The Slow Unraveling of U.S. Trade Policy in the Age of Trump

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2017 IATRC Annual Meeting
Globalization Adrift
December 2017
Washington, DC
As of March 2016
these were the kind of papers I was working on…
But since April 2016...
The *Slow Unraveling* of U.S. Trade Policy in the Age of Trump

1. President Trump’s unconventional approach to *trade deals*

2. President Trump’s approach to the *WTO*

3. President Trump’s unconventional approach to *trade remedies*

4. President Trump’s uncertain approach to *China*
The Origins of *Trade Talks*

*by Chad P. Bown (PIIE)*

on the weekly economics of trade policy *podcast* I co-host with *Soumaya Keynes (The Economist)*

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Trade Talks: Episodes to Date

Special Episode. Trump’s Unfair Trade Action against China

1. NAFTAonomics: The Economics of Three Big Fights
2. Trump Threatens the South Korea–US Trade Deal
3. Nerves of Steel: Waiting for Trump's Trade War
4. Holding the WTO Hostage, Trump Style
5. Solar Tariffs, Clean Energy (and Trump)
6. Uncertainty and Trade Deals—Not Good
7. Tariffs, Subsidies and Not-So-Friendly Skies
8. NAFTA Time Out – Unsurprisingly Unconventional
9. Happy 70th GATTiversary – The Origins of Multilateral Trade
10. What if the UK Crashed into a No-Deal Brexit?
11. The Complicated Impact of Trade...on Developing Countries
12. How to Save a (Pacific) Trade Deal
13. Export Superstars and Billionaires: When Do Policymakers Need to Worry?
14. Trade Talks Tough: Sanctions on North Korea
President Trump’s unconventional approach to trade deals: Trans-Pacific Partnership (TPP)
President Trump’s unconventional approach to trade deals: NAFTA
President Trump’s unconventional approach to trade deals: KORUS

KORUS of disapproval
The South Korea-US trade agreement turns 5
Though not many are celebrating its birthday

Mar 16th 2017

Happy 5th Birthday! (Go KORUS!)
President Trump’s unconventional approach to trade deals

1. Trans-Pacific Partnership (TPP) withdrawal
2. Korea-US Free Trade Agreement (KORUS-FTA) threat

Trump’s “unconventional” proposals

1. Autos content: 62.5% -> 85% North American content; 0->50% US content
2. 5-year sunset proposal – introducing (not eliminating) uncertainty
3. Elimination of legally binding dispute settlement
   • Challenging antidumping & countervailing duties (Chapter 19)
   • State-to-state trade disputes (Chapter 20)
   • Investor-state dispute settlement (Chapter 11)
4. Buy America provisions in government procurement (government contracts)
President Trump’s unconventional approach to trade deals: WTO
President Trump’s unconventional approach to trade deals: WTO

Professors Douglas Irwin (Dartmouth College), Petros Mavroidis (Columbia Law School), and Alan Sykes (Stanford Law School) join Soumya Keynes & Chad Bown on Trade Talks to discuss their book, The Genesis of the GATT.
President Trump’s uncertain approach to the WTO

Buenos Aires ministerial? (December 2017)

Instigating new Crises in Geneva …

• Appellate Body member appointment holdup

• WTO dispute settlement engagement

• Criticism of prior WTO dispute settlement rulings
  – “zeroing” disputes to US antidumping
  – safeguards disputes

• “Reciprocal” tariffs, MFN…
President Trump’s unconventional approach to trade remedies: Steel & Aluminum national security threat cases
President Trump’s unconventional approach to trade remedies: Solar, Bombardier Softwood Lumber...
President Trump’s unconventional approach to trade remedies

Section 232

- Import threat to national security – steel and aluminum

“Traditional” Unfair Trade Laws

- Antidumping and countervailing duties – softwood lumber and Bombardier jets
- Self-initiated investigations – started with aluminum sheet

Section 201

- Global safeguards – solar panels and washing machines
President Trump’s unconventional approach to China

Economists argue about the impact of China’s imports on America. The China shock has not been debunked. But it is worth understanding the causes.
President Trump’s unconventional approach to China
President Trump’s uncertain approach to China

Non-market economy (NME) status

- December 11, 2016 – 15 year anniversary of China’s WTO accession

Mar-a-Lago and the 100 day talks

- Outcome/deliverables – ummm…

Section 301 – unfair trade – investigation

- Joint-ventures, forced technology-transfer and intellectual property theft
- But conflict/threat with WTO
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with Soumaya Keynes & Chad Bown

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