AgroSpectrum ASIA
Envisaging Future | Updating Present

Taiwan US trade pact to benefit Taiwanese agri export

22 May 2023 | News

The United States of America and Taiwan have finalised the first phase of a 21st-century trade plan



The United States of America and Taiwan have finalised the first phase of a 21st-century trade plan

United States of America (US) and Taiwan have finalised the first phase of a 21st-century trade plan amid tension between Washington and Beijing, the trade will facilitate some agricultural exports to the US, according to the Council of Agriculture (COA).

Moth orchids and guavas will gain quick access to the US. The export value of moth orchids has reached $64.6 million and the value of guavas reached $248,000 last year. Both countries have introduced digital declaration and a streamlined system under the deal, those goods and products with a short shelf life will be allowed to clear customs faster.

A trade agreement between US and Taiwan is expected to be signed in the coming weeks, according to Taiwan's Office of Trade Negotiations. COAis expecting the second phase of talks could enable Taiwan to export pineapples and processed pork products to the U.S.

The First Agreement under the initiative, its text comprises eight chapters and over 80 articles and is being called the most detailed trade agreement signed between Taiwan and the U.S. since 1979, when formal bilateral ties were severed. Taiwanese officials described the document as a milestone that will serve as a crucial â??building blockâ?? in efforts to negotiate a free trade agreement between the two countries and shows that Taiwan's trade system meets high international standards.

This initial agreement did not cover tariff reductions or exemptions. It outlined practices and procedures related to a host of topics aimed at streamlining and strengthening trade relations. The areas covered were customs and trade facilitation, regulatory practices, domestic regulation of services, anti-corruption practices, and small and medium-sized enterprises.

Under the new deal, the two sides have committed to working to facilitate bilateral trade and investment flows, improve regulatory practices, promote anti-corruption measures, and minimize unnecessary formalities at the border.

Katherine Tai, US Trade Representative (USTR) said, "This accomplishment represents an important step forward in strengthening the US-Taiwan economic relationship,"

Taiwan and the United States do not have official diplomatic relations, both nations do maintain unofficial ties through the de facto US embassy in the country, the American Institute in Taiwan.

Beijing has in recent years stepped up its threats and rhetoric against Taiwan, increasing military drills in the seas around the island and working to cut off its official ties with countries around the world.

The issue prompts rare bipartisan agreement in the United States, with politicians including Republican House Speaker Kevin McCarthy and his Democratic predecessor Nancy Pelosi both meeting publicly with the Taiwanese leader Tsai Ing-wen over the last 12 months, drawing sharp criticism from China.

According to a Statement by US Trade Department, â??The first agreement under the initiative will allow American businesses to bring more products to Taiwan and Taiwanese customers, while creating more transparent and streamlined regulatory procedures that can facilitate investment and economic opportunities in both markets, particularly for small- and medium-sized enterprises."

The United States is becoming the largest market for Taiwanâ??s agricultural products export, Taiwanâ??s agricultural export reached a record value of $5.67 billion last year. China imposed a ban on the import of food and beverage products from Taiwan, includingÂ fish, seafood, fruit and beer, after this Taiwan diversified its export policy Â

Shraddha Warde

shraddhawarde@mmactiv.com