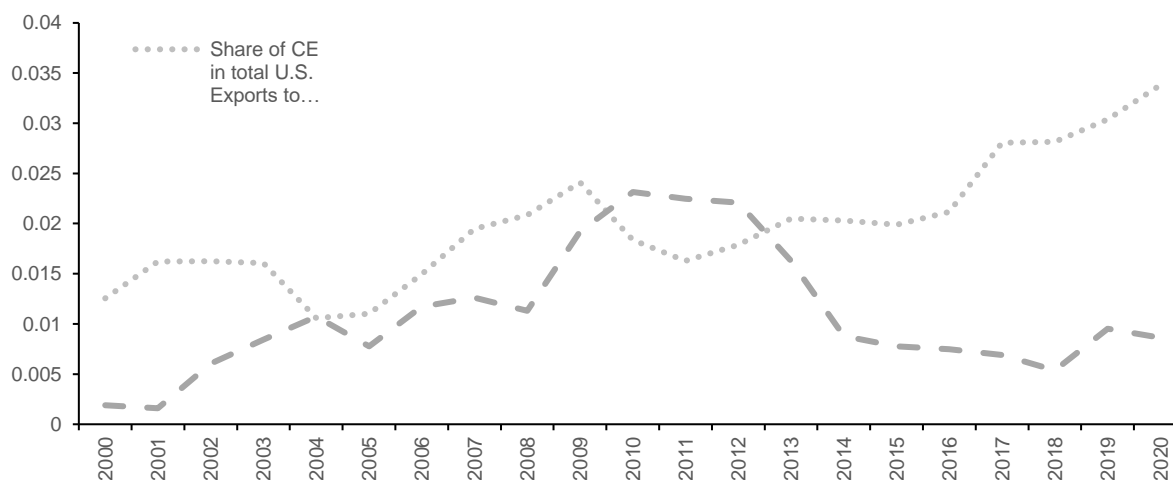
United States trade in CE goods with Latin America shows a similar trajectory, albeit at a lower share. A stable but soft upward trend of CE imports from Latin America, with the maximum share value of 0.6% in 2020 compared to 0.8% worldwide. CE exports to the region show more volatile performance over the period, reflecting a share of 1.7% in 2020 in the total U.S. exports to Latin America compared to 2.3% worldwide (figure 17).

**Figure 17**  
**Share of CE goods in total exports, imports of goods with Latin America**  
*(in percentages)*



Source: U.S. Bureau of Census.

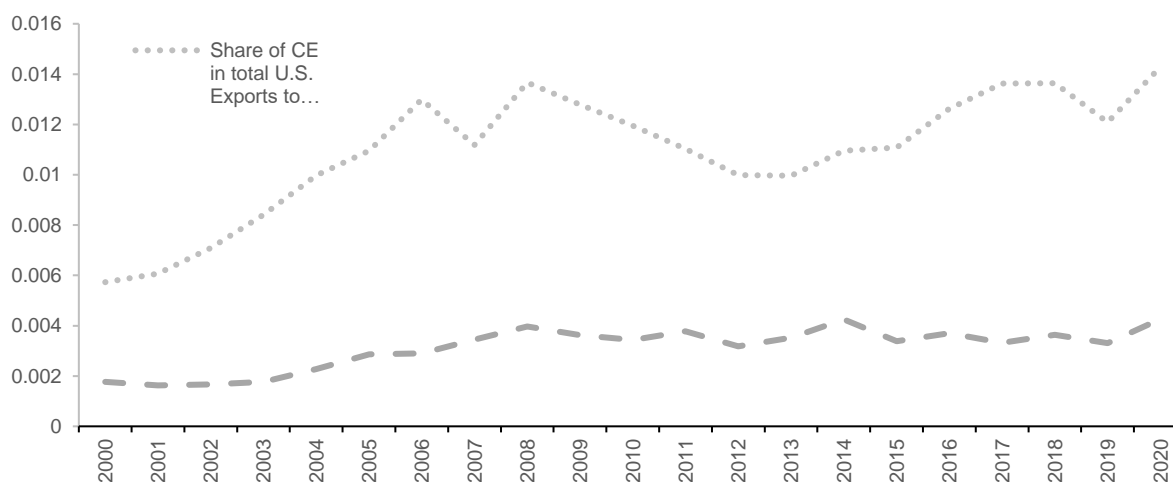
**Figure 18**  
**Share of CE goods in total exports, imports of goods with Mexico, 2000-2020**  
*(in percentages)*



Source: U.S. Census Bureau.

