The European Union (EU) published its TRIPS waiver proposal for COVID-19 vaccines this week at the World Trade Organization (WTO), with the United States (US) and United Kingdom (UK) welcoming the alternative, while seeking procedural clarifications. The US detailed this week how it would distribute 55 million of the 80 million from America’s COVID-19 vaccine stockpiles to other countries. Meanwhile, the UK commenced its negotiations to join the successor trade agreement to the Trans-Pacific Partnership (TPP). Transatlantic partners also coordinated to impose sanctions against Belarus this week, while the US Government took additional action to address forced labor concerns with respect to foreign imports.

In this issue, we also cover:

- COVID-19 highlights among the transatlantic partners;
- Notable UK, US, and EU developments; and
- UK-EU trade deal updates; and
**COVID-19 Highlights | EU, US, UK**

EU27 Heads of State and Government met on Thursday for another European Summit, with a focus on COVID-19 and migration. The Summit Conclusions welcomed the outcome of the EU Digital COVID Certificate, which facilitates cross-border travel and reaffirmed a commitment to contribute to the efforts to increase worldwide supply of COVID-19 vaccines.

The court involved in the case brought by the European Commission against AstraZeneca related to COVID-19 vaccine doses ruled that the company is required to deliver 80 million doses to the EU by 27 September or pay a fine. The company welcomed the ruling by the Court of First Instance in Brussels in a statement. Meanwhile, European Commission President Ursula von der Leyen confirmed the EU secured an additional 150 million doses of the Moderna COVID-19 vaccine.

This week the European Union (EU) published its alternative TRIPS Waiver proposal for COVID-19 vaccines at the WTO, arguing member countries should be able to agree to three main principles to facilitate and streamline the use of compulsory licensing. The TRIPS Agreement allows countries to issue compulsory licenses to manufacture in their domestic markets or to ask other members to manufacture and export needed drugs or vaccines. The EU’s draft declaration seeks to simplify this process amid the pandemic, while still protecting intellectual property (IP) rights. The Council for Trade-Related Aspects of Intellectual Property Rights discussed the EU’s proposal in Geneva on Thursday. The US, UK, South Korea, Australia, Switzerland and other countries generally welcomed the European Union proposal, while also seeking some procedural clarifications.

Also in Geneva, Ambassador David Walker of New Zealand was selected to lead WTO members in finding a multilateral and horizontal response to the COVID-19 pandemic. On 29 June, the WTO is set to host a technical symposium for public and policymakers to improve their understanding of the operation of global COVID-19 vaccine supply chains, the cross-border movement of vaccine inputs, and the need for greater regulatory transparency and convergence.

On Monday, 21 June, the White House released a fact sheet detailing the distribution list for 55 million of the 80 million doses of America’s own vaccine supply that President Biden has pledged to allocate by the end of June in service of ending the pandemic globally. According to the White House, the allocation plan for these 55 million doses will be as follows:

- Approximately 41 million will be shared through COVAX, with the following allocations:
  - Approximately 14 million for Latin America and the Caribbean to the following: Brazil, Argentina, Colombia, Peru, Ecuador, Paraguay, Bolivia, Uruguay, Guatemala, El Salvador, Honduras, Haiti, and other Caribbean Community (CARICOM) countries, Dominican Republic, Panama, and Costa Rica.
- Approximately 16 million for Asia to the following: India, Nepal, Bangladesh, Pakistan, Sri Lanka, Afghanistan, Maldives, Bhutan, Philippines, Vietnam, Indonesia, Thailand, Malaysia, Laos, Papua New Guinea, Taiwan, Cambodia, and the Pacific Islands.

- Approximately 10 million for Africa to be shared with countries that will be selected in coordination with the African Union.

- Approximately 14 million – or 25% of these 55 million vaccines – will be shared with regional priorities and other recipients, such as: Colombia, Argentina, Haiti, other CARICOM countries, Dominican Republic, Costa Rica, Panama, Afghanistan, Bangladesh, Pakistan, Philippines, Vietnam, Indonesia, South Africa, Nigeria, Kenya, Ghana, Cabo Verde, Egypt, Jordan, Iraq, Yemen, Tunisia, Oman, West Bank and Gaza, Ukraine, Kosovo, Georgia, Moldova, and Bosnia.

