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Global Manufacturing Economic Update

Essential Takes on Leading Economic Indicators

By Chad Moutray and Linda Dempsey – February 13, 2020 – SHARE

Continued Progress Globally, but with Risks from Coronavirus

The Monthly Toplines

- Prior to the ongoing novel coronavirus global health outbreak, the Chinese economy was starting to show signs of stabilization. Manufacturing activity expanded for the sixth straight month, despite the Caixin China General Manufacturing PMI slipping from 51.5 in December to 51.1 in January. Real GDP grew 6.0% year-over-year in the fourth quarter, the same pace as in the third quarter. But that remains the slowest pace of growth in China since the first quarter of 1992. First quarter growth is likely to weaken materially.

- The bulk of the sentiment surveys and economic data described below predate recent worries about the novel coronavirus outbreak. Manufacturers in the United States and elsewhere are experiencing production disruptions and lost sales.

- Nonetheless, the J.P. Morgan Global Manufacturing PMI expanded for the third straight month, rising to a nine-month high. Respondents were also the most upbeat in their assessments for future output since August 2018.

- Eight of the top 10 markets for U.S.-manufactured goods experienced stronger manufacturing activity in January than in December, continuing the stabilization trend seen in recent months.

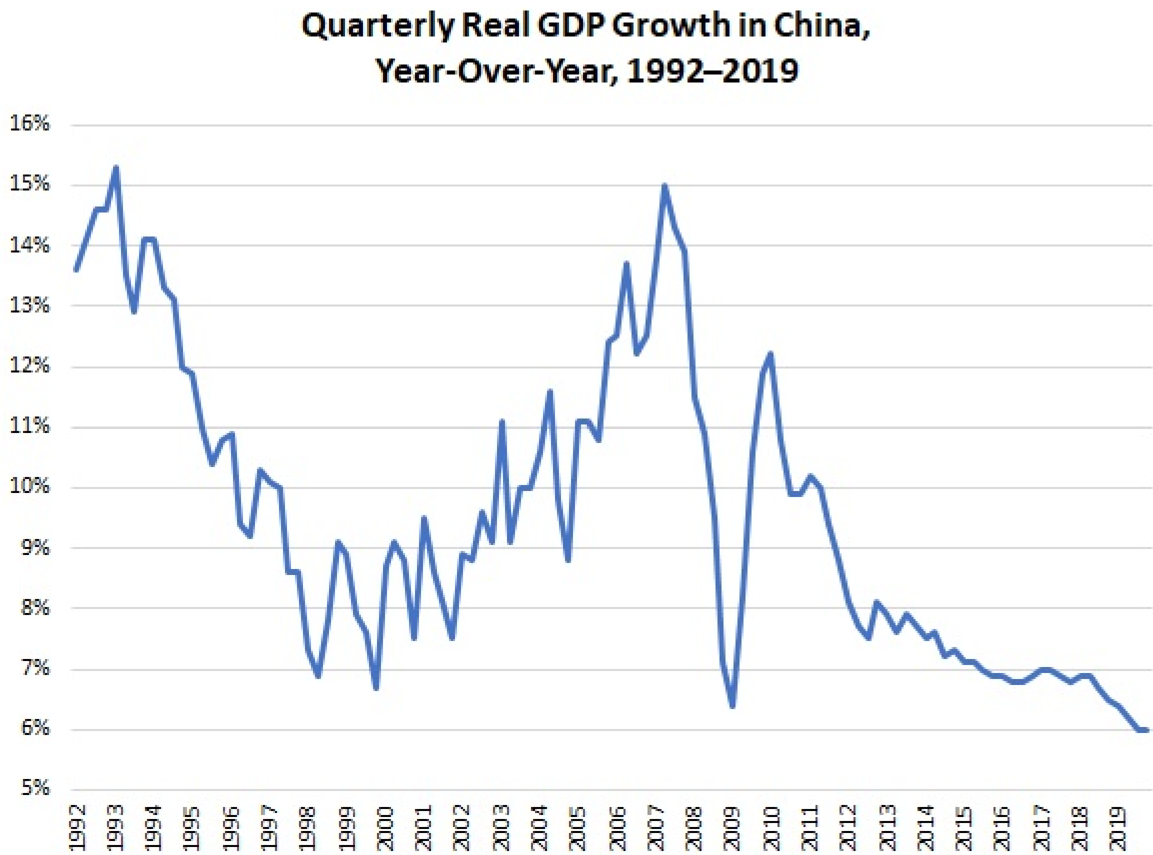
- Despite continued progress globally over the past few months, the manufacturing sector remains weaker than desired. Indeed, half of the top 10 markets contracted in the latest surveys. Those markets were Germany, Japan, Mexico, the Netherlands and South Korea.