In the case of the Caribbean, however, shares are higher --3.4% of exports and 0.9% of imports in 2020. The share of U.S. CE imports from this region fluctuates significantly over the period, it reached a maximum of 2.3% in 2010, decreased from 2010 to 2014; and then mostly stagnated at around 1%. United States CE exports to the Caribbean have been increasing almost uninterruptedly since 2011 reaching the peak of the series in 2020 at 3.4% (figure 19).

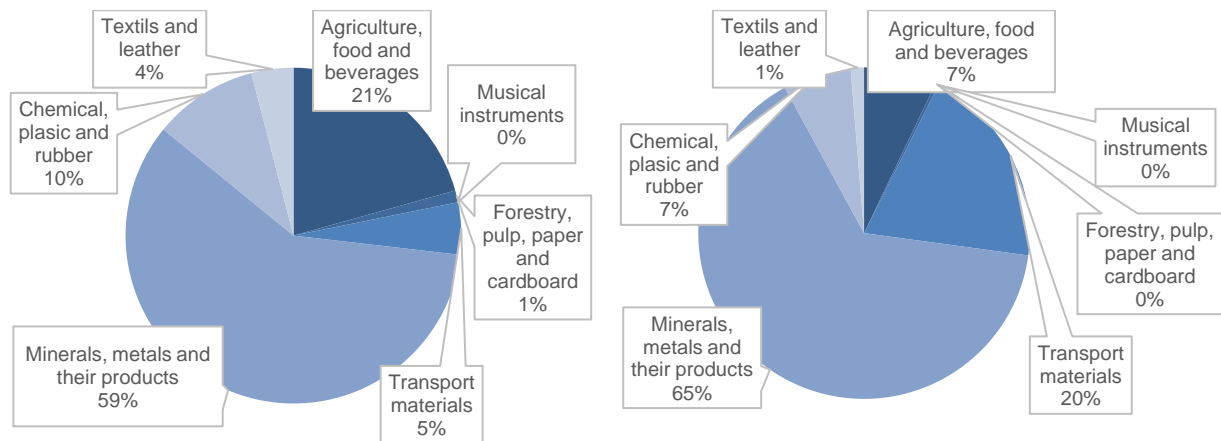
**Figure 19**  
**Share of CE goods in total exports and imports with the Caribbean, 2000-2020**  
*(in percentages)*



Source: U.S. Census Bureau.

United States exports to Latin America are concentrated in agriculture, food, and beverages, with 48% of CE exports corresponding to this sector and minerals, metals, and their products with 30%. At the beginning of the century, minerals, metals, and their products were the most significant sector with 28%, followed by agriculture, food, and beverages (27%) and transport materials (24%). By 2020, the transport was only 11% of CE exports (figure 20).

**Figure 20**  
**United States CE exports to Latin America, by sectors**  
(in percentages)

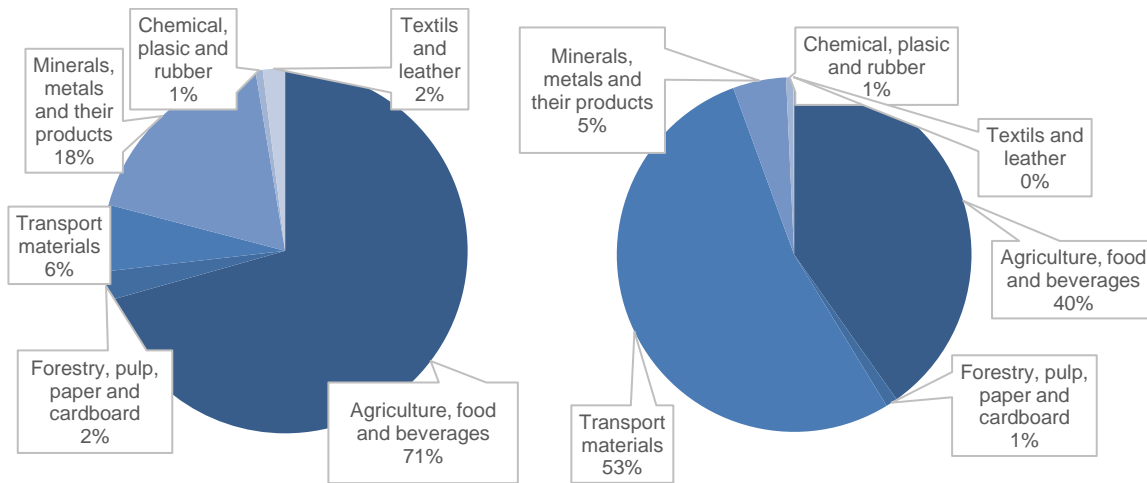


Source: U.S. Census Bureau.

