

Taiwan and the United States Announce the Launch of the U.S.-Taiwan Initiative on 21st-Century Trade

Office of Trade Negotiations, Executive Yuan

June 1st, 2022

On June 1, 2022, Taiwan Executive Yuan Minister John Deng and Deputy United States Trade Representative Sarah Bianchi held a virtual meeting to announce the launch of the U.S.-Taiwan Initiative on 21st-Century Trade in an effort to deepen the economic and trade relationship between Taiwan and the United States in concrete ways. The two sides will now work toward the commencement of negotiations with the goal of reaching high-quality and economically meaningful trade agreements.

It is envisioned that future negotiations under the Initiative will cover the following trade areas:

1. Trade facilitation

- Pursuing best practices to facilitate trade, including accelerated implementation of the WTO's Trade Facilitation Agreement and the adoption of trade digitalization measures to expedite customs clearance procedures
- Negotiating electronic payments, risk management, protection of trader information, and other measures to help business, including SMEs, use technology to expedite the

clearance of goods

2. Regulatory practices

- Adopting sound, transparent regulatory practices to formulate regulations in accordance with principles of good governance and respect for the rule of law
- Relevant issues include: real-time web-based information on regulations and regulatory processes; public consultations and consideration of comments; and regulatory decisions based on best available information, science and evidence
- Exploring the possibility of discussing regulatory transparency and good governance with respect to service industries

3. Agriculture

- Exploring provisions to facilitate agricultural trade through science and risk-based decision making and the adoption of sound, transparent regulatory practices

4. Anti-corruption

In order to combat bribery and corruption, the two sides will seek to develop the following:

- strong anticorruption standards

- the elimination of tax deductions for bribes
- measures for the recovery of proceeds of corruption
- measures denying safe haven for foreign public officials involved in corruption

5. Supporting SMEs in trade

- Making it easier for SMEs to do business by removing barriers to trade, sharing best practices, and facilitating trade
- Providing assistance to SMEs owned by women entrepreneurs, under-represented groups, and disadvantaged communities

6. Harnessing the benefits of digital trade

- Pursuing a digital trade environment which will benefit workers, consumers, entrepreneurs and SMEs
- This will be accomplished by building consumer trust in the digital economy; promoting access to information; facilitating the use of digital technologies; promoting a resilient and secure digital infrastructure; and addressing discriminatory and trade-distortive practices in the digital economy

7. Promoting worker-centric trade

- Promoting the rights and interests of workers and developing more inclusive trade and labor-related policies, including the elimination of forced labor in global supply chains
- Creating more opportunities, promoting gender equality, and adopting other measures to show that trade can be a positive force for the promotion of workers' rights

8. Supporting the environment and climate action

The two sides will discuss deepening cooperation on trade and the environment, including:

- promoting the decarbonization of our economies in line with the outcomes of last year's UN Climate Change Conference (COP26)
- exchanging information on trade and environment-related issues
- supporting businesses, green jobs and the growth of low-carbon economies

9. Standards

- Ensuring that the preparation, adoption and application of standards, technical regulations, and conformity assessment procedures serve legitimate policy objectives, are non-

discriminatory, and do not create unnecessary barriers to trade, in accordance with the two sides' shared values and developmental standards

- Supporting regulatory compliance with international standards and establishing best practices to promote resilience in trade

10. State-owned enterprises

- Recognizing that the non-market practices of state-owned or state-controlled enterprises and government designated monopolies may cause significant distortions to international trade and investment
- Developing standards to ensure that state-owned or state-controlled enterprises and government designated monopolies are operated and impartially regulated in accordance with market mechanisms, and do not receive trade-distorting non-commercial assistance

11. Non-market policies and practices

- Recognizing that Taiwan and the United States are both market-oriented economies and understand the harm caused by trade partners who engage in non-market policies and practices which threaten the livelihoods of their people and harm workers and businesses

- Exploring ways to address these harmful non-market policies and practices

The United States and Taiwan look forward to using the U.S.-Taiwan 21st-Century Trade Initiative and their on-going engagement with stakeholders to advance and deepen our important economic and trade relationship between the United States and Taiwan, to promote our shared values, and to address our common challenges and opportunities together. Both sides will work to advance our mutual trade priorities based on shared values so as to foster innovative and inclusive economic growth for workers and businesses.

The first meeting of the U.S.-Taiwan 21st-Century Trade Initiative is expected to be held later this month in Washington, D.C.

The comprehensive, sustainable and extensive scope of this Initiative should serve as an ambitious roadmap for negotiations for reaching agreements with high-standard commitments and economically meaningful outcomes. By establishing high standards, the Initiative will also benefit Taiwan's application to join the CPTPP, and the government will combine forces with industry, academia, and the public sector to maximize our country's interests.