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AMERICAN CHAMBER OF COMMERCE



USA OUTLOOK

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Foto: CityNews

Business to Congress: Approve USMCA

Congress went out of session for the August recess and the U.S. Chamber of Commerce sent a letter to all senators and representatives urging an approval of the U.S.-Mexico-Canada Agreement (USMCA). The letter was signed by more than 600 national trade groups and state and local business associations. For the U.S. Chamber of Commerce, it was easy to get support from these organizations given that the business community agrees that the USMCA will be beneficial.

If lawmakers approve USMCA, then the economy and the long-term prosperity of the United States will prosper. This agreement will strengthen commercial ties with Canada and Mexico, the United States' two border countries and closest trade partners. Moreover, USMCA will guarantee that all American exports will enter these markets tariff free. This will lead to growth in the digital economy, protection of intellectual property, and a stronger American agriculture.

In order to get USMCA approved, the U.S. Chamber of Commerce has participated in activities that promote the agreement. The Chamber and its coalition partners launched a digital campaign to mobilize grassroots supporters of the deal. In addition, President Trump, Vice President Pence, Ivanka Trump, and Senate Finance Committee Chairman Chuck Grassley utilized the hashtag #USMCAnow in order to further encourage the agreement.



Foto: The New York Times

In San Jose, a Different Approach to Gun Control

In response to three mass shootings, California officials have been searching gun control resolutions. The mayor of San Jose Sam Liccardo has spent the last two weeks attending memorial services for the victims of Gilroy Garlic Festival shooting. Two of the people killed in the shooting were children from San Jose. Mr. Liccardo has planted a proposal to require gun owners to buy liability insurance. This idea is not new, but it would be the first time it is implemented. Moreover, it will take months to make this happen, but the mayor is counting on San Jose to inspire other municipalities.

The purpose of this proposal is that insurance would incentivize gun safety in the same way car insurance encourages better driving. Insurance prices could vary depending on the history of those buying guns. For example, someone who has been previously convicted for violence may be forced to pay a higher price for insurance than someone who has taken gun safety courses. Senator Mitch McConnell has signaled that he is open to bipartisan legislation on background checks. However, Mr. Liccardo is taking the issue into his own hands due to the lack of faith he has on the Congress.



Foto: Reuters

Democrat Buttigieg unveils \$80 billion Plan to bring Internet to all Rural Americans

On Tuesday, the Democratic presidential candidate Pete Buttigieg presented a plan to transform the economy of rural America, which would include spending \$80 billion to provide internet and \$50 billion in a span of ten years in order to help farmers combat climate change. Buttigieg is currently the mayor of South Bend, Indiana. He also proposed to increase teacher pay in rural areas as well as reducing the shortage of teachers by half and spending \$5 billion in a decade to ensure an apprenticeship program in a growing industry.

Buttigieg presented his plan as he begins a two-day tour through seven counties in southeast Iowa. Currently, there are 24 Democrats competing to become the party's nominee to participate in the 2020 election. Buttigieg claims that the government usually treats rural Americans as an afterthought. Due to this, the candidate hopes that his plan will unleash the potential of small towns across America with good jobs and opportunities to grow financially.

Overall, Buttigieg is focusing on rural Americans. He plans to improve healthcare as well as innovation and job growth. Keeping his focus on business, he seeks to provide more funding for returning veterans seeking to start a rural business and proposes entrepreneurship education programs. The candidate understands the importance of rural placed in the country, and his plan calls for significant investment in people.



Foto: Wall Street Journal

U.S. Retreats on Chinese Tariff Threats, Stocks Soar

The Trump administration backed off in plans to impose new tariffs on about \$156 billion in Chinese goods. The reason behind this decision was driven by concerns about the consequences that an escalating trade fight would have on businesses and consumers. The tariffs were delayed until December 15 in order to avoid interference with the holiday shopping season. The tariffs postponed were of a 10% on smartphones, laptops, toys, videogames, and other products. Tariffs on selected items were supposed to go into effect on September 1. Despite delaying it for some products, the tariffs will still start on the original date for tools, apparel items, and footwear.

Even though the main reason behind the delay is to minimize the consequences on U.S. customers during the holiday shopping season, there are other factors that contributed to this decision. One official involved in the current talks said U.S. importers complained that they already had secure purchases for seasonal goods from China and the cost of tariffs would have to go on to the customers. The decision to suspend the tariffs was due to a call between U.S. and Chinese negotiators. Moreover, in recent weeks, negotiators have been working on another deal that would make China buy more U.S. farm products in exchange for an ease on restrictions on China's Huawei Telecommunications Co.



Foto: The Wall Street Journal

U.S. Will Back More Condominium Loans Aimed at First-Time Buyers

In hopes of reviving the entry-level condo market, The Trump administration is expanding the scope of condominium purchases eligible for lower-down-payment loans. According to the Federal Housing Administration, this move is directed toward first-time buyers. Also, it loosens financial-crisis-era rules. Last year, the FHA insured a million home loans, the majority of single-family homes.

However, making condos more accessible worries some people, including David Stevens, a retired chief executive of the Mortgage Bankers Association. He worries that mistakes of the part will be repeated. Overall, the housing shortage needs to be dealt with, but precautions need to be taken in order to avoid what happened a decade ago.

With these new rules, the agency estimated that it could insure 60,000 additional condo loans yearly, on top of the 16,000 condo loans it backed in 2018. Condos are more affordable for single-family homes, especially in cities like Seattle, Austin, and Denver. The median price of an existing condo was over \$260,000 in June, compared with \$290,000 for the median existing in single-family homes.