United States CE exports to the Caribbean are concentrated in transport materials (53%) and agriculture, foods, and beverages (40%). However, the latter sector has lost share in the first twenty years of this century –in 2000-2002, 71% of CE exports to the Caribbean were in the agriculture, food, and beverages sector.



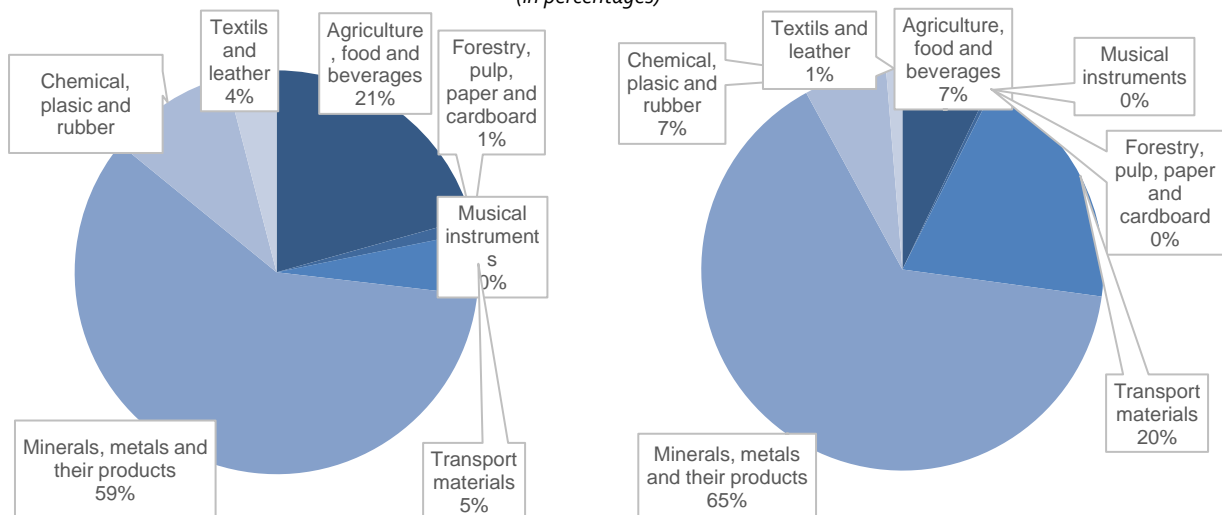
**Figure 21**  
**United States CE exports to the Caribbean**  
*(in percentages)*



Source: U.S. Census Bureau.

Using the same periods' comparison, the share of United States CE imports from Latin America was led in both periods by minerals, metals, and their products with 59% percent in 2000-2002 and 65% in 2018-2020. Imports of agriculture, food, and beverages from the region fell as a share of total imports from the region from 21% in 2000-2002 to only 7% in 2018-2020. Today, transport materials is the second most important sector in CE imports from the region, with 20% of imports corresponding to that sector.

