

TRADE UPDATE Food & Agriculture



Provided by CRA

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HIGHLIGHTS

- **U.S. – China:** China’s year-to-date U.S. agricultural product purchases continue apace as the gap on the lagging level of purchases narrows. Preliminary October results estimate purchases are 28% under the Phase One deal commitments. The Commerce Department issued preliminary countervailing duties (122.5%) on Chinese twist ties after finding the Chinese government intervened in its currency.
- **WTO:** Uncertainty remains whether South Korea will withdraw its candidate Yoo Myung-hee from the WTO Director-General race as previously reported. In a report last week, South Korea reportedly notified the U.S. of its decision according to sources and was expected to make it public “in the coming days.”
- **U.S. – EU:** Members of the European Parliament filed a motion for a resolution urging the EU to use the momentum generated by the limited tariff deal to advance a broader cooperation agreement between the U.S. and EU.

Quote of the week: “The Department of Commerce will continue to use the legal tools at our disposal to aggressively counter currency undervaluation and other unfair subsidies, further ensuring a level playing field for American businesses and workers.” (*U.S. Commerce Secretary Wilbur Ross*)

China Trade

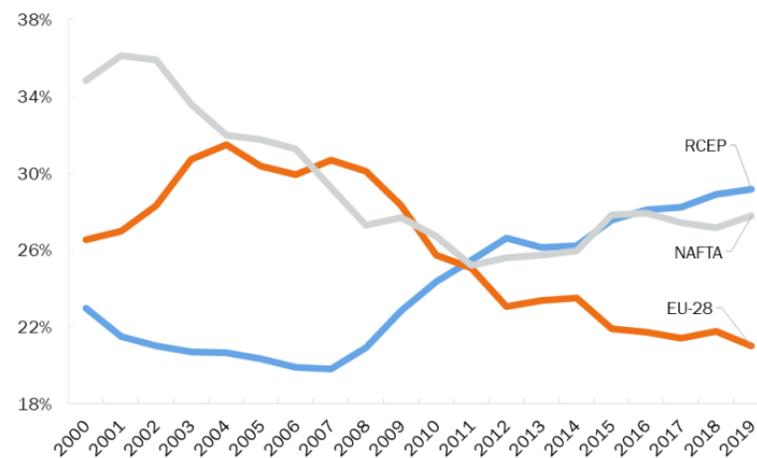
- The Commerce Department has issued preliminary countervailing duties on Chinese twist ties. In a similar case as the Vietnamese tires, the U.S. claims that Chinese producers unfairly benefit from an undervalued currency. The investigation on Chinese twist ties began on July 16 after Bedford Industries filed a petition. In 2019, the U.S. imported \$4.1 million worth of Chinese twist ties. The U.S. Treasury Department found the Chinese government intervened in its currency and undervalued the renminbi by 5 percent according to a report by *Inside U.S. Trade*. As a result, Commerce set the preliminary subsidy rates at 122.5 percent, including a 10.54 percent preliminary subsidy rate for China’s currency undervaluation “program.” Commerce Secretary Wilbur Ross stated, “Today’s preliminary determination reaffirms the Trump Administration’s commitment to free, fair, and reciprocal trade. The Department of Commerce will continue to use the legal tools at our disposal to aggressively counter currency undervaluation and other unfair subsidies, further ensuring a level playing field for American businesses and workers,” Ross continued. Commerce plans to make a final determination on the CVD rates by Feb. 16, 2021 and the U.S. ITC plans to issue its final injury determination on April 2.
- China customs has completed quarantine protocols of U.S. animal and plant products as part of the U.S.-China phase one trade agreement. “As of now, 37 inspections of animal and plants related to the China-US economic and trade agreement have been completed in a timely and high-quality manner,” said Zhao Zenglian, head of the Department of Animal and Plant Quarantine at the General Administration of Customs (GAC). Since the phase one trade agreement, the GAC has addressed issues related to market access for US potatoes, barley and pet foods, and removed a ban on US poultry imposed during an earlier bird flu epidemic.
- Chinese President Xi Jinping congratulated President elect Joe Biden, stating he hopes to “manage differences” and focus on cooperation. Xi Jinping continued that China wants to advance a “healthy and stable” relationship and uphold the principles of “no conflict” and “no confrontation,” according to the official *Xinhua News Agency*.
- As the Biden transition team formulates its China trade policy approach, several groups are urging a move to coalition building with other trade partners. The Business Roundtable recommends a multilateral approach to trade in a Biden administration. Joshua Bolten, President and CEO of the

