

Setting the Stage: Economic Overview, Outlook and Trends

The AI Buildout, Industrial Policy, and North American Supply Chains

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The views expressed in this presentation are my own and do not necessarily reflect those of the Federal Reserve Bank of Dallas, the Federal Reserve System, or the Federal Open Market Committee.

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Investment and trade are being reshaped by the AI buildout

- **The global investment boom: scale, composition and cross-border finance.**

Worldwide investment is shifting toward AI and digital infrastructure, continuing the software and R&D trend. New U.S. FDI is acquisition-led; reinvested profits support ongoing inward FDI.

- **Industrial, financial and trade policy in the AI race.**

Since the 2008 financial crisis, non-tariff measures and more recent tariffs have risen. Two-sided U.S.–China de-risking favors just-in-case resilience over just-in-time efficiency; tokenized-dollar finance may change funding.

- **The North American border corridor: two countries, three states.**

Mexico links Pacific AI supply chains to U.S. demand; a hardware ecosystem is growing around the El Paso–Santa Teresa–Las Cruces–Juárez Borderplex.

Supporting evidence

Key point: The U.S.–China AI race is steering capital toward AI technologies that could raise productivity and living standards while reshaping work and supply chains.

Section 1 — Global investment: three facts to keep in mind

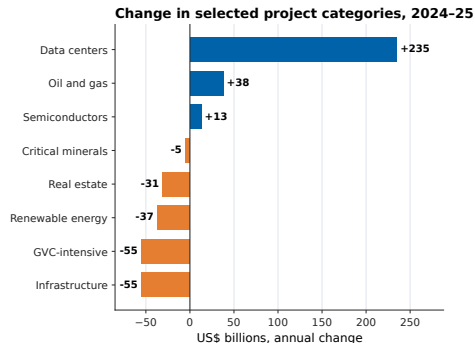
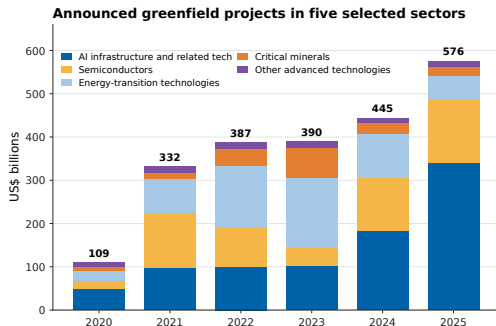
What the evidence says

- **A sectoral global wave.** Announced greenfield projects rose from \$109 billion in 2020 to \$576 billion in 2025 across five selected technology/energy sectors.
- **A new capital mix.** U.S. private investment was 17.7% of GDP in 2025 (17.4% postwar mean); IPP reached 40.6% of nonresidential investment.
- **FDI acquisitions and retained earnings matter.** Of \$232.2 billion in new U.S. FDI spending in 2025, \$218.4 billion went to acquisitions; ongoing inward FDI was also supported by \$200.2 billion of reinvested profits.

[Historical investment](#)[FDI financing](#)

Key point: An exceptional AI project pipeline is reshaping the capital mix while total investment/GDP stays near its norm—consistent with, but not proof of, crowding out elsewhere.

AI infrastructure leads a global wave of greenfield announcements



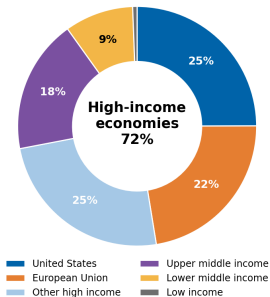
Note: Worldwide cross-border greenfield project announcements, US\$ billions, not realized spending or U.S.-only investment. Left: five UNCTAD strategic sectors. Right: selected project-category changes, 2024-25.

Sources: UNCTAD ([2026](#)); [Financial Times fDi Markets](#); [LSEG Data & Analytics](#); author's calculations.

Key point: The five sectors drew \$576 billion in 2025 announcements; AI-related infrastructure accounted for about \$341 billion, with data centers adding \$235 billion year over year.

High-income economies capture most of these announced projects

Destination shares, cumulative 2020–2025



Where the investment lands

47% United States + European Union

25% Other high-income economies

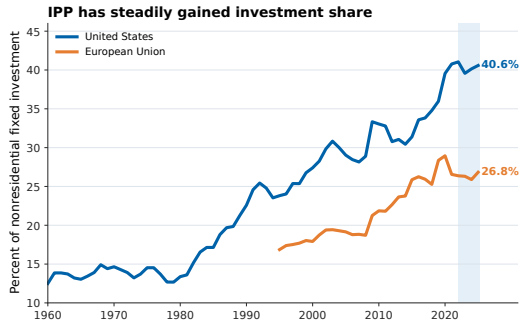
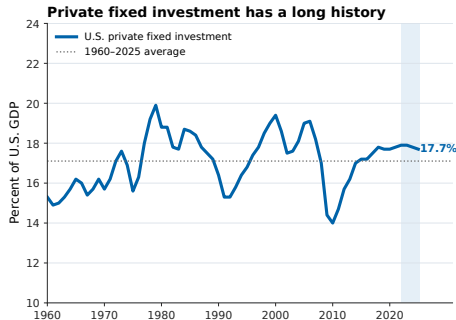
18% Upper-middle income (China included)

Note: Destinations of announced strategic-sector cross-border greenfield project value, cumulative 2020–2025. This is not a geographic distribution of all worldwide investment. China is included in the upper-middle-income category.

Sources: UNCTAD ([2026](#)); World Bank [income groups](#); IEA ([2025](#)) ([appendix chart](#)).

Key point: High-income economies attracted 72% of these announcements. Separately, 2024 data-center electricity use was concentrated in the U.S. (45%), with China a large second (25%).

The long-run U.S. investment shift is toward intellectual property

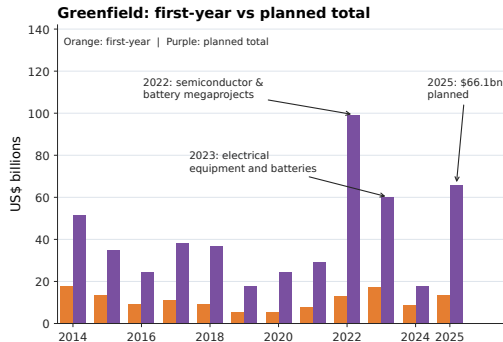
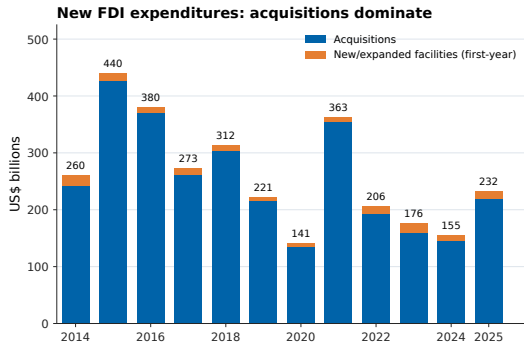


Note: Left: U.S. private fixed investment / GDP, 1960–2025; excludes inventories and government investment. Right: IPP (software, R&D, artistic originals) / nonresidential fixed investment; U.S. since 1960, EU since 1995. Shading: recent AI buildout. Data-center buildings are structures, not IPP.