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### Notable UK Developments

On Tuesday, 22 June, Britain launched negotiations with the 11 countries belonging to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). UK Prime Minister Boris Johnson said of the negotiations, “Membership of the CPTTP free-trade partnership would open up unparalleled opportunities for British businesses and consumers in the fast-growing Indo-Pacific.” Documents related to the UK’s plans to join the CPTPP, such as a policy paper on the UK’s aims and objectives, are accessible here.

On 21 June, Prime Minister Johnson unveiled plans to cement the UK as a global science superpower. As part of the effort, a new National Science and Technology Council will be established and chaired by the Prime Minister, and tasked with providing strategic direction on the use of science and technology to tackle societal challenges.

Also on Monday, in the UK’s sixth tranche of Myanmar sanctions, the Government announced new designations against the State Administration Council (SAC), the junta’s ruling body. Sanctions were also imposed on the Myanmar Timber Enterprise and Myanmar Pearl Enterprise, two state-owned entities in Myanmar’s extractive sector.

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### Notable US Developments

On 21 June, US President Joe Biden met with top financial regulators, amid news that the Federal Reserve has raised its expectations for inflation this year and moved forward the time frame (from 2024 to 2023) for when it will next raise interest rates. Federal Reserve Chairman Jerome Powell stated the Federal Reserve is now forecasting a GDP 7 percent in 2021, up from a 6.5 percent in the previous forecast. On Wednesday, President Biden announced his intent to nominate Jack Markell to serve as the US Representative to the Organisation for Economic Cooperation and Development (OECD).

Senate Finance Committee Chairman Ron Wyden (D-Oregon) and Ranking Member
Mike Crapo (R-Idaho) introduced legislation – the Facilitating American-Built Semiconductors (FABS) Act – on 17 June to strengthen US semiconductor supply chains by incentivizing domestic manufacturing. Senators Cornyn, Mark Warner (D-Virginia), Steve Daines (R-Montana), and Debbie Stabenow (D-Michigan) co-sponsored the bill. The Senators spotlighted that 75 percent of global production of semiconductor chips is currently in East Asia, with only 12 percent of semiconductors coming from the United States. Among other things, the legislation would create a 25 percent investment tax credit for investments in semiconductor manufacturing, for manufacturing equipment and the construction of semiconductor manufacturing facilities. A one-page summary of the bill is available here.

Also on 17 June, Senate Foreign Relations Committee Chairman Robert Menendez (D-New Jersey) introduced the Global Labor Support Act to advance internationally recognized labor rights around the world. Among other things the bill would require the imposition of Global Magnitsky and 7031(c) sanctions on those responsible for gross violations of human rights of workers; require that the Secretary of State submit an annual public report on the country-by-country status of internationally recognized labor rights; and require a senior labor attaché position be created at US missions in countries with consistently poor records on labor rights.

Citing the recent Group of Seven (G7) Leaders’ Summit and commitment to ensure global supply chains are free of forced labor, on 24 June, the White House announced a series of actions against what the Biden Administration asserts to be forced labor and products from the People’s Republic of China (“PRC” or “China”), including the Xinjiang Uyghur Autonomous Region (“Xinjiang”). The US Department of Labor published a Federal Register Notice updating its “List of Goods Produced by Child Labor or Forced Labor,” to include polysilicon allegedly produced with forced labor in China. The report already included other products from the PRC suggested to be linked to forced labor, including cotton, garments, footwear, electronics, gloves, hair products, textiles, thread/yarn, and tomato products.

That same day, US Customs and Border Protection issued a Withhold Release Order (WRO) on silica-based products made by Hoshine Silicon Industry Co., Ltd., a company located in Xinjiang, and its subsidiaries. The US Department of Commerce also added five Chinese entities to the Entity List in connection with what the Department asserts to be participating in the practice of, accepting, or utilizing forced labor involving Uyghurs and other Muslim minority groups in Xinjiang. The Entity List is a tool utilized by the Bureau of Industry and Security (BIS) to restrict the export, re-export, and transfer (in-country) of items subject to the Export Administration Regulations (EAR) to persons (individuals, organizations, companies) reasonably believed to be involved, or to pose a significant risk of becoming involved, in activities contrary to the national security or foreign policy interests of the United States.

