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USTR Mission to Taiwan Next Week

The United States and Taiwan will hold negotiations on the bilateral Initiative on 21st Century Trade next week in Taipei, the US Trade Representative's Office announced. The in-person negotiating round will be held January 14-17.

Assistant USTR Terry McCartin will lead the US side in the negotiations, accompanied by representatives from several other US government agencies. The initiative represents one of the Administration's ongoing efforts to negotiate trade deals that are not as comprehensive as previous US free trade agreements, but instead focus on reaching deals that can be concluded and implemented more quickly than the traditional two to four years needed to complete broader FTAs.

Issues up for negotiation in the US-Taiwan deal include trade facilitation, good regulatory practices, strong anti-corruption standards, enhancing trade between small and medium enterprises, deepening agriculture trade, removing discriminatory barriers to trade, digital trade, robust labor and environmental standards and addressing distortive practices of state-owned enterprises and non-market policies and practices. The decision to launch trade negotiations with Taiwan came following calls from Congress for a free trade agreement with Taiwan.

Thursday Taiwan filed a formal request to the World Trade Organization (WTO) to join mainland China's dispute hearings against US chip export controls, according to a statement issued on Thursday by the island's delegation to the Geneva-based trade body. China last month filed a complaint with the WTO about US chip export restrictions.

Taiwan, the self-ruled island that China regards as a renegade province, said it has "a high trade interest in knowing how the dispute will affect the supply and demand of the semiconductor products in our bilateral trade and in the world market", without showing a preference for mainland China or the United States in the dispute.

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U.S. & Japan Team on Rights and Labor in Supply Chains.

United States Trade Representative Katherine Tai and Japan's Minister for Economy, Trade, and Industry Nishimura Yasutoshi signed a Memorandum of Cooperation (MOC) to launch a Task Force on the Promotion of Human Rights and International Labor Standards in Supply Chains.

The Task Force was established under the U.S.-Japan Partnership on Trade. Through the Task Force, the United States and Japan will exchange information on relevant laws, policies, and guidance; facilitate stakeholder dialogues with businesses and worker organizations; and promote best practices for human rights and internally recognized labor rights due diligence.

“The launch of this Task Force is another example of how trade can be a force for good throughout the world. Developing new tools that bring together the combined expertise of agencies across the Governments of the United States and Japan will help contribute to tackling worker exploitation in global supply chains,” said Ambassador Tai.

On the United States’ side, the Task Force is comprised of the Office of the United States Trade Representative, Department of State, Department of Commerce, Department of Health and Human Services, Department of Labor, Department of Homeland Security, U.S. Customs and Border Protection and Immigration and Customs Enforcement, the U.S. Agency for International Development, and other government agencies, as appropriate. The MOC text is available [here](#)

State/DDTC Seeks Comments on Open GL Recordkeeping

DDTC has launched a pilot program pursuant to its authorities in ITAR § 120.22(b) in order to assess the concept of an Open General License (OGL) mechanism by which it may authorize certain transfers of defense articles to predetermined parties.

DDTC seeks to ensure that persons who rely on any current or future OGLs to conduct reexports and retransfers abroad retain the same records as would be required if their transactions were authorized by either a specific license or an exemption. Accordingly, DDTC has restated the record-keeping requirements articulated in ITAR § 120.15(e) in the OGLs themselves.

Submit comments up to February 3, 2023. to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. [\[88 FR 397\]](#)

November Trade Figures Released

The Goods and Services deficit was \$61.5 billion in November, down \$16.3 billion from \$77.8 billion in October, revised, The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced. The November decrease in the goods and services deficit reflected a decrease in the goods deficit of \$15.3 billion to \$84.1 billion and an increase in the services surplus of \$1.0 billion to \$22.5 billion.

Year-to-date, the goods and services deficit increased \$120.1 billion, or 15.7 percent, from the same period in 2021. Exports increased \$439.4 billion or 18.9 percent. Imports increased \$559.5 billion or 18.1 percent.

The deficit with China decreased \$5.8 billion to \$20.4 billion in November. Exports decreased \$0.1 billion to \$13.5 billion and imports decreased \$5.8 billion to \$33.9 billion. Deficits were recorded, in billions of dollars, with China (\$20.4), European Union (\$19.5), Mexico (\$10.9), Vietnam (\$8.5), Germany (\$7.2), Ireland (\$5.6), Japan (\$5.6), Taiwan (\$4.1).

German Supply Chain Law Takes Effect Jan. 1

Called the *Lieferkettengest*, the German Supply Chain Due Diligence Act (GSCA) requires companies to assess human rights and environmental risks across their entire supply chain. It combines various German laws with the intent to eliminate child labor, ameliorate poor labor working conditions, and provide certain environmental protections within global supply chain activities.

The GSCA mandates organizations to generate annual reports on due diligence activities, risk analysis, and risk management actions. These reports must be in German and provide a full audit trail detailing the compliance program's effectiveness, as the organization is expected to show the progress they have made during the year.