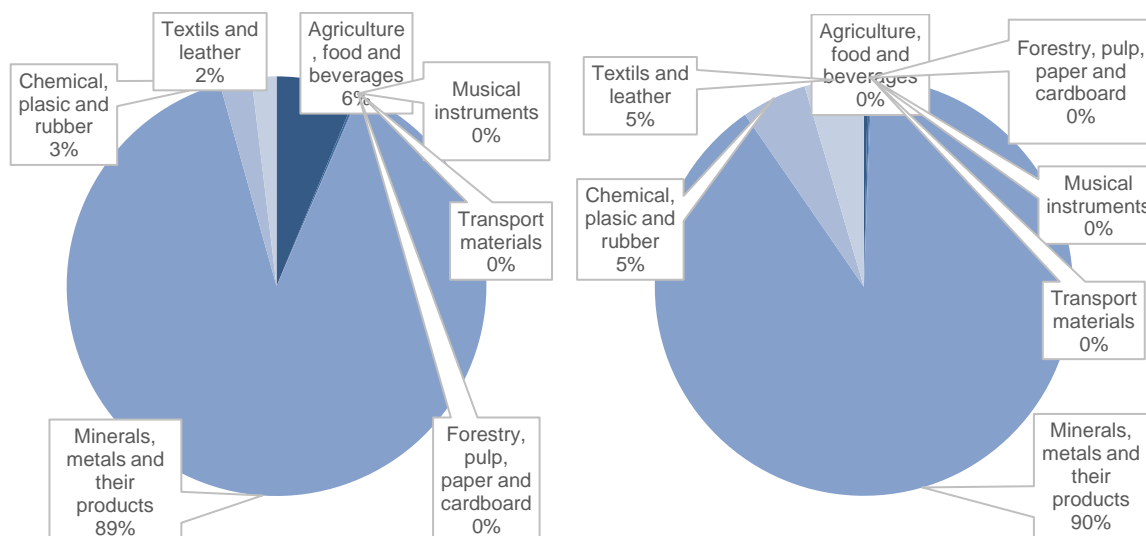
**Figure 22**  
**United States CE imports from Latin America**  
*(in percentages)*



Source: U.S. Census Bureau.

United States CE imports from the Caribbean continue to be entirely concentrated in minerals, metals, and their products, with 90% of the imports from the Caribbean corresponding to that sector.

**Figure 23**  
**United States CE imports from the Caribbean**  
(in percentages)



Source: U.S. Census Bureau.

**Table 13**  
**Top 15 CE products imported from Latin America, ranked by the average 2019-2020 values**  
(Millions of dollars)

Product	Import value
Used/rebuilt aircraft, non-military, weighting Gt 15000kg (no)	256
Platinum waste/scrap; Including metal clad with Pt (gm)	239
Gold waste/scrap; including metal clad with gold (gm)	177
Parings/waste of raw hides/skins, Glue Stock Nesoi (kg)	124
Electrical parts of the machinery of chapter 85, Nesoi (no)	107
Used/rebuilt aircraft, non-military (2000 - 15000kg) (no)	103
Other waste a scrap of other copper alloys (kg)	96
Spark-ignition reciprocating piston engines to be installed in road tractors, motor buses, automobiles & trucks, gt 2,000 cc, used/rebuilt	79
Waste and scrap of prec metals/metal clad w/prec metal, Nesoi (gm)	62
Stainless steel waste and scrap (t)	60
Aluminum used beverage container scrap (kg)	60
Aluminum waste and scrap, Nesoi (kg)	54
Pass motor vehicles, only spark engine, Gt 3000 cc, Used (no)	51
Other plastics other than pet plastics (kg)	44
Alloy steel waste and scrap, not stainless (t)	42

Source: U.S. Census Bureau.

**Table 14**  
**Top 15 CE products imported from the Caribbean ranked by the average 2019-2020 values**  
*(Millions of dollars)*

Product	Import Value
Gold Waste/scrap; Including Metal Clad With Gold (gm)	43
Waste and scrap of prec metals/metal clad w/prec metal, Nesoi (gm)	8
Other waste a scrap of other copper alloys (kg)	7
Spent primary cells and batteries, recovery of Pb, other Lead-acid (no)	6
Spent primary cells and batteries, recovery of Pb, Lead-acid (no)	5
Platinum waste/scrap; including metal clad with Pt (gm)	5
Other waste and scrap of refined copper (kg)	3
Used or new rags, scrap twine, etc. sorted Nesoi Cot (kg)	3
Of polyethylene terephthalate (pet) Plastics (kg)	2
Aluminum waste and scrap, Nesoi (kg)	1
Lead waste scrap obtained Fr Lead-acid Storage Bat (kg)	1
Spent anodes, waste of scrap with less than 94 percent copper, other copper alloys	1
Other waste and scrap of brass Nt Ov .3 Pct Lead (kg)	1
Aluminum used beverage container scrap (kg)	1
Other ferrous scrap (t)	1

Source: U.S. Census Bureau.

