



Obama's America:

The Environment for New Business

Trade & Investment

Safeguarding Your Business Against Protectionist Measures

PRESENTED BY

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Consequences of the Rescue Packages & Related Measures such as Buy American provisions

- Stimulus package: U.S. flips position on what constitutes a prohibited subsidy
 - Rescuing banks and industries
- Buy American Proposals: Government Procurement Code issues
- Adjustment assistance programs
- U.S. export opportunities

U.S. Proposes Expanding the Prohibited “Red Light” Subsidy Category



- ...the United States is also proposing that additional types of subsidies, representing the most extreme forms of government economic intervention be included in an expanded prohibited category.

--WTO U.S. Proposal TN/RL/GEN/94

June 5, 2007

- “The subsidies we want to prohibit maintain inefficient production capacity in industries ranging from steel to semiconductors. Stronger rules for these types of subsidies would address significant trade-distorting practices of many of our trading partners that often lead to unfair trade.”

--U.S. Trade Representative, Susan C. Schwab

June 4, 2007



Trade Remedy Cases

- Antidumping cases
- Subsidy cases
- Special China safeguards-Sect 421
- Global safeguard cases

Antidumping cases – Making the case for material injury and the U.S. economy

- Effect of economic crisis
- Timing of trade cases
- Behavior of imports
- Making it past the ITC preliminary determination

Subsidy cases – China, exchange rates

- WTO/Court challenge to China CVD
- Currency manipulation as a subsidy
- Future of China CVD cases



Special China Safeguards – Section 412

- Who can initiate?
- Likely products in such actions
- What is investigated?
- What is the remedy?
- No WTO review



Global safeguard cases

- Likelihood of future actions
- WTO challenges
- Continuing appeal of safeguard cases

Are Existing Institutions Adequate to Deal With Trade Issues in this Crisis?

- Financial Protectionism
- G-20
- IMF
- Creation of International Regulatory Banking System