Sources: BEA [NIPA tables](#); Eurostat [nama_10_an6](#); author's calculations.

Key point: The shift toward software and R&D predates generative AI: IPP now accounts for 40.6% of U.S. nonresidential fixed investment, versus 12.5% in 1960.

New U.S. foreign direct investment remains acquisition-led

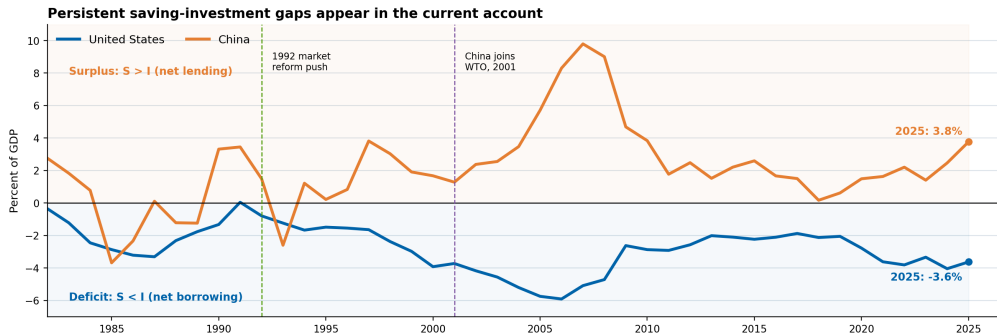


Note: First-year acquisition, establishment and expansion expenditures, US\$ billions. Greenfield planned totals include future spending and are not additive to first-year expenditures; arrows highlight project waves behind the planned series.

Sources: BEA, [New Foreign Direct Investment in the United States, 2025](#), supplemental table 1; author's calculations.

Key point: Of \$232.2 billion in new U.S. FDI expenditures in 2025, 94% bought existing businesses; first-year greenfield spending was only \$13.8 billion.

The U.S. and China occupy opposite sides of the global saving gap

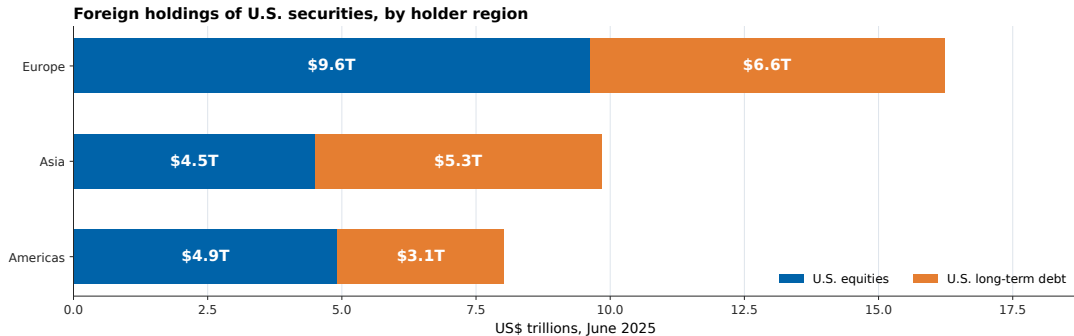


Note: Current-account balances as shares of GDP. The identity $CA = S - I$ links net external borrowing or lending to national saving and investment; it does not imply bilateral trade deficits finance particular projects.

Sources: World Bank [World Development Indicators](#); IMF [World Economic Outlook](#); author's calculations. NIIP and valuation detail in appendix.

Key point: The U.S. draws on foreign saving while China remains a net lender; valuation gains on U.S. equities also affect the external balance sheet beyond current-account flows.

Europe remains the largest regional foreign equity investor in the U.S.



Note: U.S. securities held by foreign residents at end-June 2025. Long-term debt includes Treasury, agency and corporate securities, with different maturities. TIC attributes holdings to custody/residence, not necessarily ultimate ownership. China's reported Treasury holdings are tracked separately in the appendix.

Sources: U.S. Treasury / FRBNY / Board, [2025 TIC holdings survey](#); [major foreign holders of Treasuries](#); author's calculations.

Key point: Europe held \$9.6 trillion in U.S. equities; Asia held more long-term debt than equities, while China's reported Treasury holdings have declined sharply since 2015.

Trade-policy and supply-chain reconfiguration: three facts to keep in mind

What the evidence says

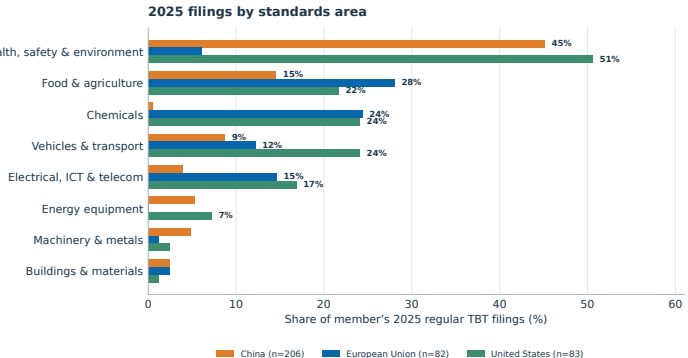
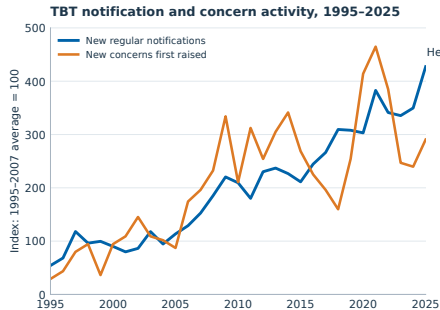
- **Regulatory friction predates the tariff wave.** World Trade Organization (WTO) Technical Barriers to Trade (TBT) filings climbed; new concerns averaged 39 a year during 2008–25, versus 14 before 2008.
- **Tariffs now add a broader and sector-specific layer.** The modeled statutory U.S. average reached 11.5% in August 2026. Tariffs raise revenue, but retaliation can reverse welfare gains.
- **North America and AI inputs are treated differently.** USMCA preferences and lower realized duties on AI inputs can strengthen resilient production networks supporting the AI buildout.

Trade concerns

USMCA research

Key point: Policy is reshaping where production takes place: North American market access and lower AI-input duties favor more resilient networks.

Regulatory activity was rising before the tariff escalation

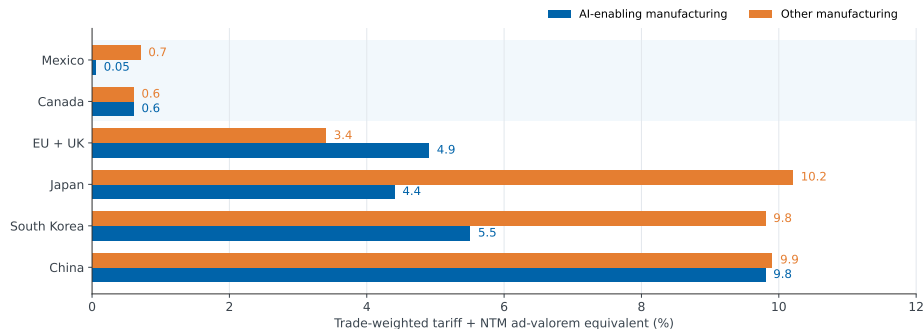


Note: World regular TBT (Technical Barriers to Trade) notifications and distinct concerns first raised, indexed to their 1995–2007 annual means = 100 (left). Right: 2025 regular TBT notifications by notifying member and ICS standards area as a percentage of that member's filings. Multiple areas per notification; not the percentage of HS6 goods covered or a measure of restrictiveness.

