Flash Note
15/02/2019

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Flash Note: US-China trade talks. Latest news. Q&A's

- **US-China trade talks ended with little visible progress**: The NY Times reported that high-level talks between American and Chinese officials ended in Beijing on Friday afternoon with no immediate announcement from either side, although USTR Robert Lighthizer and Treasury Secretary Steven Mnuchin keep their agenda of meetings with China President Xi Jinping.

- **Deadline extension?** White House economic adviser Larry Kudlow said that there has been no decision to extend a 1-Mar US deadline for a deal.

- **The mood is mixed:** Kudlow described the mood as positive, contrasting with other sources, who indicated progress has been difficult on the thorniest issues involving US demands that China make sweeping changes to curb forced technology transfers and to enforce intellectual property rights.

- **What is China offering?** Two things:
    - The WSJ reported that China is counting on promises of big purchases of US semiconductors and other goods to ease trade tensions and persuade President Trump to extend a tariff truce.
    - Additionally, Reuters cited three people familiar with the US-China trade talks, who said that China has pledged to end market-distorting subsidies for its domestic industries, though offered no details on how this would be achieved. The lack of details makes US negotiators to remain skeptical of China's promise to bring all subsidy programs into WTO compliance.

- **How to describe the current situation**? It can be described as one where the US and China have failed to narrow the gap around key reforms to China's economy, but it seems evident that both parts seek to avoid an increase in tariffs after 1-Mar.

- **What next?** According to people briefed on the negotiations, both sides were scrambling to at least produce **a "memorandum of understanding"** by the end of Friday that could help pave the way for new a meeting between the two presidents next month.

Just hope it helps