

Five things we know from the US and China phase-one trade deal

The phase-one deal was finally agreed between the US and China last Friday. The details are sketchy, but what do we know so far?



President Donald Trump, left, meets with Chinese Vice Premier Liu He, front right, at the White House in Washington

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To the relief of markets, the phase-one of the trade deal has been cut but all the details aren't still very clear.

The Chinese gave some details in a press conference without disclosing numbers while the US trade representative Robert Lighthizer brought the 86-page document to a press briefing with reporters. The precise details are still unknown as the principal agreement is translated into legal texts.

The final version will be signed by Robert Lighthizer and his counterpart Vice Premier Liu.

1 US to halve tariffs on USD 120bn of Chinese imports

As part of the principle agreement, the US has committed to halving its 15% tariff on around USD

120 billion imports from China to 7.5% once the agreement is signed.

Also, the US has suspended the planned tariffs that were due to come into effect on Sunday, 15 December on another USD 160bn of imports from China.

Even though China hasn't agreed to specific tariff reductions, it is understood that it will refrain from planned retaliatory tariffs.

2 China to import more from the US

China will increase its US imports by USD 200bn over the next two years. In addition, the US trade secretary said that China will commit to at least importing USD 40bn of US agricultural goods. The specific breakdown of individual commodities has not yet been disclosed.

3 Intellectual property

China has agreed to better protection of intellectual property, less forced technology transfers (not confirmed by China), and refraining from FX policy directed at driving down the value of the yuan.

China has also agreed to enhance market access for American financial services firms.

4 Dispute resolution

Dispute resolution would take place by bilateral working groups, similar to other US trade agreements.

5 Contradictory statements

During the press conference, the Chinese said the US would reduce tariffs in phases while the US trade secretary Robert Lighthizer contradicted this by stating that further reductions will be discussed in the next stage of the negotiations on a 'phase-two' deal.

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