

# CRS Report for Congress

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## Country Applicability of the U.S. Normal Trade Relations (Most-Favored-Nation) Status

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### Summary

The United States accords permanent normal-trade-relations (NTR) (formerly called most-favored-nation (MFN)) treatment to all its trading partners except two countries to which it is denied by law and ten countries whose NTR status is temporary and subject to the conditions of Title IV of the Trade Act of 1974.

As a matter of general policy embodied in its own law (Section 126; Trade Act of 1974; 19 U.S.C. 2136), the United States extends unlimited and permanent **nondiscriminatory (NTR/MFN) treatment to all** of its **trading partners**. Hence, there exists no official specific list of countries *with* NTR status.<sup>1</sup>

Excepted from this general policy have been certain countries whose MFN status was suspended by law. In several such instances, permanent NTR treatment has been restored by legislation; in most other cases, however, the status has been restored (and remains in effect) on a temporary, periodically renewable basis. Such restoration and continuation in effect through semiannual or annual renewals is subject to the conditions set by the requirements of the Jackson-Vanik freedom-of-emigration amendment (Section 402; 19 U.S.C. 2432) and related provisions of Title IV of the Trade Act of 1974 (e.g., existence of a three-year, renewable bilateral trade agreement).

The countries that are, at present, **denied NTR status** by the United States are:

Cuba and North Korea.

Countries to which NTR treatment is at present being accorded based on **conditional restoration** under the provisions of Title IV of the Trade Act of 1974 are:

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<sup>1</sup> For purposes of comparison: a recent State Department list of the countries of the world contains the names of 192 independent countries, and 62 dependencies; it separately lists Taiwan.

(1) under the presidential waiver of full compliance with the Jackson-Vanik amendment requirements, which must be renewed annually and is subject to disapproval by joint resolution of Congress:

Belarus and Turkmenistan (former constituent republics of the Soviet Union), and Vietnam.

(2) under the presidential determination of full compliance with the Jackson-Vanik amendment requirements, which must be made semiannually and is subject to disapproval by joint resolution of Congress at the time of year-end renewal:

Azerbaijan, Kazakhstan, Moldova, Russia, Tajikistan, Ukraine, and Uzbekistan (all of them former Soviet Union republics).

In recent Congresses, legislation was introduced (but not acted upon) to grant permanent NTR status to former Soviet republics Belarus, Kazakhstan, Russian Federation, Ukraine, and Uzbekistan, and to Cuba. In the 108<sup>th</sup> Congress, permanent NTR treatment was restored by law to Armenia and Laos.

In the 109<sup>th</sup> Congress, legislation has thus far been introduced to restore permanent NTR status to Ukraine.

PNTR status has been restored in earlier years to Afghanistan, and to Serbia and Montenegro by Presidential action as authorized by relevant legislation.

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