- The four countries among the top 10 markets for U.S.-manufactured goods with expanding growth in January were Brazil, Canada, China and France. The United Kingdom had contracted for seven straight months, but improved to neutral in January as the nation prepared for Brexit on Jan. 31.

- The IHS Markit Eurozone Manufacturing PMI began the new year on an encouraging note, rising from 46.3 in December to 47.9 in January. While activity in the sector has contracted for 12 consecutive months, January's index reading suggested the slowest rate of decline since April.

- Meanwhile, real GDP rose by 1.0% year-over-year in the Eurozone, the slowest pace since the fourth quarter of 2013. In addition, industrial production fell 2.1% in December, with a steep 4.1% decline year-over-year and negative results for the 14th consecutive month. More encouragingly, the unemployment rate dropped to 7.4% in December, the lowest rate since May 2008.

- According to new seasonally adjusted data from TradeStats Express, U.S.-manufactured goods declined 2.5% in 2019 after experiencing better data in both 2017 and 2018. Firms have grappled with slowing global growth and trade uncertainties. Still, exports remain just 2.7% from the all-time high seen in 2014.
- After more than three years of work, manufacturers began 2020 by focusing on the following issues:
    - Applauding final U.S. government approval of the United States–Mexico–Canada Agreement, with full implementation expected later this year
    - Welcoming signing of a "Phase One" U.S.–China deal while urging that intensive talks continue on the many remaining issues as part of a broader bilateral trade agreement
    - Working to ensure that the seven-year reauthorization of the U.S. Export-Import Bank is fully utilized by manufacturers across the country
- Manufacturers remain focused on several other important trade priorities:
    - Moving forward a positive agenda at the critically important World Trade Organization
    - Securing a strong Miscellaneous Tariff Bill in 2020 to eliminate tariffs on products not produced or available in the United States
    - Monitoring congressional activity relating to sanctions



Global Economic Trends

- **Worldwide Manufacturing Activity:** J.P. Morgan Global Manufacturing PMI expanded for the third straight month, rising to a nine-month high. The headline index increased from 50.1 in December to 50.4 in January, suggesting that the manufacturing sector is experiencing slight expansionary growth worldwide. New orders and output accelerated somewhat in January, with some stabilization for exports and employment, both of which contracted at slower rates. More encouragingly, the index for future output reflected cautious optimism that production would continue to rebound over the coming months, with that measure increasing from 58.0 to 60.9, the best reading since August 2018.

  With that said, the bulk of the sentiment surveys and economic data described below predate recent worries about the novel coronavirus global health outbreak. Manufacturers are experiencing production disruptions and lost sales, and as a result, economic forecasts are getting downgraded, especially for China.

- **Top 10 Markets for U.S.-Manufactured Goods:** The data once again provided mixed degrees of comfort. On the positive side, eight of the top 10 markets for U.S.-manufactured goods experienced stronger manufacturing activity in January than in December, continuing the stabilization trend seen in recent months. (The top 10 ordinal rankings were updated to reflect new annual 2019 exports data.) Notably, United Kingdom had contracted for seven straight months, but improved to neutral in January as the nation prepared for Brexit on Jan. 31. The four countries among the top 10 markets for U.S.-manufactured goods with expanding growth in January were Brazil, Canada, China and France.

Yet, while sentiment has steadied somewhat, the sector remains weaker than desired, with half of the top 10 markets contracting in the latest surveys. South Korea returned to negative growth in January on falling demand and output, contracting in 13 of the past 15 months. Other economies with contracting manufacturing sectors included Germany, Japan, Mexico and the Netherlands.

