

What Have We Learned From NAFTA?

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5 September 2019

NAFTA: What Happened?

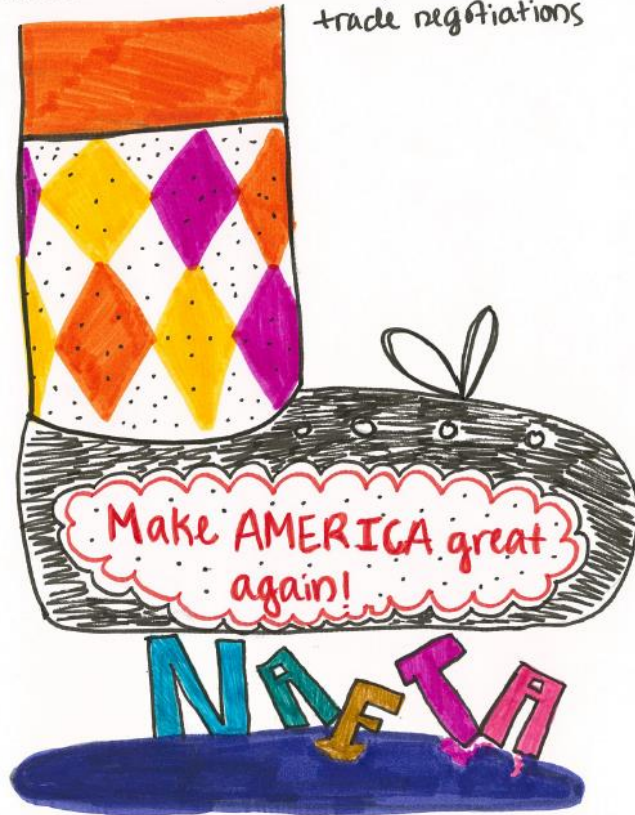


Dec 10th 2016

Dealing with Donald

Donald Trump's trade bluster

Whatever he thinks, dealmaking won't help Mr. Trump's trade negotiations



- The Negotiations Process (2017-2018)
- The Deal Itself

NAFTA: What Do We Learn from Trump's Renegotiation?



Feb 11th 2017

Reshape or shatter?

The pitfalls of renegotiating NAFTA

A revision of the North American trade deal will not
give Donald Trump what he wants



By Abigail Brown

...for “future” US trade negotiations?

...for the politics of trade & globalization

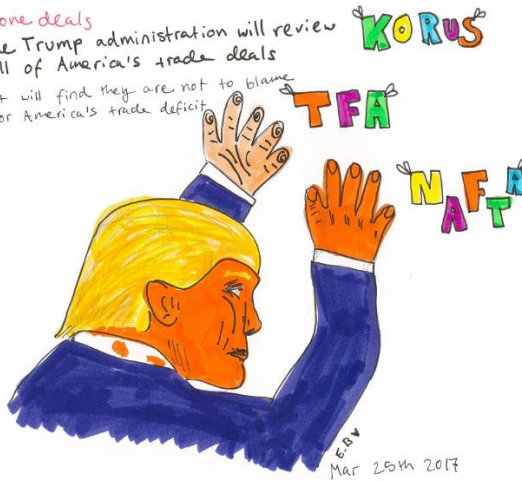
Trump's Trade Wars Update...



Done deals

The Trump administration will review all of America's trade deals

It will find they are not to blame for America's trade deficit



Trade Policy

The Trump administration turns up the heat on trade

Hopes that the protectionist candidate would mellow in office are fading



Trade policy

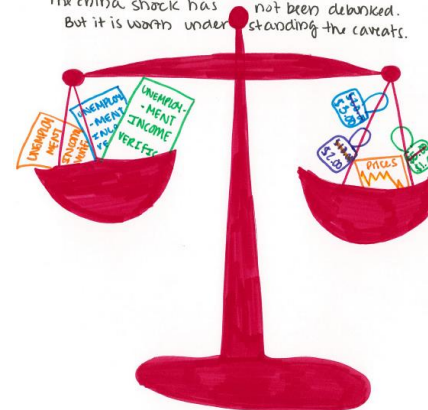
How Chinese overcapacity hits American works and workers
The risk is that Donald Trump has the wrong solution



Shock horror

Economists argue about the impact of Chinese imports on America

The china shock has not been debunked. But it is worth understanding the caveats.





