



ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA FACT SHEET

EXPANDING TRADE

The Phase One economic and trade agreement signed by the United States and China on January 15, 2020, commits China to undertake structural changes to open up its economy and improve its trade regime. It is expected that these changes and other trade liberalization being pursued by China will lead to improved trade flows benefiting China's trade partners, especially the United States. China is facing increased consumer demand from its growing middle class for high-quality imports of goods and services, which the United States is able to produce and supply at competitive prices.

Consistent with the two sides' projections, China is committing that over the next two years it will import no less than \$200 billion of U.S. goods and services *on top of* the amounts that it imported in 2017 in four broad categories:

- China's imports of U.S. manufactured goods, such as industrial machinery, electrical equipment, pharmaceutical products, aircraft, vehicles, optical and medical instruments, iron and steel, solar-grade polysilicon, hardwood lumber, and chemical products, among other goods, will total at least \$120.0 billion in 2020 and at least \$131.9 billion in 2021.
- China's imports of U.S. agricultural products, such as soybeans, cotton, grains, meats, ethanol, seafood, and the full range of other agricultural products will total at least \$80 billion over the next two years. China will also strive to purchase an additional \$5 billion of agricultural products annually.

- China's imports of energy products from the United States, such as liquefied natural gas, crude oil, and metallurgical coal, will total at least \$30.1 billion in 2020 and at least \$45.5 billion in 2021.
- China's imports of U.S. services, such as financial services, insurance services, cloud services, and travel services, will total at least \$99.9 billion in 2020 and at least \$112.2 billion in 2021.

The United States and China expect China's increased imports of U.S. goods and services to continue on this same trajectory for several years after 2021.

The United States' bilateral trade deficit with China in goods and services stood at an unsustainable level of \$380 billion last year. China's increased imports of U.S. goods and services in 2020 and 2021 and beyond should contribute significantly to the rebalancing of the U.S.-China trade relationship.