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**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

**GENERAL ISSUES OF INTEREST TO THE CCB:**
**Malaysia Notifies of New Phytosanitary Certificate Form**

- On February 24, 2017, Malaysia [notified](#) the World Trade Organization (WTO) of the implementation of the country's new phytosanitary certificate form.
- According to a question and answer [document](#) provided by Malaysia, the changes to the phytosanitary certificate include a revised format to align the document with international standards and improve compatibility with the country's new online system for phytosanitary certificates. The changes are also designed to resolve issues regarding counterfeits.
- As of February 15, Malaysia is now using the new phytosanitary certificate. However—as part of a transition period—old forms will remain valid until May 15, 2017.

**Update on China's Imported Fresh Fruit Market in 2016**

- The overall value and quantity of fresh fruit imported by China in 2016 decreased versus 2015, according to media reports citing recently released data from China Customs. The value of fresh fruit imports declined by approximately 2.5 percent to a total of \$4.88 billion, while overall imported fresh fruit volume fell 8.2 percent to 3.48 million metric tons (MMT).
- This decline is partially attributed to lower imports from key Southeast Asian suppliers such as Thailand and Vietnam. In 2016, Chile surpassed Thailand as China's leading fresh fruit supplier by value, with the value of its fresh fruit exports to China increasing by 22 percent to surpass \$1.18 billion. As a result, Chile accounted for nearly a quarter of the total value of China's 2016 fresh fruit imports. The U.S., which remains a top-ten global supplier of fresh fruits to China, experienced a 10.5 percent increase in export value to reach a total of \$331.1 million
- In 2016, cherries became China's most imported fruit by value, accounting for approximately 16 percent of the market. In the past three years, the value of China's cherry imports has reportedly risen by 177 percent to reach a total of \$793 million.

**World Trade Organization Trade Facilitation Agreement Enters into Force**

- The first multilateral agreement negotiated through the World Trade Organization (WTO)—the Trade Facilitation Agreement (TFA)—entered into force on February 22, according to a WTO [news release](#). TFA negotiations were concluded at the WTO Ministerial Conference in December 2013, though entry into force could not occur until two-thirds (110) of the 164 WTO member countries notified of the completion of their domestic ratification procedures. The U.S. was the third WTO member to ratify the agreement, completing ratification in January 2015.

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### *World Trade Organization Trade Facilitation Agreement Enters into Force*

- In general, the agreement is designed to simplify and clarify international import and export procedures and requirements. The TFA is expected to be particularly beneficial for relatively less-developed countries, due in part to the fact that certain richer countries agreed to provide financial aid to help the less-developed countries modernize their domestic customs infrastructure to achieve compliance.
- According to a 2015 [study](#) by WTO economists, the TFA will lower trade costs for WTO members by an average of 14.3 percent and facilitate up to a \$1 trillion increase in the value of global merchandise exports once it is fully implemented.

### **European Commission Publishes 2017 Trade Agenda, Aims for Early Conclusion of FTA Negotiations with Japan**

- The European Commission recently [published](#) its annual trade management plan for 2017. The plan outlines the Commission's trade-related priorities for 2017 and provides updates regarding free trade agreement (FTA) negotiations involving the European Union (EU).
- Notable updates from the report include the following: 1) there is uncertainty regarding the outlook for U.S.-EU Transatlantic Trade and Investment Partnership (TTIP) negotiations following the presidential election in the U.S.; 2) the European Commission intends to launch joint FTA negotiations with Australia and New Zealand in the third quarter of 2017; 3) although the two sides concluded negotiations in 2015, technical and legal work to finalize the EU-Vietnam FTA is ongoing; and 4) the Singapore-EU FTA could enter into force in 2017, though the European Court of Justice is currently considering whether the deal is a "mixed agreement," meaning it cannot fully enter into force until national and regional parliaments throughout the EU approve it.
- Addressing the EU-Japan FTA talks, the report states "an agreement on principle should be possible during the first half of 2017." The two sides have held 17 rounds of negotiations since launching talks in March 2013 and had originally aimed to secure an agreement by the end of 2016. Officials on both sides recently reaffirmed their commitment to an early conclusion of EU-Japan FTA negotiations, according to a European Commission [press release](#).

### **Egypt Notifies of National Food Safety Authority Responsibilities**

- Egypt [notified](#) the World Trade Organization (WTO) on February 21 about the passing of [Law No. 1/2017](#) regarding the establishment of the [Egyptian National Food Safety Authority \(NFSA\)](#). The law is effective from January 11, 2017.
- The newly created NFSA will be solely responsible for formulating necessary food safety regulations and implementing measures to protect consumer health. Previously, responsibility for food safety regulation was divided between several agencies. Through the establishment of the NFSA, the Egyptian Government aims to resolve issues related to overlapping authority of separate food safety agencies.
- The NFSA is tasked with setting mandatory food safety criteria in accordance with international standards, developing a system allowing for the traceability of food, controlling imported and local food to prevent any fraudulent activity, and setting necessary plans for identifying existing unlicensed food production units.
- Current and relevant food safety regulations will continue to be enforced until new regulations are approved and implemented by the NFSA.