US trade talks a boon for Taiwan

Written by Taipei Times Editorial Monday, 07 September 2020 05:23

President Tsai Ing-wen's ([] []] announcement on Aug. 28 that the government would from next year allow imports of US pork containing ractopamine as well as US beef from cattle aged 30 months or older has sparked fierce debate in Taiwan.

In the US, Vice President Mike Pence, Secretary of State Mike Pompeo, Secretary of Commerce Wilbur Ross and Secretary of Agriculture Sonny Perdue, as well as a number of US senators and representatives, have publicly welcomed the move, saying they supported closer economic and trade ties between the two countries.

There are questions as to why the government chose to allow the imports at this time, with the opposition Chinese Nationalist Party (KMT) accusing the Democratic Progressive Party administration of bartering public health for political gain.

Minister Without Portfolio John Deng ([] []] last week said that the ban is being lifted because Taiwan has handled its COVID-19 outbreak well and has the best reputation in the world regarding disease prevention, which offers an opportunity for other countries to engage in exchanges with it.

In Deng's words, this should be the best time for Taiwan to ease the restrictions on US pork and beef; a little earlier or later might not be as good.

US Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell on Monday last week announced that US Undersecretary of State for Economic Growth, Energy and the Environment Keith Krach would host the Taiwan-US Economic and Commercial Dialogue to bolster economic ties.

It is rare for the US Department of State to conduct such senior-level economic dialogue with foreign governments.

The US has proposed a new round of trade talks with Taiwan following Tsai's announcement,

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which is different from the talks conducted under the bilateral Trade and Investment Framework Agreement (TIFA), which have been suspended since 2016. The resumption of TIFA negotiations is expected to increase Taiwan's chances of joining regional trade agreements and reaching a bilateral trade deal with the US. However, Taiwan's ractopamine ban has long been a barrier to trade talks with the US, and the issue was not fully addressed during previous administrations.

Therefore, Tsai's effort to lift the long-time trade barrier means to open a window of opportunity for Taiwan to restart trade talks with the US. The Office of the US Trade Representative, which manages the TIFA talks, has yet to comment on Tsai's announcement.

The move shows Taiwan's resolve and ability to tackle difficult problems and sends a signal to the international community.

In light of the strong support for Taiwan on Capitol Hill and at the State Department, one could expect a breakthrough in trade talks soon, which would be the first step toward signing a bilateral trade agreement or a free-trade agreement with the US, although negotiations could take several years.

However, the obstacles to trade talks with the US are not limited to the issue of pork and beef imports, as Washington is also concerned about agricultural products, the trade deficit and foreign exchange rates, among other issues.

A Taiwan-US trade deal would affect not only the competitiveness of Taiwan's exports, but also other issues involving domestic sectors, with which the government must deal carefully.

Any substantial progress in Taiwan-US economic and trade ties would help increase the visibility of Taiwan in the US and raise foreign investors' confidence in Taiwan. How to maximize the effects of trade talks poses a considerable challenge to the Tsai administration.

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