Sources: [WTO ePing notifications](#); [WTO trade concerns](#); author's calculations.

Key point: TBT notifications and formal trade concerns have risen over time, although neither measure establishes that a regulation restricts trade or violates WTO rules.

North American production benefits from a low historical border wedge



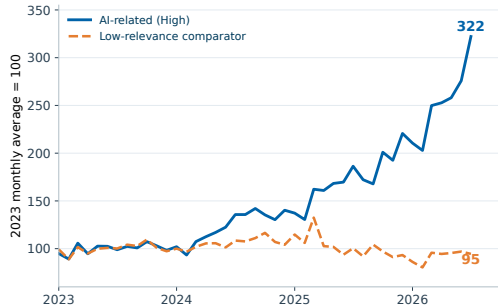
Note: Trade-weighted tariff and non-tariff measure (NTM) ad-valorem equivalents on U.S. manufactured exports to each market; a historical benchmark, not 2026 U.S. import duties. Data combine 2017 trade weights and non-tariff estimates from 2015–21; sector measures are manufacturing proxies, not the product-level AI basket.

Sources: [UNCTAD–GTAP NTM Satellite Database](#); author's calculations. [Martínez-García and Mau \(2026\)](#): USMCA compliance.

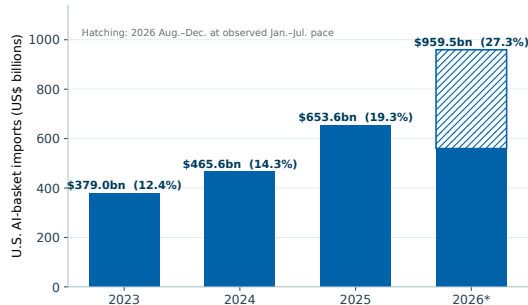
Key point: Mexico and Canada entered the new tariff cycle with relatively low production-network frictions, making the terms of the U.S.–Mexico–Canada Agreement (USMCA) especially valuable.

AI-related goods account for an increasing share of U.S. imports

AI-related imports have pulled away



AI goods are a growing share of total imports



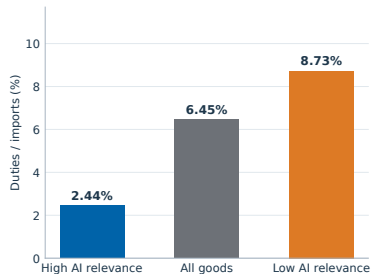
Note: Left: nominal U.S. imports, 2023 average = 100; High/Low refer to Waugh's AI relevance categories. Right: AI-basket import value (US\$ billions) and its share of U.S. imports. 2026 combines observed Jan.–July (\$559.7bn, 27.3% share) with an Aug.–Dec. hatched extension at the same monthly rate; not a forecast.

Sources: [Minneapolis Fed AI Trade Tracker](#); Waugh (2026); [U.S. Census HS10](#); author's calculations.

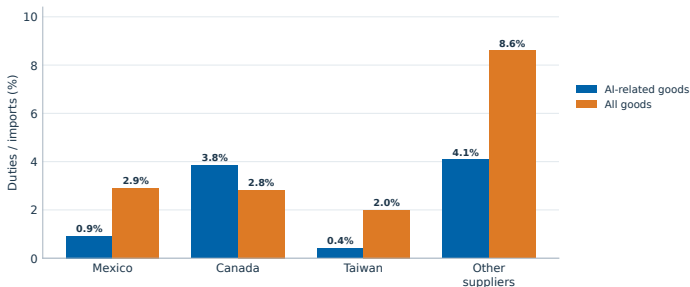
Key point: AI-related imports are on a roughly \$960 billion annual pace in 2026 (27.3% of all U.S. imports), up from \$379 billion and 12.4% in 2023; this is a run rate, not a forecast.

AI equipment faces substantially lower duties—not for every supplier

All U.S. suppliers, July 2026



Product mix and USMCA eligibility matter

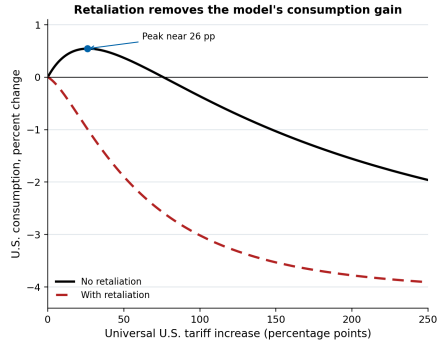
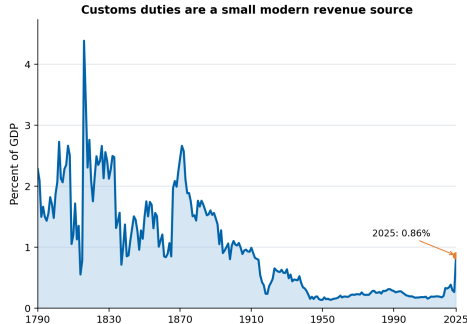


Note: Calculated duties divided by U.S. import-for-consumption value, July 2026, before refunds. High/Low are Waugh's product-relevance categories. "Other suppliers" is the weighted residual after Mexico, Canada and Taiwan, not their unweighted average. The observed rates combine preferences and differing product mixes.

Sources: [U.S. Census HS10 and calculated duties](#); [Minneapolis Fed AI Trade Tracker](#); author's calculations.

Key point: AI inputs face an average duty of 2.44%, versus 6.45% for all goods; Mexico's AI-equipment rate is only 0.92%, while rates for other suppliers differ widely.

Tariff revenue and retaliation create a macroeconomic trade-off



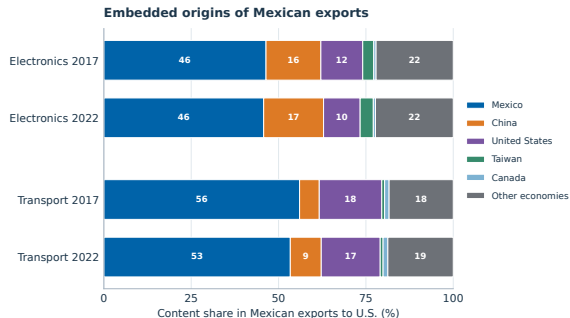
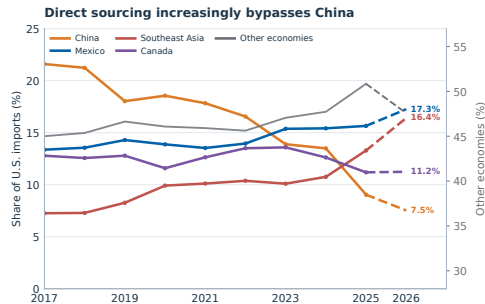
Note: Customs duties as a share of GDP (historical) and calibrated general-equilibrium consumption response to tariff increases. Government revenues are rebated in the model; outcomes depend on whether trading partners retaliate. These curves are not forecasts and do not measure individual states' effects.

