



Trade Update

September 15, 2020

By Michael Anderson

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Highlights

- U.S. – China: President Trump issued more threats to compel reshoring of critical supply chains by imposing tariffs on U.S. companies that create jobs in China. CPB is poised to impose import bans on cotton, tomatoes and tomato paste from China over forced labor allegations in China's Uighur region.
- U.S. – U.K.: The fourth round of U.S. – U.K. trade talks continue this week amidst diminishing prospects of the U.K. concluding negotiations with EU on a post-Brexit framework. Speaker Pelosi said any outcome changing the Good Friday Agreement would jeopardize Congressional approval of a U.S. – U.K. trade deal.
- U.S. – Brazil: The U.S. and Brazil agreed to a 90-day extension of Brazil's ethanol TRQ and to explore improved market access for ethanol, sugar and corn.
- Seasonal Produce: Mexican private industry officials reported they are monitoring and discussing possible counter measures in response to USTR's seasonal produce plan activities.

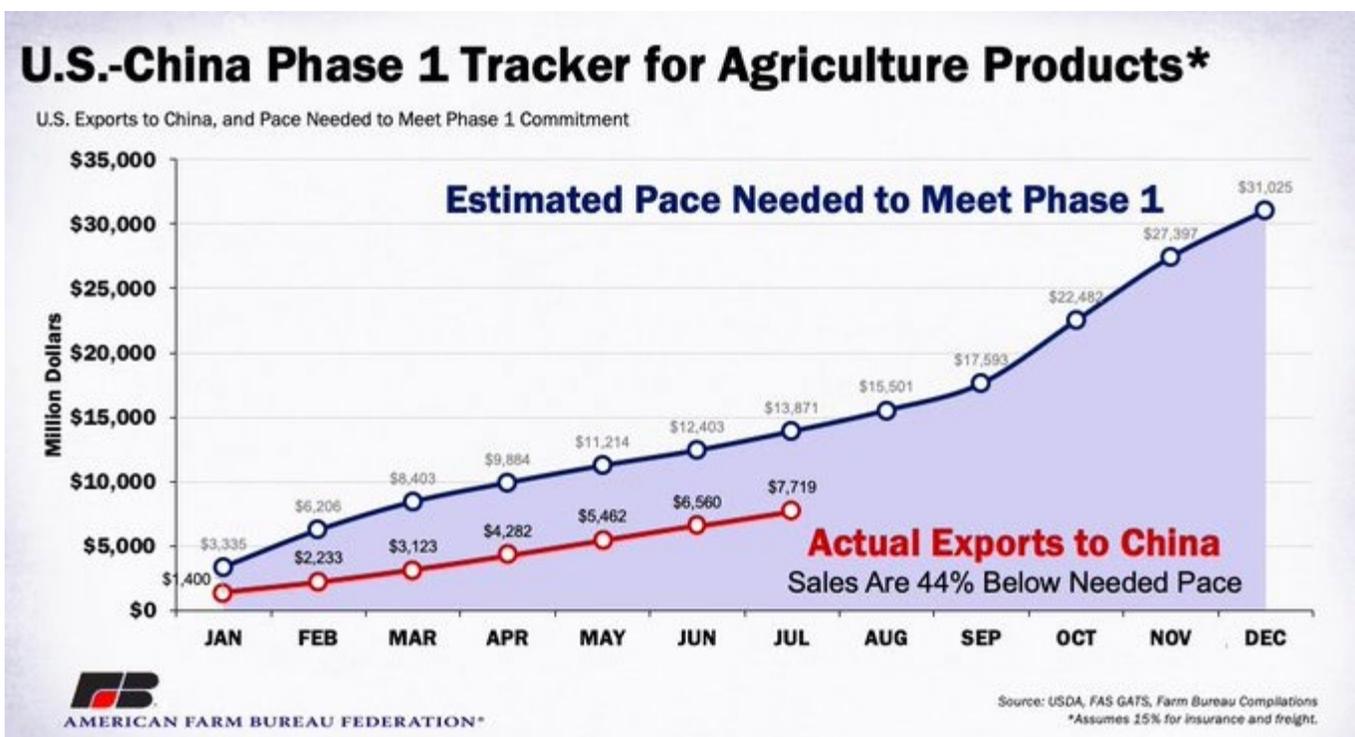
China Trade

- President Trump continued threats to decouple the world's two largest economies should he win a second term in the November election. "We'll manufacture our critical manufacturing supplies in the United States, we'll create 'made in America' tax credits and bring our jobs back to the United States and we'll impose tariffs on companies that desert America to create jobs in China and other countries," Trump said at a White House news conference. President Trump has previously threatened to punish U.S. firms that create jobs overseas and to forbid those that do business in China from winning federal contracts. "Whether it's decoupling or putting massive tariffs on China which I've been doing already.... We're going to end our reliance on China because we can't rely on China and I don't want them building a military like they're building right now and they're using our money to build it," stated Trump.
- In an effort to condemn the forced labor allegations in the Uighur region, the U.S. is preparing to ban tomato and cotton imports from Xinjiang, China. The U.S. Customs and Border Protection (CBP) is predicted to announce the [withhold release order](#) later this week. CBP official Brenda Smith [stated](#) that the import ban is likely to cover the supply chains for cotton, tomatoes, and tomato paste due to the "reasonable evidence that there is a risk of forced labor in the cotton textiles and tomatoes coming from Xinjiang."

