

17-21 Steel, Aluminum, Lumber, Solar: Trump's Stealth Trade Protection

Chad P. Bown
June 2017

Chad P. Bown is senior fellow at the Peterson Institute for International Economics. He thanks Junie Joseph for outstanding research assistance and Caroline Freund, Joseph Gagnon, Helen Hillebrand, Gary Hufbauer, Melina Kolb, Lindsay Oldenski, Adam Posen, Ángel Ubide, and Steve Weisman for helpful discussions and comments.

© Peterson Institute for International Economics.
All rights reserved.

The Trump administration has repeatedly vowed to reshape US trade policy on several fronts. President Donald Trump's inaugural address could hardly have been clearer in that regard. "We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs," he said. "Protection will lead to great prosperity and strength." In the months since those words, the centerpiece of the administration's strategy has become increasingly clear. Rather than scrapping trade agreements wholesale or imposing steep emergency tariffs on China, Mexico, or other countries, the Trump approach entails an aggressive enforcement of an ever-widening set of existing US laws that permit unilateral steps to restrict imports.¹

1. "The Trump Administration believes that it is essential to both the United States and the world trading system that all US trade laws be strictly and effectively enforced" (Office of the US Trade Representative, "The President's 2017 Trade Policy Agenda," 2017, Washington, p. 4). "This administration will not be taken advantage of or cheated through illegal subsidies and market manipulation, and we are acting aggressively against those countries that mock our trade laws.

The administration has taken three types of actions derived from existing US trade laws that are unusual, if not unprecedented. First, it has invoked rarely-used rationales for the imposition of trade barriers by citing national security concerns. Second, the administration has declared its intention to initiate its own investigations and actions rather than wait for companies to request them. Third, it has signaled its willingness to undertake routine, technocratic trade policy responses to low-priced imports, while accompanying these steps with overheated political rhetoric that virtually invites retaliation by trade partners.

These steps may not disrupt trade relations on a scale that would be provoked if the Trump administration were to implement its campaign threats to rip up the North American Free Trade Agreement (NAFTA) or impose 45 percent tariffs on China. But this Policy Brief argues that the administration's stated protectionist measures are likely to damage the US economy and could spiral out of control, leading to retaliation. Furthermore, the administration's approach may punish trading partners who are innocent bystanders while foreclosing an opportunity to engage China and constructively address legitimate, long-term policy grievances on industrial overcapacity and incomplete transformation to a market economy.

Before the Trump administration took office, 3.8 percent of US imports were already subject to special trade restrictions applied under US trade laws. But the major new actions that have already been undertaken in sectors like steel, aluminum, lumber, and solar cells could nearly double the share of imports covered by this sort of protection. The damage could occur almost immediately if the new barriers take the form of tariffs imposed at prohibitively high levels.

A separate issue relates to China, which the Trump administration has labeled as a trade cheater and has complained prior US administrations ignored. The facts are quite different. As of 2016, 9.2 percent of US imports from China were already covered by these trade barriers, compared

To start, we have brought a new energy to enforcement, working to ensure that all countries play fair and by the agreed-upon rules. We have been executing these trade investigations very rapidly" (Wilbur Ross, "Free and Fair Trade for American Workers and Businesses," White House Blog, April 13, 2017).

to only 2.2 percent of US imports from the rest of the world. Yet Trump's new protection could also increasingly fall not on China but on countries like Canada, Mexico, Japan, Germany, and South Korea.

The administration's stated protectionist measures are likely to damage the US economy and could spiral out of control, leading to retaliation.

Trading partners may be compelled to retaliate in kind if Trump implements all of this protection. Before Trump entered office, less than 2 percent of US exports were covered by foreign use of these same trade laws abroad. This number may increase sharply if US exporters suffer the fallout from a demonstrably protectionist Trump administration. Trump's escalation thus has the potential to ultimately dismantle the rules-based trading system—not by blowing it up, but by undermining it from within.

1. BACKGROUND: US IMPORT TARIFFS AND US TRADE LAWS

The baseline level of US trade openness is best assessed by its applied import tariffs. For countries with which the United States does not have a free trade agreement (FTA), it applies a most-favored-nation (MFN) import tariff; the simple average of this is 3.5 percent. For the 20 countries with which the United States has FTAs—such as Canada and Mexico under NAFTA—virtually all US applied import tariffs are zero. Overall, the United States has low applied import tariffs relative to most other countries worldwide.

Historically, the United States has not adjusted its import tariffs frequently. With minimal exception, US applied import tariffs toward non-FTA countries have not changed since final implementation of the 1994 Uruguay Round agreement establishing the World Trade Organization (WTO).²

Rather than changing tariffs to implement year-to-year adjustments to the trade openness of its economy, the United States has instead relied on trade laws concerning antidumping, countervailing duties, global safeguards, or the import threat to national security. Companies, industry associations, or workers typically file a petition under these laws requesting the US government to investigate whether

imports are causing injury to the US industry that makes competing products. Petitions can vary, but historically most have been narrowly defined to address a limited set of product categories and trading partners.

Table 1a summarizes the petitions arising under these laws between 1980 and 2016. The top panel documents information on the petitions and outcomes over this period for all four laws. Prior to Trump's inauguration, the most recent investigation to arise under two of the laws—the global safeguards and national security law—took place only in 2001. Table 1b presents additional information for their use over the period of 2002–16, including the coverage of imports affected under the two most frequently triggered trade laws, antidumping and countervailing duties.³

Antidumping

Under antidumping law, a foreign firm is alleged to have sold its product in the US market at a price that is “less than fair value,” and these dumped imports are causing injury to the import-competing US industry.⁴ Two US government agencies are involved in the technocratic evaluation of claims: the Department of Commerce and the quasi-judicial US International Trade Commission (USITC).

To establish the “dumping” determination, Commerce investigates whether the US price for the imported product is below the fair value benchmark. The benchmark is typically established as either i) the price for which the foreign firm sells the same good in its home market, ii) the price for which the foreign firm sells the same good in a third market, or iii) a constructed measure of the foreign firm's costs. If

3. The data used to construct these measures are taken from Bown (2016c) with additional updates for 2016 policy actions collected by the author. The method utilized for creating the trade-weighted import coverage ratios is taken from Bown (2011), which provides a more complete explanation. Note that the trade weights are taken prior to imposition of any trade restrictions, so that they are not biased downward as a result of the long-acknowledged problem that once products are subject to highly restrictive trade policies they would receive low weights. For intuition, consider a prohibitive import restriction—e.g., many antidumping duties are applied at prohibitive levels—that receives zero weight in the averaging since the associated imports are zero. This approach requires an assumption on the (counterfactual) rate of import growth for products subject to the import restriction if it had not been in place; the relatively conservative assumption adopted here is that such imports would have grown at the average rate of import growth for nontargeted products. It is also worth noting that 2002 is taken as a useful benchmark year for new investigations, since that is the first full year that China was a WTO member and thus WTO rules would apply to US-China trade. The analysis considers the accumulation of import restrictions under these laws dating back to 1990, which is selected for data availability reasons.

4. Section 731 of the US Tariff Act of 1930 is the main US antidumping law.

2. The exceptions are a few hundred products for which tariffs were reduced in 1997 under the first Information Technology Agreement (ITA) or in 2016 under the ITA-2.

Table 1a United States' use of trade laws, 1980–2016

Number of	Antidumping (Section 731)	Countervailing duties (Section 701)	Global safeguards* (Section 201)	National security* (Section 232)
Investigations	1,379	631	31	14
Self-initiated	6	6	4	3
Trade restrictions imposed	649	279	11	2
As import tariff or quota	626	236	8	1
As suspension agreements, voluntary export restraints, mixed	23	43	3	1

* The last investigations under Sections 201 and 232 were initiated in 2001.

Source: Constructed by the author.