Standard Caveat:

Because of Twitter, I've already had to change my presentation three times today...

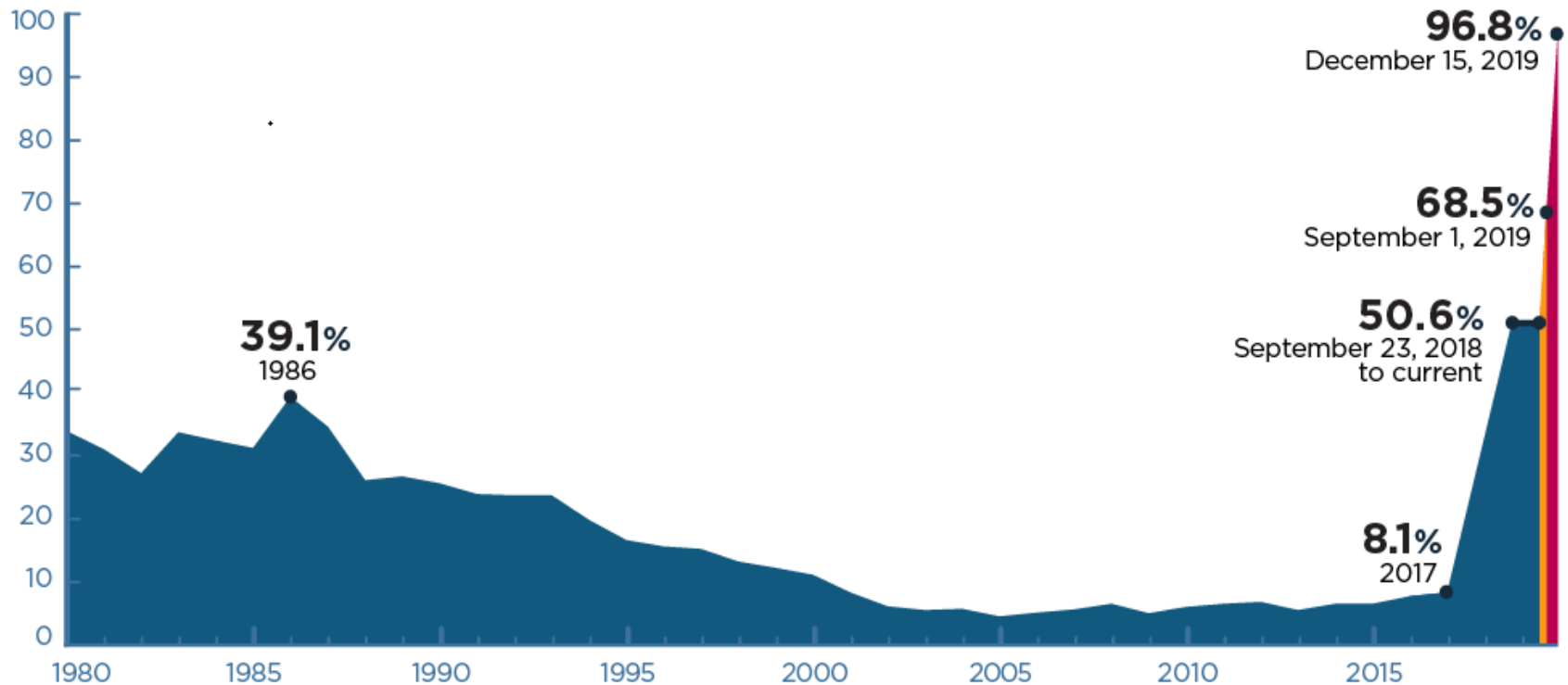


What follows is current as of Sept. 5, 2019

Trump's new plan has tariffs covering 96.8% of Chinese imports by December 15



