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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

Indonesia Appeals WTO Ruling Against its Agricultural Import Policies

- At a World Trade Organization (WTO) Dispute Settlement Body (DSB) meeting on February 17, Indonesia filed an [appeal](#) challenging a recent WTO ruling which found a number of the country's agricultural import regulations to be inconsistent with WTO rules.
- The case will now be reviewed by the WTO's Appellate Body, which may uphold, modify, or reverse the findings of the WTO DSB panel. The original WTO panel [report](#)—published in December 2016—agreed with each of the 18 claims raised by the U.S. and co-complainant New Zealand, determining that the related Indonesian policies represent restrictive or prohibitive trade barriers and are non-compliant with WTO rules. These policies include: 1) restrictions on agricultural imports to avoid competition with domestic producers; 2) additional restrictions on the use, sale, and distribution of certain imported agricultural products; and 3) limited time periods for import license applications as well as short validity periods for such licenses.
- According to standard WTO DSB proceedings, the appeals process should not last more than 60-90 days. However, this timeline has been extended for recent DSB cases due to the high workload currently faced by the WTO's Appellate Body.
- According to a U.S. Trade Representative (USTR) [press release](#) about the case, U.S. agricultural exports affected by Indonesia's contested import licensing regime reached a value of nearly \$115 million in 2015.

Members of European Parliament Approve Canada-EU Free Trade Agreement

- On February 15, Members of European Parliament (MEPs) approved the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) by a vote of 408 to 254, with 33 abstentions, according to a European Parliament [news release](#).
- CETA will enter into force on a provisional basis on the first day of the second month following the date both sides have notified each other of the completion of their respective internal procedures. Accordingly, MEPs note the deal could provisionally enter into force as early as April 1, 2017. Tariff reductions will be applied as soon as CETA provisionally enters into effect. However, the agreement must still be ratified by EU national and regional parliaments in order to fully enter into force, a process that could take months or years.
- On February 16, Canadian Prime Minister Justin Trudeau [spoke](#) in front of MEPs to underscore the value of CETA and the opportunities it would create in both Canada and the EU. According to the European Commission, CETA is expected to provide a 23 percent boost to EU-Canada bilateral trade. In 2015, two-way trade in goods amounted to nearly \$68 billion. Additional information regarding CETA is available in the following European Commission [press release](#).

Bryant Christie Inc. – Seattle

500 Union Street, Suite 701
Seattle, WA 98101
Phone: (206) 292-6340 Fax: (206) 292-6341

Bryant Christie Inc. – Sacramento

2005 "I" Street, Suite 200
Sacramento, CA 95811
Phone: (916) 492-7062 Fax: (916) 492-7061

European Commission Publishes Negotiating Proposals for EU-Indonesia Free Trade Agreement

- The European Commission recently [published](#) its initial negotiating proposals for the potential European Union (EU)-Indonesia Comprehensive Economic Partnership Agreement (CEPA). The EU and Indonesia launched free trade agreement (FTA) negotiations in July 2016 and the first round of talks occurred in September 2016 (*BCI Monitor* 7-26-16).
- The proposals shared by the European Commission are designed to facilitate greater cooperation between the EU and Indonesia regarding issues such as: 1) import requirements and other regulatory barriers to trade; 2) food safety; 3) plant and animal health; and 4) protections for traditional European products known as 'geographical indications.'
- The European Commission simultaneously published a [report](#) on the second round of EU-Indonesia CEPA negotiations, which took place from January 24-27, 2017 in Bali, Indonesia. The third round of negotiations is tentatively scheduled for early September 2017.
- With a population of approximately 255 million people, Indonesia represents the largest consumer market in Southeast Asia. It accounts for 36 percent of the collective gross domestic product (GDP) of the ten-member Association of Southeast Asian Nations (ASEAN). Through bilateral FTA negotiations with Indonesia and other ASEAN members, the European Commission ultimately hopes to secure a regional EU-ASEAN FTA—so far it has concluded negotiations with Singapore and Vietnam. Merchandise trade between Indonesia and the EU amounted to nearly \$27 billion in 2015, with Indonesia's agricultural exports to the EU reaching a value of \$4.6 billion.

Argentina Modifies Export Rebates to Promote Products, Seeks to Boost Trade Ties with Mexico

- The Government of Argentina has amended export rebates for a variety of high-value and value-added agricultural products, according to a recent U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#).
- The changes—implemented through [Decree 1341/2016](#) (in Spanish)—modify export rebate levels for agricultural products including beef, fresh fruits and vegetables, organic products, and plant oils. Specific export rebate ranges for each HS code chapter are available in the aforementioned GAIN report.
- The Decree has been welcomed by domestic producers, who expect the change to improve the competitiveness of Argentinean exports in foreign markets.
- In related news, the leaders of Argentina and Brazil recently met to discuss the promotion of trade ties with Mexico. Argentina and Brazil are two of the key players of the South American Mercosur trade bloc. Mexico represents Latin America's second-largest economy following Brazil. The move to boost regional trade among countries throughout Latin America occurs amid uncertainty regarding the countries' trading relationships with the U.S.

India Publishes Draft Guidelines and Regulatory Compliance FAQs for Food Business Operators

- On January 16, the Food Safety and Standards Authority of India (FSSAI) published [draft guidelines](#) for food business operators (FBOs). These guidelines apply to all food manufacturers, importers, distributors, storage units, marketers, retailers, and suppliers operating in the country.
- The guide includes information regarding registration, license requirements, liability, the handling of consumer complaints, and other obligations of FBOs selling products directly to consumers.
- In addition, FSSAI also recently published a list of [frequently asked questions \(FAQs\)](#) related to common regulatory compliance issues.