Business Roundtable said, “We have many significant challenges in dealing with China that will require a lot of attention from the incoming Biden administration.” Bolten continued, “While we disagreed with a lot of the tactics deployed by the Trump administration with respect to China, we also recognize that they were identifying real problems.” “Unwinding the tariffs -- especially with China -- shouldn’t be a unilateral act,” Bolten said. “The Chinese have put retaliatory tariffs on; at a minimum it should be an unwinding on both sides, but it should be an opening to begin a serious negotiation that the Trump administration attempted, but I think in many respects made difficult through overly aggressive measures.”

Regional Comprehensive Economic Partnership (RCEP)

- The Brookings Institute issued an analysis on the significance of the RCEP on international trade. The [report](#) states, “The remarkable growth of China and Southeast Asian economies is reflected in the rising share of the RCEP bloc in global GDP, trade, and FDI over the past two decades. This has also propelled the RCEP to overtake trading blocs, which were much larger at the beginning of the century, including the North America Free Trade Agreement (NAFTA) and the European Union.”

Figure 2. RCEP members are overtaking the largest trade blocs
Share of trading blocs in global GDP



Source: World Development Indicators

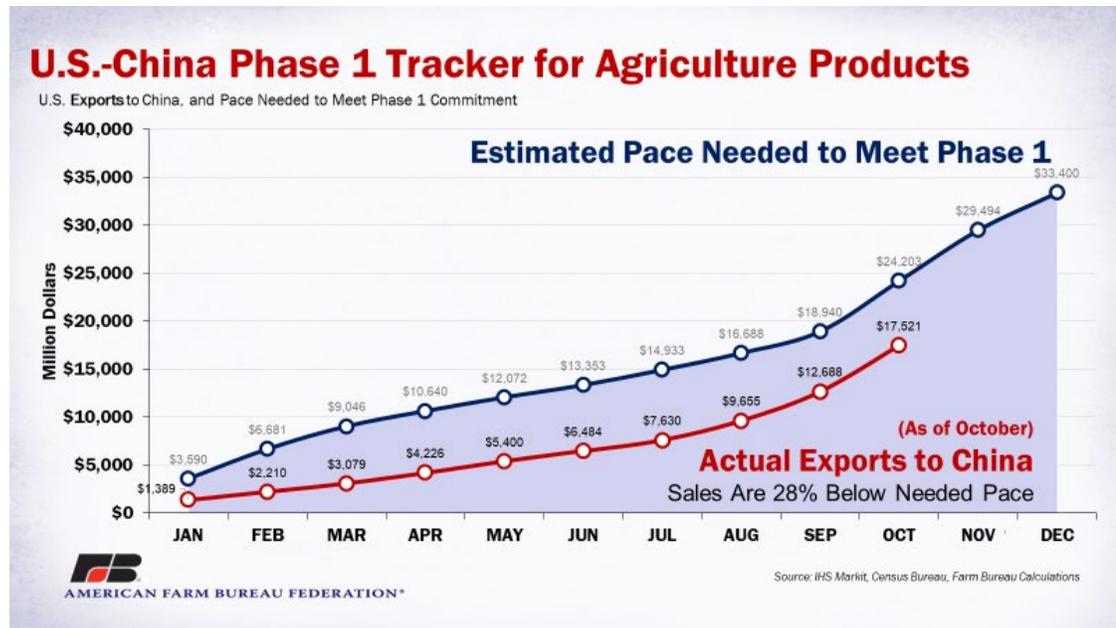
BROOKINGS

- As previously reported, the U.S. Chamber of Commerce issued a statement urging U.S. officials to resist joining the RCEP while acknowledging the rising influence of China in the region. “Given the shortcomings of RCEP, we would not recommend the United States joining. The United States should however adopt a more forward-looking, strategic effort to maintain a solid U.S. economic presence in the region. Otherwise, we risk being on the outside looking in as one of the world’s primary engines of growth hums along without us.”
- Fifteen Asian countries, led by China, recently, signed the Regional Comprehensive Economic Partnership (RCEP) last week creating the world’s largest trading block (i.e. 15 countries, 2.2 billion people and combined GDP of \$26.2 trillion). The RCEP builds on the 2012 tariff harmonizing agreement between members of the Association of Southeast Asian Nations (ASEAN), lowering tariffs. The RCEP eliminates tariffs mainly for goods that already qualify for duty-free treatment under existing free trade