



UNITED STATES
INTERNATIONAL TRADE COMMISSION

NATIONAL TRADE POLICIES & INTERNATIONAL COMPETITIVENESS –PUBLIC ADMINISTRATION CHALLENGES

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U.S. International Trade Commission

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FULL TITLE

PUBLIC ADMINISTRATION CHALLENGES
IN FORMULATING AND IMPLEMENTING
TRADE POLICIES THAT CONTRIBUTE
TO GLOBAL COMPETITIVENESS



BASIC PRINCIPLES

- Successful national trade policies depend on strong domestic economic policies
- Good trade policies require:
 - sound economic analysis
 - inclusive policy formulation processes
 - Good national trade laws



WHAT IS THE USITC?

- The USITC is an independent, nonpartisan, quasi-judicial federal agency
- Independence ensured by design
 - Led by 6 Commissioners, evenly divided by party
 - Nominated by President; confirmed by Senate
 - Chairman rotates every two years
- Staff of around 370 - mainly industry specialists, economists, attorneys
- Is not a policymaking body
- Originally created in 1917 as the U.S. Tariff Commission



ITC KEY FUNCTIONS

- Maintains U.S. tariff schedule
- Provide objective information and analysis to the President and Congress to assist them in developing U.S. trade policies
- Administers certain U.S. trade remedy laws



FIVE MAIN AREAS OF RESPONSIBILITY:

1. **Import Injury**

Administer Anti-dumping/countervailing duties and safeguard trade remedy laws

2. **Intellectual Property Rights**

Section 337 cases – imports found to be unfair because they infringe U.S. patents or other intellectual property rights

3. **Industry and Economic Analysis**

Conduct fact-finding investigations re FTA and other trade issues

4. **Trade Policy Support**

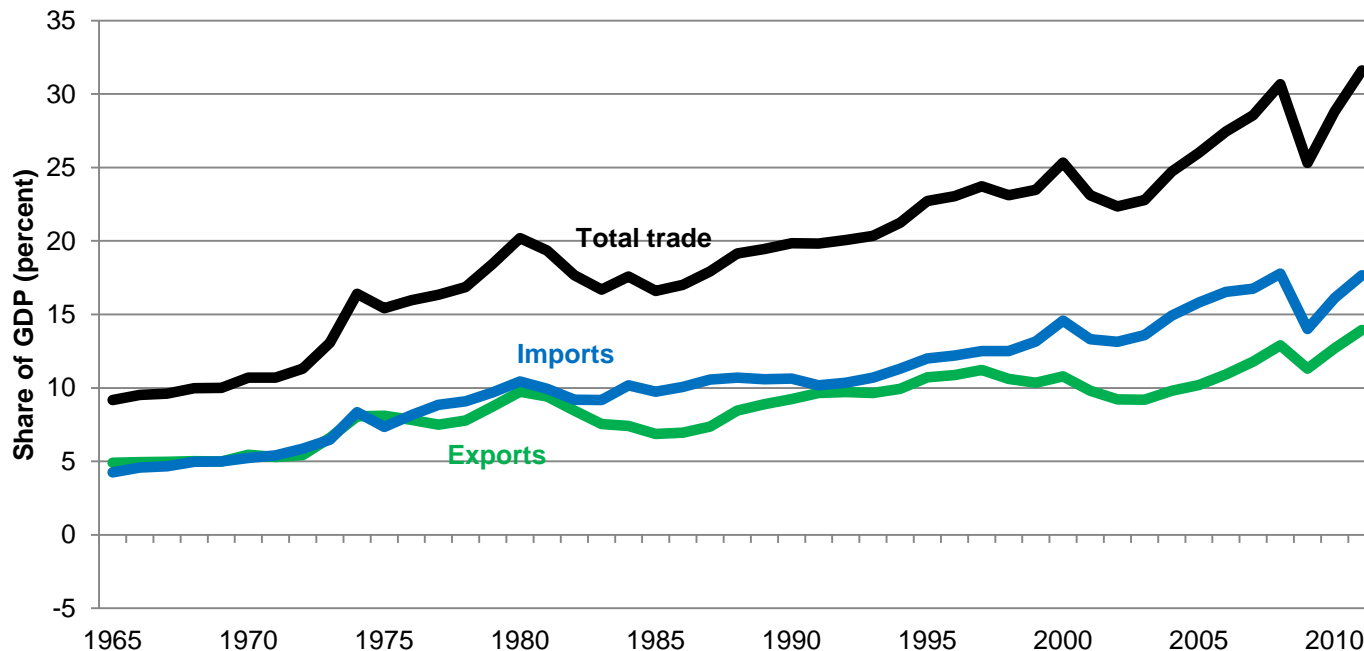
Provide assistance to Congress and USTR on trade negotiations and other ongoing trade related matters

