



Global Trade Trends: 2023

Rebooting the American Trade Agenda

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U.S. Chamber of Commerce

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Around the World



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1) Uncertainty in the U.S.

- Recession looming? Second-hand pessimism
- Divided government and debt ceiling
- The rise of industrial policies
- Supply chains healing
- The 2024 election is nearer than you think



2) North America Integrating

- Integration advances with USMCA
- Energy, manufacturing output up
- Mexico: Populist threats persists
- Covid immunity wall high



3) China: Turbulence

- Xi Jinping consolidates his hold on power
- “Zero Covid” policies overturned
- Property sector in contraction
- Sabre rattling over Taiwan
- Economic rebound later in year?



4) Japan and Korea: Resolve

- Japan adopts a new, tougher defense posture
- Korean conservatives warm to Washington
- Mounting cooperation on export controls etc.



5) Russia's Big Mistake

- Ukraine's word of the year: Victory?
- Sanctions on Russia hitting harder
- Oil price cap actually working?
- Russia's long-term isolation



6) Europe's Zeitenwende

- Turning point: End of *Wandel durch Handel* (Change through Trade)
- European (and Western) unity, resolve
- Energy crisis: The worse avoided for now
- Defense spending up?
- And now on China?



7) Rise of the Rest

- Southeast Asia: Seeking the best of both worlds
- India's standard of living leaping forward
- Africa building a continental free-trade zone
- Latin America: Democracy, economy wobble



The Biden Trade Agenda

- Caution
- Continuity
- Change



**UK
Kenya**



China



Other nations
are moving ahead
with trade
agreements

Continuity: Biden Keeps Trump Policies

- OUT: Trump's tariffs
 - IN: Biden's tariffs
- ... they're still there*



U.S. tariffs
doubled
(mostly on
goods from
China)

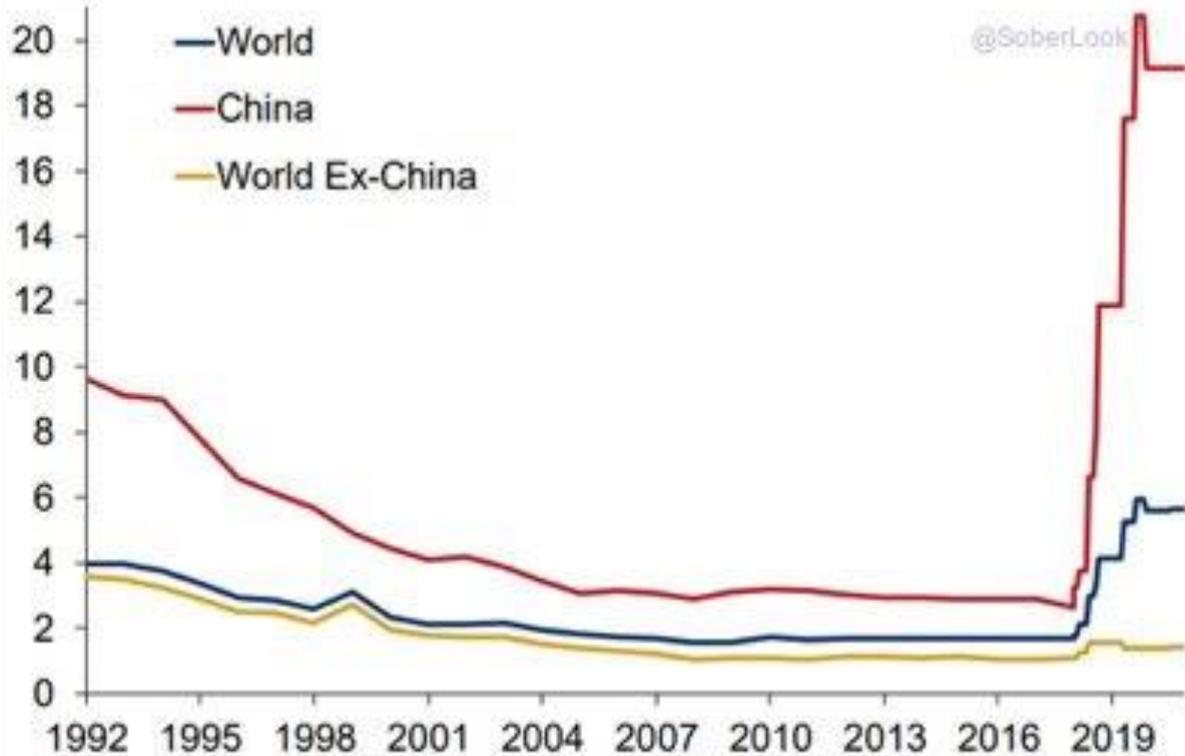
US: Average tariff rates for the world & China