agreements. It allows countries to keep tariffs for imports in sectors they regard as especially important or sensitive and includes rules of origins but does not include provisions on labor and environment. The RCEP includes 10 Southeast Asian countries, as well as South Korea, China, Japan, Australia and New Zealand and according to several observers is illustrative of China’s growing influence in the region.

Phase One Agreement

- China’s year-to-date U.S. agricultural product purchases continue to increase as the gap on the lagging pace of purchases narrows. Preliminary results based on October trade data estimate purchases are 28%

under the level needed to meet the Phase One deal commitments.



- USDA forecasts China will import \$27 billion worth of U.S. agricultural goods in FY 2021, a record setting number. However, agricultural imports are still set to fall short of the \$40 billion target set in the phase one agreement. Should USDA’s forecast be met, China would be \$23.2 billion short of its phase one agricultural target in October 2021 with about four months left to meet its commitment. Agriculture USDA Secretary Sonny Perdue last week said that he didn’t know if China would be able to meet its phase-one purchasing commitments, but that China is, however, importing record amounts of U.S. corn, beans, pork and poultry. “Sometimes there has to be some pain. The good news is now we’re seeing those prices that we would have hoped to have seen four years ago.... Now I think we’re seeing trade policies result in prices that can be very sustainable for our farm communities.
- Customs data showed Chinese imports of U.S. soybeans are almost three times higher in October than in 2019. China brought in 3.4 million tons of the oilseed from the U.S. this October, up 196.4% from 1.147 million tons a year ago. Additionally, the October shipments were up from 1.17 million tons in September. Xie Huilan, an analyst at agriculture consultancy Cofeed, said “Supplies from South America fell to the bottom while American new crop started to be shipped and arrived in October.” China’s year-to-date U.S. agricultural product purchases remain strong. Preliminary estimate based on October U.S. trade data show China remains 28% off the pace needed to meet the overall purchase level commitment in the phase one deal. China’s 2020 agriculture purchases through October totaled \$17.5 billion and remain below the \$33.4 billion 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.