b. Percent of US imports from China covered by special trade protection

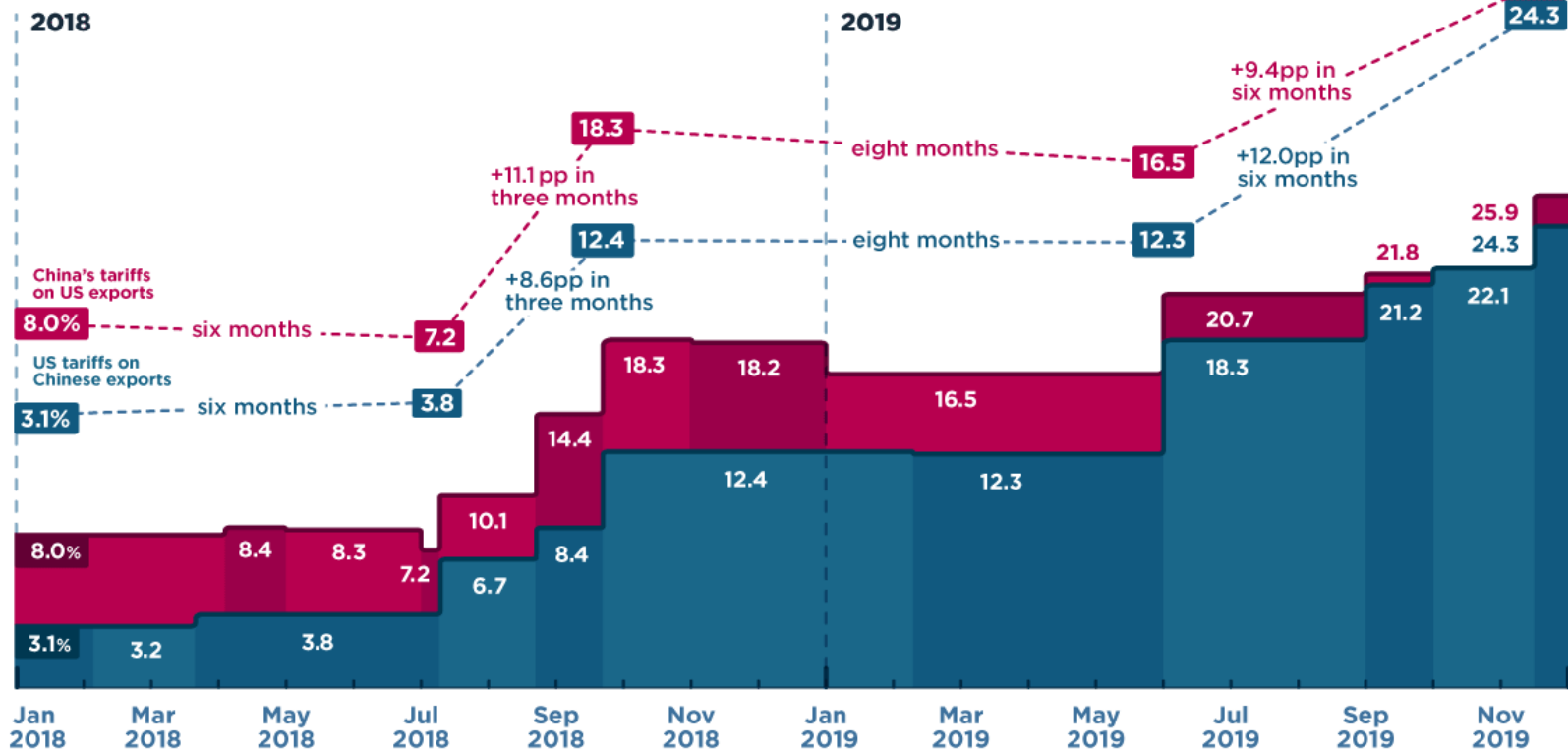


Source: Chad P. Bown, **US-China Trade War: The Guns of August**. PIIE Trade and Investment Policy Watch Blog, August 26.