- On August 18, USTR issued a [notice](#) requesting written comments in preparation for its annual report to Congress on China's implementation of commitments made in connection with its accession to the WTO. Unlike in years past, USTR is collecting written comments only (through September 16), and is not planning to hold a public hearing.

Phase One Agreement

- USDA announced additional large China purchase orders for U.S. agriculture products last week, including 664,000 tons of soybeans, the largest daily total since July 22, for delivery in the 2020/21 marketing year. The purchase announcements continue a steady drum beat of increased Chinese purchases of U.S. agriculture commodity purchases this year as part of a phase one trade deal that went into effect in February 2020. USDA also reported that private exporters reported the sale of 101,600 tons of corn for delivery in 2020/21. Overall, data from the USDA [indicated](#) a continued strong demand from China for U.S. corn and soybean exports.
- Still, China's year-to-date U.S. agricultural product purchases are 44% off the pace needed to meet the overall purchase level in the phase one deal, according to Farm Bureau analysis. The purchase levels are slightly improved from the 47% lag last month. China's 2020 agriculture purchases through July totaled \$7.7 billion and are significantly below the \$13.8 billion year-to-date level that is needed to meet the phase one commitments based on the target value, the historical pace, and the baseline year set out in the agreement.



USMCA

- Senator Grassley indicated existing technical corrections to USMCA were hitting roadblocks. "We're working on some technical corrections but some of us are running into some difficulty getting bipartisanship, and if we don't get bipartisanship on getting technical corrections there's no way you're going to get it done," Grassley told reporters last week. The corrections surround language in the implementing bill on the North American Development Bank, provisions on merchandise processing fees, and foreign trade zones. All will require Congressional approval.
- As reported earlier, the AFL-CIO announced plans to file the first USMCA labor complaint against Mexico this month. Richard Trumka, AFL-CIO President said, "We have tremendous concerns with Mexico's ability to enforce their own

laws.” “We will file a case within the next 30 days,” Trumka said during a webinar hosted by the *Christian Science Monitor*. The complaint could utilize the USMCA’s facility-specific rapid-response mechanism, a mechanism inserted as an [annex](#) into the USMCA after intense negotiations between House Democrats and USTR. The other filing mechanism is via the USMCA labor chapter provision. “We think that when we do the rapid-response, and if we’re able to block products from coming in, it will get their attention real fast and they will understand that they will have to change and comply with the law.”

- CBP reported USMCA implementation continues to progress smoothly through the “honeymoon phase.” John Leonard, executive director of trade policy for U.S. Customs and Border Protection, said CBP and its counterparts in Mexico and Canada have continued in-depth collaboration on USMCA implementation, with frequent meetings to discuss any issues that arise, as well as ways to improve information-sharing processes.

