



ABCI Note

Summer/Fall 2021

Events

Since July 2021, ABCI discussed the latest developments in trade in several events.

- On July 29, Aluisio de Lima Campos, Renata Amaral, and Lucas Queiroz Pires debated trade policy under the Biden's Administration, and the Buy American Program at the event "New Horizons of International Trade: Reconstruction of Multilateralism, for the launching of the 4th edition of the Enlaw Journal of International Trade Law."
- On August 25 -27, IBRAC hosted the 21st Seminar on International Trade, featuring Renata Amaral on a panel dedicated to COVID and the impact in international trade; and Barbara Medrado outlining the current trade remedies scenario in China, USA, and the EU, as well as the impact on Brazilian exporters.
- On August 27, Aluisio de Lima Campos addressed students and the faculty of UNIALFA's international relations graduate program to discuss the United States' new trade policy. The recording is available here: <https://youtu.be/WlwLU9PduX4>
- On September 29, Aluisio de Lima Campos debated Plurilateral agreements and WTO reform at the WTO Public Forum's panel "Until everything's agreed". The recording is available here: <https://youtu.be/CuAE45nWO-I>
- On September 29, Renata Amaral spoke at the WTO's Public Forum on the session organized by the recently created WTO Gender Research Hub. Renata is one of the 32 experts' members, and the session was dedicated to showcase the work and research of the WTO new research hub on gender and trade issues.

Upcoming events in the Fall:

- ABCI's XVII Symposium on International Trade will take place remotely on December, 9 and 10: Between Fish and Carbon: The International Trade Landscape following the WTO MC12, the COP-26, and gearing up for Carbon-Tax Adjustment Measures. Stay tuned for more information!

USTR unveiled new approach to US-China Trade Relationship

On October 4, U.S. Trade Representative Ambassador Katherine Tai provided new details regarding the Biden Administration's approach to the U.S.-China trade relationship. Ambassador Tai stated that China is not fully complying with the Phase One Agreement reached between the United States and China in early 2020 and has



failed to make “meaningful reforms” to address the concerns shared by the United States and other countries regarding China’s economy. Thus, the current Section 301 tariffs will remain in place, and further enforcement actions are under consideration. However, Ambassador Tai stated that the Administration would launch a new exclusion process to allow exceptions for certain products subject to Section 301 duties. Indeed, on October 5, the USTR issued a notice inviting public comments on whether to reinstate previously extended exclusions. Comments are due on December 1, 2021.

Ambassador Tai also explained that it intends to engage with the Chinese government to discuss China’s performance under the Phase One Agreement, as well as U.S. concerns with China’s state-centered and non-market trade practices that were not addressed in the Phase One deal. Ambassador Tai made clear that the United States would continue to work with allies “to shape the rules for fair trade in the 21st century.” She said the United States must “take all steps necessary to protect ourselves against the waves of damage inflicted over the years through unfair competition.” USTR’s fact sheet concerning the Biden Administration’s approach to the U.S. – China trade relationship is available [here](#). The recording of the event is available [here](#).

More on Section 301 against China

- The USTR requested comments on whether to extend particular Section 301 exclusions on certain products from China past September 30, 2021 for up to six months, in order to address COVID-19. Comments were due on September 27, 2021. These exclusions are now extended for 45 days while the USTR reviews the comments and are set to expire in November 14.
- The Biden Administration is considering potential new 301 investigation based on the economic impacts of Chinese subsidies. The new measure under Section 301 could offer the U.S. a chance to adjust tariffs imposed by the previous administration and encourage wider support from trade partners to pressure China into reducing its domestic subsidies.

COVID Developments

- U.S. Administration decided to support the proposed waiver for COVID-19 vaccine intellectual property rights. The IP waiver proposal was first submitted to the WTO TRIPS Council by India and South Africa in October 2020. While discussions concerning the waiver continue at the WTO, Brazil’s Senate approved a Bill (PL 12/21) in August waiving patent rights and granting compulsory licenses for COVID-19 vaccines and medicine, which was later partially vetoed by President Jair Bolsonaro in September.
- On September 20, Washington announced that it would lift restrictions to travelers from 33 countries, including Brazil and most of Europe, effective in November. Foreign nationals must be fully vaccinated and will not need to quarantine upon arrival. CDC has the prerogative to determine which vaccines will



be accepted, with reference to any FDA-authorized or approved vaccines and any vaccines that the World Health Organization has authorized.

EU and US renewed partnership

In June, President Biden visited Europe for the EU-US summit, in an attempt to relaunch the partnership. As a result, Biden and his counterpart established an EU-US Trade and Technology Council (TTC), with a first meeting took place in September. They created a Cooperative Framework for Large Civil Aircraft, paving the way for the agreement to suspend application of tariffs worth \$11.5 billion for a period of five years. The parties also discussed how to resolve differences on measures regarding steel and aluminum by the end of the year. Secondary sources state that Section 232 duties on certain EU steel and aluminum products are expected to be lifted in December 2021.

Forest Act of 2021

The Forest Act of 2021, introduced simultaneously in the Senate and House of Representatives by Democratic Senator Brian Schatz and Representative Earl Blumenauer on October 6, is a legislation intended to reduce illegal deforestation globally by restricting the trade of certain agricultural products. If approved, companies would have to improve their tracking of supply chains for certain commodities, especially palm oil, cocoa, soy, and cattle products, as well as rubber and wood pulp, to prove they come from areas that have not been illegally logged. Brazil and Indonesia were the only two countries mentioned in the justification of the proposal. Secondary sources state that there is a good chance of the bill passing in the U.S. Congress.

Tracker of U.S. Trade Remedies Actions on Imports from Brazil

Original Investigations

08/26/2021	Raw Honey From Brazil: Prelim determination postponed	Commerce postponed its preliminary determinations to November 17, 2021. Respondents continue to respond to supplemental questionnaires.
04/20/2021	Common Alloy Aluminum Sheet (CAAS) from Brazil: After Final Negative CVD Determination, ITC final affirmative injury determination for Bahrain, India and Turkey	After Commerce's determination that countervailable subsidies were not being provided to producers and exporters of CAAS from Brazil, ITC determined that the U.S. industry was materially injured by imports from Bahrain, India and Turkey.

Sunset Reviews



7/22/2021	Cold-Rolled Steel Flat Products from Brazil (AD/CVD): Commerce will conduct expedited sunset reviews. ITC will conduct full sunset review.	Commerce will conduct expedited sunset reviews, but extended the conclusion following Brazil's government submission. ITC considered responses from Brazil's respondents and domestic industry as adequate and decided to conduct full sunset review on Brazil and other origins.
09/01/2021	Certain Hot-Rolled Steel Flat Products From Brazil: Initiation of sunset review	Commerce published the notice of initiation of sunset review. Parties have filed notice of intent to participate.
07/29/2021	Uncoated Paper: Respondent agreed with prelim results and margin of 19.4%	Suzano and Petitioners decided to withdraw the review requests. Suzano agreed with Commerce's preliminary results, with its dumping margin calculated as 19.40%.

Circumvention

08/27/2021	Uncoated Paper Rolls: Final Determination of Circumvention postponed	After Commerce's affirmative preliminary determination of circumvention, Commerce's final determination was extended to October 7, 2021.
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Administrative Reviews

09/24/2021	Emulsion Styrene-Butadiene Rubber: Final Results of Antidumping Duty Administrative Review 2019-2020	Upon non participation of respondent, Commerce applied AFA, determining weighted-average dumping margin of 67.99% for ARLANXEO Brasil S.A. for the period September 1, 2019 through August 31, 2020:
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