

U.S. to Take Hard Line on Chinese Trade Practices, Administration Says

White House said it is committed to using tariffs and other tools to combat alleged unfair trade practices by Beijing

WASHINGTON—The Biden administration said Monday it will use “all available tools” to respond to alleged unfair trading practices by Beijing as it conducts a comprehensive review of its trade policy with China.

Releasing its first trade agenda, the administration said it is committed to using tariffs and other tools to combat alleged unfair trade practices by China, including unfair subsidies to favored industries and use of forced labor that targets Uyghurs and other ethnic minorities.

“The Biden administration recognizes that China’s coercive and unfair trade practices harm American workers, threaten our technological edge, weaken our supply-chain resiliency and undermine our national interests,” the administration said. “Addressing the China challenge will require a comprehensive strategy and more systematic approach.”

Beijing has defended its trade practices and its treatment of Uyghurs, which it says is aimed at preventing terrorist attacks.

Under former President Donald Trump, the U.S. negotiated a trade agreement that calls for China to increase its purchases of U.S. goods and services by \$200 billion over two years, open its financial markets and ease pressure on U.S. firms to hand over technology.

Since that deal was signed a little over a year ago, however, China has fallen behind target for U.S. purchases, in part because of economic fallout from the Covid-19 pandemic.

Tariffs remain on about \$370 billion in annual imports from China, which the Biden administration is expected to retain as leverage to force Beijing to comply with the terms of the deal.

Officials at the Chinese Embassy in Washington didn't respond to a request for comment.

Congress requires the president to issue a trade agenda and report annually, which gives the administration a chance to explain its trade policy in detail.

In the new report, the administration said its “worker-centered” trade policy, pledged earlier by President Biden, will feature “extensive engagement” with unions and other worker advocates.

Past trade policies will be reviewed for their impact on workers, and labor obligations in existing trade agreements will be fully enforced, it said.

In particular, the administration is committed to using a new mechanism designed to rapidly address violations of labor standards under the U.S.-Mexico-Canada Agreement, or USMCA. The agreement was renegotiated by the Trump administration and Congress to upgrade the terms of the North American Free Trade Agreement.

“Under the Biden administration, workers will have a seat at the table in the development of trade policies,” the administration said. “Trading partners will not be allowed to gain a competitive advantage by violating workers’ rights and pursuing unfair trade practices.”

The administration said it would **fight alleged currency manipulation** by other nations seeking to gain a trade advantage through joint efforts between the Office of the U.S. Trade Representative and the Treasury and Commerce departments.

As part of the administration’s broader strategy to address climate change, its trade agenda will include the negotiation and implementation of strong environmental standards in areas such as fisheries, logging and wildlife trafficking.

At her confirmation hearing last week, Ms. Tai said she would explore “every possible option available” to address the U.S.’s longstanding concerns with China’s intellectual-property theft and inadequate market access.

Ms. Tai is a former USTR enforcement lawyer with expertise on China. She was most recently the chief trade counsel for the House Ways and Means Committee, and is expected to be confirmed as Mr. Biden’s trade chief within the next week or so.

In the new report, the administration said its trade policy is an essential component of Mr. Biden’s top policy priorities: fighting the Covid-19 pandemic and ensuring economic recovery. To ensure the country is better prepared for future public health crises, the development and reinforcement of manufacturing supply chains through domestic investment and innovation will be central to the administration’s trade agenda this year.

The report also said the Biden administration will work closely with allies to restore Washington’s leadership in global efforts to tackle labor issues, climate change and unfair trade practices. It will re-engage with the World Trade Organization to implement necessary reforms, the administration said.