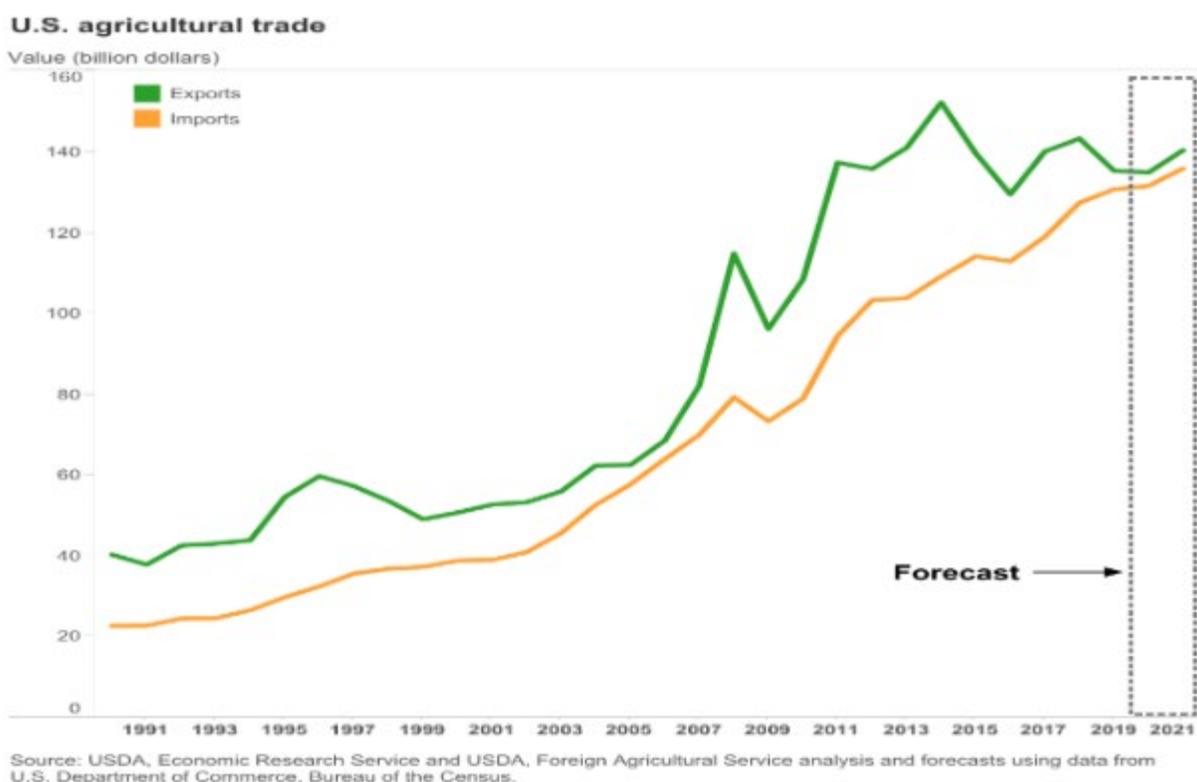
U.S.–U.K. Trade Agreement

- As the prospects of finalizing the U.K. – EU post Brexit relationship by December diminish, Prime Minister Boris Johnson has pushed for amending the current agreement, which EU officials say would break international law. Last week British Ministers proposed the changes in a draft Internal Market Bill. Johnson defended the Internal Market Bill, claiming it would “ensure the integrity of the UK internal market” and ensure there are no barriers to trade within the U.K. after the country leaves the EU’s economic framework at the end of the year.
- EU officials responded adamantly that such actions would violate international law and set a dangerous precedent for U.K. – EU relations. “The Withdrawal Agreement was concluded and ratified by both sides, it has to be applied in full,” President of the European Council Charles Michel said in a statement. “Breaking international law is not acceptable and does not create the confidence we need to build our future relationship.” European Commission President Ursula von der Leyen said. She continued noting the age-old diplomatic cornerstone of “agreements must be kept” was “the foundation of prosperous future relations.”
- House Speaker Nancy Pelosi drew a redline on the U.K.’s contemplated revisions to the Brexit accord with the EU, warning that there would be “no chance” of a U.S.–U.K. trade deal if the U.K. were to undermine the 1998 Good Friday Irish peace accord. “Whatever form it takes, Brexit cannot be allowed to imperil the Good Friday Agreement, including the stability brought by the invisible and frictionless border between the Irish Republic and Northern Ireland,” Pelosi said in a statement. “The U.K. must respect the Northern Ireland Protocol as signed with the EU to ensure the free flow of goods across the border.”
- The fourth round of U.S. – U.K. trade negotiations continue this week, concluding on September 18th, with a fifth round likely starting in mid-October, the last round prior to the U.S. election. The rounds have occurred roughly in 6-week intervals, though the timing of successive rounds for the last two months of the year may be impacted by the election results. During the fourth round, both sides

are expected to tackle complex issues regarding agriculture products, procurement, and trans-Atlantic business mobility.

- Negotiations on agriculture goods market access may portend progress on the talks overall as the U.K. defines a post-Brexit food and regulatory regime, which the U.S. hopes will depart significantly from that of the EU. Many U.K. officials and industry groups have repeatedly urged the U.K. not to lower existing food and safety standards and are sharply critical of such U.S. practices as chlorine-washed chicken.