Sonny Perdue, USDA Secretary

U.S.-U.K. Trade Agreement

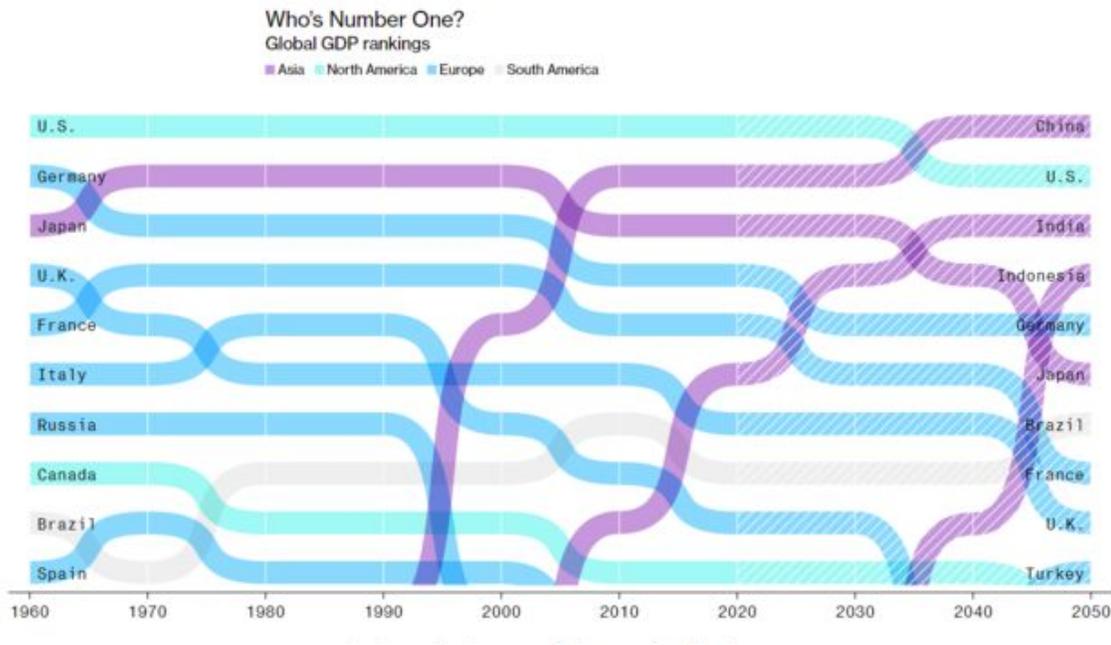
- Responding to critics who argue British officials are overly focused on U.S. trade talks, U.K. trade minister Liz Truss said Britain will not prioritize a trade deal with the U.S. to the detriment of other bilateral trade negotiations as the U.K. exits the EU. Truss responded to questions of whether Britain was overly focused on negotiating a deal with the Trump administration and said, “By no means are we entirely focused on the U.S., but it is our largest single-country trading partner.”
- Separately, Britain's foreign minister said there is only about a week left for the U.K. and the European Union to strike a post-Brexit trade deal, with fishing rights the major obstacle to an agreement, the *Associated Press* news service reported. As talks continued between the two sides in London, Foreign

Secretary Dominic Raab said, “I think we are into the last week or so of substantive negotiations.”

- As reported earlier, the U.K. is eager to engage with an anticipated Biden administration to expeditiously conclude ongoing bilateral trade talks, according to a British official, while acknowledging other U.S. trade priorities (e.g. China). The official acknowledged that despite considerable progress after five rounds of the talks, the two sides are “not just one round away from wrapping this up” and that further progress hinges on how negotiations progress with the new U.S. administration. Scheduling of another round of talks is unlikely until after the January 20th inauguration and the selection of a new USTR, which has historically taken several months.
- A number of other trade tensions with Europe that involve the U.K. may also determine further progress on a bilateral U.S. – U.K. trade deal including, EU civil aircraft tariffs, digital services taxes, and U.S. steel and aluminum section 232 tariffs. Perhaps more importantly on the U.S. side is the expiration of Trade Promotion Authority (TPA) in June 2021, historically key to timely Congressional consideration of trade agreements. Under TPA or previously known as “fast track” authority, USTR would need to submit the signed U.S-U.K. trade agreement to Congress by April 2021 to receive consideration under TPA.

COVID-19 Developments

- The U.S. merchandise-trade deficit widened in October as imports continued to surge, reaching a new yearly high, outpacing an increase in exports. The goods trade deficit increased to \$80.3 billion from \$79.4 billion in September, according to Commerce Department. Imports rose by 2.2% to \$206.3 billion, the highest since September 2019, while exports increased 2.8% to \$126 billion.
- Bloomberg Economics forecasts that China will become the world’s biggest economy by 2035 and the most powerful economic and political actor on the global stage.



USMCA

- No significant updates since Mexico took steps to comply with the environmental provisions of USMCA by introducing an initiative to mitigate marine litter. USMCA’s environmental chapter includes language on marine protections. In a Nov. 11 [statement](#), the Mexican Economy Ministry said, “Recognizing the severity of the problem, the governments of Mexico, the United States and Canada incorporated in the Environment Chapter of the T-MEC a specific commitment to take measures to prevent and reduce marine litter.” “Mexico's adhesion to the GGGI reflects the will of our country to protect our oceans, as well as the intention to comply with the environmental obligations assumed in the T-MEC.” Democrats in

the House Ways & Means Committee are closely following Mexico's enforcement of environmental laws.

