

# CRS Report for Congress

Received through the CRS Web

## Country Applicability of the U.S. Most-Favored-Nation Status

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### Summary

The United States accords permanent most-favored-nation (MFN) treatment to all its trading partners except six countries to which it is denied by law and 15 countries whose MFN 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 **MFN treatment to all** of its **trading partners**. Hence, there exists no official specific list of countries *with* MFN 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 MFN 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 3-year, renewable bilateral trade agreement).

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

Afghanistan, Cuba, Laos, North Korea, Vietnam, and Yugoslavia (Serbia and Montenegro).

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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 190 independent countries, and 63 dependencies; it separately lists Taiwan, but omits Yugoslavia (Serbia and Montenegro).

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

(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 (former constituent republic of the Soviet Union), and China (with Tibet);

(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:

Albania, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan (all but Albania and Mongolia are former Soviet Union republics)

For more detailed information see CRS Issue Brief 93107 (*Most-favored-nation policy of the United States*) and/or contact the author at (202) 707-7747.