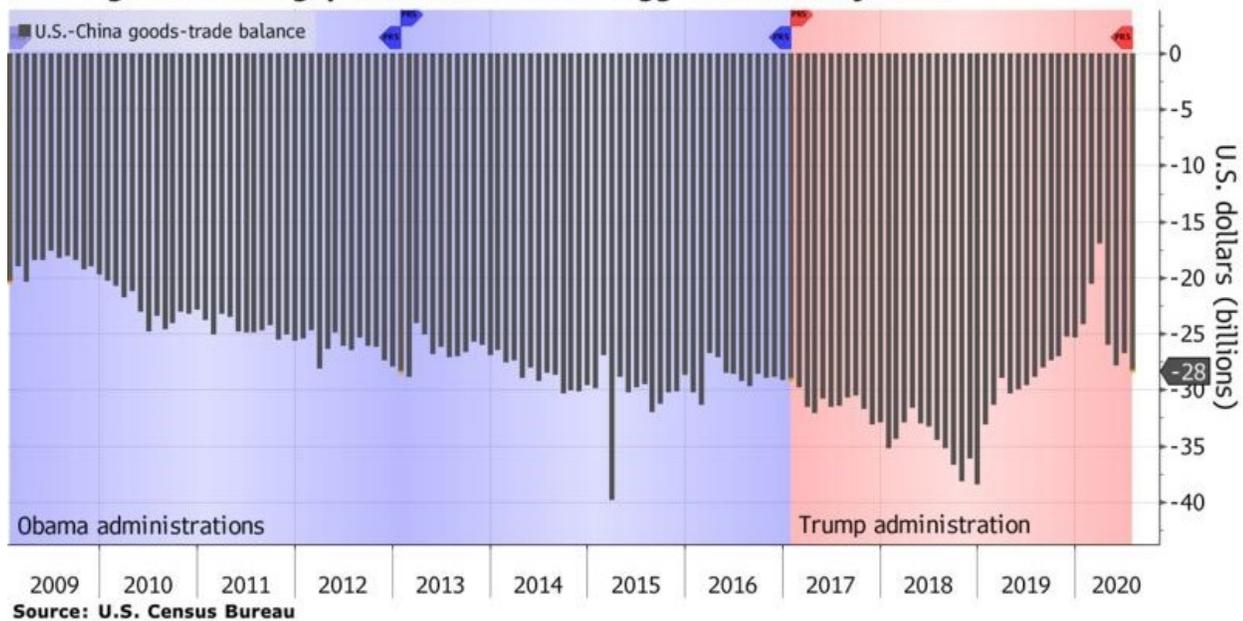
COVID-19 Developments



- On August 26th, USDA [published](#) an Outlook for U.S. Agricultural Trade report indicating an increase in forecasted FY 2021 exports to \$140.5 Billion. As seen in the graph above, the U.S. agriculture trade balance is predicted to continue to narrow until 2021.
- After the pandemic exposed an overreliance on China in trade, lawmakers are considering grants to incentivize expanding domestic production in critical products rather than using tariffs to reshore supply chains to the U.S. Rep. Michael McCaul proposed offering a grant incentive rather than tariffs stating, “Federal-level tax incentives and capital grant programs... are being negotiated by lawmakers and Treasury Secretary Steven Mnuchin as they try to develop a coronavirus relief package.”
- The U.S. bilateral trade deficit with China increased in July to over \$28 billion, the highest since July 2019. Increasing level of U.S. imports from China as the U.S. economy slowly right-sizing from the devastation of the coronavirus propelled the increasing deficit in goods trade.
- China reports its trade surplus with the U.S. in August was \$34.2 billion, the highest since November 2018.

Little Change

U.S.'s goods-trade gap with China is the biggest since July 2019



Section 232 Tariff Actions

- As reported earlier, Representative. Ron Kind said re-imposition of 232 aluminum tariffs on Canada are a “major stumbling block right out of the gate,” and could adversely affect USMCA implementation. “We are bracing now for Canada’s retaliation; they are going to hit my beer industry badly in Wisconsin, which is exactly what they can’t afford right now,” said Congressman Kind. “This president -- who I don’t think really has a good grasp on trade policy -- doesn’t appreciate or understand how difficult he’s making life here in Wisconsin for my manufacturers and for my farmers right now.”
- The re-imposed tariffs on Canadian aluminum imports went into effect on August 16. President Trump previously announced 10 percent tariffs on some imported Canadian aluminum products citing a surge of Canadian aluminum into the U.S. USTR said in a [statement](#) that Canadian aluminum into the U.S. “has intensified in recent months, despite a contraction in U.S. demand.”
- The Canadian government’s retaliatory tariff response covers \$2.7 billion of U.S. aluminum and aluminum-containing products and will be effective this week on September 16th. The announced [retaliation list](#) includes products a range of aluminum products (e.g. aluminum cans, golf clubs, wheel rims, and refrigerators). Chrystia Freeland, said tariffs are “perfectly reciprocal,” and “Our trade officials have worked on this list very, very carefully. We do hope that when Americans look at this list, they will understand why having a tariff dispute is a really bad idea.”

Ongoing 232 Investigations

- The three ongoing investigations are progressing at the Department of Commerce under “threat to national security” provision contained in section 232 of the Trade Expansion Act of 1962. The investigations involve transformer parts, vanadium, and mobile cranes. The initial comment period on Vanadium has closed and rebuttal comments were due on August 17th.

- The Department of Commerce has 270 days to provide a report to President Trump determining whether the imports in question threaten to impair U.S. national security, along with a recommendation for action. President Trump will then have 90 days to determine whether or not to impose restrictions so that imports no longer threaten national security.

U.S.–Japan Trade Developments

- No significant updates on potential phase two U.S. – Japan trade talks since Prime Minister Shinzo Abe’s resignation due to health reasons. Some observers note that Abe and Trump forged a unique relationship that allowed the two leaders to find mutual ground for a trade deal despite the roil over U.S. TPP withdrawal and threatened 232 tariffs on Japanese autos. Abe is credited with pushing the phase one trade legislation through the Japanese political process in record speed. Other observers suggest that Abe’s successor will likely focus on defense issues as the threat of China will remain paramount, further delaying a U.S. phase two deal.
- As reported earlier, Amb. Lighthizer conceded that the coronavirus has delayed phase two negotiations with Japan. During Congressional testimony, Amb. Lighthizer said he would expect the phase two talks to start “in the next couple of months.” Prior to the outbreak of COVID–19, commencement of negotiations on a phase two or a comprehensive trade deal were expected no earlier than May according to sources.