Sources: [Martínez-García and Sposi \(2025\)](#); BEA NIPA; OMB historical data.

[Martínez-García, Sposi and Kelly: USMCA and state outcomes.](#)

Key point: Tariffs can generate revenue and change incentives, but model-based benefits under unilateral tariffs may disappear with foreign retaliation.

Direct sourcing has shifted away from China, but value chains remain interconnected



Note: Left: countries' shares of all U.S. goods imports through 2025; only the 2025-to-Jan.-July-2026 segments are dashed. "Other economies" uses the right scale. Right: full territorial content of Mexican electronics and transportation exports to the U.S., OECD ICIO, 2017 and 2022. Neither panel identifies transshipment or AI-only production.

Sources: [U.S. Census Foreign Trade](#); [OECD ICIO 2025 extended edition](#); author's calculations.

Key point: China's direct share of U.S. imports fell to 7.5%, while available value-added evidence points to growing Chinese penetration of Mexican electronics and transportation supply chains.

The Borderplex: an unlikely AI-hardware hub emerges

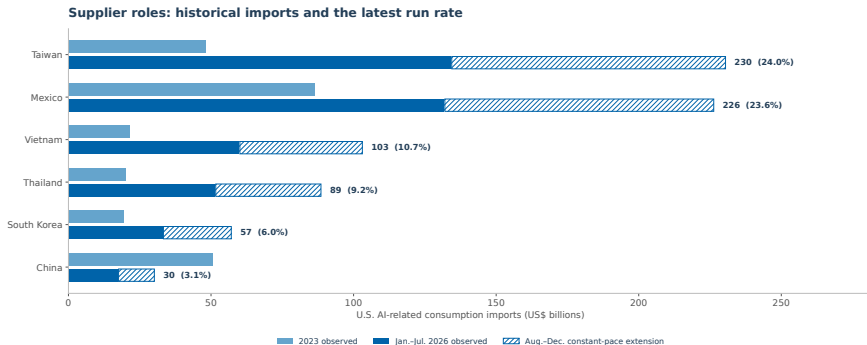
Three facts to keep in mind

- **The supplier network is concentrated.** Mexico and Taiwan together supplied 47.6% of U.S. AI-related imports in Jan.–July 2026.
- **The border already operates at scale.** El Paso, Ysleta and Santa Teresa carried \$172.6 billion in two-way freight in 2025; El Paso-district AI imports are on a higher 2026 pace.
- **El Paso has a distinctive specialization.** The customs district handled \$56.5 billion in Mexico-origin computing hardware in 2025—far more than a generic logistics story.

Freight modes

Key point: Decades of cross-border electronics production are becoming an advantage for serving the U.S. AI hardware buildout.

Mexico and Taiwan anchor a rapidly expanding AI import network



Note: Selected countries, Waugh High AI basket, US\$ billions. 2023 values are observed; the solid 2026 portions are observed Jan.–July and the hatched portions hold that monthly average through Dec., not a forecast. Labels show percentages of U.S. AI imports for each matching period.

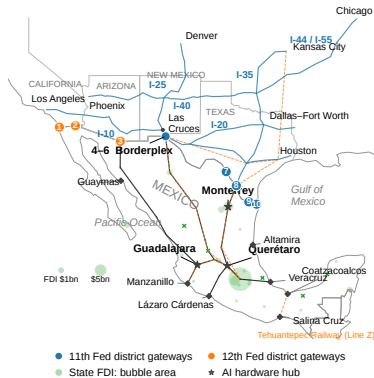
Sources: [U.S. Census HS10](#); [AI Trade Tracker](#); Kelly ([2026](#)); author's calculations.

Key point: Mexico and Taiwan together supplied 47.6% of the \$559.7 billion in AI imports in Jan.–July; at that pace total 2026 AI imports could approach \$1 trillion.

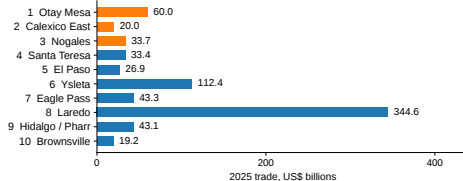
Border gateways link a mature binational AI-hardware ecosystem

Border gateways connect a mature manufacturing network

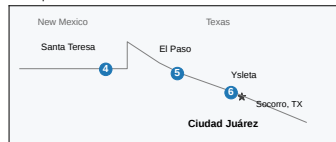
Road and rail corridors, seaports and 2025 all-sector Mexican-state FDI



Border gateways



Borderplex detail



Corridor

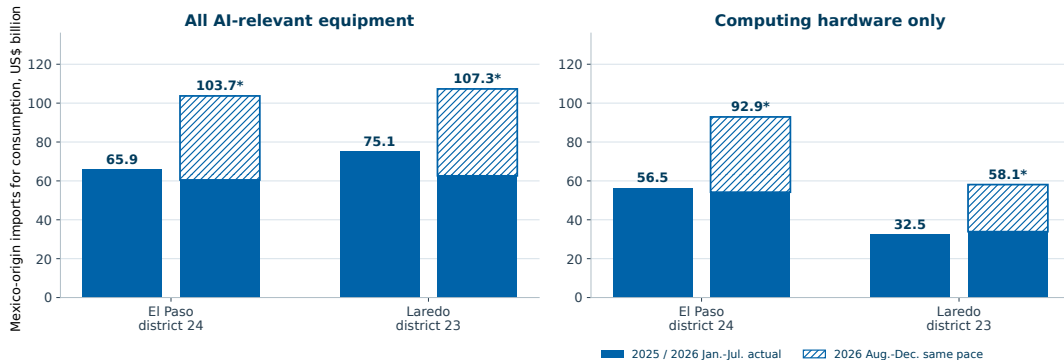
Road and rail, gateway values, Mexican-state FDI and the Borderplex inset.

Note: Routes are schematic; FDI covers all sectors.

Sources: [BTS](#); [SE](#); author's calculations.

Key point: The Borderplex has a production ecosystem built over decades, now expanding rapidly as demand for AI hardware transforms its electronics base.