Table 1b United States' use of trade laws, 2002–16

	Average investigations per year, 2002–16			"Orders" in place, as of end of 2016		
	Total	China	Non-China	Total	China	Non-China
Antidumping	23.7	7.4	16.3	292	102	190
Countervailing duties	9.3	4.0**	5.3	82	37	45
	Average share of imports covered by new investigations per year, 2002–16* (percent)			Share of imports covered by accumulation of trade restrictions in place as of 2016* (percent)		
	Total	China	Non-China	Total	China	Non-China
Antidumping	0.2	0.6	0.2	3.7	9.2	2.1
Countervailing duties	0.2	0.7**	0.1	1.9	6.3	0.6

*Import coverage based on antidumping and countervailing duty actions over 1990–2016 (based on Harmonized Tariff Schedule import data availability).

**2006–16 only, as the United States only began investigating China in countervailing duty cases in 2006.

Source: Author's calculations.

Commerce finds evidence of dumping, the duty that results is equal to the “dumping margin” or the difference between the fair value benchmark and the US price.

The second element of antidumping law involves the “injury” determination. The USITC investigates whether those dumped imports have caused injury to the domestic import-competing industry, where injury is assessed by changes in industry profits, sales, production, capacity utilization, or employment.

Antidumping, with 1,379 investigations initiated over 1980–2016, has been the most frequently triggered US trade law (table 1a). The United States issued final antidumping “orders”—imposing some type of trade barrier—in slightly less than half of all investigations. Over the more recent period of 2002–16, the United States initiated an average of 24 new antidumping investigations each year, with more than 7 per year involving China.

As of the end of 2016, the United States had 292 antidumping orders—typically import duties—in effect, and 102

of those were imposed on imports from China. Antidumping duties are applied for five years; at that point there is a “sunset review” to investigate their possible removal. However, many US antidumping import restrictions are extended well beyond the five-year mark, and their coverage of imports can thus accumulate over time. An estimated 3.7 percent of total US imports in 2016 were subjected to the accumulation of US-imposed antidumping orders (table 1b).⁵

The split across the foreign source of US imports is important. The United States imposed antidumping duties on 9.2 percent of imports from China as of 2016. In comparison, antidumping covered only 2.1 percent of US imports from the rest of the world.

5. All references to trade flows in this Policy Brief are to goods trade only and do not include services.

Countervailing Duties

Under countervailing duty law (CVD),⁶ US businesses or workers can petition the US government to investigate whether imports subsidized by a foreign government have caused injury to a US industry. The injury determination in a CVD investigation is analogous to antidumping and is conducted by the USITC. Commerce investigates whether a foreign government provided subsidies.

CVD investigations were the second most frequently triggered US trade law over 1980–2016 (table 1a). There were less than half as many CVD as antidumping investigations, and around 44 percent of those resulted in new US trade barriers.

As of 2016, the United States had 82 countervailing duty orders in effect, and 37 of those were imposed on imports from China. This is notable because the United States did not consider requests to investigate China under its CVD law until 2006.⁷ Note that US petitioners also frequently request “simultaneous” antidumping and CVD investigations—i.e., over the same product from the same trading partner.⁸ Finally, like antidumping, there is supposed to be a sunset review of CVD orders at the five-year mark; in practice, many imposed CVDs remain in effect much longer than five years.

Overall, an estimated 1.9 percent of US imports were subjected to the accumulation of US-imposed CVDs in 2016; 6.3 percent of imports from China fell into this category, compared to only 0.6 percent of imports from the rest of the world.

Global Safeguards

The third most-frequently triggered US trade law over 1980–2016 is the global safeguard, under Section 201 of the Trade Act of 1974. Under this law, the USITC is charged with investigating whether an increase in imports is causing injury to the import-competing US industry.

There are three major distinctions between the global safeguard and the antidumping and CVD laws. First, there is no allegation of “unfair” trade needed to trigger the global safeguard—i.e., no dumped or subsidized imports—thus, there is no role for Commerce in the investigation. Second, the president makes the ultimate decision on trade barriers after an investigation yields evidence of injury. Put differ-

ently, and unlike antidumping or CVDs, the president retains the discretion not to impose import protection even if there is evidence that imports caused injury. Third, the imposition of trade barriers under the global safeguard is not trading-partner specific; it is supposed to be applied on an MFN basis across all export sources.⁹ Therefore, one safeguard investigation has the potential to cover as much imports as dozens of country-specific antidumping or CVD investigations.

The United States initiated notably fewer global safeguards than antidumping or CVD investigations over 1980–2016 (table 1a). Roughly one third of the 31 global safeguard investigations concluded with the president implementing trade barriers.

Prior to the Trump administration, the last US global safeguard investigation was initiated in 2001 over steel products. There were no global safeguards in effect at the end of 2016.

Import Threat to National Security—Section 232

The fourth US trade law under consideration is Section 232 of the Trade Expansion Act of 1962. Here, Commerce can be tasked with investigating whether imports “threaten to impair” US national security. Section 232 was the least utilized of these laws over 1980–2016, with only 14 investigations total, only two of which resulted in trade restrictions.¹⁰

The last Section 232 investigation was initiated in 2001 over iron ore and semifinished steel products. There were no trade restrictions in effect under Section 232 as of the end of 2016.

2. IMPORTS COVERED BY RESTRICTIONS IMPOSED UNDER US TRADE LAWS, 1995–2016

Simple reference to the number of investigations or imposed trade barriers arising under these laws can mask the magnitude of their trade coverage and thus their potential impact on international commerce. Furthermore, the increased frequency with which the United States imposes an anti-

6. Section 701 of the US Tariff Act of 1930.

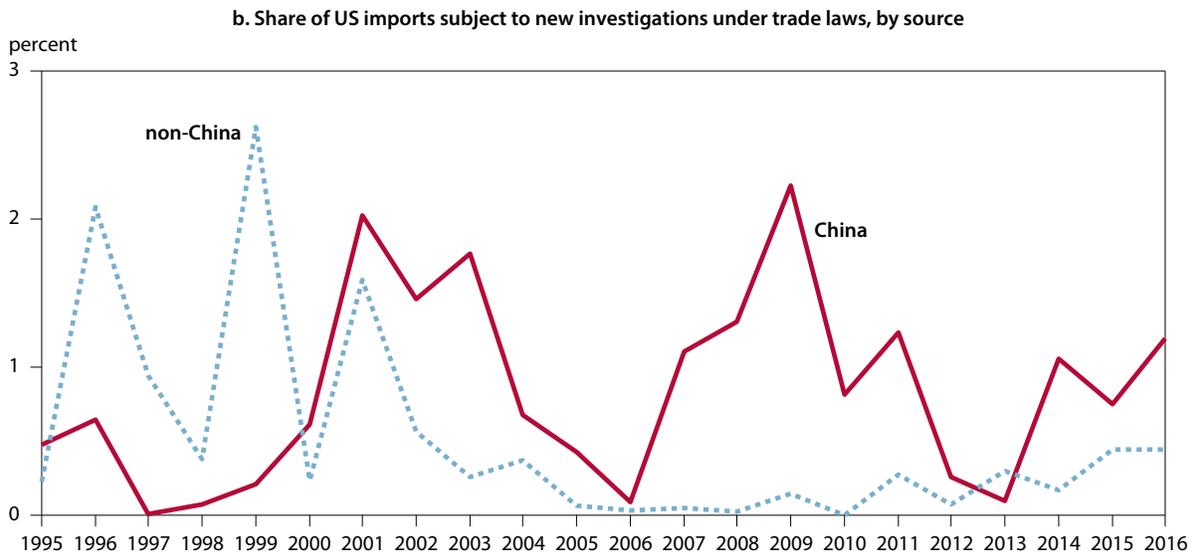
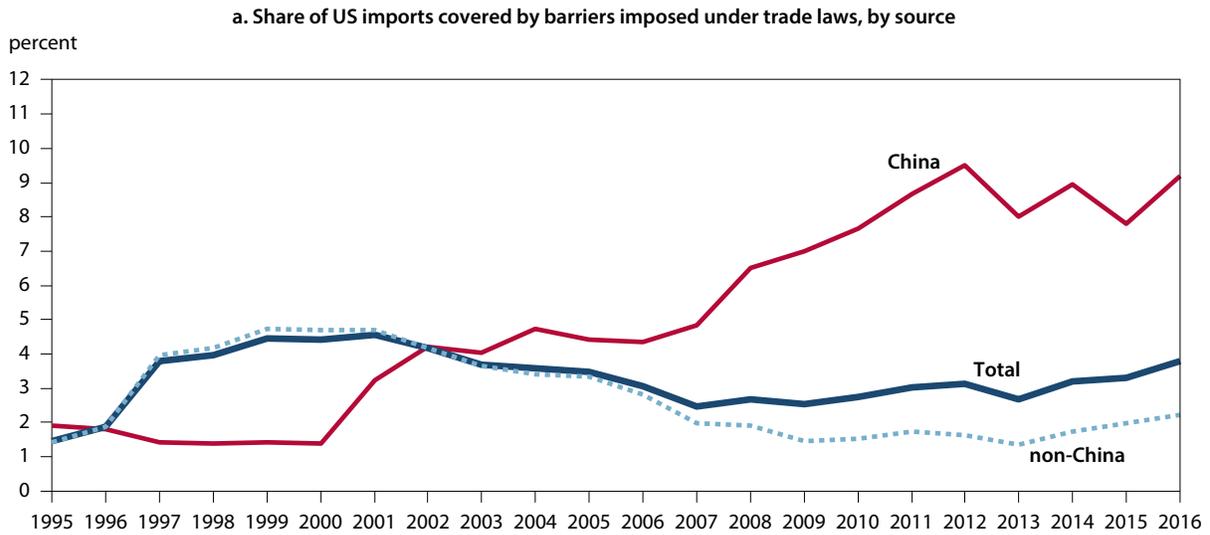
7. For a discussion, see Bown (2016a).

