

Washington Tariff & Trade Letter

Vol. 45, No. 4

wttonline.com

January 27, 2025

THE NEW REGIME

[President to "Solve Every Single Crisis"](#)

President Donald Trump, in his first international address of his second term, addressed delegates at the 2025 World Economic Forum in Davos, Switzerland. Pledging a "revolution of common sense," he vowed to "solve every single crisis facing our country." Mr. Trump reiterated his long-standing criticism of unfair trade practices, targeting the European Union and Canada among others. [READ MORE](#)

[America First Trade Policy](#)

His first day back at the Resolute desk, President Trump issued an executive order outlining the administration's "America First" trade policy. The memorandum, addressed to senior officials across multiple federal agencies, sets a comprehensive agenda for addressing trade imbalances, unfair practices, and national security concerns tied to international commerce, with much of the review and reporting due April 1st, or ten weeks from the date of the Order. [READ MORE](#)

[Executive Orders Revoked Wholesale](#)

Among his Day One actions, President Trump rescinded 60 Executive Orders and eight Memoranda from the prior administration, instructing agency heads to "take immediate steps to end Federal implementation of unlawful and radical DEI ideology." Below some of the relevant Trade and Security Related Orders, followed by a link to the complete list. [READ MORE](#)

© Copyright 2024 Gilston-Kalin Communications LLC P.O. Box 7592, Arlington, VA 22207
All rights reserved. Subscription and corporate site license information 703.283.5220

www.wttonline.com

Editor: Frank Ruffing +1.703.283.5220. fruffing@traderegs.com

[Canada and Mexico Push Back](#)

Canada and Mexico have voiced strong opposition to the Trump administration's potential tariff measures, calling for dialogue and cooperation to preserve the economic ties that underpin North American trade. This follows comments by former U.S. President Donald Trump at the World Economic Forum in Davos, where he suggested steep tariffs and criticized trade imbalances with Canada and Mexico. [READ MORE](#)

[Threatening Russia with Tariffs](#)

President Trump is threatening Russia with taxes, tariffs and sanctions if Russian President Putin does not come to the table to negotiate an end to the war in Ukraine. On the campaign trail, Mr. Trump said he would end the war in his first day in office, though Russian President Putin has shown little interest in negotiating a cease fire. [READ MORE](#)

[Gutting OECD Pillar II Tax Deal](#)

In one of his first official acts, President Trump issued a memorandum effectively withdrawing the United States from the global corporate minimum tax deal negotiated through the Organization for Economic Cooperation and Development (OECD). The 15 percent minimum tax, agreed upon in 2021, had not been implemented in U.S. law. [READ MORE](#)

MORE TRADE POLICY

[New Bid to Revoke China PNTR Status](#)

A bipartisan group of China hawks are making the first push in the new Congress to take away China's permanent normal trade relations status. The Restoring Trade Fairness Act, the first bipartisan bill that would revoke China's Permanent Normal Trade Relations (PNTR). This comes following President Trump's new executive order, directing the Secretary of Commerce and the United States Trade Representative to assess legislative proposals regarding Permanent Normal Trade Relations with the People's Republic of China. [READ MORE](#)

[USTR to Review China Phase One Agreement](#)

The Office of the United States Trade Representative announced Friday that it will review the Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China to determine whether the PRC is acting in accordance with the commitments it made in the agreement. Signed January 15, 2020 during the previous Trump Administration, the Phase One Economic and Trade Agreement between the United States and China introduced structural reforms in intellectual property, technology transfer, agriculture, financial services, and currency exchange. [READ MORE](#)

[Outgoing USTR Clears Desk](#)

On their last day of work under Ambassador Katherine Tai, US Trade Representative staff announced a new Forced Labor strategy, model negotiating texts and a successful resolution of a USMCA dispute with a Mexican architectural glass factory. As the supporting documents for the Forced Labor Strategy have been purged, we can expect a revision in the policy under the new regime. [READ MORE](#)

[China WTO Compliance Report from USTR](#)

Monday the Office of the United States Trade Representative released its 2024 Report to Congress on China's WTO Compliance, an assessment of the People's Republic of China's (PRC's) membership in the World Trade Organization. "China continues to represent the biggest challenge to the international trading system. After 23 years of membership in the World Trade Organization, China still embraces a state-directed, non-market approach to the economy and trade, which runs counter to the norms and principles embodied in the WTO," said Ambassador Katherine Tai. [READ MORE](#)

WORLD TRADE ORGANIZATION

[Just Chill, says WTO Chief in Davos](#)

WTO Director-General Ngozi Okonjo-Iweala invited world leaders, government officials, and businesspeople to "just chill" and "take a deep breath" amid rising trade policy uncertainties during her participation in the World Economic Forum Annual Meeting in Davos, Switzerland last week.

"We've done simulations that show that fragmenting into two geopolitical trading blocs and adding trade policy uncertainty may lead to a real loss in global GDP in the longer term of 6.4%. This is like losing the economy of Japan and Korea combined." [READ MORE](#)

[Viet Fish Wrapped, Seven Years In.](#)

The United States and Viet Nam finally resolved their WTO dispute over frozen fish filets. The parties reached a mutually agreed solution to the matter raised first on 8 January 2018. In light of this agreement, the Department of Commerce is issuing a notice of partial revocation of the antidumping duty order. [READ MORE](#)

EXPORT CONTROL & ENFORCEMENT

[BIS Update Conference March 18-20, 2025](#)

The Bureau of Industry and Security (BIS) will hold the 2025 Update Conference on Export Controls and Policy from Tuesday, March 18 through Thursday, March 20 at the Washington Hilton hotel in Washington, D.C. This 37th annual conference will be offered in-person only, for two and a half days, with an evening reception.

The registration fee will be \$1,750. Sessions will include keynote speakers, plenaries, breakout sessions, and live Q&A with BIS and other agency experts. Specific details and agenda to come. [READ MORE](#)

[FY24 Defense Trade Results](#)

The State Department released an update on the prior year's arms trade, with Foreign Military Sales at their highest levels in history and Direct Commercial Sales up smartly from the prior period. In FY2024 the total value of transferred defense articles and services and security cooperation activities conducted under the Foreign Military Sales system was \$117.9 billion. This represents a 45.7% increase, up from \$80.9 billion in FY2023. [READ MORE](#)

[Another DPRK Remote Work Scheme Uncovered](#)

The Justice Department announced the indictment of five men for their involvement in a "laptop farming" scheme which involved obtaining remote IT work with US companies to generate revenue for the North Korean Government (DPRK). According to the indictment, the defendants used forged and stolen identity documents, including U.S. passports containing the stolen personally identifiable information of a U.S. person, to conceal the true identities of North Korean co-conspirators, so that these North Korean nationals could circumvent sanctions and other laws to obtain employment with U.S. companies. [READ MORE](#)