U.S.–EU Trade

- The European Commission announced the selection of Valdis Dombrovskis to fill the Trade Commissioner role after Phil Hogan’s resignation. Mr. Dombrovskis, a former prime minister of Latvia, was acting trade commissioner earlier this year as well, when Phil Hogan was considering a run at the WTO director–general position. The [New York Times](#) contrasted the former and new Trade Commissioners’ styles stating, “Mr. Dombrovskis, whose gentle manner will be a departure in style from Mr. Hogan’s more blunt–talking persona, will be tasked with handling difficult trade talks with the bloc’s biggest partners and competitors: China, Britain in a post–Brexit world, and the United States.” The Times continued, “But despite their stylistic differences, experts say that they expect Mr. Dombrovskis, who has been a vice president in the European Commission focusing on the economy, to follow through on the policies Mr. Hogan set out in those negotiations.”



*Valdis Dombrovskis, EU Trade
Commissioner*

- Phil Hogan resigned abruptly last month over breaches to coronavirus guidelines during a recent dinner with lawmakers. Hogan issued [a statement](#) expressing regret and making an “apology to the Irish people.” Hogan attended a dinner the previous week at a golf club, near Ireland’s west coast, in violation of coronavirus restrictions. The dinner, attended by about 80 politicians and government officials, violated a ban on large gatherings and fueled a sense that the powerful consider themselves [above the rules they impose on others](#).

Civil Aircraft Disputes

- As noted earlier, USTR indicated it seeks a “new process” to resolve the longstanding EU civil aircraft dispute. The U.S. said it was “committed to obtaining a long-term solution to this dispute” and emphasizing it “recently showed great restraint in its review of WTO-authorized countermeasures for the EU’s WTO-inconsistent launch aid subsidies.” As reported previously, USTR announced modest adjustments to the product list covering \$7.5 million in EU products under the WTO Civil Aircraft case regarding illegal launch aid by Airbus. USTR removed list certain products from Greece and the U.K. and adding an equivalent amount of trade from France and Germany on the tariff list. The other tariffs remained unchanged at 15% for aircraft and 25% for all other products.
- EU officials have complained the U.S. is reluctant to negotiate a broader solution after repeated EU solicitations. EU officials are eagerly awaiting announcement of the award amount in the EU civil aircraft counter suit regarding Boeing, expected in October or November. EU officials remain skeptical that until the counter-tariffs under the Boeing award are initiated, the U.S. is locked in to the current \$7.5 billion in tariffs on EU goods under the Airbus case.

French Digital Services Tax

- Fearing the U.S. will block current negotiations on an international agreement to resolve the impasse on digital service taxes, France is urging the European Commission to make a formal proposal for a digital tax in the first quarter of 2021. According to France’s Finance Minister Bruno Le Maire the Commission may propose a digital tax by the end of 2020 as an optional measure should international talks hosted by the Organization for Economic Co-operation and Development (OECD) fail by year-end. “We have significant disagreements that I don’t expect to be resolved by the end of the year,” Le Maire said. “If the U.S. obstruction is confirmed by the end of the year, we are counting on the European Union to make a formal proposal on digital tax in the first quarter of 2021.” France suspended imposing the digital tax 180 days to promote a solution through OECD talks on a broader digital tax accord.



Bruno Le Maire, French Finance Minister

- Earlier in the year USTR threatened section 301 tariffs on French goods before both sides agreed to pursue OECD talks aimed at securing an international agreement. The pending [USTR](#) tariff list covers \$1.3 billion worth of French goods. The potential tariffs result from a Section 301 investigation in which USTR concluded and announced it had found France's tax would discriminate against U.S. companies.
- The [list of goods](#) from France facing potential 25% tariffs include soap, handbags and cosmetic products (fashion tariffs). Other sensitive products, like French wine and cheese, were not included. The tariffs are delayed up to 180 days (i.e. Jan. 6, 2021) – as long as France continues to defer imposition of the tax.

U.S.–Brazil

- House Agriculture Committee Chairman Collin Peterson, recently [advocated](#) for U.S. corn and ethanol a solution for U.S. producers after the tariff rate quota (TRQ) for ethanol imports into Brazil expired on August 31st. “Brazil's move to increase tariffs on American ethanol is more bad news for our producers. The Trump Administration should continue working with Brazilian officials to restore the duty-free access that was in place from 2012 to 2017,” Peterson said.
- Last Friday, Brazil and the U.S. negotiated an understanding to extend the ethanol TRQ for a further 90 days starting on September 14. Under the agreement, Brazil will extend its duty-free quota for U.S. ethanol for the next 90 days while the two countries discuss how to improve market access for ethanol, sugar and corn. “The discussions should aim to achieve reciprocal and proportional outcomes that generate trade and open markets to the benefit of both countries,” the U.S. and Brazil said in a [joint statement](#). Brazil will maintain a “pro-rata” tariff-rate quota for ethanol “proportional to the total annual volume of the TRQ” that was in force through August 30,” the statement noted.
- Some industry groups raised concerns that the 90-day TRQ extension would inject greater uncertainty in the ethanol market. The Renewable Fuels Association, U.S. Grains Council, Growth Energy and National Corn Growers Association, said the 90-day extension of the TRQ would lead to “greater uncertainty” for U.S. exporters. It “serves neither Brazil’s consumers nor the Brazilian government’s