- As reported earlier, House Ways and Means Committee Democrats added their voice to the mounting criticisms over the administration's handling of USMCA implementation and enforcement. Committee Chairman Richard Neal (D-Mass) said, "The Trump Administration's lackadaisical approach to implementing and enforcing the USMCA is an affront to American workers, threat to the health of our hemisphere's environment, and disservice to the US economy." The Ways and Means group indicated specific concerns with the administration's failure to enforce USMCA's labor and environmental standards. They also plan to closely monitor the USMCA's provisions on autos and Canada's actions that could disadvantage U.S. dairy farmers.

U.S.-Taiwan

- Senator Pat Toomey (R-PA) indicated his plans to push the Biden administration toward a free trade agreement with Taiwan. He intends to release a Senate resolution supporting a U.S.-Taiwan FTA. Toomey stated, "Joe Biden has a history of supporting some of these free-trade agreements, so I think that is encouraging. I'm hopeful that we could see movement in the direction of a free trade agreement with Taiwan ... that's why I am taking the position I am, and I intend to push the new administration to move in this direction." Toomey emphasized the importance of a comprehensive deal rather than a mini-deal because of the importance of the Taiwanese economy to the U.S. as it comprises the U.S.' 10th-largest trading partner and the world's 20th-largest economy.
- Taiwan Deputy Economic Minister Chern-Chyi Chen said he expects U.S. and Taiwan to continue to strengthen trade relations under a Biden Administration according to a report by *Inside U.S. Trade*. "Trade relations are inevitable," Chen said. "We think that at the end of the day the Biden administration will pursue some trade relations via whatever form but there will be the need to intensify U.S. trade relations toward the world."

U.S.-Vietnam

- USTR has scheduled hearings for the Vietnam Section 301 investigation. The [hearing](#) "concerning Vietnam's acts, policies, and practices related to the import and use of illegally harvested or traded timber" is set for Dec. 28. The deadline to request to appear and to submit associated testimonies is Dec. 10. The U.S. is quickly advancing the investigation and is in discussion with Vietnamese officials.
- As reported earlier, the federal [Labor Advisory Committee](#) expressed its support for USTR's decision to launch a Section 301 investigation into Vietnam's currency practices. The Committee also urged USTR to impose an 8.4% tariff on Vietnamese goods, estimated to equal to the amount of currency undervaluation found by the International Monetary Fund in 2018. Committee Chair, and USW President Thomas Conway said on behalf of the Committee, "Vietnam's currency manipulation is the result of deliberate government policies that have been in place for many years and are designed to gain a competitive advantage for its exports." "The harm to U.S. producers from these policies has grown substantially because of the shifting of supply chains from China to Vietnam in response to the imposition of tariffs by the U.S," Conway continued.
- If the Commerce Department's investigation finds Vietnam undervalues its currency, it could lead to U.S. duties on a wide range of Vietnam exports to the U.S. The public comment period will close next week, and a final duty determination will be announced around March 16, 2021.

Section 232 Investigations

- No significant update on section 232 investigations. As reported earlier, Mexico will avoid any Section 232 tariffs for grain oriented electrical steel (GOES) related to the transformer parts investigation. Amb. Lighthizer reported that Mexico agreed to create a "strict monitoring regime" for those exports composed of GOES to avoid Section 232 tariffs. In a [statement](#), USTR reported that the U.S. and Mexico concluded consultations via a mechanism established in a May 2019 agreement to "address the transshipment" of GOES "from outside the North American region into the United States through GOES-

containing downstream products.” Under the agreement, Mexico will promptly create a monitoring regime and starting in fourth quarter, that regime will “closely monitor shipments of these products to the United States,” according to the statement.

- Under Section 232, the President must render a decision no later than 90 days after receiving the Commerce report to impose Commerce’s recommendation on trade restrictions or craft a different set of tariff or trade restrictions. Then the President has 15 days to implement any trade actions and 30 days to submit a report to Congress explaining the President’s action or inaction.