- **Trade-Weighted U.S. Dollar Index:** The U.S. dollar has depreciated 1.2% against a broad-based index of currencies for goods and services since Oct. 2 (which was the highest since Jan. 11, 2017), according to the Federal Reserve. This index reflects currency rates per U.S. dollar, suggesting the dollar can purchase somewhat less today than it could at the beginning of the fourth quarter. Yet, manufacturers have continued to cite foreign exchange risks in their earnings reports, with a stronger dollar making it more difficult to increase international demand. Along those lines, the U.S. dollar has risen 9.5% since Feb. 1, 2018. Over a longer time period, the U.S. dollar has risen 25.1% since July 1, 2014.

- **Eurozone:** The IHS Markit Eurozone Manufacturing PMI began the new year on an encouraging note, rising from 46.3 in December to 47.9 in January. While activity in the sector has contracted for 12 consecutive months, January's index reading suggested the slowest rate of decline since April. The underlying data reflected progress across the board, including new orders, exports, output and employment, even as each of these measures remained negative for the month. Moreover, manufacturers in the Eurozone expect modest growth in output over the next six months, with that measure rising to the best figure since September 2018. Meanwhile, input prices declined for the eighth straight month.

  Much like the headline figure, the country-by-country PMIs in the Eurozone were also higher in January, albeit at still weak paces. The rate of decline slowed in Austria, Germany, Italy, the Netherlands and Spain, with each seeing their best readings in several months. In addition, the United Kingdom approached its Brexit day (Jan. 31) with manufacturing activity improving to neutral, its highest point since April. Ireland also reached a nine-month high, expanding in January and ending two months of contraction in the sector. At the same time, France and Greece continued to be bright spots on the continent, with both accelerating their growth rates somewhat in the latest surveys.

  Meanwhile, real GDP edged up just 0.1% in the fourth quarter, with 1.0% growth year-over-year in the Eurozone. It was the slowest pace of year-over-year growth since the fourth quarter of 2013. Industrial production fell 2.1% in December, with a steep 4.1% decline year-over-year and negative results for the 14th consecutive month. Meanwhile, retail sales decreased 1.6% in December, falling for the fifth time in the past eight months. With that said, retailers reported 1.3% greater sales over the past 12 months, a very modest but still positive pace. Encouragingly, the labor market remained strong. The unemployment rate dropped to 7.4% in December, the lowest rate since May 2008.

- **China:** Prior to the ongoing novel coronavirus global health outbreak, the Chinese economy was starting to show signs of stabilization. Manufacturing activity expanded for the sixth straight month, despite the Caixin China General Manufacturing PMI slipping from 51.5 in December to 51.1 in January. New orders and exports slowed in the latest survey, with exports and employment both declining for the first time since the autumn. More encouragingly, the index for future output rose from 54.4 to 57.8, its strongest reading since March 2018. That suggests that manufacturers were more upbeat in their outlook for the coming months. Of course, that optimism has likely waned since this survey was completed.

  The official manufacturing PMI data from the National Bureau of Statistics of China was neutral in January after expanding in the prior two months. The index declined from 50.2 in December to 50.0 in January, pulled lower by easing production and falling exports. There were slight expansions for medium-sized and large manufacturers in China, but small establishments continued to contract.

  Overall, real GDP grew 6.0% year-over-year in the fourth quarter, the same pace as in the third quarter. But that remains the slowest pace of growth in China since the first quarter of 1992. Manufacturing output grew 5.9% year-over-year in the fourth quarter. Several of the key measures rebounded in December after decelerating in previous releases. For instance, industrial production grew 6.9% year-over-year in December, its best pace since March. Fixed asset investments improved from 5.2% year-over-year in October and November to 5.4% in December. Retail sales remained at 8.0% year-over-year for the second straight month, although that is progress after sales fell to 7.2% in October. Yet, these measures are at growth rates that are slower than what was more common in years past. New data for production, retail sales and fixed asset investments for December are due on Feb. 17.

- **Canada:** The IHS Markit Canada Manufacturing PMI expanded for the fifth straight month, up from 50.4 in December to 50.6 in January. New orders rebounded in January after dropping in December, and output inched marginally higher. Manufacturing respondents were also more upbeat in their assessments of production over the next six months, with the index of future output rising to its best reading since July. On the other hand, employment contracted slightly for the first time since April. On a regional basis, manufacturers reported stronger growth in Ontario, but slower increases in Quebec and the rest of Canada. Activity contracted in Alberta and British Columbia for the 11th consecutive month.