5. **Tariff and Trade Information Services**

Maintain the U.S. tariff schedule



Trade Has Become a Larger Part of the U.S. Economy

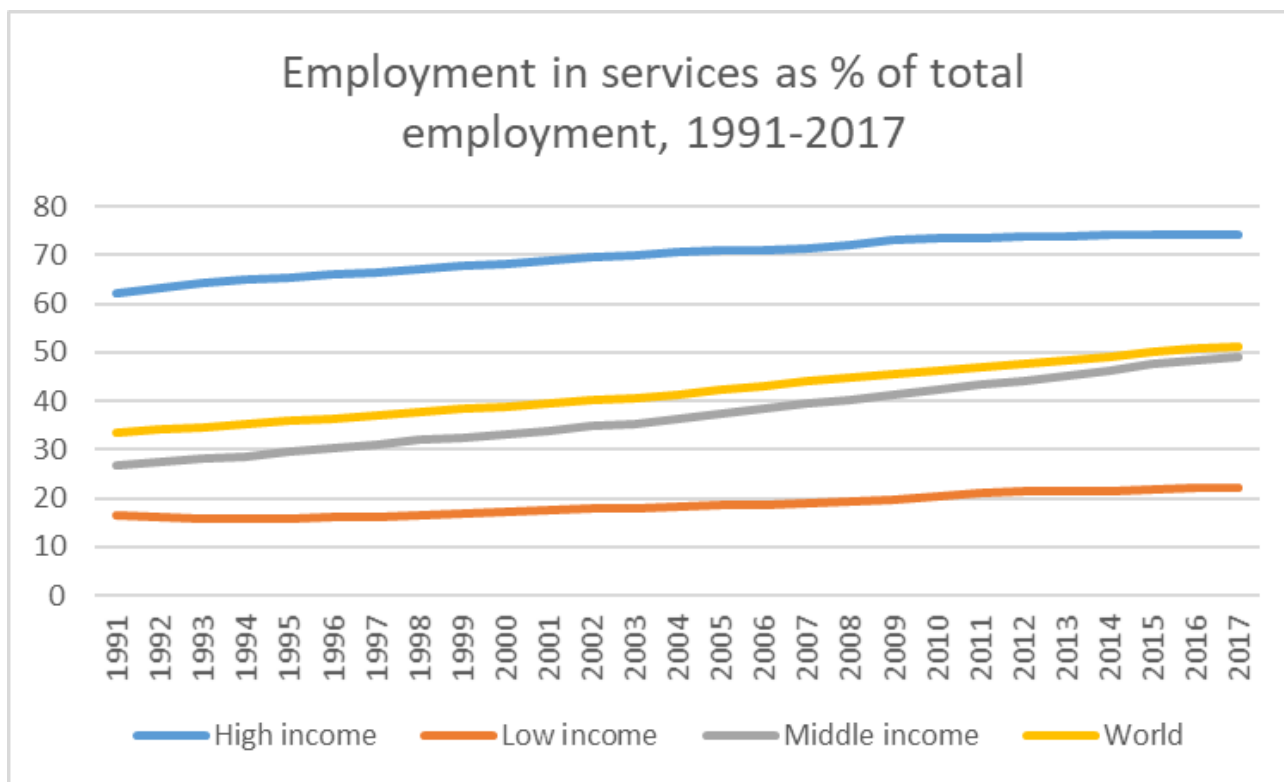


Source: BEA

- Trade, as a share of U.S. gross domestic product, has increased from 9 percent in 1965 to almost 32 percent in 2011.