U.S.-Japan Trade Developments

- Japan hopes that the signing of the Regional Comprehensive Economic Partnership (RCEP) will encourage the U.S. to return to a multilateral trade framework, particularly in Asia. *Japan Times* reported that a senior Japanese diplomat said, “Regarding RCEP, it may create discussions in the United States, such as ‘is it okay that we are sitting out when a free trade network is created in the Indo-Pacific?’” Specifically, Japan urges the U.S. to rejoin TPP. Foreign Minister Toshimitsu Motegi stated, “Japan thinks it is extremely important that countries like the United States join the TPP and further expand the momentum of free trade and make common rules fit for the 21st century,” he said. “In this regard, Japan will continue to exchange views and communicate with the United States.”
- Earlier Wendy Cutler, vice president at the Asia Society Policy Institute and a former acting deputy U.S. Trade Representative and Kurt Tong, a former Asia-Pacific Economic Cooperation ambassador and deputy chief of mission at the U.S. Embassy in Tokyo, wrote an op-ed urging U.S. and Japan to collaborate in areas such as digital rules, technology restrictions and the WTO. As the prospect of a phase-two agreement remains uncertain, “We should avoid the rabbit hole of comprehensive phase two talks, and instead get to work on the above-mentioned priorities even before the shadow of the coronavirus has dissipated,” Cutler and Tong wrote. Addressing the stagnating phase two talks, the op-ed continues, “[I]t is no longer clear that this second phase of bilateral trade talks should rank high on the list of U.S.-Japan economic priorities.”



Toshimitsu Motegi, Japan Foreign Minister

U.S. – EU Trade

- The EU recently published its intellectual property action plan indicating the European Commission will strengthen the protection system of geographical indications for agricultural products by the end of 2021 according to *Politico*. The Commission said it will review existing legislation include “enhancing IP enforcement... reducing internet theft, improving sustainable production under the GI schemes ... reviewing ways to promote and protect the EU traditional foods, and speeding up registration procedures.” However, the strategy fails to provide clear details about non-agricultural geographical indication products.
- Members of the European Parliament filed a motion for a resolution urging the EU to use the momentum generated by the limited tariff deal, where the EU removed tariffs on U.S. lobster imports, to advance more comprehensive agreements. The resolution urges the Commission to “build on this momentum to construct a positive EU-U.S. trade agenda beyond tariff reductions, as a broader cooperation agreement would be of particular benefit, facilitating our mutual economic recovery and the resolution of trade irritants and exploring new areas for cooperation.” Such areas include “trade, technologies and digital taxation, including in the framework of the Organisation for Economic Co-operation and Development (OECD)” as well as potential progress on regulatory assessments. On Nov. 11, a motion for a resolution was approved by the international committee and full parliament is set to vote on the resolution on Thursday. EU Trade Commissioner Valdis Dombrovskis said the document would “outline the direction of EU trade policy for the coming years” and the Commission would “consider it very carefully in our reflections on a new strategic direction for trade policy.”
- As reported earlier the European Council has approved the removal of tariffs on lobster imports from the U.S. for five years. The U.S. has agreed to reduce tariffs on prepared meals, crystal glassware, surface

preparations, propellant powders, cigarette lighters and lighter parts. The tariff reduction will be made on a most-favored nation basis retroactive to Aug. 1.