Real GDP increased 1.3% at the annual rate in the third quarter, with fourth quarter growth being released on Feb. 28. Manufacturing sales fell 0.6% in November, declining for the third straight month, led by weaker demand for chemicals, food and primary metals. Moreover, manufacturing sales have been essentially stagnant (down 0.1%) over the past 12 months, highlighting ongoing weaknesses in the sector. In contrast, retail sales bounced back, up 0.9% in November after dropping by 1.1% in October, boosted by strength for motor vehicle and parts dealers and food and beverage stores. On a year-over-year basis, retail spending in Canada was up a quite modest 1.9% since November 2018.

The unemployment rate edged down from 5.6% in December to 5.5% in January, with manufacturing employment rising by 20,500. Over the past 12 months, employment in the sector has declined 13,000.

- **Mexico:** The IHS Markit Mexico Manufacturing PMI contracted for the third straight month, albeit showing some improvement in January. The headline index increased to 49.0 in January from 47.1 in December, the lowest level since the survey began in April 2011. The rate of decline slowed for new orders, output and exports, and employment rebounded to expand ever so slightly in the latest survey following two months of declines. Encouragingly, manufacturers in Mexico expressed cautious optimism in their outlook for future output, with expectations rising to their highest point since May regarding production over the next six months.

  Meanwhile, real GDP decreased 0.3% year-over-year in the third quarter, the second straight negative reading following growth in every quarter since the fourth quarter of 2009. Fourth quarter growth data will be released on Feb. 25. For its part, industrial production decreased 0.3% in December, pulling back after rising by 0.8% in November. Over the past 12 months, industrial production has fallen 1.0% since December 2018, the 14th consecutive month of year-over-year declines. At the same time, manufacturing production decreased 0.5% year-over-year in the latest data, continuing to be subpar.

- **Japan:** The Jibun Bank Japan Manufacturing PMI declined for the ninth straight month, even as the headline index inched up from 48.4 in December to 48.8 in January. The rate of decline slowed for new orders, output and exports, and the pace of hiring picked up somewhat, expanding very modestly. At the same time, the index for future output improved from 53.5 to 57.0, its best reading since August 2018, signaling cautious optimism for decent growth in production over the next six months.

  Real GDP increased 0.4% in the third quarter, slowing a bit from 0.5% in the second quarter. On a year-over-year basis, the Japanese economy expanded 1.8%, decelerating from 2.6% and 2.0% in the first and second quarters, respectively, but also expanding for the fourth consecutive quarter. New GDP data for the fourth quarter will be released on Feb. 17. Meanwhile, industrial production increased by 1.3% in December, rebounding after declining in both October and November, led by gains in output for production and general purpose machinery and electronic parts and devices. On a year-over-year basis, Japanese industrial production has fallen 3.0% since December 2018.

- **Emerging Markets:** The IHS Markit Emerging Markets Manufacturing PMI expanded for the seventh straight month, remaining at 51.0 in January. Not surprisingly, the underlying data provided mixed results. New orders accelerated slightly, with output edging marginally lower, although both were essentially unchanged in their growth rates for the month. At the same time, employment was ever so slightly negative (49.9) for the second consecutive month, and exports deteriorated a bit after being neutral in November. Looking ahead, respondents felt more positive in their expectations for growth in production over the next six months in the emerging markets, with that index rising to its best reading (61.9) since March 2018.

  The country-by-country data reflected continued progress in many emerging markets, with stronger expansions seen in Brazil, Colombia, India (strongest growth since February 2012), Myanmar, the Philippines, Singapore and Uganda. At the same time, manufacturing slowed, but remained expansionary, in Ghana, Mozambique, Nigeria, Saudi Arabia and Vietnam. Manufacturers reported the first expansion in activity since March 2018 in Turkey.

  In contrast, there was declining activity in the United Arab Emirates for the first time since August 2009. Four emerging markets slipped ever so slightly into contraction territory in January, including Kenya, Malaysia, South Korea and Thailand. It is widely expected that some of these should rebound in February, particularly Kenya. Other emerging markets that struggled in January were the Czech Republic, Egypt, Hong Kong, Indonesia, Poland, Russia, South Africa and Zambia.

