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[Goods & Services Deficit Down 18% from 2022](#)

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced that the goods and services deficit was \$62.2 billion in December, up \$0.3 billion from \$61.9 billion in November, revised.

The U.S. trade deficit with Mexico totaled a record \$152 billion in 2023, driven largely by Autos and Parts. Mexico exported \$475.6 billion to the U.S., up 5% from 2022. Mexico has surpassed China to become the biggest exporter of goods to the U.S. in 2023. [READ MORE](#)

[Gallagher Raises Sealift Concerns](#)

Chairman Mike Gallagher (R-WI) of the House Select Committee on the Chinese Communist Party wrote to the Departments of Defense and Transportation, exposing critical deficiencies in the United States' military sealift capabilities in the Indo-Pacific.

Mr. Gallagher calls for an immediate expansion of U.S. sealift capacity, requesting information from the Departments about the current sealift fleet and plans for fleet expansion [READ MORE](#)

[China-US commerce and trade working group](#)

Senior commerce officials from China and the United States met for the Economic Working Group's third meeting it was established in September and its first in Beijing A Treasury delegation led by Undersecretary Jay Shambaugh, met with Chinese Vice Premier He Lifeng and conveyed a message that Secretary Janet Yellen hoped to visit China at an "appropriate time," according to a Treasury readout.

During his meeting with Marisa Lago, US under-secretary of commerce for international trade via a video call, Wang Shouwen, China international trade representative and vice-minister of commerce, stressed that China-US economic and trade cooperation is a stabilizing force in the bilateral relations. [READ MORE](#)

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[Mexico, Canada, U.S. Agreement on Illicit Firearms & Drug Trafficking](#)

Mexico's Secretary of Security and Citizen Protection hosted her Canadian and U.S. counterparts for the fourth meeting of the Trilateral Fentanyl Committee.

Participants agreed on greater collaboration on testing protocols and recovery initiatives, as well as enhanced reporting and participation in the U.S. ATF's e-Trace weapons tracing program. [READ MORE](#)

[Panel Slams US Investment Firms' China Collusion](#)

Five US venture capital firms invested at least \$3 billion in Chinese critical technology companies, many aiding the Chinese military, surveillance state or Uyghur genocide in Xinjiang, according to a new report from the House Select Committee on China. [READ MORE](#)

[FDI Advisory Committee Members Sought](#)

The Commerce Department is currently seeking applications for membership on the United States Investment Advisory Council. The purpose of the Council is to advise the Secretary of Commerce on strategies to attract and retain foreign direct investment to the United States. [READ MORE](#)

[NIST: AI Safety Institute Launched](#)

Commerce Secretary Gina Raimondo has announced the creation of the U.S. AI Safety Institute Consortium (AISIC), which will unite AI creators and users, academics, government and industry researchers, and civil society organizations in support of the development and deployment of safe and trustworthy artificial intelligence (AI).

The consortium will be housed under the U.S. AI Safety Institute (USAISI) and will contribute to priority actions outlined in President Biden's Executive Order, including developing guidelines for red-teaming, capability evaluations, risk management, safety and security, and watermarking synthetic content. [READ MORE](#)

[Tai: WTO Must Show "Meaningful Evolution" at MC13](#)

The World Trade Organization's upcoming 13th ministerial conference is an important opportunity for the global trade body to show it can respond to today's issues and challenges, US Trade Representative Katherine Tai said last week. The WTO must use the MC13 to demonstrate a "meaningful evolution" of its ability to deal with new issues and challenges as they arise, Ms. Tai told her counterparts, according to a readout from her office. [READ MORE](#)

[WTO: Consensus Language Contentious](#)

Several developing countries have vehemently opposed attempts by major industrialized countries to introduce "responsible" or "flexible" consensus into the Abu Dhabi Ministerial Declaration of the World Trade Organization, according to our correspondent.

As the WTO's 13th ministerial conference approaches, members are at odds over decision-making procedures. Canada, a member of the Group of Seven industrialized countries, advocates for "flexible" negotiating approaches, while Singapore insists on "responsible" consensus, among other stances, as reported by individuals familiar with the discussions. [READ MORE](#)

[Russia to Sink the Law of the Sea?](#)

Caroline Tuckett and Kevin Rowlands discuss the prospects of Russia's continued adherence to the UN Convention on the Law of the Sea (UNCLOS) and other disturbing developments in the "rules-based" maritime order.

An article for Britain's Royal United Services Institute notes Russian threats to the right of innocent passage, as provided for under UNCLOS Article 8 (2). [READ MORE](#)

[USITC Solar Update Released](#)

The U.S. International Trade Commission (USITC) released its second midterm report on its monitoring of developments within the industry producing crystalline silicon photovoltaic (CSPV) products since the President's imposition of a safeguard measure on imports of crystalline silicon photovoltaic cells.