Civil Aircraft Disputes

- The U.K. plans to maintain retaliatory tariffs on U.S. goods in the aircraft subsidy case even as it finalizes its withdrawal from the EU. Although the U.K.'s participation in imposing tariffs was under a transitional arrangement with the EU that expires at the end of 2020, *Reuters* reported a U.K. official stated Britain is taking steps to continue the tariffs until the 16-year dispute over aircraft subsidies is settled. "Whether we reach a further trade agreement with EU in next days, weeks, or not, we will leave the transition period on the 31st of December, and we will not be bound by EU trade remedies decisions. And we will need to assert our own right to do so," the official continued.
- On November 4th the EU imposed tariffs of 15% on U.S. aircraft and 25% on agricultural goods, totaling \$4 billion under the WTO ruling on U.S. subsidies for Boeing civil aircraft. Commission Vice President Valdis Dombrovskis insisted the EU was merely aiming level the playing field and not escalating the trade tensions, as the U.S. has already imposed tariffs of 15% on EU aircraft and 25% on EU agricultural goods following the WTO ruling last year on illegal launch aid for Airbus. Dombrovskis said that "both in tariff rates applied and the composition" of products, the EU would "mirror the U.S. approach ... Apart of aircraft tariffs there are also going to be tariffs on agricultural, processed agricultural and industrial goods." USTR Robert Lighthizer argued that the EU tariffs were no longer valid as regulations in Washington State regarding Boeing business activities now comport with the WTO rulings.
- Last month, the WTO granted the EU the green light to move forward with \$4 billion in retaliatory tariffs against U.S. products under the civil aircraft dispute regarding Boeing. The U.S. countered immediately stating the EU has no legal basis to impose aircraft tariffs in conjunction with recent WTO's arbitrator's announced award level of \$4 billion on U.S. products.

French Digital Services Tax

- The French finance ministry confirmed tech companies were notified of the amount of tax they owe to France for digital activities that must be paid by the end of 2020. "On the digital tax, businesses subject to this tax have received a tax notice for the 2020 down payment," a spokesperson from the ministry said. Facebook France confirmed they received the notice.
- France began collecting digital services taxes by issuing invoices to U.S. companies, according to reporting recent reports. The move to implement its 3% tax on companies with digital revenue of at least 740 million euros worldwide and 25 million euros is "earlier than France indicated."
- While the U.S. agreed to suspend 25 percent tariffs on roughly \$1.3 billion worth of French goods in return for France's delay in collecting digital services taxes, France's actions will likely result in USTR imposing Section 301 tariffs sooner than Jan. 6 as originally set. "I think there could be pressure on USTR to at least threaten immediate imposition of tariffs" if the French government doesn't suspend its collection reported *Inside U.S. Trade*.

U.S. – Kenya Trade Negotiations

- No significant updates since recent conclusion of the second round of U.S. - Kenya trade negotiations. According to the American Chamber of Commerce in Kenya, Nairobi prepared [text](#) for several chapters for the round on legal and transparency issues; market access for goods; sanitary and phytosanitary measures; textiles and apparel; customs and trade facilitation; technical barriers to trade; services and investment; digital trade; intellectual property; small and medium-sized enterprises; government procurement; state-owned enterprises; and labor and environment. USTR aims to negotiate a comprehensive deal with Kenya prior to TPA's expiration.

Biden Transition

- Reports suggest that presumptive President-elect Joe Biden plans to announce more nominations for his economic team this week, which may include the next U.S. Trade Representative and Commerce Secretary. As reported earlier, Katherine Tai is emerging as a likely contender for the next USTR after obtaining bipartisan Congressional support. Tai is currently the chief trade lawyer for the House Ways and Means Committee and is in conversations with the Biden transition team. Senator Sherrod Brown (D-Ohio) said that Tai is the "most qualified candidate for the job. As the first woman of color to lead USTR, Katherine's nomination would also be historic. Recently ten congresswomen from the Democratic caucus sent a letter to Biden expressing support for Tai as USTR. Other contenders with more political experience for the USTR position mentioned in recent press reports include California Rep. Jimmy Gomez and former White House chief of staff Rahm Emanuel.