own decarbonization goals, especially while Brazil's ethanol producers continue to receive virtually tariff-free access to the U.S. market," the groups said in [a September 14 joint statement](#). The statement further noted that, "The U.S. ethanol industry actively sought, through repeated dialogue with local industry and government, to illustrate the negative impacts of tariffs on Brazilian consumers and the Brazilian government's own decarbonization goals. However, it seems Brazil's government has left its own consumers to pay the price through higher fuel costs once again.

U.S.–Kenya Trade Developments

- As reported earlier, Rep. Earl Blumenauer raised concerns that the Trump administration might influence Kenya to reverse laws limiting proliferation of plastics and contended that "ancillary elements" were infiltrating the U.S. – Kenya trade negotiations with the aim to "limit what countries can do -- even something as simple as Kenya's ban on plastic bags. Major industry groups have rebutted the claim also promoted by environmental groups. In a recent article, the American Chemistry Council (ACC) said, "We anticipate that Kenya could serve in the future as a hub for supplying U.S.–made chemicals and plastics to other markets in Africa through this trade agreement." However, Betty Maina, Kenya's trade and industrialization minister confirmed the U.S. has not proposed a reversal of the ban on plastic bags. "No such proposal has been brought to the negotiating table. Claims in the story are neither here nor there," she said, according to the report. "We will negotiate with [the] U.S. guided by Kenyan laws."
- A third round of U.S.–Kenya trade talks are anticipated to start in September but details on dates are presently unavailable.

Seasonal Produce

- In response to USTR's announced seasonal produce plan, Vice President of the National Agricultural Council of Mexico Juan Cortina, indicated that industry stakeholders in Mexico are closely watching the development of the global safeguard investigation and other announced activities. Cortina noted that private sector industry officials have engaged with Mexican government officials (e.g. Economia and Sader) on a potential response. "It is important that Mexico sends a clear signal to the northern neighbors that this is not valid, we can respond with retaliation to many products that they export to Mexico, such as corn, soybeans, dairy, pork and beef, wheat, chicken, egg, apple and high fructose, which together represent a value of around 10 billion dollars," Cortina stated in a report by [El Financiero](#).
- As reported earlier, USTR, the Agriculture Department, and the Commerce Department [released the seasonal produce plan](#) last Tuesday that outlined several

actions, including requesting a global safeguard investigation, yet stopped short of undertaking a section 301 investigations as repeatedly urged by lawmakers and produce groups from Florida and Georgia over the two days of virtual hearings. In a [statement](#), USTR, USDA, and the Department of Commerce [announced](#) a series of policy actions to address Southeastern growers concerns including:

- Initiate a global safeguard investigation ([section 201](#)) on blueberry imports
 - Consultations with Mexico over the next 90 days to address U.S. industry concerns regarding U.S. imports of Mexican strawberries, bell peppers, and other seasonal and perishable product
 - Explore possible expedited section 201 investigation on strawberries and bell peppers
 - Work with U.S. producer growers to maximize existing USDA programs
 - Outreach program to Southeastern growers to understand applicable trade remedy laws (i.e. anti-dumping and countervailing duty investigations)
- The action plan culminates several months of efforts by USTR, USDA, and Commerce to follow through on a January 9, 2019 letter from Amb. Lighthizer to the Florida congressional delegation to review and determine options regarding “trade-distorting policies that may be contributing to unfair pricing in the U.S. market for seasonal and perishable products, and to “implement effective and timely remedies necessary to address any trade distorting policies” affecting U.S. growers.

U.S.–India Trade Developments

- As previously noted, India’s Commerce Minister Piyush Goyal in a [tweet](#) last week said that he and Amb. Lighthizer aim to complete a limited trade deal by the U.S. Presidential election. Goyal said, “India is open to signing on what we have agreed on.” “I’ve left it to [Lighthizer] to make the final call,” he added. Goyal had previously noted that after two years of negotiations a deal is in reach. “We are almost there,” Minister Goyal said at an event hosted by the U.S.–India Business council in July. Goyal emphasized that the U.S. and Indian leaders should also look at a preferential trade pact with 50 to 100 products and move to a comprehensive free trade pact in the long term.
- Amb. Lighthizer told lawmakers in June that the U.S. is currently in trade negotiations with India. Ambassador Lighthizer previously said negotiations with India are taking longer than he expected. “They are dogged and insistent on keeping their tariffs and we are dogged in insisting that we are going to get a fair deal. So we are working on it very much. And hopefully we’ll get a good outcome,” Amb. Lighthizer added.
- Deputy Secretary of State Stephen Biegun commented that while a bilateral deal before the election would not be easily struck, though it is possible. “I think there’s a chance,” he said during a [USISPF event](#). “It’s going to take a more effort. The time is short before the U.S. elections and a lot of governments around the world are hedging a little bit; I wouldn’t be surprised if the Indian government [is]

as well.”