On 22 June, the US Government seized 33 websites used by the Iranian Islamic Radio and Television Union (IRTVU) and three websites operated by Kata’ib Hizballah (KH), citing US sanctions violations. A US Department of Justice statement reflected the websites were seized because Specially Designated Nationals (SDNs) are prohibited from obtaining services, including website and domain services, in the United States without a license from the Treasury Department’s Office of Foreign Assets Control.
US Secretary of State Antony Blinken travelled to Europe this week, with stops in Berlin, Germany; Paris, France; Rome, Italy; the Vatican; Bari, and Matera, Italy, from 22-29 June. A readout of Secretary Blinken’s meeting with German Chancellor Angela Merkel on 23 June is available here. He continues to warn Germany to take concrete steps to reduce the risks the Nord Stream 2 pipeline poses to Ukraine and European energy security. Secretary Blinken will attend the Group of 20 (G20) Foreign Ministers Meeting in Matera on 28-29 June.

Notable EU Developments

A Joint EU-US Justice and Home Affairs Ministerial Meeting took place on 22 June in Portugal. Secretary for Homeland Security Alejandro Mayorkas and Deputy Assistant Attorney General and Justice Department Counselor for International Affairs Bruce Swartz represented the United States. A Joint Statement at the conclusion of the meeting affirmed continued collaboration on common security threats, such as terrorism, with “the operational work and information exchange between EU agencies and US law enforcement and judicial authorities to combat terrorism and serious and organised crime” praised by both parties. Additionally, the two sides highlighted a commitment to the continued exchange of Passenger Name Record data, as well as an intent to negotiate “an EU-US agreement facilitating access to e-evidence for the purpose of cooperation in criminal matters”, as soon as possible. A US readout of the meeting is available here.

The European Council meeting this week also touched on EU relations with third countries, among others Turkey and Russia. According to the Conclusions the EU is willing to “engage with Turkey in a phased, proportionate and reversible manner to enhance cooperation in a number of areas of common interest”, subject to the conditions previously set. With respect to Russia, the European Council “expects the Russian leadership to demonstrate a more constructive engagement and political commitment and stop actions against the EU and its Member States, as well as against third countries”. In response to “malign, illegal and disruptive activity by Russia” the EU stands ready to “present options for additional restrictive measures, including economic sanctions”.

In other news, on 18 June Member States endorsed a decision to extend steel import restrictions - which were due to expire at the end of June due to an annual review clause - for an additional three years. Steel imports beyond the quota in the decision will face a tariff of 25 percent. WTO members possibly impacted by this measure may decide to retaliate against EU exports.
Political uncertainty continues in Northern Ireland, after the Democratic Unionist Party Leader Edwin Poots resigned last week. As the only candidate, Sir Jeffrey Donaldson is Poots’ likely successor for the Party’s Leader role; he is expected to be confirmed this Saturday. Regarding the issue of implementing the Northern Ireland Protocol, Sir Donaldson has vowed to campaign against it, stating,

I will be speaking with the prime minister at the earliest opportunity to emphasise that it is not realistic to expect stability when every unionist representative in the devolved institutions opposes the Northern Ireland protocol”.

Sanction Updates | Belarus

On 21 June, the United States – in conjunction with the UK, Canada, and the European External Action Service – announced “coordinated sanctions action in response to the May 23rd forced landing of a commercial Ryanair flight between two EU member states and the politically motivated arrest of journalist Raman Pratasevich and his companion Sofia Sapega, as well as to the continuing attack on human rights and fundamental freedoms.” Further details on the US action can be accessed here; and details related to the UK’s action here.

The EU27 Foreign Ministers adopted on 24 June additional sanctions against Belarus, in an attempt to further weaken the Lukashenko regime. The targeted economic sanctions include trade prohibitions on equipment, technology or software goods “intended primarily for use in the monitoring or interception of the internet and telephone communications, and dual-use goods and technologies for military use and to specified persons, entities or bodies”. Further trade restrictions were imposed on petroleum productions, potassium chloride and goods related to the production or manufacturing of tobacco products. Access to the EU capital market is also restricted under the new sanctions regime, while insurance and reinsurance to the Belarus Government is prohibited.

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