Deutsche Welle reports the [EU Draft Directive on Corporate Due Diligence](#) appears to be even tougher than the German supply chain act. While the German law, for example, doesn't talk of [civil liability in case of violations](#), the EU draft includes the possibility for individuals to go to the courts. In addition, corporations from outside the EU, garnering a yet unspecified amount of their revenue in the bloc, will also have to abide by the rules.

**** Briefs *****

Sen. Stabenow to retire. Sen. Debbie Stabenow (D-Mich) announced Thursday her intention to retire after this session of Congress. Chairwoman of the Senate Agriculture Committee, senior member of the Senate Finance Committee, and Budget Committee, and member of the Environment and Public Works Committee, Stabenow says her focus for the next two years will be "leading the passage of the next five-year Farm Bill which determines our nation's food and agriculture policies. It is also key in protecting our land and water and creating jobs in our rural and urban communities."

Japan - Raimondo meets with METI Chief. Secretary of Commerce Gina Raimondo met with Japan's Minister of Economy, Trade and Industry Yasutoshi Nishimura to discuss Prime Minister Kishida's upcoming visit to Washington and ongoing U.S.-Japan collaboration. The Secretary and Minister discussed the importance of working together to promote and protect critical and emerging technologies, including through R&D and export controls, according to a readout.

Executives from IBM and Japan's Rapidus Corp. joined the meeting to share an overview of their ongoing collaboration on semiconductor R&D. The Secretary and Minister also shared updates and discussed

progress made across a variety of joint initiatives, including the Japan-U.S. Commercial and Industrial Partnership, the Economic Policy Consultative Committee (Economic “2+2”), and the Indo-Pacific Economic Framework for Prosperity.

ASEAN –Regional Comprehensive Economic Partnership Agreement has entered into force for Indonesia, the Association of Southeast Asian Nations announced last week. “The entry into force of the RCEP Agreement on 2 January 2023 is timely to mark the beginning of Indonesia’s ASEAN Chairmanship in 2023.

“Indonesia has been the driving force in RCEP since the conceptualization phase, and we hope more milestones, such as the establishment of the RCEP Support Unit, can be achieved during Indonesia’s ASEAN Chairmanship this year,” said Satvinder Singh, Deputy Secretary-General for the ASEAN Economic Community. Indonesia is the largest economy in ASEAN and the fifth largest among the RCEP parties.

ITA - Transshipment AD/CVD Report Included in the \$1.7 trillion year-end spending package to fund the government through the end of the fiscal year is non-binding report language directing the International Trade Administration (ITA) to submit a report within 180 days “outlining ITA 's efforts to counteract the use of third countries for transshipment by state-backed industries and producers to evade U.S. AD/CVD laws.” The language encourages ITA to “identify congressional actions that would be beneficial to counteracting these actions.”

Cuba - Wyden Rings in New Year in Havana U.S. Sen. Ron Wyden, D-Ore., is calling on the Biden Administration to strengthen support for Cuba’s small and medium-sized private enterprises by creating more general licenses, as well as giving the private sector access to international banking, following his fact-finding trip to Cuba. Wyden, who chairs the Senate Finance Committee and was the first Senator to visit Cuba in four years, intends to discuss his ideas with Senate colleagues over the weeks ahead. [[Release](#)]

ITA - Global Aluminum Trade Monitor The Commerce Department’s International Trade Administration announced the release yesterday of the Global Aluminum Trade Monitor, a new online tool that will provide global aluminum trade flows from the largest aluminum-producing and exporting countries.

Utilizing data sourced from IHSMarkit, the monitor will be a free, interactive, comparative analysis tool that allows users to create custom data visualizations and provide industry greater insight into how countries that import and export aluminum react to global market conditions. The monitor can generate tens of thousands of detailed charts across the top global aluminum importing and exporting countries and seven aluminum product categories, according to the ITA.

It enables users to customize their analysis and view data in both volume and value. For countries that do not report aluminum trade data, the monitor also utilizes import data from other countries to construct reverse flow export figures.

DDTC Updated USPAB Guidance Posted. The Directorate of Defense Trade Controls (DDTC) has updated the guidance for U.S. persons abroad (USPAB) applications. A new guidance document, as well as a submission letter template and sample §126.13 certification letter for USPAB authorization requests, are located on the [“Guidelines & Instructions”](#) page of the DDTC website. Additionally, the USPAB FAQs have been revised and updated. You can view the FAQs individually by visiting the FAQ section of the DDTC website, or download a [pdf copy of the FAQs](#)

Iran – OFAC Sanctions more Aerospace Executives. OFAC is designating six executives and board members of U.S. designated Qods Aviation Industries (QAI), a key Iranian defense manufacturer responsible for the design and production of unmanned aerial vehicles (UAVs). OFAC is also updating QAI’s entry on the Specially Designated Nationals and Blocked Persons List (SDN List) to include its new alias, Light Airplanes Design and Manufacturing Industries. Finally, OFAC is designating the director of Iran’s Aerospace Industries Organization (AIO), the key organization responsible for overseeing Iran’s ballistic missile programs. [[Statement](#)]