The Trade War Is Suddenly Getting Worse

Average tariff rate, percent



#PIIECharts

Learn more at [piie.com/research/piie-charts](https://www.piie.com/research/piie-charts)



pp = percentage point; MFN = most favored nation

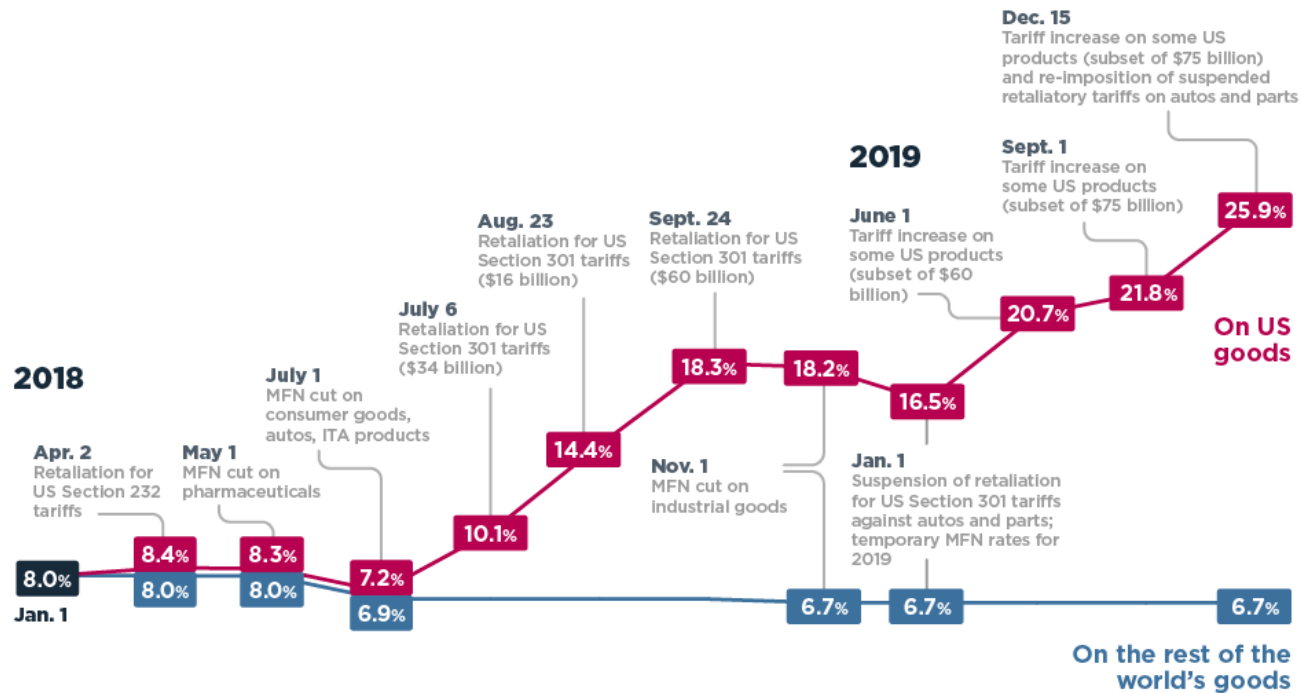
Source: Chad P. Bown's blog post, "US-China Trade War: The Guns of August."

Source: Chad P. Bown, **US-China Trade War: The Guns of August**. PIIE Trade and Investment Policy Watch Blog, August 26.



Figure 1

China's average tariff rate is climbing on US goods and falling for the rest of the world



ITA = Information Technology Agreement; MFN = most favored nation

Note: Trade-weighted average tariffs computed from product-level tariff and trade data, weighted by US exports to the world in 2017.

Sources: Updated on August 23, 2019 from Bown, Jung, and Zhang (2019). Constructed by the author with data from Trade Map and Market Access Map (International Trade Centre, marketanalysis.intracen.org) and China's Ministry of Finance's announcements.