**Table 15**  
**Top 15 CE products exported to Latin America, ranked by the average 2019-2020 import value**  
*(Millions of dollars)*

Product	Import Value
Soybean oilcake and other solid residues, Wh/not Ground (kg)	1 892
Brewing or distilling dregs and waste, W/nt Pellet (t)	527
Spent primary cells and batteries, recovery of Pb, Lead-acid (no)	312
Used vehicles, only Sk Ig (1500-3000 cc), Nesoi (no)	294
No 1 heavy melting steel scrap (t)	223
Shredded steel scrap (t)	203
High-grade deinking waste paper and paperboard (t)	163
Corn gluten meal, whether or not in pellets (t)	149
Pass motor vehicles, only spark engine, Gt 3000 cc, Used (no)	135
Testliner (recycled liner board) uncoated, weighing more than 150 g/m2, roll/sheet	124
Road Tractors For Semi-trailers, Used (no)	105
Other ferrous scrap (t)	93
Alum Al Remlt Scrp Ingt (kg)	90
Waste, Scrap unbleached Kraft, corrugated paper/pprbd (t)	71
Electrical parts of machinery of chapter 85, Nesoi (no)	66

Source: U.S. Census Bureau.

**Table 16**  
**Top 15 CE products exported to the Caribbean, ranked by the average 2019-2020 import value**  
*(Millions of dollars)*

Product	Import Value
Soybean oilcake and other solid residues, Wh/not Ground (kg)	241
Used vehicles, only Sk Ig (1500-3000 cc), Nesoi (no)	221
Used vehicles, spk/elec(1500-3000 cc), Nesoi (no)	101
Pass motor vehicles, only spark engine, Gt 3000 cc, Used (no)	18
Road tractors for semi-trailers, used (no)	6
Used or rebuilt excavating machines (no)	5
Excavators w/ 360 revol superstructure, used, rebuilt (no)	4
Brewing or distilling dregs and waste, W/nt Pellet (t)	4
Mech shovel, excavat, shovel load, ex360 revol stur, used (no)	3
Front-end shovel loaders, wheel Typ, Used Or Reblt (no)	3
Casks, barrels, hogsheads, used, assembled, wood (no)	3
Mech Shovel excavat, shovel load, 360 revol stur, used (no)	3
Electrical parts of machinery of chapter 85, Nesoi (no)	3
Bulldozers & angledozers, self-propel ,trak lay, used (no)	2
Waste pharmaceuticals (kg)	2

Source: U.S. Census Bureau.

**Table 17**  
**Top 15 CE products exported to Mexico, ranked by the average 2019-2020 value**  
*(Millions of dollars)*

Product	Import Value
Soybean oilcake and other solid residues, Wh/not Ground (kg)	650
Brewing or distilling dregs and waste, W/nt Pellet (t)	400
Spent primary cells and batteries, recovery Of Pb, Lead-acid (no)	312
No 1 heavy melting steel scrap (t)	203
High-grade deinking waste paper and paperboard (t)	144
Used vehicles, only Sk Ig (1500-3000 cc), Nesoi (no)	132
Testliner (recycled liner board) uncoated, weighing more than 150 g/m2, roll/sheet	124
Pass motor vehicles, only spark engine, Gt 3000 cc, Used (no)	98
Other ferrous scrap (t)	91
Alum Al Remlt Scrp lngt (kg)	89
Shredded steel scrap (t)	89
Road tractors for semi-trailers, used (no)	66
Electrical parts of machinery of chapter 85, Nesoi (no)	56
Waste/scrap paper/paperboard, Bleach Chem Pulp, Not Colored (t)	47
Forge or die stamp Mac (inc Press) and hammer, used (no)	46

Source: U.S. Census Bureau.

## IV. Trade and gender

The Biden Administration has demonstrated an unprecedented leadership for gender equality. The administration has mandated a national strategy on gender equality, including the foreign policy areas of trade, diplomacy, defense, and development.

“President Biden’s 2021 Trade Agenda and 2020 Annual Report to Congress” details the comprehensive trade policy supporting the Administration’s effort to help the U.S. recover from the COVID-19 pandemic and build back better. The President’s trade agenda seeks to restore U.S. global leadership by combatting forced and exploitative labor conditions, corruption, and discrimination against women and minorities worldwide. Among its goals, the trade agenda includes a review of existing trade programs to evaluate their contribution to equitable economic development, including whether they reduce wage gaps, “ and lead to the economic empowerment of women and underrepresented communities.”