U.S.–Taiwan Trade

- In an interview with POLITICO, Taiwanese diplomat to the U.S., Bi–khim Hsia asserted that the recent decision to open its beef and pork market to the U.S. was because, “deepening trade relations between Taiwan and the United States is good for both of our countries...Agriculture is not a significant portion of our bilateral trade. However, politically it is very sensitive. That's why it's taken several administrations to arrive at where we are today.”
- Taiwan continues to push for bilateral trade talks with the U.S. after lowering U.S. beef and pork barriers. Taiwan’s envoy to the U.S., Bi–khim Hsia said Taiwan hopes USTR will “consider moving ahead” on trade talks establishing a concrete foundation soon that could cross over into next year,” alluding to U.S. Trade Promotion Authority, due to expire in July 2021, as a timing consideration.
- Earlier, Taiwanese President Tsai Ing–wen announced lifting some restrictions on U.S. beef and pork exports, removing a major trade hurdle to potential bilateral trade talks. President Tsai said Taiwan would ease regulations to allow imports of American pork containing trace amounts of an animal–feed additive used by some U.S. farms, as well as U.S. beef products from cattle age 30 months and older. The announcement follows on the heels of Ms. Tsai’s earlier public statement expressing desire to free trade talks with the U.S. “We know that there is still some way to go between now and signing a trade agreement,” Tsai said. “But prior to trade discussions, we must rationalize trade regulations to the same international standards and open up to other countries for mutual benefit.”

WTO

- The WITA hosted a panel September 11 on the [Future of the WTO](#) with guests Amb. Robert Zoellick and Pascal Lamy moderated by U.S. Ambassador Peter Allgeier. Among the important points raised were:
 - Both Mr. Lamy and Mr. Zoellick emphasized the increasingly important role of the precautionary principal for the future of the WTO. Yet precaution comes with the burden that the definition of a good and bad risk is heavily dependent on local cultures, perceptions, and religions.
 - COVID–19 has exacerbated the divide between developed and developing countries by exposing countries who can afford large fiscal stimulus and those who cannot. Therefore, developing countries will inherently have more severe ramifications that transcend the public health issues.
 - If President Trump wins a second term in November, the WTO will remain unable to incorporate modern issues and will remain rigid in the post–COVID–19 environment. Although not a primary agenda item, a Biden administration might be able to build a different political coalition and trade

could become a major issue with a creative advocate within the administration.

WTO Leadership

- The “consultation” stage of the new Director–General selection process is underway. The candidate pool of eight will be narrowed through successive rounds to two final names with goal of a consensus selection by November 1st. Ambassador David Walker, WTO General Council Chair, announced the process will begin with three candidates being asked to withdraw at the end of the first round, followed by three candidates in the second round. Two finalists will be left for the final third round. Walker noted that, “all delegations are invited to consult with me, as General Council Chair, assisted by the Chairs of the DSB and TPRB as Facilitators for up to 10 minutes each.” This will be the first of three rounds, the GC chair explained.
- Several sources note that the strongest bets for the candidates most likely to move onto the next round include all three women—Ngozi Okonjo–Iweala, Amina Mohamed, and Yoo Myung–hee—along with Mexico’s Jesus Seade, while the fifth slot remains a toss–up. According to several sources, the three women running are strong contenders and top–tier candidates, with the two African women widely considered the frontrunners. While the candidate pool includes strong diversity of candidates, the WTO may be poised for its first–ever woman director–general.
- The final list of candidates and their professional backgrounds are provided below.

