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August Trade Figures

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced Thursday that the goods and services deficit was \$58.3 billion in August, down \$6.4 billion from \$64.7 billion in July, revised.

August exports were \$256.0 billion, \$4.1 billion more than July exports. August imports were \$314.3 billion, \$2.3 billion less than July imports.

The August decrease in the goods and services deficit reflected a decrease in the goods deficit of \$5.5 billion to \$84.5 billion and an increase in the services surplus of \$1.0 billion to \$26.2 billion. [READ MORE](#)

Monaco Announces Compliance Reforms

Deputy Attorney General Lisa Monaco announced a Department-wide Safe Harbor Policy for voluntary self-disclosures, exempting

Deputy Attorney General Lisa Monaco announced a "Department-wide Safe Harbor Policy" for voluntary self-disclosures of misconduct by acquirers in the mergers and acquisition process. She noted that the number of national security related corporate settlements had doubled in the past year.

"Our message should be clear: the tectonic plates of corporate crime have shifted. National security compliance risks are widespread; they are here to stay; and they should be at the top of every company's compliance risk chart." [READ MORE](#)

Aluminum Extrusion Industry Petitions for Relief

The U.S. Aluminum Extruders Coalition, together with the United Steelworkers (USW) union, has initiated a legal move against 15 countries, alleging unfair trade practices. The coalition claims these countries are significantly undermining the American aluminum extrusion industry by dumping products in the U.S. market at prices below fair value, with some rates as high as 256%. [READ MORE](#)

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[Next IPEF Round this Month](#)

The sixth round of negotiations under the Indo-Pacific Economic Framework will be held beginning October 15 in Kuala Lumpur.

In Malaysia, the IPEF partners will continue to make progress on negotiations towards high-standard outcomes under Pillars I (Trade), III (Clean Economy), and IV (Fair Economy), according to the US Trade Representative's Office. [READ MORE](#)

[Mexico Trade Dialogue: Chips Si, Corn Mañana](#)

US and Mexican Trade Officials reported on the accomplishments of the High Level Economic Dialogue (HLED) held last week between Secretary of State Anthony Blinken, Commerce Secretary Gina Raimondo, US Trade Representative Katherine Tai and their counterparts. Among the accomplishments was the launch of a "joint semiconductor action plan" to accelerate bilateral integration and attract new investment.

Left unresolved are the core vexing topics in the bilateral relationship, including GMO Corn, Steel and Aluminum, and Energy and Telecoms. [READ MORE](#)

[USMCA Labor Dispute at Wiring Harness Plant Resolved](#)

The United States and Mexico today announced Wednesday 4 October resolution to the situation at a Grupo Yazaki auto components facility in León, Mexico.

United States Trade Representative Katherine Tai had requested the Government of Mexico to review the matter under the United States-Mexico-Canada Agreement's (USMCA) Rapid Response Labor Mechanism (RRM). The Government of Mexico declined the request but "worked with the facility to ensure no ongoing denial of rights was taking place." [READ MORE](#)

[WTO: Agenda for Upcoming SOM](#)

Last week World Trade Organization's Director-General, Ngozi Okonjo-Iweala, proposed the agenda for the forthcoming capital-based senior officials meeting scheduled to start on October 23 in Geneva. This agenda encompasses controversial, non-mandated subjects that several members are keen on discussing during the meeting. [READ MORE](#)

[India's Proposal on Cross-Retaliation](#)

India has submitted a comprehensive proposal to the facilitator of the informal discussions on reforming the World Trade Organization's dispute settlement system, Mario Molina, Paraguay's deputy trade envoy. India is pressing for a waiver on the draft text's provisions against cross-retaliation, revealed an unnamed source. [READ MORE](#)

[UNCTAD Report: Tepid Growth, Support for G90](#)

UNCTAD's Trade and Development Report, released last week, paints a bleak future for the global economy. The report indicates that world economic output growth is anticipated to slow down to 2.4% in 2023, before experiencing a slight increase to 2.5% in 2024. These figures represent some of the lowest growth rates observed over the past four decades, barring crisis years. [READ MORE](#)

[WTO: Dire Straits for Trade](#)

The global merchandise trade finds itself in dire straits due to a slump in manufacturing. Growth has been adjusted down to 0.8 percent for this year, which is less than half of the 1.7 percent increase projected in April. This information comes from figures released by the World Trade Organization's economists this week.

Unlike the UNCTAD's Trade and Development Report 2023, which suggested economies of EU member countries, especially Germany, as primary contributors to a bleak outlook, the WTO points towards risks from a sharper-than-expected downturn in China and a possible resurgence of inflation in advanced economies. [READ MORE](#)

[Senators to China](#)

Senate Majority Leader Chuck Schumer (D-NY) yesterday formally announced that he is leading a bipartisan Senate delegation to China, Japan and South Korea next week.

The delegation's trip to China is expected to be closely watched at a time when the Administration is trying hard to reset relations with Beijing while many in Congress remain concerned about China's unfair trade practices and national security risk. [READ MORE](#)

[Rice and Shrimp Trade Bills](#)

Sen. Bill Cassidy (R-La) has introduced two bills to protect US rice and shrimp against China and India's dumping of cheap shrimp and produce into US markets.