% tariff, import weighted

DailyShot.com

08-Feb-2021

@SoberLook



Source : Oxford Economics/Haver Analytics/World Bank WITS

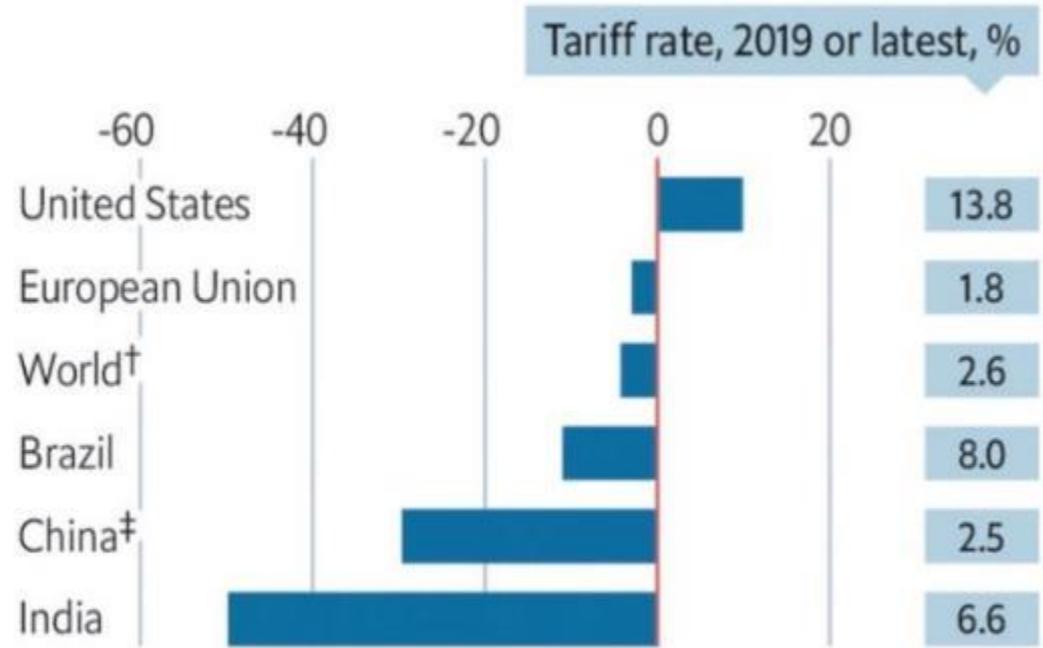


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U.S. tariffs
are now the
highest among
the major world
economies

Trade-weighted average tariff rate 1990-2019, percentage-point change



*New series †1990-2017 ‡1992-2019

Sources: "Two Centuries of Bilateral Trade and Gravity Data: 1827-2014",
by M. Fouquin and J. Hugot (2016); Our World in Data; World Bank

The Economist



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Change: A “Worker-Centric” Trade Policy

- Right to organize in Mexico
- Forced labor in China
- Forced labor on fishing vessels



“We Can’t Stand Still” — the Business View



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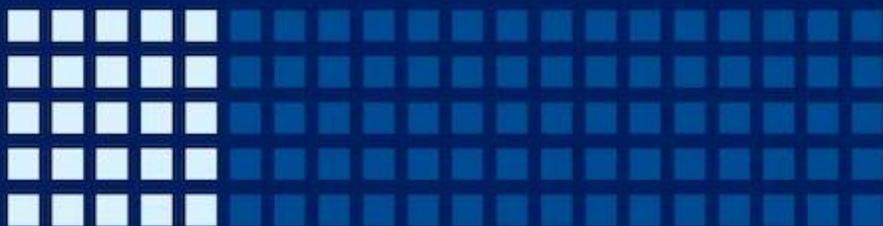
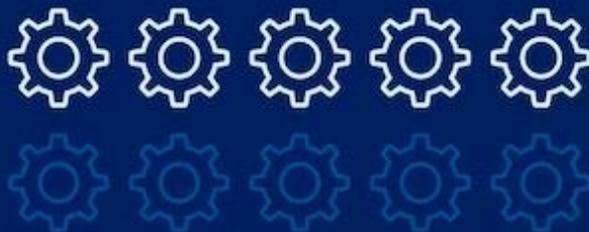


More than

41 Million

American jobs depend on trade.

Nearly half of U.S. manufacturing output is exported to customers abroad.



1 in 4 acres

on American farms is planted to feed hungry customers overseas.



Standing Still, Falling Behind

- It's been a decade since we added to the list of our 20 trade agreement partners
- The EU has trade agreements with 78 countries, Canada with 54, Mexico 50, and China 35
- Result: Growing competitive disadvantage for U.S.



U.S. trade agreement partners represent just 6% of the world's population.



Those partners buy nearly half of all U.S. exports.



Benefits of Trade Agreements

The 20 countries with which the U.S. has trade agreements in place buy

14x

more made-in-the-USA goods and services than other countries.*

U.S. exports to new trade agreement partner countries have grown

3x

as rapidly on average in the five-year period following the agreement's entry-into-force as the global rate of growth for US exports.

*On a per capita basis



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Our Agenda

- Open new markets abroad to sell more “Made in America” goods and services
 - *95% of world’s consumers are overseas*
- FTAs with U.K., Kenya, Ecuador, Uruguay
- Work with African Continental Free Trade Area



Our Agenda

- Indo-Pacific Economic Framework
- 2/3 of world's middle class by 2030
- Losing market share
- We exited the TPP... Is the IPEF worth it?
- Bottom line: The U.S. needs to get back in the game





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