

Washington Tariff & Trade Letter

Vol. 44, No. 28

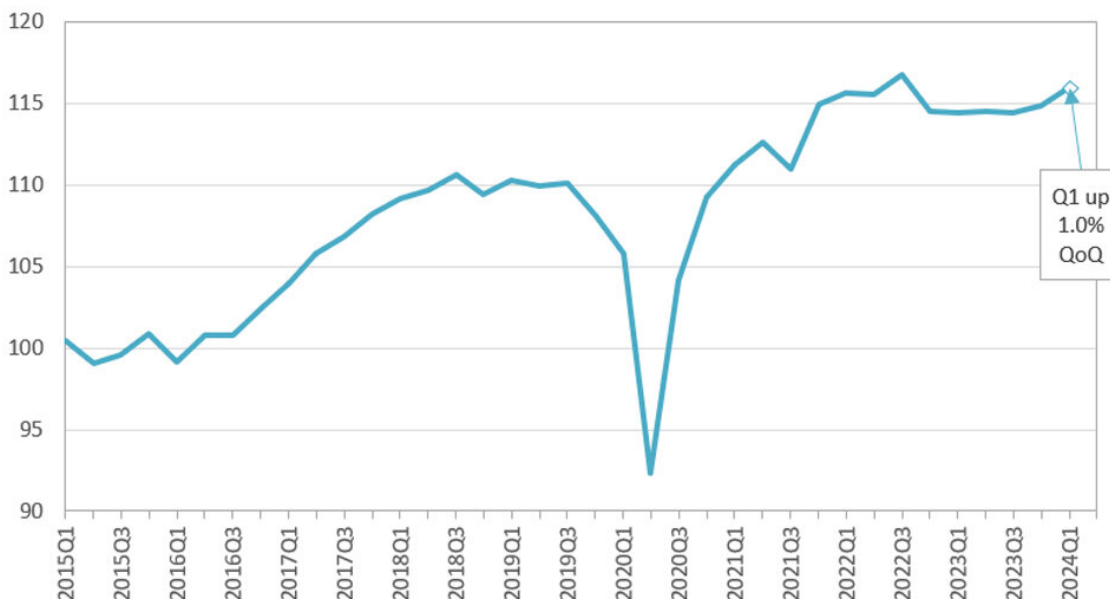
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JULY 8, 2024

World Goods Trade turns up Q1 after 2023 lull

World merchandise trade volume, average of exports and imports

(Seasonally adjusted index, 2015=100)



Source: WTO and UN Trade and Development.

The volume of world merchandise trade turned up in the first quarter of 2024 after remaining flat throughout 2023, according to the latest trade statistics released by the WTO. Merchandise trade as measured by the average of exports and imports was up 1.0% in the first quarter compared to the previous quarter. Trade in the first quarter was also up 1.4% compared to the same period in 2023. Most regions contributed positively to the upturn in trade volume, with Europe remaining a notable exception as its exports and imports continued to decline. [READ MORE](#)

May US Trade in Goods and Services

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced today that the goods and services deficit was \$75.1 billion in May, up \$0.6 billion from \$74.5 billion in April, revised. May exports were \$261.7 billion, \$1.8 billion less than April exports. May imports were \$336.7 billion, \$1.2 billion less than April imports. The May increase in the goods and services deficit reflected an increase in the goods deficit of \$0.9 billion to \$100.2 billion and an increase in the services surplus of \$0.3 billion to \$25.1 billion. [READ MORE](#)

POLICY & POLITICS

[USMCA Automotive Report Released](#)

The USTR's office Monday released the second Report on the Operation of the United States-Mexico-Canada Agreement (USMCA) with Respect to Trade in Automotive Goods .

The conclusion of the report is that there is no conclusion. The automotive industry continues preparing for full implementation of the USMCA rules of origin (ROOs) when special flexibilities afforded under alternative staging regimes begin to expire in 2025. [READ MORE](#)

[African Trade Forum in Washington](#)

United States Trade Representative Katherine Tai Monday announced that she will host the 21st U.S.–sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum) in Washington, D.C., from July 24 to 26, 2024. The ministerial program will feature plenary sessions on the present and future of AGOA and U.S.–Africa trade and investment cooperation, as well as breakout sessions on various topics. It will be preceded on July 24 by a Civil Society and Organized Labor Forum and a Private Sector Forum. [READ MORE](#)

[US Philippine TIFA Talks](#)

On July 1-2, 2024, the United States and the Philippines met under the U.S.- Philippines Trade and Investment Framework Agreement (TIFA). The TIFA meeting was co-chaired by Assistant U.S. Trade Representative for Southeast Asia Sarah Ellerman and the Philippine Department of Trade and Industry Undersecretary for International Trade Group Allan Gepty.