Bolivia - Former Bolivian Minister of Government sentenced to 70 months in prison for conspiracy to launder bribes he received in a corrupt procurement scheme. Arturo Carlos Murillo Prijic, 58, pleaded guilty in October to one count of conspiracy to commit money laundering. According to court documents, Murillo received at least \$532,000 in bribe payments from a Florida-based company in exchange for helping that company secure an approximately \$5.6 million contract in 2019 to provide tear gas and other non-lethal equipment to the Bolivian Ministry of Defense.

COP15 - Takeaways: The adoption of the **Kunming-Montreal Global Biodiversity Framework** opens a new era in nature restoration and conservation for governments and public and private institutions. The agreement, signed by more than 190 countries at the United Nations’ Biodiversity Conference, commits the world to halting and reversing biodiversity loss by 2030 — a global goal considered on par with the 2015 Paris climate agreement. Oliver Wyman [outlines the core tenets of the deal](#) .

*** Calendar ***

The Information Systems Technical Advisory Committee (ISTAC) will meet on January 25 and 26, 2023, 9 a.m., Eastern Standard Time, in the Herbert C. Hoover Building, Room 3884, 1401 Constitution Avenue, N.W., Washington, D. C. The Committee advises the Office of the Assistant Secretary for Export Administration on technical questions that affect the level of export controls applicable to information systems equipment and technology. Wednesday, January 25: OPEN SESSION will be accessible via teleconference. To join the conference, submit inquiries to Ms. Yvette Springer at Yvette.Springer@bis.doc.gov, no later than January 18

State: Marine Biodiversity Update January 24, 2023, 10:00-11:00 a.m. the State Department will hold an information session regarding upcoming United Nations negotiations concerning marine biodiversity of areas beyond national jurisdiction (BBNJ). The United Nations will convene the resumed

fifth session of the BBNJ IGC from February 20-March 3, 2023, in New York City. Additional information on the BBNJ process is available at www.un.org/bbnj

State will provide a brief overview of the upcoming negotiations and listen to the viewpoints of U.S. stakeholders. To RSVP, participants should contact the meeting coordinator, Meaghan Cuddy, by email at CuddyMR@state.gov for log on and dial-in information. [\[87 FR 79033\]](#)

DDTC Webinar: U.S. Export Control Seminar for Australian, Canadian, and UK Government, Industry, and University Communities Join the U.S. Departments of State, Commerce, and Defense for a free virtual seminar on U.S. export controls. The seminar will cover topics related to the International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR), and Foreign Military Sales (FMS) specifically tailored to Australian, Canadian, and UK government, industry, and university communities.

There will be two sessions. **The Canada and UK session runs January 23 – 26, 2023. The Australia session runs February 6 – 9, 2023 (D.C. time) / February 7 – 10, 2023 (Canberra time).** Click here for tentative agendas: [Canada & UK seminar](#), [Australia seminar](#). To register, email U.S. Department of State at DDTCRSVP@state.gov: Registration deadline for the Canada and UK seminar is January 17. Registration deadline for the Australia seminar is January 30. Each seminar session is limited to the first 900 registrants.

State: Int’l Maritime Organization - Human Element Meeting 10 a.m. on Wednesday, February 1, 2023, both in-person at Coast Guard Headquarters in Washington, DC, and via teleconference. The meeting is to prepare for the ninth session of the International Maritime Organization's Sub-Committee on Human Element, Training and Watchkeeping (HTW) to be held in London, United Kingdom, from Monday, February 6, 2023, to Friday, February 10, 2023. To RSVP, participants should contact the meeting coordinator, Mr. Charles Bright by email at Charles.J.Bright@uscg.mil [\[87 FR 80246\]](#)

2023 Washington International Trade Conference, sponsored by Washington International Trade Association (WITA) virtually on Zoom, Monday, February 13, and Hybrid, Tuesday, February 14. [\[Registration\]](#)

WITA 2023 Congressional Trade Agenda. Friday, March 3, 2023. 9:30 am - 11:00 am ET.

Featured Speakers:

Sally Laing, Chief International Trade Counsel, U.S. Senate Committee on Finance, Democratic Staff
Mayur Patel, Chief Counsel, International Trade, U.S. Senate Committee on Finance, Republican Staff.
Josh Snead, Republican Chief Trade Counsel, Trade Subcommittee, House Ways and Means Cttee.
Alexandra Whittaker, Democratic Chief Trade Counsel; Staff Director Trade Subcommittee, House Ways and Means Cttee. Ronald Reagan Building & International Trade Center, 1300 Pennsylvania Ave, NW, Washington, DC [\[Registration\]](#)