El Paso specializes in computing hardware within Mexico's AI exports

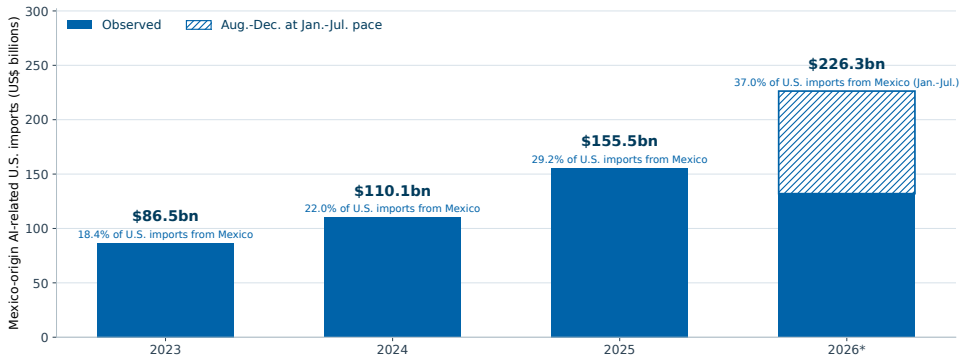


Note: Mexico-origin imports for consumption, US\$ billions, by customs district, not individual port. Left: Waugh High AI-relevant basket; right: computing hardware alone. The 2026 solid segments are observed Jan.–July; hatching extends the same pace through Dec. This is not a forecast.

Sources: [U.S. Census HS10 imports](#); [AI Trade Tracker](#); author's calculations.

Key point: Laredo handles more AI-relevant equipment overall, while El Paso leads in computing hardware: \$56.5 billion versus \$32.5 billion in 2025.

Mexico is integral to the upstream supply chain for the U.S. AI buildout



Note: U.S. consumption imports of Waugh High goods from Mexico. Actual full years 2023–25; 2026 is Jan.–July actual plus a hatched Aug.–Dec. constant-pace extension. The 37.0% is the observed Jan.–July AI share of total U.S. imports from Mexico, not Mexico's imports from the world.

Sources: [U.S. Census](#); [AI Trade Tracker](#); author's calculations.

Key point: Mexico's AI-related exports to the U.S. were \$155.5 billion in 2025 and are on track to reach \$226.3 billion at the Jan.–July 2026 pace, with AI comprising 37% of U.S. imports from Mexico.

Concluding remarks: three takeaways

1. A GLOBAL INVESTMENT BOOM WITH A DISTINCT BORDERPLEX ECOSYSTEM

The AI buildout is redirecting capital toward hardware that the region's established electronics firms increasingly produce, integrate and move across borders.

2. TRADE POLICY RAISES THE VALUE OF NORTH AMERICAN CONNECTIONS

USMCA access, preferential treatment of many AI inputs and reliable crossings can reinforce binational manufacturing networks.

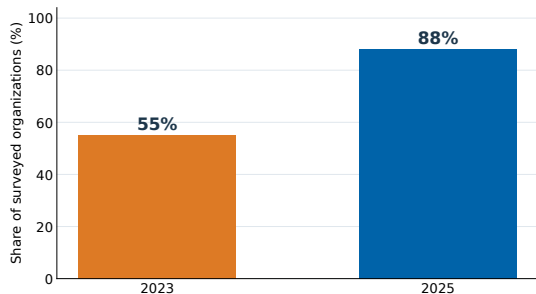
3. LONG-TERM LOCAL GAINS ARE AN OPPORTUNITY, NOT A GUARANTEE

Trade rules and USMCA, infrastructure and supplier spillovers, and eventual AI adoption and productivity will determine longer-run gains.

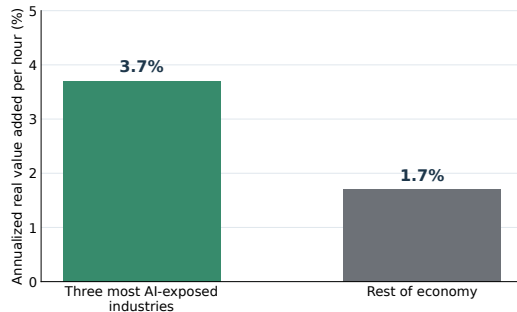
Key point: The AI buildout creates an opportunity to deepen an established binational production ecosystem, contingent on evolving trade rules and the productivity gains from AI.

AI use is spreading, with opportunities and workforce challenges

Organizational AI use is spreading



Productivity growth differs across industries



Note: Left: surveyed organizations reporting AI use globally; not a worker adoption rate. Right: annualized real value-added-per-hour growth, three most AI-exposed U.S. industries versus the rest, 2024:Q1–2025:Q3. This is an association, not a causal estimate of AI's contribution.

Sources: [Stanford HAI AI Index 2026](#); Davis ([2026](#)); author's calculations.

Workforce evidence

Key point: Wider AI use offers productivity gains, but firms and workers need complementary skills to translate those gains into higher living standards.

Questions and comments are welcome

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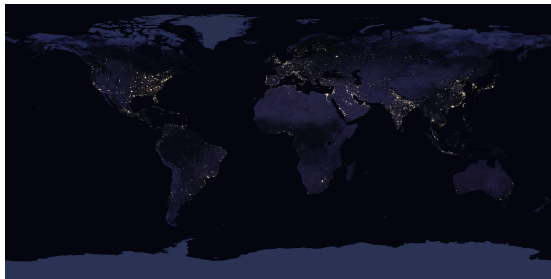
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Research: [Dallas Fed profile](#)

Global Institute: dallasfed.org/global



Appendix: supporting evidence in presentation order

1. Global investment and financing

Long-run capital structure, U.S. FDI funding, gross external investment positions and European investors.

2. Trade rules, tariffs and sourcing

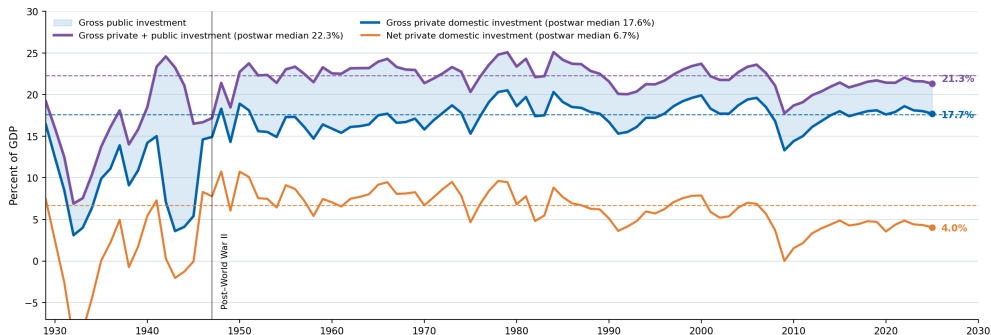
WTO notifications and concerns, USMCA, tariff incentives and AI-trade classification.

3. Borderplex production, productivity and workers

Gateway locations, computing specialization, productivity and workforce transitions.

[Roadmap](#)[References](#)

The U.S. aggregate investment share is near its postwar norm



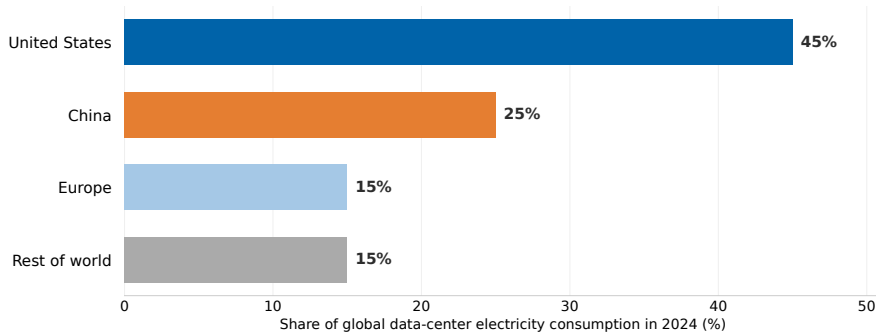
Note: BEA nominal gross private investment as a share of GDP from 1929 to 2025. The orange line shows net private investment and the shaded band shows gross public investment; the postwar median is a reference, not a trend projection.

