Press Release

White House's New Initiative with Taiwan Falls Short of a Free Trade Agreement

PAULINA ENCK | JUNE 8, 2022

The United States and Taiwan announced a new forum for economic engagement called the U.S.-Taiwan Initiative on 21st Century Trade mere days after the Biden Administration announced the Indo-Pacific Economic Framework (IPEF). In a new insight, Director of International Economic Policy Tori Smith explains why Taiwan was not included in the IPEF, what the Initiative on 21st Century Trade seeks to accomplish, and what the new initiative means for the prospects of a bilateral trade agreement.

Key points:

- The new initiative is a bilateral version of the IPEF, but it is seemingly duplicative of the three other economic forums held between the United States and Taiwan.
- Similar to the IPEF, this initiative with Taiwan lacks market access commitments that a trade agreement would provide, limiting the potential for substantive economic benefit from the new negotiations.
- Without new market access, it is unlikely that this new initiative will substantively increase trade between the United States and Taiwan.

Read the analysis