- **International Trade:** The U.S. trade deficit increased from $43.69 billion in November to $48.88 billion in December. In 2019, the trade deficit averaged $51.40 billion each month, down somewhat from $52.31 billion in 2018 but up from $45.84 billion in 2017. Goods imports have been highly volatile in recent months, rising from $201.10 billion to $207.46 billion in this report. In terms of the trade deficit, the increase in goods imports more than offsets the rise in goods exports, which increased from $136.45 billion to $137.75 billion.

  Notably, the Census Bureau reported that petroleum exports registered an all-time high at $17.08 billion in December. The trade surplus was $82 million for petroleum, the fourth consecutive month with a positive reading.

  Digging deeper into the December data, goods exports were higher largely on increased activity for industrial supplies and materials and other goods, counteracting declines in automotive vehicles, parts and engines and consumer goods. At the same time, sizable increases in goods imports occurred for industrial supplies and materials, non-automotive capital goods and other goods, but automotive vehicles, parts and engines imports declined for the month.

According to new data from TradeStats Express, U.S.-manufactured goods totaled $1,365.31 billion in 2019, down 2.48% from $1.400.02 billion in 2018. This suggests that international demand for U.S.-manufactured goods weakened in 2019 after experiencing better data in both 2017 and 2018, as the sector has grappled with slower global growth and trade uncertainties. Still, the data remain just 2.74% from the all-time high seen in 2014 ($1,403.78 billion).

International Trade Policy Trends

- ***USMCA approved overwhelmingly by the Senate, and implementation bill signed by President Donald Trump.*** On Jan. 29, President Trump signed the USMCA Implementation Act (H.R. 5430), following Senate passage on Jan. 16 by a vote of 89–10, with 51 Republicans voting in support (one opposed), 37 Democrats voting in support (eight opposed), and one independent voting in support (and one opposed). NAM President and CEO Jay Timmons issued a statement following the signing, saying that “we once again thank President Trump, U.S. Trade Representative Robert Lighthizer and leaders of both parties in Congress for their herculean efforts to deliver this win for manufacturers of all sizes—from small family businesses to iconic global brands” and that “manufacturers were proud to help shape the USMCA, to mobilize and build historic bipartisan support for the deal and to be on hand as President Trump affixed his signature to the legislation.”

  A number of procedural steps remain before the USMCA enters into force, including ratification by Canada later this year. The NAM will continue working with policymakers in all three countries to ensure full implementation of the USMCA so that manufacturers can grow their business even more with our country’s two largest trading partners.

  Learn more.

- ***U.S., China sign “Phase One” trade deal.*** On Jan. 15, President Trump and Chinese Vice Premier Liu He formally signed English and Chinese versions of an interim “Phase One” trade deal, cementing a range of concrete commitments with relevance to manufacturers in the United States. (See U.S. fact sheets here.) Highlights of the deal include the following:

  - Chinese commitments on areas of intellectual property, including trade secrets, patents, counterfeiting and judicial enforcement, reflecting both Chinese legal and regulatory changes announced in the months leading up to the deal as well as new language
  - Chinese commitments to purchase $200 billion worth of manufacturing goods, agricultural products, energy and services over the next two years, with specific four-digit tariff codes to cover the products targeted
  - A new highly structured dispute resolution mechanism that would create new dedicated offices in each country to engage on trade issues, with

  - options to elevate issues and take "remedial measures" (that the other party cannot retaliate against) if issues are not resolved
  - U.S. commitments to reduce some tariffs, notably a cut in tariffs (from 15% to 7.5%) on $160 billion worth of Chinese imports (List 4A) that went into effect on Sept. 1. China subsequently also cut in half their retaliatory tariffs on $75 billion worth of U.S. exports (roughly 1,700 products on their List 4 retaliatory tariff list) that went into effect on the same date. Both sets of tariff reductions go into effect on Feb. 14.

  The two sides also agreed to broad commitments on technology transfer and currency, as well as targeted market access openings in agriculture and financial services. NAM President and CEO Jay Timmons praised the deal as a win for manufacturers and applauded President Trump, U.S. Trade Representative Lighthizer and the administration for the deal, calling it "a remarkable turning point for manufacturers, with the unprecedented and enforceable commitments on critical intellectual property protections to which China has agreed" and stressing that the deal includes core areas of the NAM's negotiating framework while pledging to work toward "reducing trade uncertainty as the focus of the administration and the NAM now turn to 'phase two.'"

  Learn more.