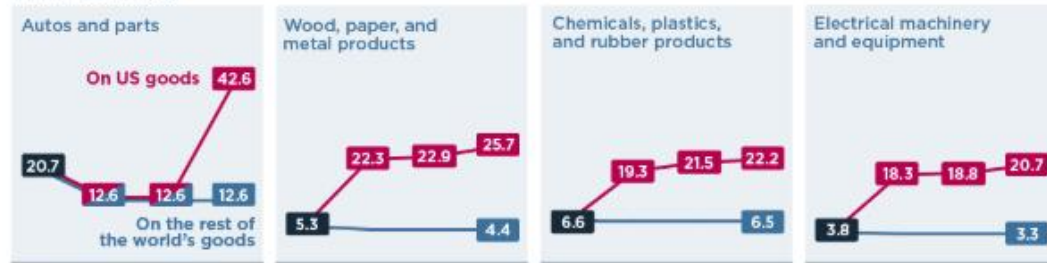


Handwritten red text: "CARA!" with a sad face above it and an arrow pointing towards the "Autos and parts" chart.

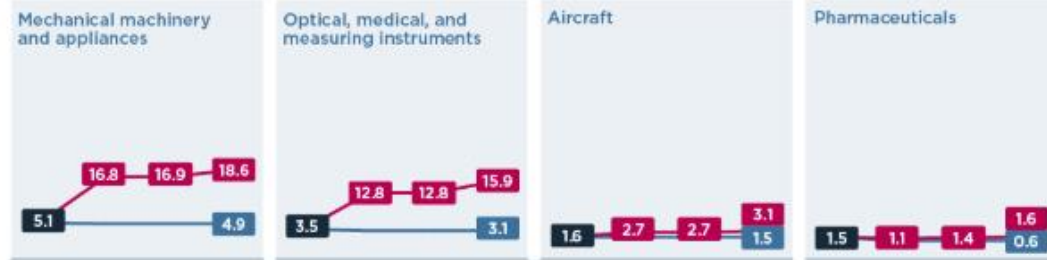
Figure 3

China's average tariff rates on US goods vs. the rest of the world's goods by sector as of December 15, 2019