8. For that reason, the total share of imports covered by antidumping and countervailing duties combined is not simply the addition of the antidumping import share plus the CVD import share.

9. There are some exceptions to the MFN application of a safeguard. The first is with respect to imports from FTA partners, the second is with respect to imports from *de minimis* suppliers in developing countries. For a discussion, see Bown and McCulloch (2003).

10. The 1982 investigation into crude oil resulted in an embargo imposed against Libya. The 1986 metal cutting and forming machine tools case resulted in voluntary export restraints. Hufbauer (2016) provides a thorough introduction to Section 232, including the president’s discretionary authority to implement new trade restrictions under this law.

Figure 1 US imports and US trade laws, 1995–2016



Trade laws = antidumping, countervailing duties, and global safeguards
 Sources: Author's calculations.

dumping duty and a countervailing duty simultaneously—against the same imported product from the same trading partner—requires a technique to ensure there is not double counting. To address these concerns, figure 1 presents information on the aggregate import coverage arising from US trade restrictions under these laws over 1995–2016.¹¹

The Import Coverage of Accumulated Trade Barriers: Trump’s Starting Point, China, and Steel

The top panel (a) of figure 1 illustrates the share of US imports with trade restrictions in effect each year, with a breakdown of the share of US imports from China and from the rest of the world. These are trade-weighted import coverage ratios constructed from product-level trade data. The series also take into consideration the churn that occurs as barriers are applied and removed over time.¹²

11. There were no import restrictions in effect under Section 232 during 1995–2016; thus, the information that follows only includes antidumping, CVDs, and global safeguards.

12. These are based on 6-digit Harmonized System data

As of the end of 2016, an estimated 3.8 percent of US imports from the world were already subject to trade barriers under one or more of these laws. This is the Trump’s administration starting point on the cumulative amount of protection already in effect.

The foreign source targeted by these existing US import restrictions is instructive: Immediately prior to China’s entry into the WTO in 2001, less than 2 percent of US imports from China were subject to import restrictions. That quickly increased to 5 percent by 2004, hovering at that level through 2007. However, the Great Recession saw another sharp increase, and by 2012, 9.5 percent of US imports from China were subjected to trade restrictions. This evidence refutes claims that US administrations prior to Trump had not enforced trade laws with respect to imports from China.

The evidence refutes claims that US administrations prior to Trump had not enforced trade laws with respect to imports from China.

Furthermore, trade restrictions affecting US imports from the rest of the world have evolved differently. In 1999, nearly 5 percent of US imports from the rest of the world were subjected to US-imposed trade restrictions. This coverage has trended mostly downward since then—by 2013, only 1.4 percent of US imports from the rest of the world were affected. While that has increased to 2.2 percent in 2016, the 2016 level is still significantly lower than much of the period prior to the Great Recession.

Overall, there was a 15 percent increase in the share of US imports covered by these restrictions in 2016 compared to 2015. There was an 18 percent increase in coverage of US imports from China and a 12 percent increase in coverage of imports from the rest of the world.

It is useful to put the 2016 uptick in US trade barriers into longer-term perspective, as the concerns of increased protectionism that predate Trump evolved out of the discussion of the recent global trade slowdown (see IMF 2016).

First, most of the increase in imports covered by US-imposed trade barriers between 2007 and 2016 has arisen via trade barriers imposed against China.

Second, most of the increased barriers in 2015–16 involving US imports from the rest of the world were in steel products. The United States had already halted many of the potential steel imports from China through antidumping trade restrictions dating back to 2000. The enhanced US antidumping and CVDs on steel imports from the rest of the world in 2015–16 were largely enacted to address potential trade diversion. Surging, low-priced US imports from the rest of the world can also be traced back to excess Chinese steel capacity, continued high levels of Chinese production, and declining Chinese domestic demand, due to its own growth slowdown.

The Newly Initiated Investigations under these Trade Laws Each Year

The lower panel (b) of figure 1 illustrates the share of US imports subject to newly initiated investigations arising each year under these trade laws. Many of these new investigations result in new trade restrictions; these become additions to the “stock” of import coverage illustrated in the top panel (a) of figure 1.¹³ The lower panel compares two series: the share of imports from China each year subject to new investigations, and the share of imports from the rest of the world.¹⁴

In both 2001 and 2009, more than 2 percent of US imports from China were subject to new investigations. In 2001, the United States was in a recession, and the investigations largely involved steel products. In 2009, the United States was fending off the Great Recession; the investigations involved a wide range of steel and nonsteel products. Both periods also came on the heels of an appreciating US dollar. Overall, these conditions are consistent with empirical research documenting the countercyclical nature of this type of import protection—both in the United States and other major economies. New investigations tend to increase following a deterioration in the domestic macroeconomic environment—e.g., the unemployment rate increases or real GDP growth slows—and a sharp appreciation of the real exchange rate.¹⁵

The US treatment of imports from the rest of the world under these laws has been significantly different from the treatment of imports from China over recent history. The

and follow the methodology developed in Bown (2011) and described in more detail in footnote 3. These series take care not to “double count” policies—put differently, imports from a partner may be subject to a simultaneously applied antidumping and countervailing duty—so these only enter once into the measure.

13. The top panel also accounts for the periodic removal of these trade barriers over time.

14. That is, unlike the top panel of figure 1, the lower panel does not report the share of US imports from all countries combined (China + non-China) subject to new investigations.

15. Bown and Crowley (2013a, b) show this evidence for the United States and other high-income countries. Bown and Crowley (2014) document that this relationship tends to hold for major emerging economies as well.

Box 1 US antidumping and countervailing duties update: China’s nonmarket economy status

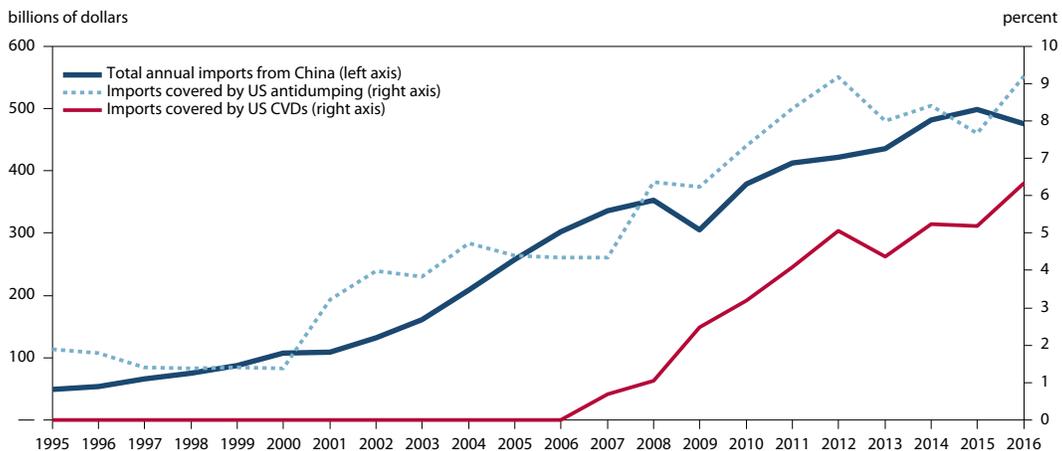
Figure B1.1 illustrates the share of US imports from China subject to imposed antidumping and countervailing duties in effect each year, as well as total US imports from China. This figure updates information most recently described in a study of the US-China “nonmarket economy” (NME) dispute (Bown 2016a) with newly available data through 2016.