- ***Ex-Im Bank moving forward to level the playing field with certainty restored****.* Following the enactment of a seven-year Ex-Im Bank reauthorization in December, the NAM has been working to ensure full implementation of this robust reauthorization to enhance the agency's competitiveness and expand access to Ex-Im Bank tools.

  - The NAM is happy to partner with the Ex-Im Bank to host an Exporter Focus Group on Ex-Im Bank Competitiveness on Tuesday, March 3 to discuss Ex-Im Bank's medium- and long-term programs and how the agency might make these programs more competitive with foreign export credit agencies. The focus group will help inform the Ex-Im Bank Competitiveness Report that is submitted to Congress on an annual basis.
  - The Ex-Im Bank Annual Conference will be held at the Omni Shoreham Hotel in Washington, D.C., on April 2–3, 2020. The conference theme is Keeping America Strong: Empowering U.S. Businesses and Workers to Compete Globally. The conference provides opportunities to hear from key administration officials and export finance experts, participate in breakout sessions, meet Ex-Im Bank staff and network with other U.S. exporters and international buyers, among other things. Early bird registration lasts through March 6, 2020.

  Learn more.

- ***President Trump and WTO Director-General Azevêdo Discuss WTO in Davos; U.S.–EU–Japan release trilateral reform proposals, while USTR***

documents enforcement concerns. At a Jan. 22 press conference in Davos, Switzerland, President Trump and WTO Director-General Roberto Azevêdo delivered remarks on the WTO, with President Trump saying that "we're talking about a whole new structure for the deal or we'll have to do something," and delivering an invitation to Azevêdo to come to Washington for subsequent meetings on the future of the WTO.

Also, on Jan. 14, Ambassador Lighthizer, Japan Minister of Trade and Industry Hiroshi Kajiyama and European Commissioner for Trade Phil Hogan released a trilateral statement on ways to strengthen WTO rules on industrial subsidies and develop core disciplines that aim to prevent forced technology transfer practices. The ministers also discussed other issues, including the following:

- The importance of market-oriented conditions for a free, fair and mutually advantageous trading system
- WTO reform, including increasing WTO Member compliance with existing WTO notification obligations and pressing advanced WTO Members claiming developing country status to undertake full commitments in ongoing and future WTO negotiations
- International rulemaking on trade-related aspects of electronic commerce at the WTO
- International forums such as the Global Forum on Steel Excess Capacity and the Governments/Authorities' Meeting on Semiconductors

On Feb. 11, the USTR issued a new report assessing the WTO Appellate Body's record, finding that it has failed to follow the agreed-upon rules of the WTO, thereby undermining confidence in the WTO system. This report precedes the congressionally mandated quadrennial report on U.S. membership in the WTO that the USTR will deliver by March 1 and that could lead to a congressional vote on U.S. approval of the WTO. The WTO will hold its 12th Ministerial Conference in Nur-Sultan, Kazakhstan, from June 8 to 11. Given the criticality of the global rules-based system for the growth of U.S. manufacturing, manufacturers will continue to press for strong efforts to revitalize and modernize the essential WTO system.

Learn more.

- ***U.S. International Trade Commission MTB public comment period continues through Jan. 24.*** On Jan. 10, the U.S. International Trade Commission began accepting comments on more than 3,000 MTB petitions, which were submitted to the USITC in November and December of last year, to temporarily reduce or eliminate tariffs. The public comment period will run through Feb. 24 at 5:15 p.m. EST via the USITC's MTB Petition System website. Manufacturers will continue to promote a transparent and fair process and action on the final MTB legislation to eliminate unnecessary tariff costs on goods not produced or available in the United States.

  Learn more.

- ***United Kingdom exits the European Union, prepares for negotiations on future U.K.–EU relationship and U.S.–U.K. trade deal.*** The United Kingdom exited the European Union on Jan. 31. The United Kingdom will have an 11-month transition period through the end of 2020, during which the United Kingdom will be no longer be part of the EU decision-making processes but will remain in the EU customs union and single market. Throughout 2020, U.K. and EU officials will be negotiating the terms of their future relationship, with three potential scenarios: Jan. 1, 2021, entry into force of a U.K.–EU trade agreement (along with agreements in other areas, such as security cooperation); no trade agreement, with U.K.–EU trade flows subject to tariffs effective Jan. 1, 2021; or the extension of the transition period to allow negotiations to continue in 2021.