On March 8, the Biden Administration established the White House Gender Policy Council within the Executive Office of the President. By establishing the council, Biden said, his administration shows its commitment “to ensure that every domestic and foreign policy we pursue rests on a foundation of dignity and equity for women.” The Council will work in coordination with the existing policy councils to advance gender equity and equality, including by:

- Combatting systemic bias and discrimination, including sexual harassment.
- Increasing economic security and opportunity by addressing the structural barriers to women’s participation in the labor force, decreasing wage and wealth gaps, and addressing the caregiving needs of U.S. families and supporting care workers, predominantly low-paid women of color.
- Ensuring access to comprehensive health care and preventing and responding to gender-based violence.

- Promoting equity and opportunity in education and leadership; and
- Advancing gender equality globally through diplomacy, development, trade, and defense, and by recognizing the needs and roles of women and girls in conflict prevention, peacebuilding, democratic rights-respecting governance, global health, and humanitarian crises and development assistance.
- On June 8, the U.S. Senate passed the 2021 United States Innovation and Competition Act (USICA), which includes an amendment—the Trade Act of 2021. This amendment reauthorizes two tariff-cutting trade programs, including the Generalized System of Preferences (GSP). Past bills renewed GSP for two years, while the Trade Act of 2021 extends it for six years. Renewing the program for this length of time will allow businesses to have a longer horizon plan without uncertainty with respect to tariffs. Additionally, the Trade Act 2021 also revises the GSP's requirements by adding new country eligibility criteria. Under this Trade Act, countries that do not promote “women’s economic empowerment” could be ineligible for GSP benefits. These requirements will make it more difficult for countries to qualify for GSP benefits. Still, it will ensure that countries receiving trade preferences under GSP strengthen standards on worker rights, human rights, and women's rights.

## **A. Free trade agreements and gender**

More countries are now using trade policy to advance gender equality. The inclusion of gender-specific language is the first step to ensuring that trade agreements are gender-responsive. Some countries have taken a more ambitious approach and have included a standalone gender chapter in trade agreements. However, the UN Conference on Trade and Development (UNCTAD) has cautioned that most existing gender chapters are not binding and do not fall under the authority of dispute-settlement mechanisms.

Currently, no FTA features a gender chapter that is both binding (commits parties to address grievances) and compulsory (triggers a dispute settlement process, without requiring parties to agree). Most of the agreements with explicit gender provisions do not create any obligation or a binding commitment for the parties. This implies that failure to fulfill these provisions may not lead to a possible cause of action for dispute settlement. This means that most gender considerations cannot be enforced through a binding and compulsory dispute settlement mechanism. Hence, a country faces no direct consequence for not meeting its obligations or commitments. Almost all FTAs rely on good-faith cooperation and best endeavors to solve disputes arising from gender-related provisions through dialogue and cooperation. One exception is the Canada-Israel agreement, which provides a binding dispute settlement procedure that applies to its gender-related commitments.

### **1. United States–Mexico–Canada agreement (USMCA)**

USMCA, which replaced NAFTA and entered into force on July 1, 2020, is less progressive in its gender responsiveness as it does not have a standalone gender chapter. Still, it does include gender-specific clauses in its preamble. USMCA does not recognize the role of women in the economy, only in vague and unenforceable statements, such as reaffirming their commitment to promoting gender equality and outlining possible areas of bilateral cooperation to encourage women's equal participation in the economy. The labor chapter has been widely praised, but it doesn't propose specific measures to prevent gender-based discrimination. For instance, in Article 23.9, the Parties (Canada, Mexico, and United States) “recognize the goal of eliminating discrimination in employment and occupation and support the goal of promoting equality of women in the workplace.” Then, in Article 23.12, the Parties “recognize the importance of cooperation” in “addressing gender-related issues in the field of labor and employment.”

USMCA's chapter 25 on Small and Medium-Sized Enterprises, specifically Article 25.2, states that the parties shall "strengthen its collaboration with the other Parties on activities to promote SMEs owned by under-represented groups, including women. Most importantly, this chapter references the creation of a committee on SME issues and launches an ongoing Trilateral SME Dialogue with stakeholders to help ensure that SMEs, in this case, women-owned, continue to benefit from the agreement. This SME Committee provides a structure through which parties can start to discuss the relevance of gender in trade.

## **B. Best practices example**

### **1. Chile-Uruguay free trade agreement**

It is the first agreement to dedicate an entire chapter to gender in a bilateral trade agreement. Both Chile and Uruguay had a progressive agenda in place, which gave gender issues a prominent position within their public policies. The chapter recognizes the importance of gender mainstreaming to achieve economic growth and the importance of gender equality policies in supporting economic development. This chapter refers to gender issues and the presence of women in critical areas of commerce. The parties reaffirm their commitment to effectively implement their legislation, policies, and good practices related to gender equity and equality, recognizing international trade as a driver of development. The parties acknowledge the importance of incorporating the perspective of gender in promoting inclusive economic growth.