WTO DG Candidates

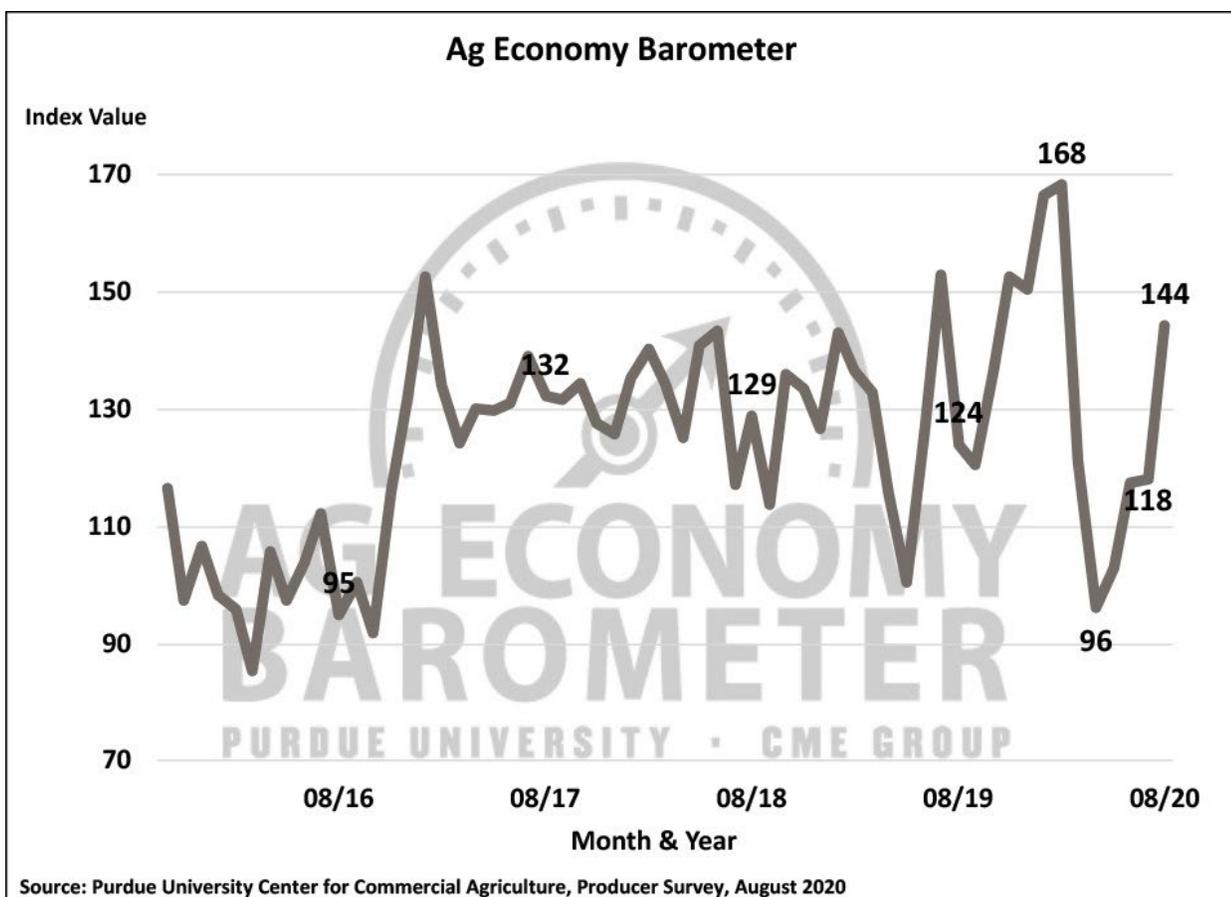
Candidate	Country	Experience
Jesús Seade	Mexico	Undersecretary of Foreign Relations for North America, Chief negotiator for the Uruguay Round, Chief Economist at World Bank Biography
Ngozi Okonjo–Iweala	Nigeria	World Bank executive, Minister of finance, economy, and foreign affairs for Nigeria Biography
Abdel–Hamid Mamdouh	Egypt	Egyptian Trade negotiator, trade lawyer at King & Spalding (Geneva), Director WTO Trade in Services Division Biography
Tudor Ulianoschi	Moldova	Former Moldovan Minister of Foreign Affairs and Ambassador to the WTO Biography
Yoo Myung–hee	South Korea	Trade Minister for the Republic of Korea Biography
Amina C. Mohamed	Kenya	Former Foreign Affairs and International Trade Minister for Kenya Biography
Mohammad Maziad Al–Tuwaijri	Kingdom of Saudi Arabia	Minister advising royal court on international and local economic strategic matter, former Minister of Economy and Planning for Saudi Arabia Biography
Liam Fox	United Kingdom	Former United Kingdom Trade Secretary Biography

WTO Reform

- WTO reform efforts have slowed during the DG leadership transition. As reported earlier, Amb. Lighthizer called for “reset” of the WTO in a *Wall Street Journal* op-ed, “[How to Set World Trade Straight](#),” Amb. Lighthizer outlined five principle reform areas:
 - Tariffs – WTO members need to agree on baseline tariff rates that apply to all, with minimal exceptions.
 - Most-favored Nation – WTO members should be required to extend genuine, unconditional most-favored-nation treatment to one another.
 - Special and Differential Treatment – countries with large or advanced economies prohibited from special and differential treatment (e.g. China, India, Brazil, and others).
 - Non-market rules – WTO needs new rules to stop the economic distortions that flow from China’s state capitalism.
 - Restructure Dispute Settlement System – The current two-tier system should be replaced with a single-stage process akin to commercial arbitration.

Ag Economy Barometer

- The Ag Economy Barometer rebounded in August, climbing to an index value of 144, 26 points higher than the previous month. The improvement in sentiment was in part propelled by an amelioration in concerns over COVID-19’s impact on farm, combined with expectations for robust crop yields as indicated in USDA’s August *Crop Production* report, and increasing prices for in key commodities in August.



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