Manufacturing



2018 June 1, Sept. 1, Dec. 15, (before 2019 2019 2019 trade war)



Agriculture

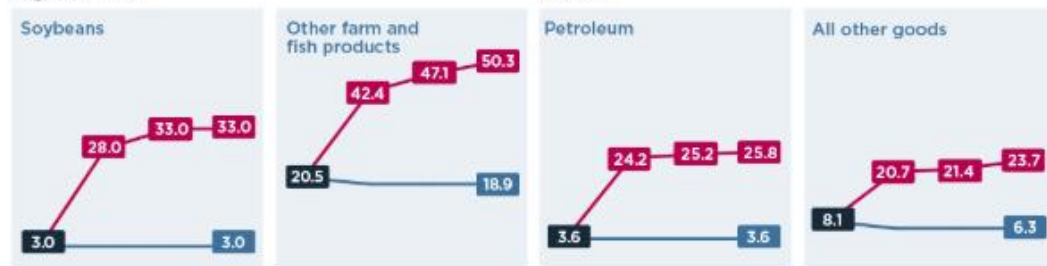


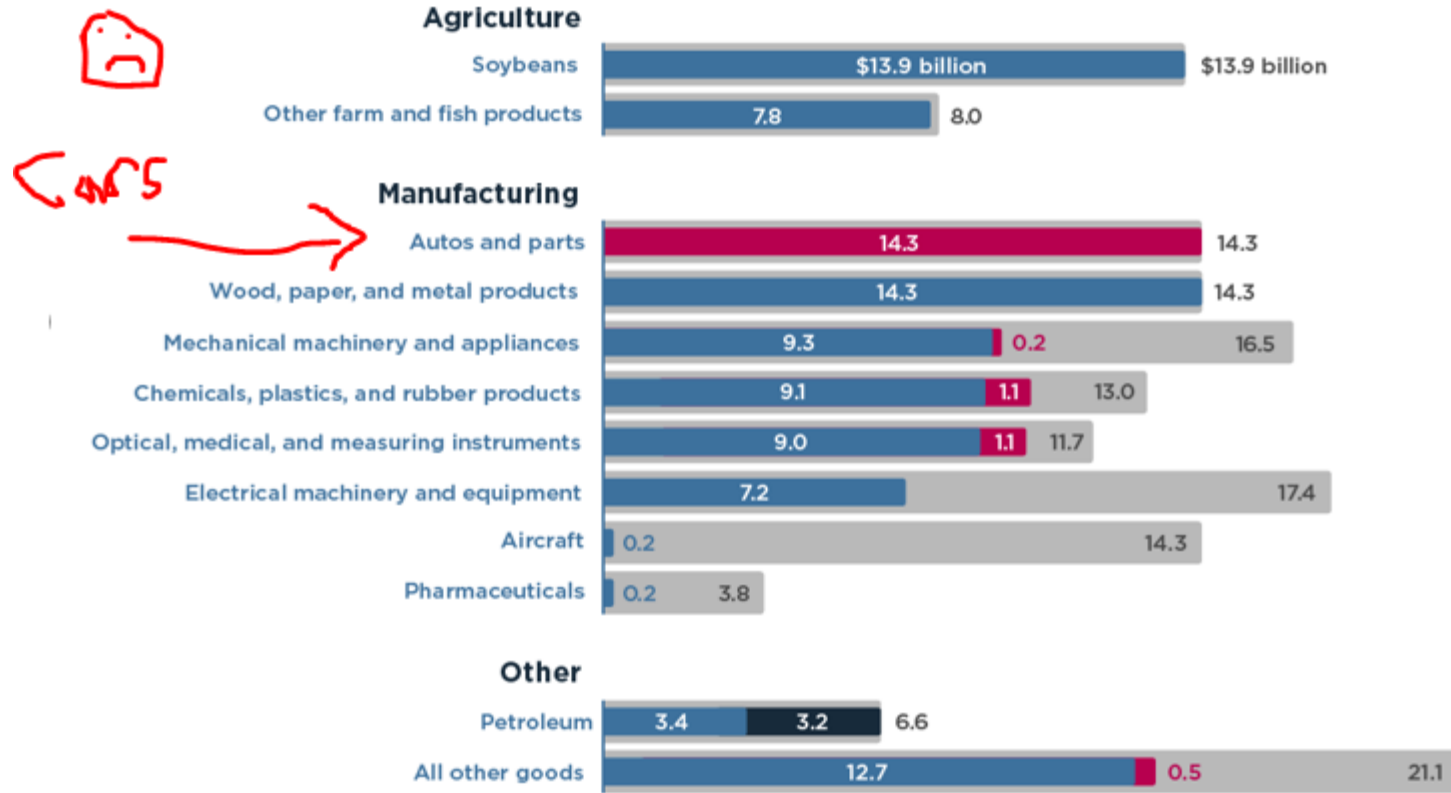
Figure 2

Amount of US exports to China covered by Chinese retaliatory tariffs by sector, billions of dollars



US exports to China covered by Chinese retaliatory tariffs

- As of June 1, 2019
- Effective September 1, 2019
- Effective December 15, 2019
- Total US exports to China



Source: Chad P. Bown, **US-China Trade War: The Guns of August**. PIIE Trade and Investment Policy Watch Blog, August 26.

Postscript: Trade Policy in the Age of Trump



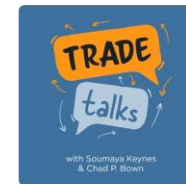
How to keep up?



The tie of a delegate at a W.T.O. trade conference in Geneva earlier this month.
Salvatore Di Noii/EPA, via Shutterstock

Verizon LTE 7:31 AM 98%

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