Despite challenges, apparent U.S. consumption of CSPV cells and modules increased overall. Imports of CSPV products rose, with a shift to bifacial products. Developments in the domestic industry include plans for CSPV cell production and investments in CSPV module manufacturing. [READ MORE](#)

[Goodyear Plant Settles USMCA Labor Dispute](#)

The United States today announced the successful resolution of the eighth USMCA facility-specific Rapid Response Labor Mechanism (RRM) petition regarding the facility operated by Goodyear-SLP, S. de R.L. de C.V. in the city and state of San Luis Potosí, where workers were previously denied their freedom of association and collective bargaining rights.

In 2019 US lawmakers threatened to hold up ratification of the USMCA over pay and conditions at the plant. Reporting by Reuters at the time suggested wages at the facility are range from \$2 to \$6 an hour. By comparison Goodyear workers in the US reportedly receive a basic wage of \$23 per hour. [READ MORE](#)

[Biotech Corn Settlement This Year: McKalip](#)

US Chief Agricultural Trade Negotiator Doug McKalip is expecting to see the US dispute over Mexico's ban on corn made biotechnology settled this year.

The Administration had filed a dispute case against the Mexico biotech corn ban under the US- Mexico-Canada Agreement after the two sides were unable to negotiate a resolution. Washington contends Mexico's ban violates the USMCA. [READ MORE](#)

[FinCEN Residential Real Estate Rule Proposed](#)

Treasury's Financial Crimes Enforcement Network (FinCEN) issued a Notice of Proposed Rulemaking to combat and deter money laundering in the U.S. residential real estate sector by increasing transparency.

The proposed rule would require certain professionals involved in real estate closings and settlements to report information to FinCEN about non-financed transfers of residential real estate to legal entities or trusts. [READ MORE](#)

[FinCEN Implementation Lax, Senators Say](#)

A Bipartisan group of Senators has penned a letter to Andrea Gacki, Director of the Financial Crimes Enforcement Network (FinCEN), expressing serious concerns about the delay in implementing the Anti-Money Laundering (AML) Whistleblower Improvement Act.

Senators Chuck Grassley (R-IA), Elizabeth Warren (D-CA), and Raphael Warnock (D-GA) wrote noting the Act, passed over three years ago as part of the Corporate Transparency Act and later strengthened in 2022, aimed to incentivize whistleblowers to report sanctions violations and combat money laundering effectively. [READ MORE](#)

[AML/CFT: Treasury Risk Assessments Published](#)

The Treasury Department published the 2024 National Risk Assessments on Money Laundering, Terrorist Financing, and Proliferation Financing. Released February 7, 2024, these reports highlight the most significant illicit finance threats, vulnerabilities, and risks facing the United States.

The reports detail recent, significant updates to the U.S. anti-money laundering/counter-financing of terrorism framework and explain changes to the illicit finance risk environment. These include the ongoing fentanyl crisis, foreign and domestic terrorist attacks and related financing, increased potency of ransomware attacks, the growth of professional money laundering, and continued digitization of payments and financial services. [READ MORE](#)

[Oil Price Cap Enforcement and G7 Ban on Russian Diamonds](#)

Treasury's Office of Foreign Assets Control (OFAC) has taken its second price cap enforcement action of 2024, imposing sanctions on four entities and identifying one vessel as blocked property.

OFAC is also issuing two new determinations that implement G7 commitments to ban the importation of Russian diamonds. [READ MORE](#)

[Corporate Spy Nabbed; Father Son Aerospace Smugglers Charged](#)

In two separate cases out of U.S. Attorneys' Offices on opposite coasts, several individuals are charged – one of whom was arrested yesterday – in connection with sophisticated schemes to transfer sensitive technology, goods, and information for the benefit of hostile foreign adversaries, in violation of U.S. law.

In the Eastern District of New York, a fugitive father and son team of Iranian nationals are charged with conspiring to export equipment used in the aerospace industry to the Government of Iran, in violation of the International Emergency Economic Powers Act (IEEPA), in connection with an alleged conspiracy to illegally export U.S. goods and technology without the required licenses.

In the Central District of California, a naturalized chinese was arrested for allegedly stealing trade secrets developed for use by the U.S. government to detect nuclear missile launches and track ballistic and hypersonic missiles. [READ MORE](#)

[OFAC Sanctions Ecuador Gang Leader](#)

Treasury's Office of Foreign Assets Control (OFAC) sanctioned one of Ecuador's most violent gangs, Los Choneros, and its leader, José Adolfo Macías Villamar (also known by the alias "Fito"), pursuant to counter narcotics authorities. OFAC's action follows a steep rise in violence in Ecuador attributed to the actions of Los Choneros and other drug trafficking gangs in the country. [READ MORE](#)

[DPAS: Administrative Change Rule Proposed](#)

The proposed rule would amend the Bureau of Industry and Security's (BIS) Defense Priorities and Allocations System (DPAS) regulation by providing administrative changes to well-established standards and procedures. This proposed rule would: clarify existing standards and procedures by which BIS may provide Special Priorities Assistance (SPA); revise Schedule I to provide transparency and differentiation between other departments' priorities jurisdiction and the Department of Commerce's jurisdiction; and provide technical edits to reflect certain non-substantive updates since the DPAS regulation was last amended in 2014, including providing updated contact information, legal citations, and definitions. [READ MORE](#)