Sources: BEA [NIPA 1.1.5](#) and [5.2.5](#); author's calculations.

Section 1

Key point: Gross private domestic investment was 17.7% of GDP in 2025, close to its 17.4% postwar mean. Composition, not the aggregate share, is the unusual development.

The U.S. is the largest data-center electricity consumer; China ranks second



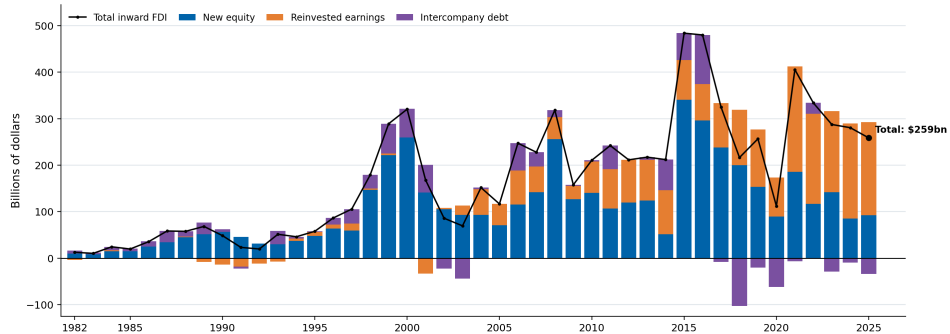
Note: Regional shares of the world's electricity consumed by all data centers in 2024. The IEA estimates total use at roughly 415 TWh; this is operating scale, not investment, AI-only electricity or installed computing capacity.

Sources: International Energy Agency ([2025](#)), Energy and AI; IEA model estimates; author's chart from published regional shares.

[Return to slide 4](#)[Global projects](#)

Key point: The United States accounts for about 45% of data-center electricity demand worldwide; China accounts for another 25%—a sizable second AI infrastructure market.

Reinvested earnings finance a large share of inward FDI



Note: Annual inward direct-investment financial transactions, directional basis, 1982–2025. New equity, reinvested earnings and intercompany debt are distinct funding flows; net intercompany debt can be negative. This is not the same dataset as new-FDI first-year expenditures.

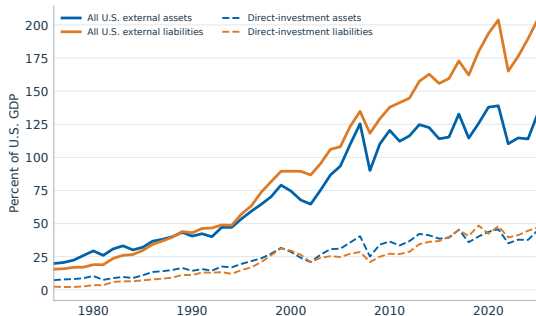
Sources: BEA [International Transactions table 6.1](#), lines 56, 58, 61 and 64; author's calculations.

[Return to slide 2](#)
[Main FDI chart](#)

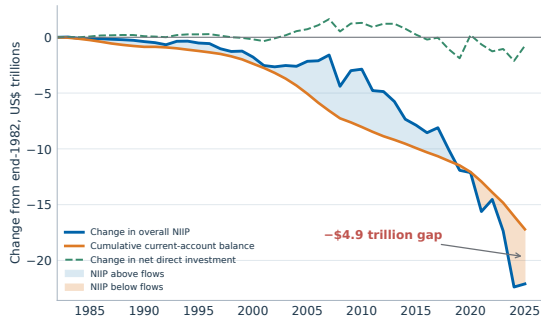
Key point: Inward FDI is increasingly financed by retained profits of U.S. affiliates, not solely by the purchase or establishment of new facilities.

The net external balance sheet reflects valuations and gross positions

Gross positions: all assets and direct investment



Stock-flow gap: valuations and other changes



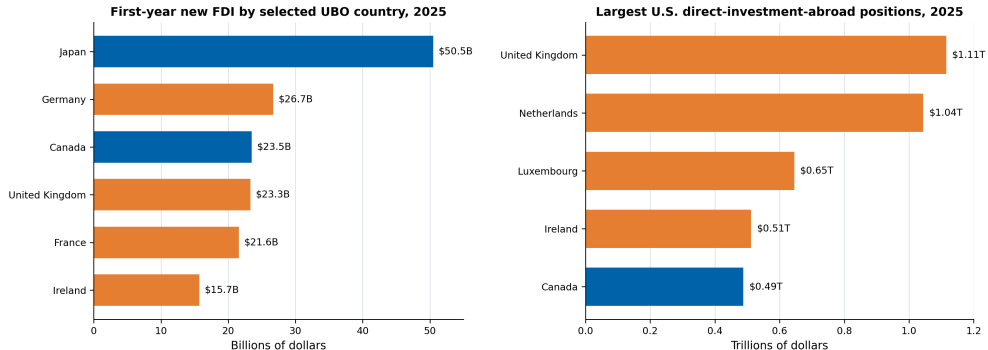
Note: Left: all external assets and liabilities with direct-investment components, market values, shares of U.S. GDP. Right: change in NIIP and cumulative current accounts since end-1982 (US\$ trillions). Shading changes color with the sign of the difference; it includes valuation, other adjustments and statistical discrepancies, not just AI-stock valuations.

Sources: BEA [International Investment Position](#) and [International Transactions](#); Davis (2024); author's calculations.

Main saving gap

Key point: At end-2025 the NIIP had deteriorated about \$4.9 trillion more than the cumulated current account relative to 1982, reflecting valuation and other adjustments.

Europe's investment footprint is large on both sides of the Atlantic



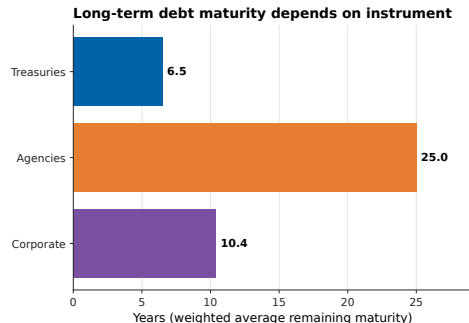
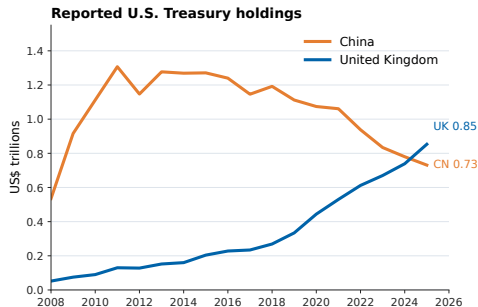
Note: Left: 2025 U.S. first-year new-FDI spending by country of ultimate beneficial owner (UBO), which may differ from immediate investor residence. Right: 2025 U.S. direct-investment-abroad positions by immediate host, at historical cost (billions/trillions). Stock and flow measures are not additive.