The Chile-Uruguay FTA starts by a general commitment addressing gender issues in its preamble. This introductory part of the agreement recalls that the parties commit to promote gender equality, without mentioning by which tools or means. Gender is then addressed in chapter 11 (Labor) and in chapter 13 (Cooperation), where it moves to the implementation/ cooperation on general commitments including gender. Finally, chapter 14 on gender and trade presents the level "Implementation/ cooperation on gender commitments" of pyramidal framework, where gender is approached through a Gender-specific mechanism.

### **2. Canada-Chile free trade agreement (CCFTA)**

This new chapter, which builds upon the chapter on gender in the 2016 Chile-Uruguay FTA, is a first in terms of Canadian FTAs. It also made Canada the first G20 economy dedicating an entire chapter to gender and trade. The trade and gender chapter acknowledges the importance of applying a gender perspective to economic and trade issues to ensure that economic growth benefits everyone, confirms the intention of both parties to enforce their respective international agreements on gender from a rights perspective and provides a framework for Canada and Chile to cooperate on issues related to trade and gender, including women's entrepreneurship and the development of gender-focused indicators. The trade and gender chapter also commits both sides to the creation of a trade and gender committee that will oversee cooperation and share experiences in designing programs to encourage women's participation in national and international economies.

### 3. Canada-Israel Free Trade Agreement (CIFTA)

This chapter acknowledges the importance of incorporating a gender perspective into economic and trade issues to ensure that economic growth benefits everyone. The chapter provides a framework for Canada and Israel to cooperate on issues related to trade and gender. It establishes a bilateral committee to perform accountability, transparency, and advisory functions and coordinate and facilitate cooperation activities. CIFTA mainstreams gender by including explicit gender provisions in its preamble and chapters on labor and in a standalone gender chapter that is subject to a binding dispute settlement mechanism, incentivizing both parties to abide by the chapter's provisions. However, this jurisdiction is not compulsory; the parties must agree to it if and when a problem arises (Global Affairs Canada).

The recently modernized CCFTA and CIFTA accords are very similar in content and scope. Both agreements have a stand-alone chapter on gender (Canada–Israel, Chapter 13; Canada–Chile, Chapter N-bis). Both demonstrate the willingness or commitment of members to incorporate gender perspectives into their economic growth and development (Canada–Israel, Article 13.1; Canada–Chile, Article N bis-01).

### C. WTO Informal Working Group (IWG) on Trade and Gender

Launched on 23 September 2020, the IWG on Trade and Gender is composed of 127 WTO members and observers<sup>36</sup> seeking to deepen efforts to increase women's participation in global trade. It seeks to remove the trade barriers women face and to foster their economic empowerment.

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<sup>36</sup> Afghanistan, Albania, Andorra, Angola, Argentina, Australia, Bahamas, Barbados, Belarus, Benin, Botswana, Brazil, Burundi, Cambodia, Canada, Chad, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Democratic Republic of the Congo, Dominica, Dominican Republic, Ecuador, El Salvador, Eswatini, Ethiopia, European Union member states (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden), Fiji, Gabon, Gambia, Georgia, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, Iceland, Indonesia, Israel, Jamaica, Japan, Kazakhstan, Kenya, Korea (Republic of), Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Liechtenstein, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Myanmar, Namibia, New Zealand, Niger, Nigeria, North Macedonia, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Russia, Rwanda, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, Senegal, Serbia, Sierra Leone, Somalia, Sudan, Switzerland, Chinese Taipei, Tajikistan, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Vanuatu, Vietnam and Zambia.



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United States trade is showing a healthy recovery in 2021 in both imports and exports of goods and services, although some categories of services are still suffering the effects of the COVID-19 pandemic restrictions. Travel, transport, and tourism have not returned to pre-pandemic levels. In contrast, trade in goods has recovered in all major categories.

*United States-Latin America and the Caribbean Trade Developments 2021* provides an overview of developments in United States trade relations with Latin America and the Caribbean. Following the global focus on the climate crisis and the specific emphasis on President Biden's trade policy on advancing a sustainable environment and climate path, this year's report includes a section on United States trade in circular economy goods.