  In October 2018, the USTR notified Congress of the Trump administration's intention to enter into negotiations with the United Kingdom for a U.S.–U.K. Trade Agreement. In January 2019, the USTR received public comments from a range of stakeholders, including these comments from the NAM. In February 2019, the USTR released U.S. negotiating objectives for the proposed U.S.–U.K. Trade Agreement, and the United Kingdom is expected to release its negotiating objectives for the talks in the coming weeks. Negotiations between the United States and the United Kingdom will depend in significant ways on the terms of trade that the United Kingdom establishes with the European Union (e.g., regulatory/standards issues) and the timing of any U.K.–EU trade deal.

  Learn more.

- ***United States and European Union continue to discuss potential trade deal.*** At a Jan. 22 press conference between President Trump and European Commission President Ursula von der Leyen in Davos, Switzerland, President Trump said that he expected to negotiate a trade deal with the European Union before the November presidential election. He added that "if we don't get something, I'm going to have to take action" and that "the action will be very high tariffs on their cars and on other things that come into our country." Von der Leyen said that she is "expecting in a few weeks to have an agreement that we can sign together" with the United States that would cover trade, technology and energy. European Commissioner for Trade Hogan has traveled to Washington twice since January to meet with U.S. officials, but the framework for a potential U.S.–EU agreement has yet to be announced publicly.

  Learn more.

- ***Homeland Security Report and subsequent White House Executive Order spur U.S. Government action against counterfeits.***

  - On Jan. 24, the Department of Homeland Security released an interagency report titled Combating Trafficking in Counterfeit and Pirated Goods. This report was required by an April 3 Executive Order, on which the NAM submitted detailed comments as part of a broader effort to protect manufacturers in the United States and their brands from the increasing flow of counterfeits appearing on physical and online platforms. The Jan. 24 report includes recommendations, private sector best practices and immediate actions that will be taken to combat counterfeiting and pirating of goods.

  - On Jan. 31, the White House issued a related Executive Order titled Ensuring Safe & Lawful E-Commerce for US Consumers, Businesses, Government Supply Chains, and Intellectual Property Rights. The order, which in places overlaps with the Jan. 24 DHS report, includes specific directives to the Department of Homeland Security, Customs and Border Protection, Immigration and Customs Enforcement, the U.S. Postal Service and others for specific reports, rulemakings and enforcement activity to address imports of counterfeits and illegal narcotic products.

  Learn more.

- ***United States and Kenya announce intention to launch trade agreement negotiations.*** Following a Feb. 6 meeting between President Trump and Kenyan President Uhuru Kenyatta in Washington, the Trump administration announced its intent to negotiate a trade agreement with Kenya. USTR Lighthizer said in a statement that "we look forward to negotiating a comprehensive, high-standard agreement with Kenya that can serve as a model for additional agreements across Africa." Ambassador Lighthizer will notify Congress of the intention to begin negotiations with Kenya. Following consultations with Congress, the USTR will request public comments on the direction, focus and content of the negotiations, and the USTR will publish objectives for the negotiations at least 30 days before the launch of talks.

  Learn more.

- **Trump administration makes changes to U.S. trade remedy law approaches.** In the past two weeks, the Trump administration has implemented several changes to U.S. trade remedy laws. On Feb. 4, the Commerce Department issued a final rule modifying two regulations regarding the conduct of countervailing duty investigations:

  - Most significantly, Commerce finalized its new rule authorizing a finding of a subsidy on the basis of currency undervaluation and setting the parameters for that determination. The rule specifies different criteria than the Treasury Department currency manipulation rules, such that Commerce may find a countervailable subsidy even where Treasury finds no manipulation.
  - Commerce also clarified that companies in the traded goods sector of the economy can constitute a group of enterprises for purposes of determining whether a subsidy is specific, a prerequisite to the imposition of countervailing duties on imports.

On Feb. 10, the USTR issued a formal notice of changes to the designations of developing and least-developed countries for purposes of U.S. countervailing duty laws and a final rule implementing these changes. In particular, through redesignation of countries from developing to non-developing status, the USTR eliminated preferential treatment for the following countries that previously benefited from a higher *de minimis* level and higher negligible import standard: Albania, Argentina, Armenia, Brazil, Bulgaria, China, Colombia, Costa Rica, Georgia, Hong Kong, India, Indonesia, Kazakhstan, the Kyrgyz Republic, Malaysia, Moldova, Montenegro, North Macedonia, Romania, Singapore, South Africa, South Korea, Thailand, Ukraine and Vietnam.