Section 201 Investigations

Seasonal Produce

- No response from USTR to date regarding Georgia Republican Senators Kelly Loeffler's and David Perdue's request to start an import monitoring action on cucumbers and squash imports from Mexico under Section 332 of the of the Tariff Act of 1930. In a letter the Senators noted that, "cucumbers' import value is currently \$894 million, which is a 10% increase from September 2019 and August 2020. Squash's import value is currently \$473 million representing a 27% increase during that same time period." Both Loeffler and Perdue are facing run-off elections in January.
- The request follows USTR action requesting the USITC to conduct separate "monitoring" investigations on imports of strawberries and bell peppers, based on a letter from the Florida Farm Bureau. The information may form the basis for launching section 201 global safeguard investigations in the near future. The USTR's [Seasonal Produce Plan](#) outlined the monitoring investigation stating, "USTR will work with domestic producers to commence an investigation by the International Trade Commission to monitor and investigate imports of strawberries and bell peppers, which could enable an expedited Section 201 global safeguard investigation later this year."
- The Section 201 blueberry investigation by the USITC is underway and key milestone dates include the deadline for an injury decision on Feb. 11, 2021 and USITC injury report due to the President by March 29, 2021. Key dates in the Section 201 investigative process are noted in a [USITC fact sheet](#):
 - **January 12, 2021:** Hearing on injury
 - **February 11, 2021:** Vote on injury (Statute requires vote by 180 days (Feb. 26, 2020), but USITC invoked 15-day extension under "extraordinarily complicated" provision).
 - **February 25, 2021:** Hearing on remedy (if affirmative injury vote)
 - **March 19, 2021:** Vote on remedy recommendation (if affirmative injury vote)
 - **March 29, 2021:** USITC report and recommendation to the President (if affirmative injury vote).
 - **May 28, 2021:** Presidential announcement on action – (e.g. adopt USITC remedy recommendation, develop different remedy, decline to take any remedy action).

WTO

- The WTO will lose its final Appellate Body member China's Zhao Hong next week after her term ends. The U.S. has blocked filling any vacancies on the body since 2017 and the appellate body lost quorum and dissolved in December 2019 and no sign of a resolution to the impasse in the near term.
- As reported earlier, the U.S. and China are extending the deadline to Dec. 31 for China to bring its agricultural tariff-rate quotas into WTO compliance. The U.S. successfully challenged the 2016 case, and this delay is the fifth extension request. The countries extended the deadline from Nov. 9 to "allow the United States additional time to evaluate China's compliance measures."



*Zhao Hong, WTO
Appellate Body Member*

WTO Leadership

- According to a report by *Washington Trade Daily*, South Korea has signaled its intention to withdraw its candidate Yoo Myung-hee from the WTO Director-General race. South Korea has notified the U.S. of its decision according to sources and is expected to make it public “in the coming days.” After the postponement of the Nov. 8, another general council meeting has been scheduled for Dec. 17 to finalize the process. However, to date the WTO has not confirmed the report and its unclear whether and when South Korea would officially signal withdrawal of its candidate for the top WTO leadership position.
- Former Nigerian Finance Minister Ngozi Okonjo-Iweala delineated her priorities for the WTO including defeating the pandemic and ensuring the access of developing countries to COVID-19 vaccines. As the candidate most favored to become Director-General, Okonjo-Iweala commented on leading the WTO, “It all relates back to people. We need to constantly hark back to this purpose because that should drive the way that we see priorities and the tough things to tackle.” Experts predict Biden to drop the U.S. objection to her selection when he takes office on Jan. 20.
- The WTO Director-General selection remains on hold until early in the new year with local COVID restrictions in Geneva and an impasse over a consensus candidate. The WTO General Council chair, David Walker recently postponed a meeting to discuss the DG selection. Ambassador David Walker cited “the health situation and current events” in [announcing](#) he was postponing the meeting “until further notice.” “It has come to my attention that for reasons including the health situation and current events, delegations will not be in a position to take a formal decision on 9 November,” Walker said in his communication to members on Friday.

WTO Reform

- Thirteen countries, including the EU, Canada, and Japan recently pledged to launch an initiative at the WTO to identify steps members can take to facilitate trade for medical supplies and better position countries amid the public health crisis. The [joint statement](#) from the trade ministers of the Ottawa Group’s 13 members, promised the countries would “lead by example and withdraw or end any trade restrictive measures introduced in response to COVID-19 as quickly as possible.” Notably, the Ottawa Group does not include the U.S. or China. On agricultural trade, like with other pandemic-related trade measures, the ministers said their respective countries would “lead by example” in withdrawing restrictive measures as soon as possible. In addition, they urged “analysis and consideration” on what next steps WTO members could take to improve agricultural trade in the event of a future crisis “based on the lessons learned from Covid-19.”