Service jobs have become more important



- Source: World Bank, World Development Indicators (8/23/18)



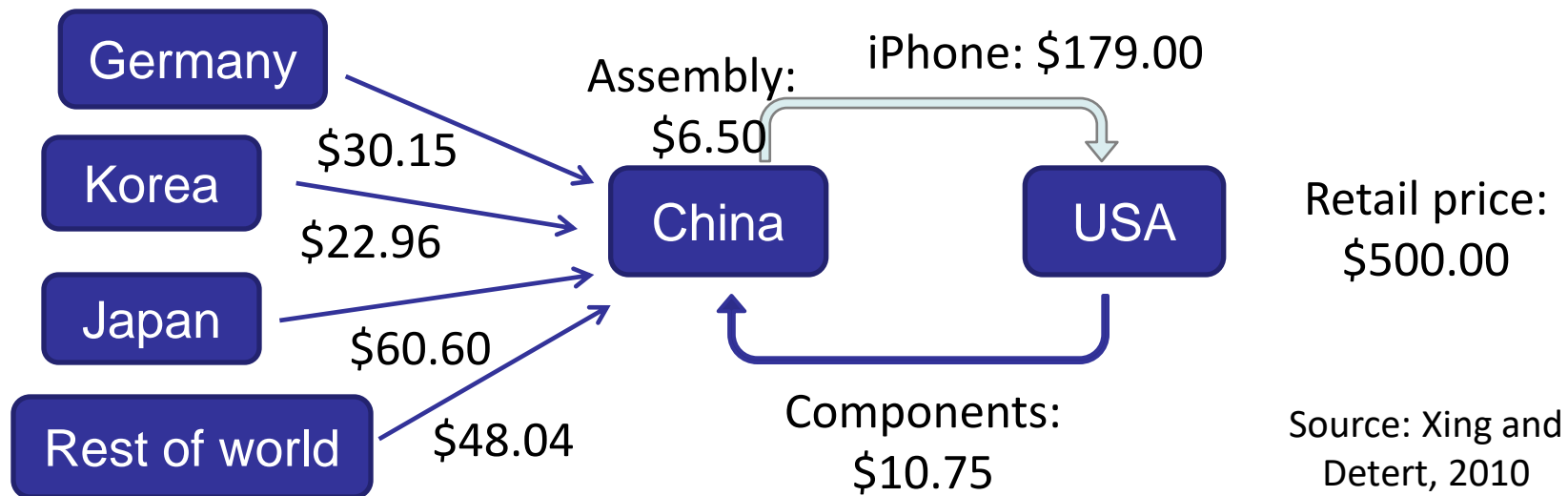
BENEFITS OF IMPROVED IPR PROTECTION

- Raising Chinese IPR protection to a level comparable to that in the U.S. could increase:
 - U.S. employment by an estimated 2.1 million workers
 - U.S. exports & sales to China by an estimated \$107 billion
 - Chinese economic benefits (e.g., productivity, exports) given a business environment that will protect more domestic innovation

Source: Research results from USITC's China IPR Investigation #332-519 (May 2011)



Global supply chains: Sources of value in a specific product



- Although the iPhone says “made in China”, only a small amount (\$6.50) of the \$179 value of each iPhone exported to the US is added in Chinese assembly.
- The United States adds \$10.75 of value in components to each phone—more than China!
- Apple and other U.S. retailers capture substantial value (\$321)



FOREIGN INPUTS

- Since the 1970s use of foreign inputs has increased from 15% of gross export value to 25-30%
- More than half of global manufacturing imports and 70% of service imports are intermediates
- Inefficiencies between stages become more important



WTO IMPACT (1)

- The WTO Agreements require countries to have good policy coordination mechanisms.



WTO IMPACT (2)

- Governments have created specialized departments and allocated responsibilities more clearly and revised administrative and policy practices to ensure that WTO obligations are complied with and that they take advantage of the benefits of the agreements.