The Prioritizing Offensive Agricultural Disputes and Enforcement Act and the India Shrimp Tariff Act will both protect the agricultural industry while ensuring that food that appears on US store shelves meets US health standards, he said. [READ MORE](#)

[Biden Urged to Aid Apparel Industry](#)

Sens. Thom Tillis (R-NC) and Sherrod Brown (D-Ohio) are urging President Biden to address troubling trade and economic trends with devastating implications for US textile and apparel manufacturing. ... [READ MORE](#)

[SMIC Smarts, China Mikes Cheesed](#)

Responding to the failure of the Commerce Department's October 7, 2022 rules to halt innovation at China's Semiconductor Manufacturing International Corporation Incorporated (SMIC), House Foreign Affairs Committee Chairman Michael McCaul (R-TX) and House Select Committee on the Chinese Communist Party Chairman Mike Gallagher (R-WI) have called on the administration to "rectify the failures by the Department of Commerce to enforce export controls on advanced semiconductors." [READ MORE](#)

[Tail Gunner Mike Keeps Aim on Chinese](#)

Chairman Mike Gallagher (R-WI) of the House Select Committee on the Chinese Communist Party wrote to the CEO of the U.S. Navy Exchange, requesting the removal of Lenovo products from the discounted marketplace available to servicemembers.

Hong Kong based Lenovo is the world's largest PC vendor and third largest smartphone company. In the second quarter of 2023, Lenovo had a market share of 24 percent of global PC shipments. In 2005 Lenovo acquired the former Personal Computer Division of IBM, the company that invented the PC industry in 1981. [READ MORE](#)

[Barr Bill to Choke Chinese Capital](#)

Rep. Andy Barr's (R-KY) bipartisan legislation, the Chinese Military and Surveillance Company Sanctions Act of 2023, [HR760] passed unanimously out of the House Financial Services Committee and will be brought up by the House should it ever return to regular order. [READ MORE](#)

["The Other China Committee" Targets Pro Basketball](#)

Not to be outdone by Chairman Mike Gallagher of the Congressional Select Committee on the CCP, the Chairs of the bipartisan and bicameral Congressional-Executive Commission on China (CECC) Tuesday released two letters to the Players and Owners of the National Basketball Association, calling for diligence to ensure NBA merchandise is not tainted by slavery. The Chairs expressed disappointment with the organizations' earlier responses and urge a more "fulsome response" this time. [READ MORE](#)

[CBAM: Carbon Tax Begins in EU](#)

This Sunday, 1 October, the Carbon Border Adjustment Mechanism (CBAM) began its transitional phase. In its transitional phase, CBAM will only apply to imports of cement, iron and steel, aluminium, fertilisers, electricity and hydrogen. EU importers of those goods will have to report on the volume of their imports and the greenhouse gas (GHG) emissions embedded during their production, but without paying any financial adjustment at this stage. [READ MORE](#)

[Gacki Spells Out FinCEN Priorities](#)

Newly installed FinCEN Director Andrea Gacki outlined her group's agenda including a whistleblower rewards program, rules targeting real estate and investment advisors, drug trafficking and the rollout of beneficial ownership information reporting requirements of the Corporate Transparency Act

In a presentation to the Association of Certified Anti-Money Laundering Specialists October 3. Ms. Gacki walked attendees through her objectives since being named to head FinCEN in July. Previously she served as chief of Treasury's Office of Foreign Assets Control (OFAC) [READ MORE](#)

[CBP Formalizes Centers of Excellence and Expertise](#)

Prior to the implementation of the Centers of Excellence and Expertise (Centers), U.S. Customs and Border Protection (CBP) processed imports on a port-by-port basis.

Due to CBP's port-by-port trade processing authority, importers claimed disparate processing treatment for similar goods entered at different ports of entry, causing trade disruptions, increased transaction costs, and information lapses.

In response, CBP established 10 Centers with broad, centralized decision-making authority to facilitate trade, This rule adopts

the Centers IFR, as modified by the Technical Correction, as a final rule, without changes, and finalizes the transition of certain trade enforcement responsibilities and the majority of post-release trade functions from the purview of port directors to Center directors. [READ MORE](#)

[CBP: Section 301 Conforming Amendments](#)

CBP is issuing guidance on conforming amendments to two previously reinstated exclusions associated with the Section 301 investigation of China Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation. [READ MORE](#)

[Semiconductor Alert Mechanism Updated](#)

The Commerce Department has launched an updated Semiconductor Alert Mechanism to detect supply chain disruptions and bottlenecks.

The Semiconductor Alert Mechanism aims to help industry experts at Commerce detect and assess bottlenecks in the semiconductor supply chains and better mobilize and coordinate US government resources to reduce chokepoint risks. [READ MORE](#)

[Stanford False Claims Act Settlement: Concealed Foreign Ties](#)

Stanford University has agreed to pay \$1.9 million to resolve allegations that it violated the False Claims Act by submitting proposals for federal research grants that failed to disclose current and pending support that 12 Stanford faculty members were receiving from foreign sources.

The settlement relates to research grants that Stanford received between 2015 and 2020 from five federal agencies: the Departments of the Army, Navy and Air Force, the National Aeronautics and Space Administration (NASA) and the National Science Foundation (NSF). [READ MORE](#)

[Telecoms Consultant Guilty of Exceeding Scope of OFAC License](#)

A California Telecoms consultant pleaded guilty to exceeding the scope of OFAC approval for advising Iranian telecommunications providers by providing unlicensed software.

According to court documents, Farhad Nafeiy obtained licenses – or approvals – from OFAC for advising non-Iranian telecommunications companies on doing business with Iran. However, those licenses did not authorize Nafeiy to provide any hardware, software or technology directly to Iran. Nafeiy exceeded his OFAC licenses, thereby violating the ITSR and IEEPA, by directly providing software upgrades to telecommunications equipment in Iran. [READ MORE](#)

Treasury/Justice/DHS Target Chinese Fentanyl Network

Treasury's Office of Foreign Assets Control (OFAC) designated 28 individuals and entities involved with the international proliferation of illicit drugs, including a China-based network ... [READ MORE](#)

Denial of Export Privileges: BIS Sanctions Gun Runners

October 3, BIS announced four denials of export privileges for parties convicted of unauthorized exports of firearms or ammunition. [READ MORE](#)