As of 2016, 9.2 percent of US imports from China were subject to antidumping duties, up from 7.8 percent in 2015. Furthermore, 6.3 percent of US imports from China were also subject to imposed CVDs, up from 5.2 percent in 2015.

Figure B1.1 confirms the earlier analysis: The imports from China currently covered by US-imposed antidumping duties are increasingly also covered by US-imposed CVDs. This is important for consideration of the policy alternatives that might arise from concluding the US-China dispute over China’s NME status, which provides special tools for the United States to treat imports from China differently than imports from other countries.

China has triggered WTO dispute settlement proceedings with the United States over the issue.¹ Suppose the United States were to grant China market economy status and that this curtailed US use of antidumping. If the United States’ ability to use its CVD law remained unaffected, few imports would likely be freed up if the antidumping duties were removed, given that an increasingly large share of the same products are also simultaneously covered by US-imposed CVDs.

Figure B1.1 US Imports from China and the share covered by US antidumping and countervailing duties, 1995–2016



CVD = countervailing duty
 Source: Author’s calculations.

1. In December 2016, China filed a request for consultations with the United States under WTO dispute settlement provisions (Bown 2016b). On March 28, 2017, the Department of Commerce initiated an inquiry into whether China continued to fit the criterion for a nonmarket economy under US law (US Department of Commerce, “Certain Aluminum Foil From the People’s Republic of China: Notice of Initiation of Inquiry Into the Status of the People’s Republic of China as a Nonmarket Economy Country Under the Antidumping and Countervailing Duty Laws,” March 28, 2017).

last significant spike in new cases arose in 2001, when 1.6 percent of imports became subject to new investigations, and was prompted largely by two factors: the George W. Bush administration’s global safeguard investigation on steel products and antidumping and CVD investigations of softwood lumber from Canada. Perhaps most notably, however, is the *absence* of a spike in investigated imports from the rest of the world in 2009 timed alongside the Great Recession.

The coverage of US imports from the rest of the world subject to new investigations increased in 2015 and 2016 to levels not seen since 2002, mainly due to an onslaught of new cases involving steel. Nevertheless, even in those years,

less than 0.5 percent of US imports from the rest of the world were subject to the types of new investigations under US trade laws that might result in additional trade restrictions.

The policy environment in 2017 is very different, as described below.

3. WHAT HAPPENS IF TRUMP IMPOSES TRADE RESTRICTIONS ON STEEL, ALUMINUM, SOFTWOOD LUMBER, AND SOLAR CELLS?

In the one week lead-up to Trump’s 100th day in office, the administration announced significant activity under

Table 2 Actions taken under US trade laws through the Trump administration's first "100 days"

Action
Steel products, initiation of threat to national security (Section 232) investigation*
Aluminum products, initiation of threat to national security (Section 232) investigation**
Solar cells, filing of global safeguards (Section 201) petition***
Softwood lumber from Canada, preliminary antidumping and countervailing duty determination
Other new and ongoing antidumping (AD) and countervailing duty (CVD) investigations, without orders yet in place as of 2016
Dioctyl Terephthalate from South Korea, preliminary AD determination
Finished Carbon Steel Flanges from India, Italy, and Spain, preliminary AD determination
Emulsion Styrene-Butadiene Rubber from Brazil, South Korea, Mexico, and Poland, preliminary AD determination
Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey, preliminary AD determination; and from Turkey, preliminary AD and CVD determination
Hardwood Plywood from China, AD and CVD initiation
Silicon Metal from Australia and Brazil, AD and CVD initiation; from Norway, AD initiation; and from Kazakhstan, CVD initiation
Certain Aluminum Foil from China, AD and CVD initiation
Biodiesel from Argentina and Indonesia, AD and CVD initiation
Carbon and Alloy Steel Wire Rod from Belarus, South Korea, Russia, South Africa, Spain, Ukraine, United Arab Emirates, and United Kingdom, AD initiation; and from Italy and Turkey, AD and CVD initiation
Carton-Closing Staples from China, AD initiation
Certain Tool Chests and Cabinets from China, AD and CVD initiation; and from Vietnam, AD initiation

HTS = Harmonized Tariff Schedule

* HTS Chapter 72 and 73, all foreign sources.

** HTS Chapter 76, all foreign sources.

*** HTS codes taken from 2011 antidumping investigation of products with the same name, all foreign sources.

Note: The exact product-level import codes were taken from Federal Register for all cases except for steel, aluminum, and solar cells.

Source: Constructed by the author.

these trade laws.¹⁶ It self-initiated two separate investigations under Section 232, alleging that imports of steel and of aluminum were a threat to US national security.¹⁷ It also took a routine preliminary CVD decision (to impose duties) in an investigation into softwood lumber from Canada and escalated it politically: Secretary of Commerce Wilbur Ross and President Trump both weighed in on the matter.¹⁸

16. Another notable case that was received on April 27, 2017 but not included in these figures is the potential antidumping and countervailing duty investigation of civil aircraft from Canada (Bombardier). According to the Department of Commerce, "although Canadian civil aircraft subject to these investigations have not yet been imported, an April 2016 press release announcing the sale of Canadian civil aircraft to a US airline valued the order to be in excess of \$5 billion" (US Department of Commerce, "Fact Sheet: Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of 100- to 150-Seat Large Civil Aircraft from Canada. Department of Commerce," May 18, 2017). This would have been roughly 2 percent of US imports from Canada in 2016. The petition is alleging dumping margins of 80 percent and subsidy rates of 79 percent.

17. See Chad P. Bown, "Trump's threat of steel tariffs heralds big changes in trade policy," *Washington Post* (Monkey Cage), April 21, 2017.

18. See Chad P. Bown, "Did Trump just take an ax to the US

Finally, Suniva, a US manufacturer that produces solar cells and modules, filed the first global safeguard (Section 201) petition in the United States since 2001.¹⁹ Table 2 summarizes these and other Trump actions under US trade laws through the administration's first 100 days.²⁰

trade policy relationship with Canada?" *Washington Post* (Monkey Cage), April 27, 2017.

19. US International Trade Commission, "Fact Sheet: Crystalline Silicon Photovoltaic Cells and Modules Global Safeguard Investigation," 2017, https://www.usitc.gov/press_room/news_release/201_factsheet_finalasposted.pdf (accessed on June 1, 2017).

20. Steel, aluminum, softwood lumber, and solar cells make up more than 93 percent of the import coverage of the actions on this list; steel and aluminum alone are more than 75 percent. Note that of the 11 other actions, not all of them are necessarily "attributable" to the Trump administration. Recall that in the lower panel of figure 1, roughly 1 percent of imports from China and 0.5 percent of US imports from the rest of the world were subject to the initiation of investigations under these laws in 2016; some of these would be likely to result in newly imposed trade barriers in 2017 regardless of who was elected president. However, the Trump administration has politically and publicly sought to "take credit" for some of them—e.g., softwood lumber from Canada. Thus all are included here.

If the Trump administration were to follow through on each of these trade policy actions and impose new import restrictions, the share of US imports suddenly subject to these sorts of special trade restrictions would almost double relative to 2016 levels—i.e., increasing from 3.8 to 7.4 percent of US total imports (figure 2).²¹

Most notable is that the new trade barriers would be imposed disproportionately—not on China but on other US trading partners. Coverage of imports from China would increase from 9.2 to 10.9 percent, whereas coverage of US imports from the rest of the world would nearly triple from 2.2 to 6.4 percent.

Four large investigations explain this counterintuitive result (table 3).