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AGENCIES IN THE TRADE POLICY FORMULATION PROCESS

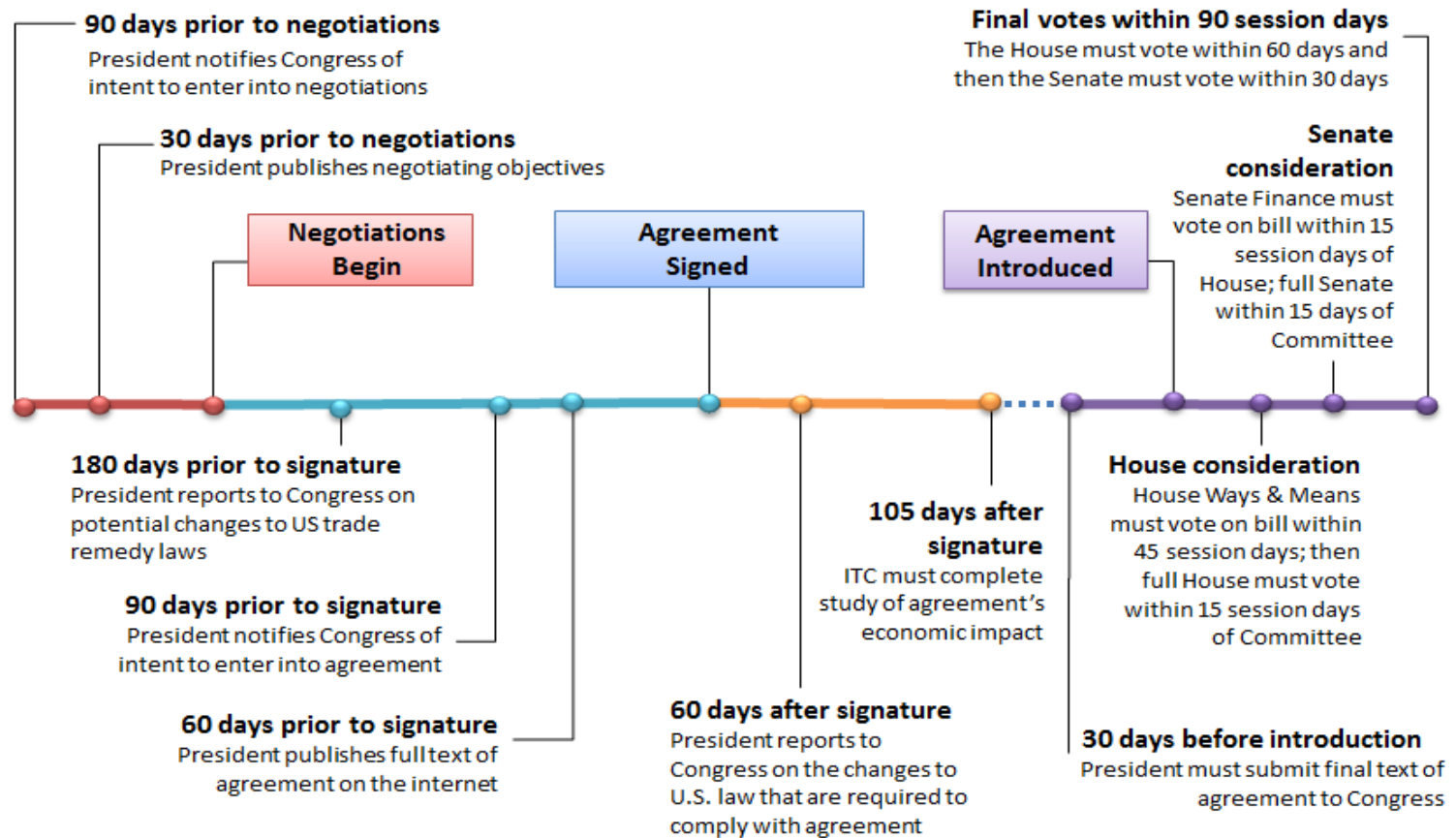


USAID
FROM THE AMERICAN PEOPLE





Trade Promotion Authority Timeline





TRADE POLICY TAKES INPUTS FROM MANY SOURCES





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TRADE REMEDIES AND STANDARDS SETTING REQUIRE MULTIPLE LEVELS OF INVESTIGATION AND REVIEW



WORLD TRADE
ORGANIZATION



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Thank You