

# OEC NEWS

OUR EXPERTISE YOUR ADVANTAGE

**TRADE WAR UPDATE:  
PHASE ONE PRELIMINARY  
AGREEMENT REACHED**

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**5 GROUNDBREAKING EVENTS  
IN LOGISTICS IN 2019**

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**CHRISTMAS  
FUN FACTS**

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**ABOUT  
OEC GROUP**



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# TRADE WAR UPDATE: PHASE ONE PRELIMINARY AGREEMENT REACHED

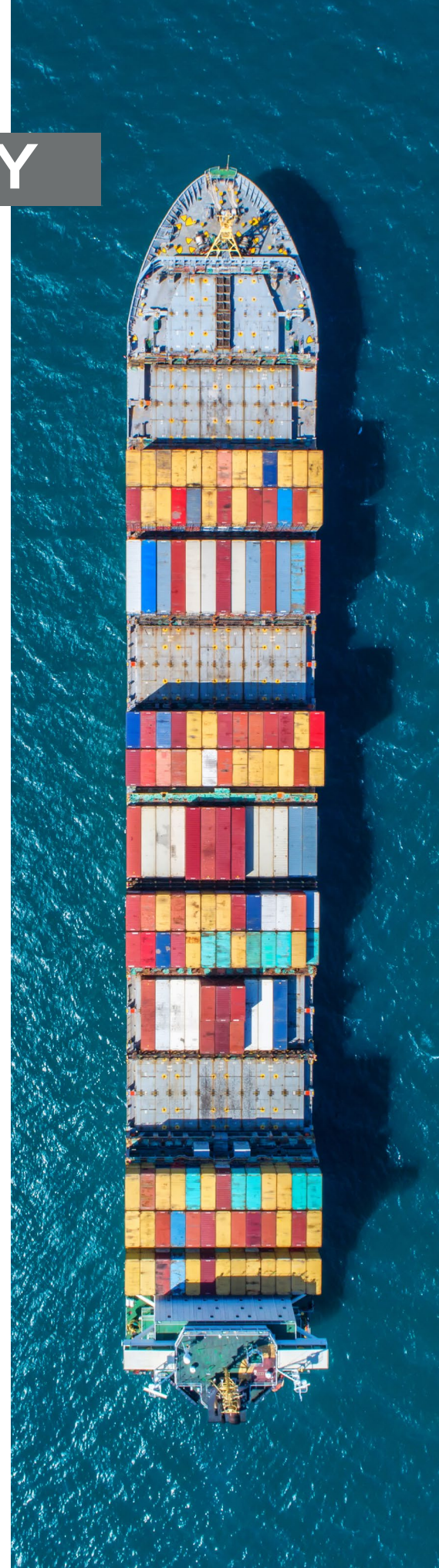
## IS IT A CHRISTMAS MIRACLE OR ARE WE SCROOGED?

Last week, the United States and China entered the first phase of a trade agreement commencing a resolution to the ongoing trade war. Over the course of the disagreement which began in March 2018, the Office of the United States Trade Representative (USTR) implemented tariffs on \$550 billion worth of US imports from China. As a result, American importers frontloaded their cargo and began diversifying their supply chains to avoid the additional duty.

Preliminary discussions between the two world powers indicate China will import an additional \$200 billion in US exports by the end of 2021, including \$40 to \$50 billion in agricultural exports, if the deal is signed. Critics of the trade war argue there will be no way to ensure China meets that import quota, but that remains to be seen.

Due to this agreement, the List 4B tariff, which was to be assessed beginning December 15, has been indefinitely suspended. Additionally, duty on List 4A is to be reduced to 7.5%, though US Customs & Border Protection will continue to assess tariffs on Lists 1, 2, and 3 at the same 25% duty rate.

List	Import Value Impacted	Duty Rate	Effective Date
1, 2, 3	\$250 Billion	25%	Current
4A	\$120 Billion	7.5%	TBA
4B	\$180 Billion		Indefinitely Suspended



Participants of the trade deal claim Phase One could be signed off on as early as this January. While that is an ambitious timeline, our OEC Group Customs Brokerage experts remain optimistic that agreement will be reached.

## USTR Publications:

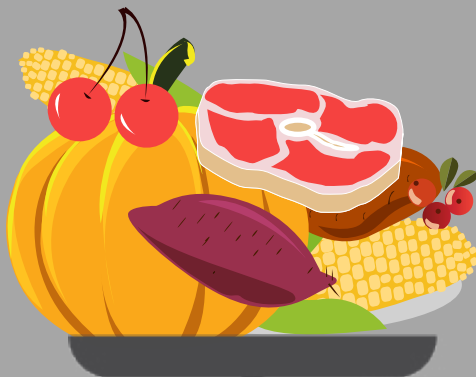
- [United States and China Reach Phase One Trade Agreement](#)
- [List 1 \(Effective July 6, 2018\)](#)
- [List 2 \(Effective August 23, 2018\)](#)
- [List 3 \(Effective September 24, 2018\)](#)
- [USTR Announces Next Steps on Proposed 10 Percent Tariff on Imports from China](#)
- [List 4A \(Effective September 1, 2019\) & List 4B \(Suspended Indefinitely\)](#)
- [USTR Notice to Suspend List 4B Tariff Indefinitely](#)

