

Flash Note 28/02/2019

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US-China. Summary of the latest news

- The USTR's office said on Wednesday it would move to formally suspend a scheduled tariff increase on Chinese goods "until further notice" following President Donald Trump's decision to delay his Friday deadline for a U.S.-China trade deal amid progress in their talks.
- Of course, the hawks as USTR Robert Lighthizer cautioned (in the US House Ways and Means Committee) that much work was still needed to nail down a US-China trade agreement, including working out how it will be enforced.
 - "tariffs would remain an important tool to push China to make structural policy changes"
 - "The US will push enforcement process to struck a deal by seeking monthly meetings for lower-level officials, quarterly meetings at the vice ministerial level and semiannual meetings at the ministerial level".
- Meanwhile, China ambassador to the US Cui Tiankai told the SCMP that structural reforms to China's economic and trade policies being pushed by the United States could take years to enact.
 - "While certain commitments such as purchases of US goods could be realized in a short time frame, other reforms that would have to go through China's legislative process could take five to 10 years to accomplish.

The favorable tone is maintained, although subject to intermittences.