First, steel is the largest of these “100 day” actions; upwards of 2 percent of US imports could find themselves suddenly subject to new trade barriers at the conclusion of the national security (Section 232) investigation. However, a disproportionately large share of US steel imports from China were already covered by relatively high US antidumping and countervailing duties as of 2016. Thus, new trade restrictions could tend to fall disproportionately on other foreign sources of imported steel not previously covered by these special import restrictions, such as Canada, Mexico, Germany, South Korea, and Japan.

Second, aluminum makes up 0.8 percent of US imports, and the largest single foreign source in 2016 was Canada. Overall, aluminum accounts for 2.6 percent of US total imports from Canada. Like steel, much of the aluminum that the United States might import from China is already covered by US-imposed antidumping and countervailing duties. Thus, new import restrictions resulting from a national security action are likely to impact other countries exporting to the United States much more than China directly.

Third, the global safeguard (Section 201) investigation into solar cells also involves products that the United States mostly imports from countries other than China. The United States already imposed antidumping and countervailing duties on these imported products from China in 2012—restrictions that remain in place. Any new restrictions will fall to other countries; Mexico, for example, is a large exporter of this product to the United States: 0.7 percent of total US imports from Mexico in 2016 were in solar cells. The same holds for South Korea (2.1 percent) and Japan (0.6 percent) regarding the share of their total solar cell exports to the United States.

21. These estimates also account for the removal of a handful of antidumping and countervailing duty orders from the 2016 levels after sunset reviews.

The final example is the preliminary CVD decision on softwood lumber, which also applies only to Canada. While not a large share of total US imports, softwood lumber was about 2.5 percent of Canada’s total exports to the United States in 2016.

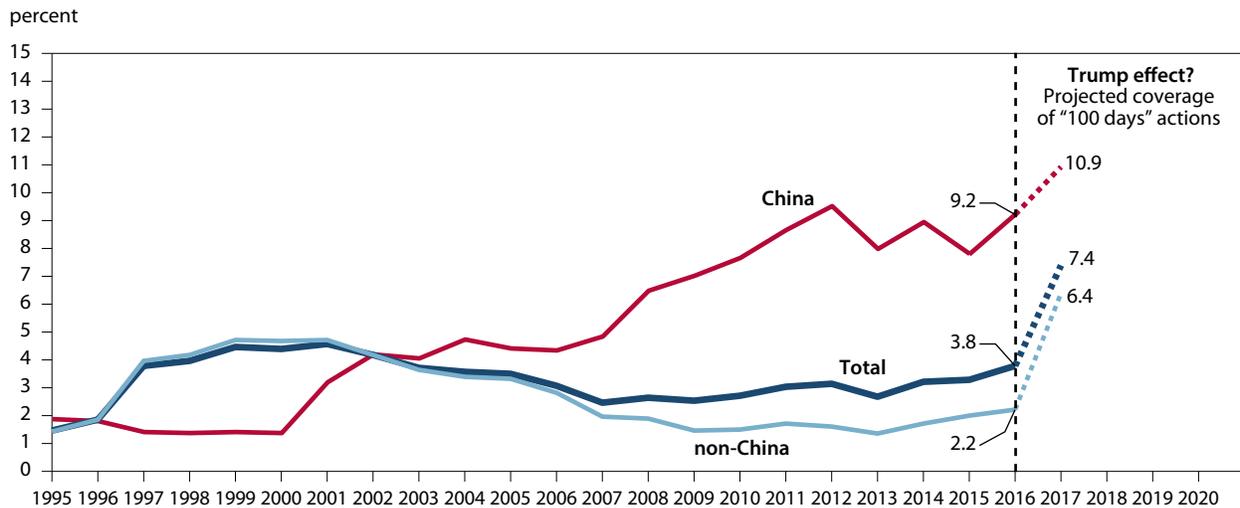
Overall, these new restrictions tend to fall on partners like Canada and Mexico—potentially complicating the upcoming NAFTA renegotiation. But the potential for significant effects is not limited to NAFTA partners. For each of the United States’ top 10 trading partners in 2016, the share of US imports subject to US trade restrictions under these four laws has the potential to change dramatically between 2016 levels and new levels based only on actions taken during Trump’s first 100 days in office (figure 3).

While the share of China’s nearly \$500 billion in annual exports subject to US trade restrictions increases from 9.2 percent to 10.9 percent, the increase is much more dramatic for many other countries. Canada had only 1 percent of its exports to the United States subject to these barriers in 2016; Trump’s actions could almost immediately increase this to 8.8 percent. Mexico’s share increases from 1.6 percent to 4.5 percent. South Korea becomes the most targeted exporter—when measured by the share of total bilateral imports affected—surpassing China, moving from 7.9 percent to 12.2 percent.

It is worth recalling that changes in the macroeconomic climate create additional incentives for imposing new import protection under these laws. An appreciating dollar makes foreign-produced goods relatively cheaper, putting additional pressure on domestic firms that compete with imports. If the Trump administration’s fiscal policy priorities result in an even further appreciation of the dollar, this could create additional demands for new import protection beyond what the administration has already triggered in the first 100 days since Trump took office.²²

22. The Trump administration entered office at essentially full employment. Tax cuts and infrastructure spending could widen the budget deficit and result in inflationary pressure, with the Federal Reserve further tightening the money supply. This could attract foreign capital into the United States, putting further upward pressure on the value of the dollar (see the event, “Global Economic Prospects: Spring 2017,” April 12, 2017, Peterson Institute for International Economics). A sharp appreciation of the US dollar could also result from imposition of a border tax adjustment of the sort proposed by House Speaker Paul Ryan and House Ways and Means Committee Chairman Kevin Brady in their “A Better Way” corporate tax reform proposal. For an analysis, see Freund (2017).

Figure 2 Share of US imports covered by barriers imposed under trade laws, including projection for Trump's first "100 days"



Trade laws = antidumping, countervailing duties, global safeguards, and national security

Note: 2017 projections based on policies described in table 2.

Source: Author's calculations.

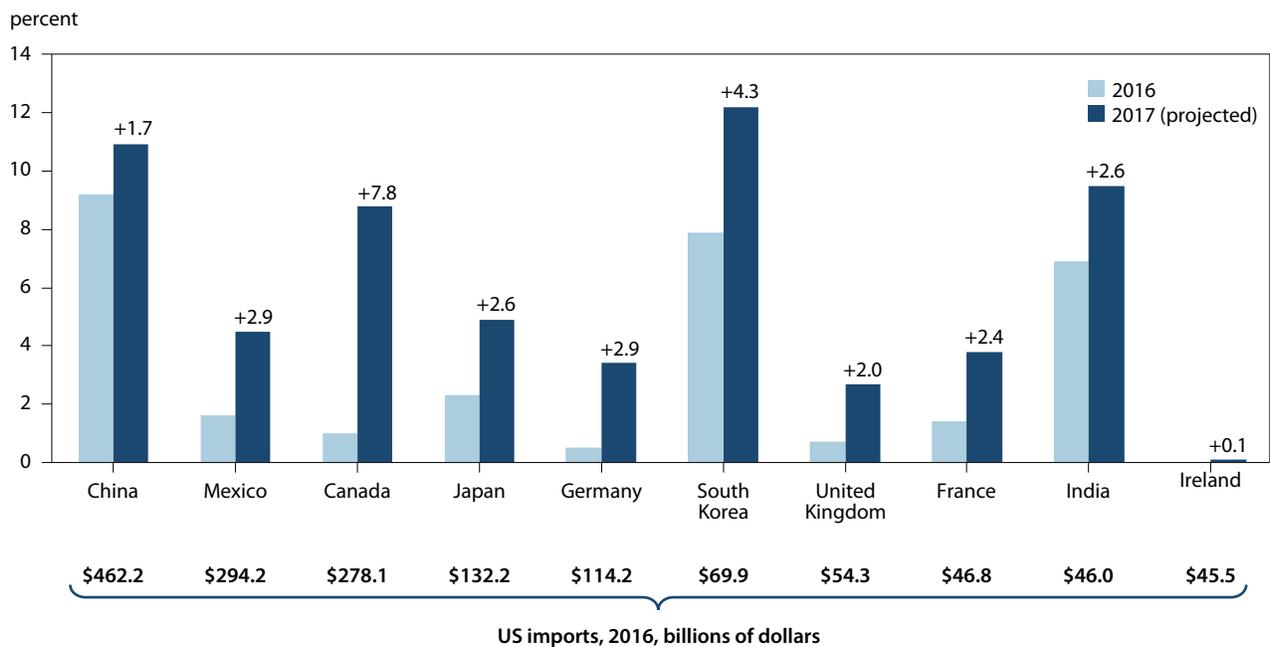
Table 3 Top trading partners and the effect of restrictions imposed under US trade laws, 2016 and 2017 projection