Source:

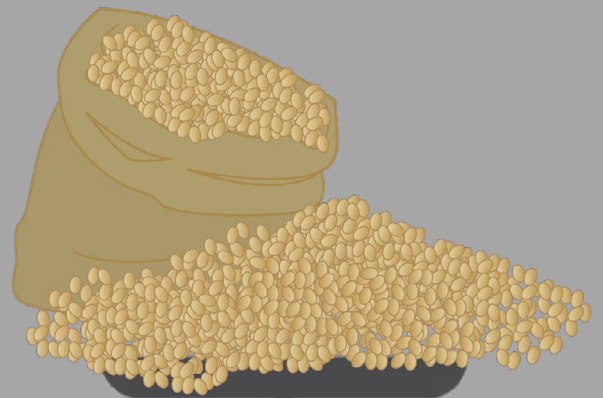
1. <https://www.reuters.com/article/us-usa-grains-braun/column-can-china-actually-buy-40-billion-or-more-worth-of-u-s-farm-products-idUKKBN1YL0RI>
2. <https://cropwatch.unl.edu/harvest-soybeans-13-moisture>
3. <https://www.macrotrends.net/2531/soybean-prices-historical-chart-data>
4. <https://foreignpolicy.com/2019/12/18/china-us-phase-one-trade-deal-agreement-economy-xi-jinping/>

*Under the proposed agreement, the US will export \$40 billion worth of agricultural exports to China. That could be 259,599,783,667 lbs of soybeans!*

**\$40 BILLION WORTH  
OF AGRICULTURAL GOODS**



**259,599,783,667 LBS  
OF SOYBEANS**



# 5 GROUNDBREAKING EVENTS IN LOGISTICS IN 2019

## 1 THE WORLD'S FIRST 23,000 TEU POWERED BY LNG

The CMA CGM Jacques Saadé launched in Shanghai on September 25 of this year, marking the industry trend towards improving supply chain sustainability. As IMO 2020 ushers in new regulations, we expect to see an increase in the use of eco-friendly fuel for maritime transports.



## 2 FIRST BLOCKCHAIN-MANAGED CONTAINER DELIVERED

Last summer, the first paperless, seamlessly tracked container was shipped from South Korea to the Netherlands using blockchain platform, DELIVER. The shipment was multi-modal, yet tracking was not disrupted at any point from door to door, demonstrating future potential for track and trace technology.



## 3 US IMPORTS FROM CHINA DECREASE FOR THE FIRST TIME THIS DECADE

This year, carriers added six services to Southeast Asia to accommodate production moving from China into this region. This shift is largely attributed to the ongoing Trade War between the US and China, making it more expensive for US companies to import from China than before.



## 4 THE U.S. SELLS RICE TO CHINA FOR THE FIRST TIME

China is the world's largest rice grower and consumer, but in July of 2019, a private importer from China purchased roughly 40 metric tons of rice from Sun Valley Rice based in California, for the very first time, demonstrating the uniqueness of this year.

## 5 FIRST DRONE CARRIES A HUMAN ORGAN

For the first time ever, in 2019, a specially built drone delivered a donated kidney that was later used in successful transplant surgery at the University of Maryland Medical Center. This is a great advancement in the technology of today, making strides in the transportation industry.



# Happy Holidays

**China** is the biggest Christmas cards supplier to the U.S.

Nearly **6 million** dollars are spent during the holiday season on ugly Christmas sweaters alone.

More than **3 billion** Christmas cards are sent in the U.S. alone, each year

Letters to Santa Claus from the millions of kids all over the world go to a Canadian Post office if the zip code is **HOH OHO** ("Ho, Ho, Ho").

During the Christmas season each year, more than **1.76 billion** candy canes are made.

The Statue of Liberty was gifted to the US by France on Christmas Day in **1886**. Weighing **225 tons**, it is the **biggest Christmas gift** in the world.

Source:  
• <https://thefactfile.org/interesting-facts-christmas/3/>  
• <https://icebreakerideas.com/christmas-facts/>  
• Paniva

An aerial photograph of a large industrial ship, possibly a container ship or a specialized cargo vessel, docked at a port. The ship is primarily blue and white, with a prominent yellow crane structure on its deck. The ship is surrounded by various port infrastructure, including roads, ramps, and other vessels. The scene is captured during the day, with a clear sky and bright lighting. The text 'ABOUT OEC GROUP' is overlaid in large, white, bold, sans-serif letters on the lower half of the image.

# ABOUT OEC GROUP

At OEC Group, we have demonstrated our commitment to customer service in trans-Pacific trade for more than 35 years. Founded in 1981, OEC Group had a vision to provide comprehensive logistics services to clients. Today OEC Group serves destinations throughout the world and has grown into one of the leading logistics providers in North America. With over fifty offices worldwide, we take pride in being close to your cargo at all times.

OEC Group is monitoring and adapting to the changing market. We are well positioned to make continuous improvements to your supply chain using the fastest, most efficient and cost-effective services available. We work tirelessly to stay on top of the ever-changing logistics industry with the goal of delivering the most current information and services to you, our customer.

Our business is making our logistics expertise, your competitive advantage.