Take Action

- ***Stop Fakes Roadshow***
  Ongoing
  This roadshow delivers important information about intellectual property to the audience that needs it most: start-ups, entrepreneurs, small and medium-sized businesses, independent creators and inventors. Experts from multiple government agencies that deal with intellectual property issues present the information. Learn more.

- ***U. S.–Africa Trade Conference: Yesterday, Today and Tomorrow, A Baltimore Port of Entry Case Study***
  Feb. 19
  Baltimore, Maryland
  Hosted by the African Union Mission to the United States, this conference will offer an opportunity for discussions among U.S. and African trade and investment partners. It will also explore opportunities for prospective exporters and importers through discussions among American and African businesses that currently use the Baltimore port and airport for their operations. Sessions include utilization of the African Growth and Opportunity Act, Prosper Africa, trade facilitation and networking opportunities. Learn more.

- ***Direct Line: Oman's New Mining Regulations***
  Feb. 19
  Presented by the U.S. Embassy in the Sultanate of Oman, this webinar will allow U.S. companies to explore the Omani mining market and hear government officials and private sector stakeholders speak on the new mining law, Oman's mining strategy and opportunities for U.S. companies. The webinar is free and open to all U.S. businesses and will be hosted by U.S. Deputy Chief of Mission Stephanie Hallett. Learn more.

- ***Money Makes the World Go Round: Learn How Exporters Can Access Funds***
  Feb. 20
  Overcome your exporting fears and learn how your business can access funds for domestic and international sales. This webinar will show how the Small

Business Administration and the Ex-Im can assist companies of all sizes to access vital funds they need to successfully build their export sales. Learn more.

- ***Business Briefing: Egypt Advanced Technologies for Onshore Exploration and Production***
  Feb. 20
  Houston, Texas
  As part of the Egypt Advanced Technologies for Onshore Exploration and Production Reverse Trade Mission, the U.S. Trade and Development Agency is hosting a business briefing for U.S. companies to meet with decision-makers from Egypt's Ministry of Petroleum and Mineral Resources and state-owned enterprises in the petroleum sector. The event will allow U.S. company participants to meet one-on-one with delegates to showcase their company's technologies and expertise in the oil and gas exploration and production sector. Learn more.

- ***Direct Line: Waste Management and Plastic Waste Innovation in Southeast Asia***
  Feb. 27
  This webinar will allow U.S. companies to discover new opportunities in the waste management and plastic waste sectors in Southeast Asia. The webinar is free and open to all U.S. businesses and will be hosted by the Principal Deputy Assistant Secretary in the Bureau of Oceans and International Environmental and Scientific Affairs Marcia Bernicat. Learn more.

- ***Increase Your Exports through Better Distribution Agreements***
  March 5
  Sponsored by the U.S. Commercial Service Rural Team, this webinar will educate businesses interested in increasing their sales by better managing international partners. Attendees will learn basic legal considerations that go into negotiating, executing, performing and terminating export distributor agreements. They will also hear from experienced exporters about their firsthand experiences managing international partnerships. Learn more.

- ***Trade Winds Indo-Pacific***
  April 20–27
  Hong Kong, Japan, South Korea, Thailand and Vietnam
  The 2020 U.S. Commercial Service Trade Winds program includes an Indo-Pacific-focused business development forum in Hong Kong. The forum includes prearranged consultations with U.S. diplomats representing commercial markets throughout the Indo-Pacific region. Learn more.

- ***Trade Mission to the Caribbean Region in conjunction with the Trade Americas – Business Opportunities in the Caribbean Region Conference***
  May 31 to June 5
  Bridgetown, Barbados
  The conference will focus on region-specific sessions, market-entry strategies, export compliance, legal, logistics, disaster resilience and recovery and trade financing resources. Participants will also be able to have prearranged one-on-

one consultations with U.S. and Foreign Commercial Service officers and/or Department of State economic/commercial officers with expertise in commercial markets throughout the region. Learn more.

- ***For a listing of upcoming U.S. Trade and Development Agency missions, click here.***
- ***For a listing of upcoming Commerce Department trade missions, click here.***

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