US and China discuss trade deal, spar over digital commerce and Huawei

China and the U.S., although reportedly close to a trade deal that will remove some tariffs and cool down the trade war that disrupted the global economy in 2018, still do not see eye to eye on several issues.

At the talks discussing cross-border e-commerce hosted by the World Trade Organization, both China and the U.S. will be on opposite sides of the table on a variety of issues, including data localization and which model e-commerce should follow going forward: open global markets that serve multinational companies, or closed markets that favor homegrown giants.

Chinese telecom giant Huawei Technologies Co. also filed a suit challenging the constitutionality of parts of the National Defense Authorization Act that bars federal agencies from buying equipment from Chinese companies. The move comes after several months of tension following the arrest of Meng Wanzhou, Huawei’s CFO and daughter of founder Ren Zhengfei, in Vancouver, Canada. The U.S. has also pressured allies around the world to ban Huawei’s products and services—some have bent to U.S. pressure, but others, including Germany and France, are balking at an outright ban.