During the TIFA meeting, the United States and the Philippines discussed a range of bilateral trade and investment issues, including agriculture, labor, government procurement, intellectual property, environment, automotive safety standards, and supply chains. [READ MORE](#)

[US Port Operators Call for 301 Relief on Cranes](#)

A proposed 25 percent tariff on Chinese-made port cranes has been met with strong opposition from U.S. port authorities and terminal operators, who warn of unintended negative consequences such as reduced port efficiency, higher consumer prices, and a weakened national economy. The tariffs set to take effect on August 1st,

At least 35 STS cranes are currently on order across the country, with an average cost of \$15 million each, leading to unanticipated costs to port operators of at least \$131.5 million, according to the operators. [READ MORE](#)

[FCC Publishes New Equipment Test Lab Rules](#)

The FCC proposes to prohibit recognition and participation in its equipment authorization program for any certification body or test lab directly or indirectly owned or controlled by an entity on the Covered List.

The Covered List comprises entities identified as posing a national security risk. The FCC also plans to prevent reliance on any TCB or test lab with ownership ties to entities on this list. [READ MORE](#)

[Ways and Means Markup Tackles EV Rules, Ivory Tower](#)

Ways and Means Committee Chairman Jason Smith gets back to work July 9 with a hearing to advance legislation "to protect our supply chains from foreign control," and to address the "transformation of our once elite universities into incubators for extremism and harassment," according to a statement from his office.

Included is legislation compelling elite universities to admit "more American students," as well as tightening the eligibility of battery component subsidies in the Inflation Reduction Act. [READ MORE](#)

[USTR names new APEC Affairs, Labor Reps.](#)

The Office of the United States Trade Representative (USTR) announced that Danielle Fumagalli will serve as Acting Assistant United States Trade Representative for Japan, Korea, and Asia-Pacific Economic Cooperation (APEC) Affairs. Ms. Fumagalli has most recently served as Deputy Assistant United States Trade Representative (DAUSTR) in the same office. [READ MORE](#)

SANCTIONS & TREASURY

[OFAC Targets Chinese Money Launderers](#)

Following on the June 18 Indictments of Treasury's Office of Foreign Assets Control (OFAC) sanctioned a Mexico-based money launderer and China-based members of a money laundering organization with criminal links to the Sinaloa Cartel Monday..

The United States is working with Chinese authorities to target illicit financing networks, including those linked to the fentanyl trade. Chinese Money Laundering Organizations are now one of the key actors laundering money professionally in the United States and worldwide, and are rapidly becoming one of the most prominent money laundering threat actors facing the U.S. financial system. [READ MORE](#)

[Outbound Investment Order Published in FR](#)

The Treasury Department's Office of Investment Security formally published the Notice of Proposed Rulemaking for the Outbound Investment Rule announced June 21st. Written comments must be received by August 4, 2024. [READ MORE](#)

ENFORCEMENT

[Commerce Blacklists Flight Schools for China Ties](#)

The Commerce Department's Bureau of Industry and Security (BIS) added six companies to the Entity list Tuesday, four for their involvement in training Chinese military pilots in NATO tactics. BIS also added two UAE-based entities to the Entity List because they repeatedly engaged in "dilatatory or evasive conduct, including the provision of false, misleading, or incomplete information, during end-use checks." [READ MORE](#)

[Two charged in Avionics smuggling to UAE](#)

Two people were arrested Tuesday morning for shipping controlled avionics from New Jersey to the United Arab Emirates without having obtained the required license and authorization. The defendants obtained an ADIRU, a component that supplies air data and inertial reference information to pilots' electronic flight instrument system displays and attempted to ship it to another company in the UAE. [READ MORE](#)

[Florida forwarder nabbed for Russia shipment](#)

A Florida man has been indicted for attempting to export scientific equipment from the United States into Russia without a license. Kirill Gordei, 34, a citizen of Belarus and permanent resident of the U.S, allegedly falsely claimed that he was shipping a **Thermo Fisher Scientific** Orbitrap Exploris GC 240 Mass Spectrometer to Uzbekistan when it was, in fact, destined for Russia. [READ MORE](#)

[Kansas Avionics Distributor Guilty](#)

A Kansas man pleaded guilty for his role in a years-long conspiracy to circumvent U.S. export laws by filing false export forms with the U.S. government and continuing to sell and export sophisticated and controlled avionics equipment to customers in Russia without the required licenses from the U.S. Department of Commerce. [READ MORE](#)

[Commerce Updates "Don't Let This Happen to You!"](#)

The Department of Commerce's Bureau of Industry and Security (BIS) Export Enforcement published an updated version of Don't Let This Happen to You!, a compendium of case examples highlighting BIS criminal and administrative enforcement efforts. The publication was last updated in March 2024. [READ MORE](#)