Sources: BEA [New FDI, 2025](#); BEA [Direct Investment by Country and Industry, 2025](#); author's calculations.

Equity holdings

Key point: European firms and investors remain integral to U.S. production and capital markets despite the growing attention to China and AI.

China's Treasury position and the maturity mix of foreign debt holdings



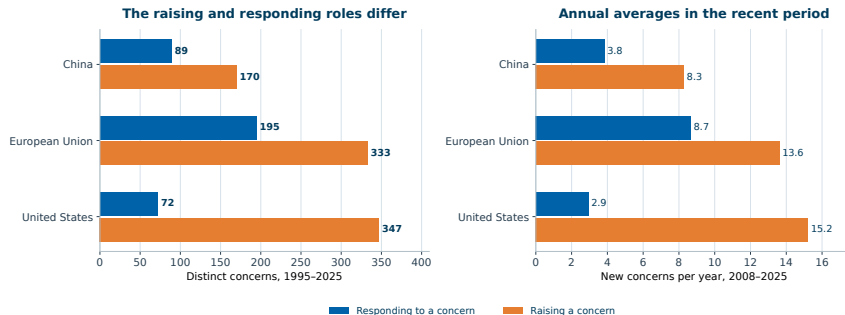
Note: Left: recorded Treasury holdings by country of custody/residence, not necessarily ultimate owner, 2008–2025. Right: average remaining maturity by U.S. long-term debt instrument in the 2025 TIC survey; these are instrument categories, not maturity estimates for Europe or Asia separately.

Sources: U.S. Treasury [Major Foreign Holders of Treasury Securities](#); [June 2025 securities survey](#); author's calculations.

Regional securities

Key point: China's reported Treasury holdings declined from about \$1.27 trillion in 2015 to \$0.73 trillion in 2025; debt maturity also varies across security types.

Which WTO members raise technical trade concerns—and which respond?



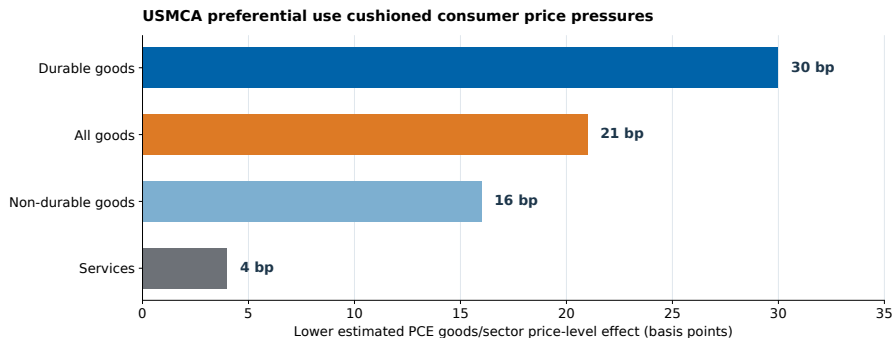
Note: Left: distinct TBT concerns first raised in 1995–2025, by responding or raising member; one concern may have several raising members. Right: annual averages of newly raised concerns in each role, 2008–2025. These are formal objections, not findings of violations.

Sources: [WTO ePing, Specific Trade Concerns](#), world and three-member exports (Oct. 7, 2026); author's calculations.

[Return to slide 9](#)
[Main WTO chart](#)

Key point: EU measures faced 195 TBT concerns in 1995–2025, versus 89 involving China and 72 involving the U.S.; countries' notification and complaint counts measure different activity.

Higher USMCA use cushions modeled goods-price effects of tariffs



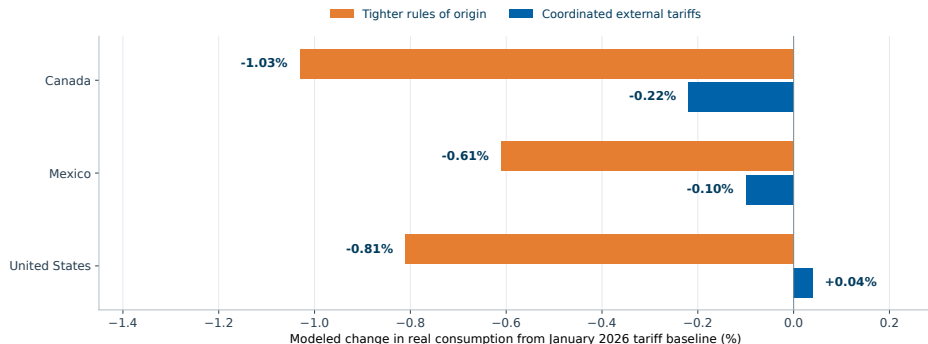
Note: Relative to holding USMCA preference use at its 2024 level, estimated Q4 2025 attenuation of the consumer-price-level effect under full tariff pass-through. These are model calculations, not observed causal inflation reductions.

Sources: Martínez-García and Mau ([2026](#)), Mitigating Tariffs via USMCA May Have Limited 2025 Price Increases; BEA input-output data; Census trade.

Trade-policy section

Key point: USMCA preferences particularly mitigated goods-price exposure; the estimated attenuation for goods was 21 basis points.

USMCA policies have different costs: origin rules versus coordination



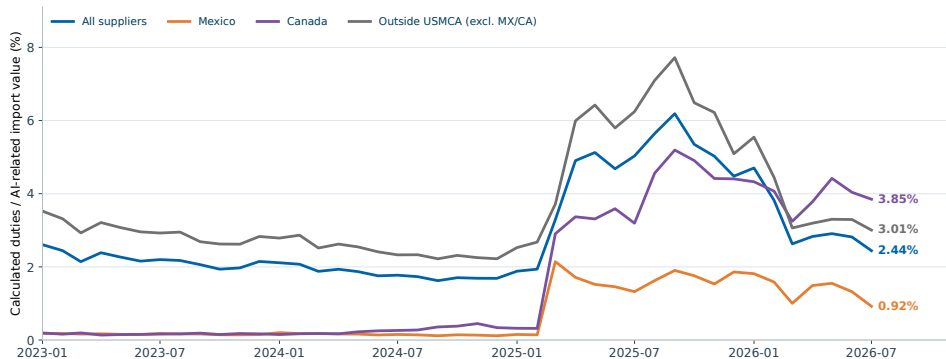
Note: Modeled short-run real-consumption changes relative to the January 2026 tariff baseline. Tightening rules of origin raises non-USMCA input costs by a 25-percentage-point equivalent; coordinated tariffs align North American external rates. The model holds factor reallocation and new investment fixed.

Sources: Martínez-García, Sposi and Kelly ([2026](#)), Chart 3; author's calculations from published scenario effects.

USMCA compliance

Key point: Tighter origin rules impose larger costs than coordinated external tariffs in all three North American economies, illustrating why policy design matters.