Country	Estimate of covered imports (billions of dollars)		Share of covered imports (percent)		2017 share of covered imports, by "100 day" action (percent)				
	2016	2017	2016	2017	Steel	Aluminum	Solar cell	Softwood lumber	Other
Total	82.5	161.9	3.8	7.4	2.1	0.8	0.5	0.3	0.6
China	44.3	52.3	9.2	10.9	1.3	<0.1	0.0	0.0	0.6
Mexico	4.7	12.8	1.6	4.5	1.8	0.3	0.7	0.0	<0.1
Canada	2.6	23.4	1.0	8.8	2.9	2.6	0.1	2.5	0.0
Japan	3.1	6.6	2.3	4.9	1.7	0.2	0.6	0.0	0.1
Germany	0.6	3.7	0.5	3.4	2.0	0.5	0.3	0.0	0.0
South Korea	5.8	8.9	7.9	12.2	1.7	0.3	2.1	0.0	0.3
United Kingdom	0.3	1.4	0.7	2.7	1.5	0.3	0.3	0.0	0.1
France	0.6	1.7	1.4	3.8	1.5	0.6	0.3	0.0	0.0
India	3.3	4.6	6.9	9.5	2.1	0.4	<0.1	0.0	0.0
Ireland	0.0	<0.1	0.0	0.1	0.0	<0.1	<0.1	0.0	0.0
Other	17.2	46.4	4.2	7.2	2.4	1.0	0.8	0.0	0.4

Trade laws = antidumping, countervailing duties, global safeguards, and national security

Notes: These countries are the top 10 sources of US imports in 2016. The "100 day" policy actions are as described in table 2. The entries for the 2017 share of covered imports also account for the removal of a handful of antidumping and countervailing duty orders in 2016 (not shown in this table) and thus are not simply equivalent to the sum of the "2016 share" plus each of the additional "100 day" actions.

Source: Author's calculations.

Figure 3 Projected increased import coverage of Trump’s “100 days” trade policy actions, by partner

Notes: 2017 projections are based on the policies listed in table 2. Selected partners are the top 10 sources of US imports in 2016. Percentage point change between 2016 and 2017 in share of US bilateral imports covered by projected trade barriers shown above 2017 bar in blue.

Source: Author’s calculations.

4. TRUMP VERSUS HISTORY: INITIATIONS AND OUTCOMES OF INVESTIGATIONS UNDER US TRADE LAWS

The Trump administration’s approach to enforcing US trade laws may differ from prior administrations along two other important dimensions: how they are initiated and how they conclude.

First, the administration has stated it intends for the government to *self-initiate* investigations under these laws.²³ Indeed, the administration already self-initiated the Section 232 investigations into whether imports of steel and aluminum pose a threat to national security. Self-initiated investigations have been very rare (table 1a): Under these four statutes, there were only 19 self-initiated investigations over 1980–2016—less than 1 percent of all investigations—and most of them took place in the early 1980s. Prior to Trump’s two actions, the most recent self-initiated investigation was the 2001 Bush administration global safeguard investigation into steel.

23. “We have also begun the process of self-initiating trade cases, which speeds up the process of taking corrective action while allowing the Department of Commerce to shield American businesses from retaliation” (Wilbur Ross, “Free and Fair Trade for American Workers and Businesses,” White House Blog, April 13, 2017).

Second, the administration—given the president’s professional background in deal making—may also pursue different outcomes to these investigations than prior administrations have.

The United States has traditionally implemented new trade barriers under these laws by imposing import restrictions. When antidumping and countervailing duty investigations result in trade barriers being imposed, more than 95 percent of those barriers were in the form of import restrictions (table 1a). And most of those resulted in applying duties, as opposed to quantitative limits or quotas.

The form of the trade barrier matters for many reasons, foremost of which is who is awarded the “rents”—the equivalent of the tax revenue associated with the barrier when it is imposed as an import tariff. If the restriction is applied as a tariff, the US government collects the revenue. If it is imposed via a negotiated voluntary export restraint (VER) with a trading partner, the equivalent amount of “tariff revenue” ends up in the foreign country, not the United States.²⁴

24. How the equivalent amount is captured in the foreign country depends on how that country implements the policy to restrain the exports. If the government imposes an export tax to restrain trade, the foreign government would collect the equivalent amount of tax revenue.

In the 1980s, it was common for investigations under these US trade laws to result in VERs. The WTO's Agreement on Safeguards explicitly discouraged VERs beginning in 1995,²⁵ but they continue to arise periodically. In the United States, these are frequently referred to as "suspension agreements"—i.e., whereby the trading partner agrees to limit (suspend) exports to the US market.²⁶

The Trump administration's focus on bilateral trade imbalances as its measure for "success" in trade relations may result in a resurgence of VERs. However, sector-specific deals are unlikely to impact bilateral trade deficits, and even more importantly, trade policy is fundamentally not a useful tool to address trade imbalances.²⁷

5. TRADING PARTNER RETALIATION TO TRUMP IMPOSING NEW RESTRICTIONS

If the Trump administration decides to increase trade barriers under US trade laws, trading partners may respond in kind.²⁸ This section establishes the baseline level of how foreign restrictions under these laws affect US exporters. Potential changes arising from trading partner responses to Trump administration actions can then be tracked using this baseline.

Most of the major economies utilize at least some of the same trade laws as the United States; the most commonly applied are antidumping, safeguards, and CVDs (in that order). Some countries use them as frequently as (or more than) the United States.

What is the starting point for US exporters at the onset of the Trump administration? As of 2016, only 1.9 percent

of US exports to the Group of 20 (G-20) economies were subject to these types of trade barriers.²⁹

Figure 4 illustrates the annual share of US exports over 1995–2016 that were subject to antidumping, countervailing duty, or safeguard trade restrictions imposed by G-20 economies.³⁰ It also presents the split of US exports sent to high-income G-20 economies versus emerging G-20 economies subjected to these barriers.

Through 2007, only 0.5 percent of US exports to G-20 economies were subject to these types of trade restrictions. Alongside the Great Recession, this increased sharply to 1.6 percent by 2009 and 2.2 percent by 2013. Three main factors explain the increased use of these trade restrictions against US exporters during this period.

First, many emerging economies had lowered their applied import tariffs significantly during their own episodes of trade liberalization. Some then substituted—not surprisingly—some new protection under these laws for the old forms of protection (high tariffs) that were dismantled, affecting some US exports. A portion of this increase can be thought of as a "normal" response, offsetting only a fraction of these countries' wider movements of tariff liberalization.

Second, the European Union imposed antidumping and countervailing duties on imports of US biodiesel in 2009. That particular action affected a significant amount of US exports; it was also partly in response to increases in US biofuel subsidies.

Third, especially over 2009–12, China implemented retaliatory antidumping and countervailing duties over imports from the United States in response to concern over a variety of US trade policy actions during the period, including the increased US barriers captured in figure 1.³¹

The European Union and China top the list of G-20 trading partners with the most economically significant trade barriers against US exporters as of 2016 (table 4). An estimated 4.2 percent of US exports to China and 3.0 percent of US exports to the European Union are covered by these trade restrictions. Mexico is third, though only 1.4 percent of US exports to Mexico were covered by Mexico's trade barriers.

25. For a discussion, see Bown (2002).

26. Recent examples include Mexico's agreement to limit exports to the United States of sugar in 2014 and tomatoes in 2013. Other examples as of 2016 include oil country tubular goods from Ukraine, carbon steel plate from Russia and Ukraine, and lemon juice from Argentina. US Department of Commerce, Suspension Agreements, <http://enforcement.trade.gov/agreements/index.html> (accessed on May 15, 2017).