Realized AI-basket import duties: Mexico retains a marked advantage



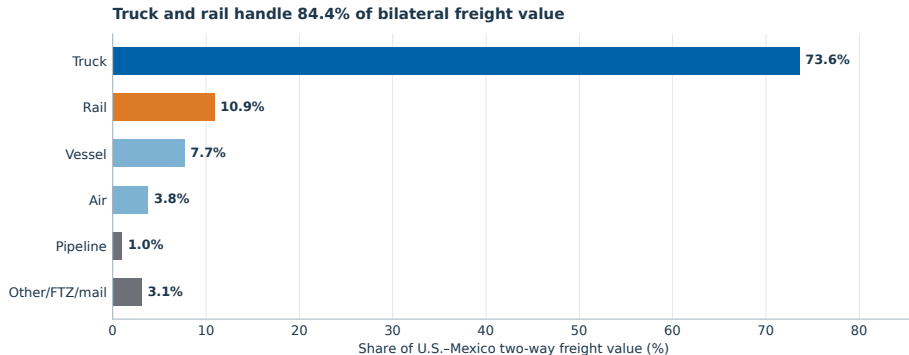
Note: Calculated duties divided by consumption imports for Waugh High AI-related goods, January 2023–July 2026, observed current product mix, before refunds. These are realized average duties, not statutory rates; products and USMCA eligibility differ across suppliers.

Sources: [U.S. Census HS10 and calculated duties](#); [AI Trade Tracker](#); author's calculations.

Main comparison

Key point: Mexico's AI-equipment tariff advantage has persisted throughout the tariff escalation, with realized duties well below Canada's and the non-USMCA average.

U.S.–Mexico freight is overwhelmingly truck and rail



Note: 2025 U.S.–Mexico two-way freight value across all transport modes. Shares are values, not shipments or tonnage. “Other” includes foreign trade zones and mail; values need not sum to exactly 100% because of rounding.

Sources: [BTS TransBorder Freight Data, 2025](#); author’s calculations.

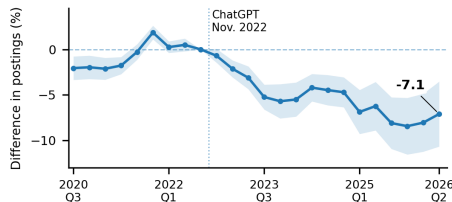
[Return to slide 16](#)[Borderplex map](#)

Key point: Truck (73.6%) and rail (10.9%) together carry 84.4% of the value of bilateral goods trade.

Hiring and task demand are adjusting as AI spreads

Entry opportunities contract

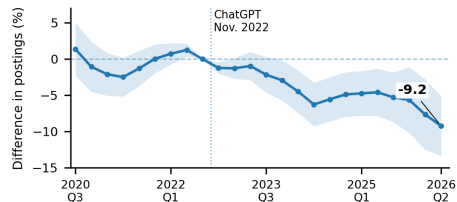
Texas; per 10pp greater occupational exposure



Source: Dallas Fed research. Shading: 95% confidence intervals.
Published coefficient path; reference quarter: 2022 Q3.

Existing firms also reduce hiring

Texas firms; per 10pp greater pre-ChatGPT exposure



Source: Dallas Fed research. Shading: 95% confidence intervals.
Published coefficient path; reference quarter: 2022 Q3.

Note: Texas posting coefficients and 95% confidence bands from the published Dallas Fed analysis. Within-industry occupational exposure and incumbent-firm exposure differ; posting responses are neither direct counts of layoffs nor a causal regional jobs estimate.

Sources: Dodini and Smith ([2026](#)); author's calculations.

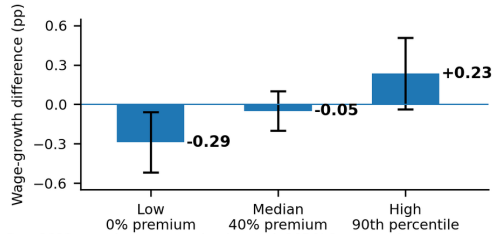
Productivity slide

Key point: Faster technology adoption can coexist with reduced postings for some jobs and higher demand for different skills.

AI exposure and work experience: measured wage associations

Experience changes the wage relationship

Per 1 standard deviation greater occupational AI exposure



Post-2022 growth vs. prepandemic trend; 205 U.S. occupations.

Error bars: published 90% confidence intervals.

Source: Dallas Fed research; chart-data workbook.

Note: The wage-growth panel measures occupation-specific post-2022 associations by experience premium; its 90% confidence intervals include zero at the median and high experience premiums. The productivity comparison is presented separately in the main deck.

Sources: Davis ([2026](#)); author's calculations.

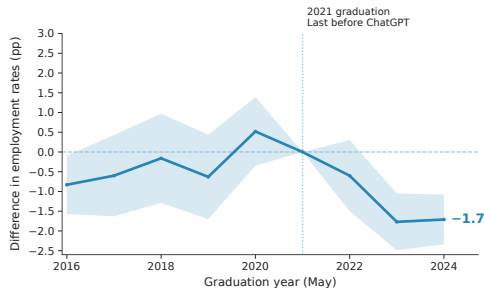
Productivity slide

Key point: Experience and task complementarity may matter as much as headline AI exposure when measuring changes in the nature of work.

AI exposure and the difficult school-to-work transition

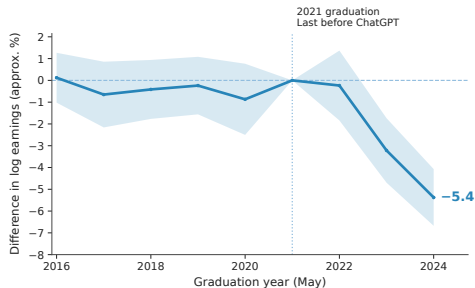
First-year employment rate

Texas graduates; per 10pp greater major AI exposure



First-year earnings

Texas graduates; per 10pp greater major AI exposure



Note: Event-study estimates and 95% confidence bands per 10-percentage-point greater major-level AI exposure among Texas public four-year graduates, relative to the 2021 cohort. Log-earnings coefficients approximate percent differences among employed graduates.

Sources: University of Houston Education Research Center; Anthropic Economic Index; Dodini and Smith ([2026](#)), Chart 1.

Main AI productivity

Key point: Early AI labor-market effects are most evident at entry: exposed graduates face weaker employment prospects and lower conditional earnings.

Bibliography: Dallas Fed and Global Institute research

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[Appendix menu](#)[Other sources](#)

Bibliography: Other sources and underlying data

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- [WTO ePing](#): TBT notifications; [Specific Trade Concerns](#): first-raised dates and country roles, 1995–July 2026.
- Leibovici and Chinagorom-Abiakalam ([2025](#)), *Nontariff Trade Barriers in the U.S. and EU*.
- Waugh ([2026](#)), *Trade in AI-Related Products*; [Minneapolis Fed AI Trade Tracker](#).
- [OECD ICIO](#) and [Census Foreign Trade](#): value-added origins and HS10 trade.
- [BTS](#): U.S.–Mexico freight modes and gateways.
- [Stanford HAI AI Index 2026](#): organization-level AI adoption rates.

[Appendix menu](#)[Dallas Fed research](#)