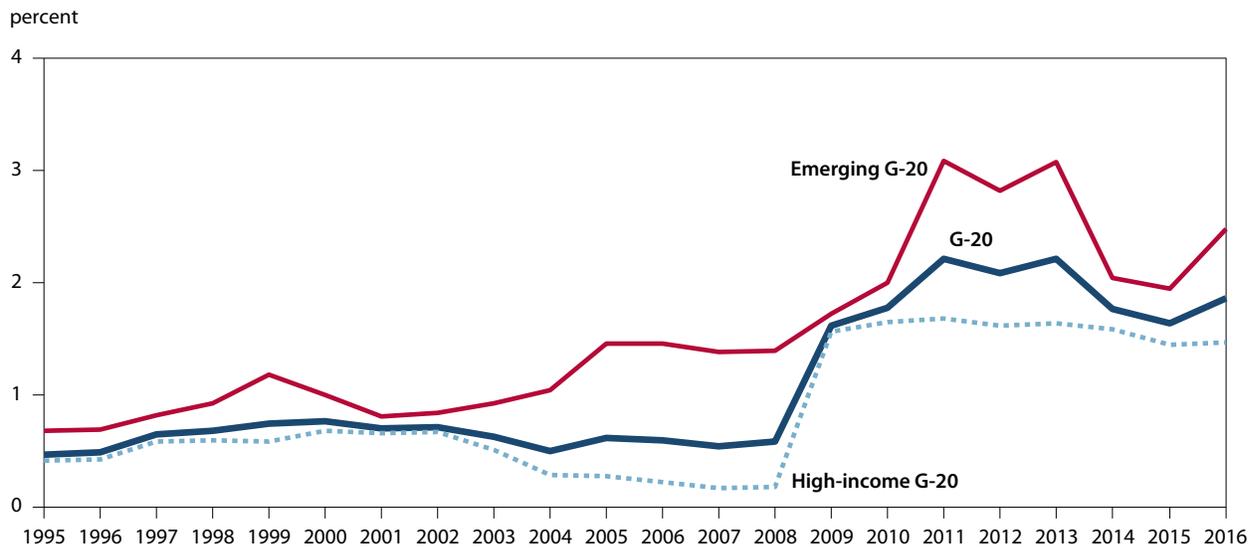
27. For a discussion, see Joseph E. Gagnon, "We Know What Causes Trade Deficits," *Trade and Investment Policy Watch*, April 7, 2017, Peterson Institute for International Economics.

28. It is important to note that many countries have much more flexibility than the United States to legally (under WTO rules) use other instruments of trade policy beyond these trade laws to increase levels of import protection. Many countries have applied MFN tariffs that are below their WTO tariff commitment legal bindings, in which case they can also simply raise applied tariffs to increase levels of import protection. The United States cannot do so (and not violate its WTO obligations), since its applied MFN tariffs and tariff binding commitments are identical for most products.

29. The G-20 economies are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union. Of these, the European Union conducts the trade policy on behalf of France, Germany, Italy, and the United Kingdom.

30. Data are not available for trading partner use of their equivalent of Section 232—i.e., imports that would threaten their national security.

31. In particular, China initiated antidumping against US imports of chicken feet, dried distiller grains, high-end specialty steel products, cars, and optical fibers (Bown 2016a).

Figure 4 Share of US exports to G-20 economies covered by foreign-imposed barriers, 1995–2016

Notes: Trade barriers under G-20 economies' antidumping, countervailing duties, and global safeguards laws. Data for high-income G-20 economies include: Australia, Canada, European Union, Japan, and South Korea; emerging G-20 economies include: Argentina, Brazil, China, India, Indonesia, Mexico, Russia, South Africa, and Turkey.

Source: Author's calculations.

Table 4 US exports to individual G-20 economies covered by barriers under their trade laws, 2016

Countries	Estimate of covered US exports (billions of dollars)	Share of covered US exports (percent)
European Union	8.7	3.0
China	5.8	4.2
Mexico	2.5	1.4
Turkey	0.7	6.8
Brazil	0.6	2.6
Canada	0.3	0.1
India	0.2	0.9
Australia	0.2	0.8
South Korea	<0.1	0.1
Russia	<0.1	0.2
Argentina	<0.1	0.2
South Africa	<0.1	0.3
Indonesia	<0.1	0.1
Japan	0.0	0.0

Notes: G-20 economy use of antidumping, countervailing duties, and global safeguards. Data for Saudi Arabia not available.

Source: Author's calculations.

Again, it is also notable that 0.1 percent of US exports to Canada were subject to Canadian-imposed trade barriers prior to the Trump administration taking office.

Nevertheless, one concern is that Trump's actions may

precipitate a more widespread response from trading partners. For example, Mexico has recently threatened to escalate its use of these trade restriction laws in response to the Trump administration's heightened rhetoric about US application of antidumping and countervailing duties on Mexican sugar. Mexico, for example, suggested it could impose antidumping on imports from the United States of high fructose corn syrup (HFCS).³²

Furthermore, a trading partner's retaliation against the United States need not arise solely through that country's own use of these sorts of trade laws. For example, in response to Trump's April 2017 political escalation of US countervailing duties on softwood lumber, Canadian Prime Minister Justin Trudeau began preparing a policy response ranging from banning Canadian port access to US coal producers to potentially launching trade actions targeting products from Oregon.³³ Furthermore, in response to the more recent announcement (not included in the data presented here) that the United States may impose antidumping and countervailing duties on \$5 billion of import sales of aircraft from Bombardier, the Trudeau administration reportedly threatened to halt plans to purchase Super Hornet military

32. "Mexico sugar lobby may seek sanctions, anti-dumping probe on US fructose," *Reuters*, May 4, 2017.

33. Alexander Panetta, "Canada weighing multiple trade actions against US over softwood lumber," *Canadian Press*, May 5, 2017.

jets from Boeing, the petitioning firm in the US case.³⁴ Furthermore, Canada has also effectively used the threat of retaliation under sanctioned WTO dispute settlement to incentivize the United States to reform policies that were inconsistent with international rules.³⁵

6. POLICY CONCERNS ARISING FROM TRUMP'S AGGRESSIVE APPROACH TO US TRADE LAWS

There are several reasons to be concerned with the Trump administration's antagonistic approach to erecting barriers under US trade laws. Here are six to start:

1. Higher domestic prices and costs are an unintended consequence of trade barriers. First, there are well-known and oft-repeated important economic consequences—some intended, some unintended—of actions taken under these laws.³⁶ For example, trade barriers are not even needed for economic consequences to arise—investigations themselves can have a chilling effect on trade flows (Staiger and Wolak 1994). Furthermore, imposing trade barriers will increase US prices for imported products, and the prices of goods sold by US firms are also likely to rise, due to the resulting decrease in competition. For downstream American companies that need these inputs for production, higher prices imply higher input costs, which make them less competitive in the US and global markets. These price increases will also hurt US consumers. Finally, if imposed barriers are trading-partner specific—e.g., antidumping duties on Chinese steel imports alone—then trade may be diverted: Imports from China may fall, but more costly imports from alternative foreign sources would increase to take their place (Bown 2013).

2. Legitimate policy problems can be more effectively solved through multilateral forums than trade barriers. Simply ramping up use of trade laws may squander opportunities for the United States to address the source of a legitimate policy problem, such as China's overcapacity in steel and aluminum production. For example, because of trade diversion, trade restrictions may be ineffective at even limiting imports. On the other hand, if a tariff is applied comprehensively, it harms trading partners that are not the source of the underlying problem. As an alternative—and likely more effective—policy approach, the United States could convince the trading partners that are also hurt by

China's overcapacity to negotiate jointly vis-à-vis China, rather than turning them into adversaries. The way to do this is through a multilateral forum, such as the Global Forum on Steel Excess Capacity, as facilitated by the Organization for Economic Cooperation and Development. A potentially complementary approach is to file disputes at the WTO, if China's excess capacity can be tied to a WTO violation, as the Obama administration initiated on aluminum.³⁷

3. Using national security to justify trade barriers undermines the rules-based trading system. The Trump administration's use of trade law out of the concern that imports of steel and aluminum are a threat to US national security is also problematic. Under WTO law, there are no clear rules guiding when import restrictions for national security reasons are justifiable. And of course, if the United States goes down this path for steel and aluminum, there is little to prevent other countries from arguing that they too are justified to use similar exceptions to halt US exports of completely different products to their markets. And because this leads to a downward spiral and erodes meaningful obligations under international trade rules, justifying import restrictions based on national security is really the “nuclear option.”

4. Self-initiated investigations by the government are unnecessary and potentially harmful. Firms, industry associations, and labor unions initiated 99 percent of trade investigations over 1980–2016. Self-initiated cases do not lower the legal costs to small and medium-sized enterprises of such cases much, as most legal costs arise *after* the case has been initiated (GAO 2013). As anecdotal evidence, most of the 19 self-initiated cases between 1980 and 2016 involved the same politically connected industries that had no problem initiating cases themselves on numerous other occasions. The informational requirements for the government to accurately forecast that the appropriate legal-economic conditions have been met for a successful investigation are daunting; as such, dubiously applied trade barriers with severe unintended consequences are likely to result.

5. Self-initiating investigations are yet another signal that the Trump administration is open for business in granting import protection. Because global safeguard cases (Section 201) involve presidential discretion on whether to impose trade barriers at the end of the investigation, US industries with potential cases historically have been hesitant to trigger the law. The administration's self-initiation of the steel and aluminum investigations under the national security law thus made it more likely cases will be filed under Section 201 as well. The solar cell investigation initiated by Suniva could

34. Ian Bailey, “Trudeau says Canada will be ‘resolute and firm’ on trade interests,” *Globe and Mail*, May 19, 2017.

35. For a discussion, see Bown and Brewster (2017).

36. Blonigen and Prusa (2016) is a recent survey of the economics research literature on antidumping.

37. Shawn Donnan, “Obama takes parting shot at China with WTO aluminium case,” *Financial Times*, January 12, 2017.

be a harbinger of many more such cases to come. Indeed, a second global safeguard petition was filed shortly thereafter on imports of washing machines.³⁸

6. Injecting politics into trade investigations undermines future legal battles and increases the likelihood and cost of foreign retaliation. The president and cabinet officials have traditionally stayed out of the fray of enforcing US trade laws, allowing them to be handled technocratically by bureaucrats at Commerce and USITC. Political escalation by President Trump and Commerce Secretary Wilbur Ross highlighting the preliminary CVD decision on softwood lumber from Canada threw that tradition out the door. This raises at least two concerns. Political involvement will ultimately undermine a future US Trade Representative legal

defense at the WTO that the United States imposed trade barriers for sound legal arguments, not for political reasons. Furthermore, it compels the political leaders of US trading partners to respond publicly to appease their domestic constituencies, such as Prime Minister Trudeau did in this instance. Such retaliation will likely be costly for innocent bystanders elsewhere in the US economy.

To conclude, the Trump administration has quickly adopted an aggressive and antagonistic approach to using US trade laws as a protectionist tool. The effect on trade relations may not be as immediately disruptive as if Trump had followed through on campaign threats to pull the United States out of NAFTA or impose 45 percent tariffs on China. However, the escalating trade barriers and the means through which the Trump administration is motivating their use have the potential to severely weaken the rules-based trading system. Rather than blowing it up by simply withdrawing, the end result of the Trump administration's tactics may be that the WTO implodes from within.

38. William Mauldin and Andrew Tangel, "Whirlpool to Ask U.S. for Broad Barriers on Washer Imports," *Wall Street Journal*, May 31, 2017.

REFERENCES

- Blonigen, Bruce A., and Thomas J. Prusa. 2016. Dumping and Antidumping Duties. In *The Handbook of Commercial Policy*, volume 1B, ed. Kyle Bagwell and Robert W. Staiger. Amsterdam: Elsevier/North Holland.
- Bown, Chad P. 2002. Why Are Safeguards under the WTO So Unpopular? *World Trade Review* 1, no. 1: 47–62.
- Bown, Chad P. 2011. Taking Stock of Antidumping, Safeguards and Countervailing Duties, 1990–2009. *World Economy* 34, no. 12: 1955–98.
- Bown, Chad P. 2013. How Different Are Safeguards from Antidumping? Evidence from US Trade Policies Toward Steel. *Review of Industrial Organization* 42, no. 4: 449–81.
- Bown, Chad P. 2016a. *Should the United States Recognize China as a Market Economy?* PIIE Policy Brief 16-24. Washington: Peterson Institute for International Economics.
- Bown, Chad P. 2016b. The Perils of Shifting China's 'Market Economy' Dispute to the WTO. *World Politics Review*, December 21.
- Bown, Chad P. 2016c. Temporary Trade Barriers Database. Washington: World Bank. Available at <http://econ.worldbank.org/ttbd/> (accessed on June 7, 2017).
- Bown, Chad P., and Rachel Brewster. 2017. *US - COOL Retaliation: The WTO's Article 22.6 Arbitration.* *World Trade Review* 16, no. 2: 371–94.
- Bown, Chad P., and Meredith A. Crowley. 2013a. Import Protection, Business Cycles, and Exchange Rates: Evidence from the Great Recession. *Journal of International Economics* 90, no. 1: 50–64.
- Bown, Chad P., and Meredith A. Crowley. 2013b. Self-Enforcing Trade Agreements: Evidence from Time-Varying Trade Policy. *American Economic Review* 103, no. 2: 1071–90.
- Bown, Chad P., and Meredith A. Crowley. 2014. Emerging Economies, Trade Policy, and Macroeconomic Shocks. *Journal of Development Economics* 111: 261–73.
- Bown, Chad P. and Rachel McCulloch. 2003. Nondiscrimination and the WTO Agreement on Safeguards. *World Trade Review* 2, no. 3: 327–48.
- Freund, Caroline. 2017. Complications from the Border-Adjusted Cash Flow Tax. In *Border Tax, Corporate Tax: Perils and Opportunities of Reform*, ed. Chad P. Bown, Caroline Freund, and Adam S. Posen. PIIE Briefing 17-1. Washington: Peterson Institute for International Economics, forthcoming.
- GAO (Government Accountability Office). 2013. *Antidumping and Countervailing Duties: Key Challenges to Small and Medium-Sized Enterprises' Pursuit of the Imposition of Trade Remedies.* United States Government Accountability Office Report GAO-13-575. Washington.
- Hufbauer, Gary Clyde. 2016. Could a President Trump Shackle Imports? In *Assessing Trade Agendas in the US Presidential Campaign*, ed. Marcus Noland, Gary Clyde Hufbauer, Sherman Robinson, and Tyler Moran. PIIE Briefing 16-6. Washington: Peterson Institute for International Economics.
- IMF (International Monetary Fund). 2016. Global Trade: What's Behind the Slowdown? Chapter 2 in *World Economic Outlook (WEO). Subdued Demand: Symptoms and Remedies.* Washington.
- Staiger, Robert W., and Frank A. Wolak. 1994. Measuring industry-specific protection: antidumping in the United States. *Brookings Papers on Economic Activity: Microeconomics* 51–118. Washington: Brookings Institution.

© Peterson Institute for International Economics. All rights reserved.

This publication has been subjected to a prepublication peer review intended to ensure analytical quality. The views expressed are those of the author. This publication is part of the overall program of the Peterson Institute for International Economics, as endorsed by its Board of Directors, but it does not necessarily reflect the views of individual members of the Board or of the Institute's staff or management.

The Peterson Institute for International Economics is a private nonpartisan, nonprofit institution for rigorous, intellectually open, and indepth study and discussion of international economic policy. Its purpose is to identify and analyze important issues to make globalization beneficial and sustainable for the people of the United States and the world, and then to develop and communicate practical new approaches for dealing with them. Its work is funded by a highly diverse group of philanthropic foundations, private corporations, and interested individuals, as well as income on its capital fund. About 35 percent of the Institute's resources in its latest fiscal year were provided by contributors from outside the United States.

A list of all financial supporters is posted at <https://piie.com/sites/default/files/supporters.pdf>.