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GENERAL ISSUES OF INTEREST TO THE CCB:

Association of Southeast Asian Nations Launches Risk Assessment Center for Food Safety

- On March 22, the Association of Southeast Asian Nations (ASEAN) formally [launched](#) the ASEAN Risk Assessment Center for Food Safety (ARAC).
- The establishment of ARAC furthers ongoing efforts by ASEAN to facilitate regional and international trade by strengthening its food safety systems. ASEAN member states include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.
- Following the event, Malaysian Health Minister Datuk Seri Dr. S. Subramaniam announced that Malaysia will aim to create a common food safety certification system for ASEAN. The Minister noted that the establishment of ARAC is a key step toward this goal. He also explained that a common food safety certification system would ensure ASEAN interests and improve economic efficiency and global competitiveness by eliminating unnecessary obstacles to trade.
- According to media sources, Malaysia intends to present its proposal for the common certification system at the upcoming ASEAN Health Ministers Meeting (AHMM), which will take place in Brunei later this year.

Obama Administration to Submit Document Outlining Legal Changes Needed to Implement Trans-Pacific Partnership Agreement

- The Obama administration must submit a document to Congress next week specifying the modifications to U.S. laws that are required to implement the Trans-Pacific Partnership (TPP).
- According to the stipulations of the 2015 Trade Promotion Authority (TPA or “fast track”) law, this document must be submitted within sixty days following U.S. entry into the agreement. The U.S. formally entered into the TPP on February 4 in New Zealand, establishing an April 4 deadline for this TPA-mandated procedural step. According to media sources, although the TPA law does not explicitly require it, the document will be made available to the public.
- The TPA provisions also establish specific timelines for Congress and the Obama administration regarding TPP implementation. However, these provisions will not apply until the Obama administration formally submits a draft TPP implementation bill to Congress. The timing of this step is subject to the discretion of the Obama administration. With many members of Congress continuing to voice their opposition to various aspects of the agreement, it is unclear when the Obama administration will submit the draft implementation bill.
- Meanwhile, other prospective member countries are moving forward with their domestic ratification processes. In Japan, the government of Prime Minister Shinzo Abe recently submitted a package of TPP-implementing bills to its parliament and is aiming to win approval of the agreement before the current parliamentary session ends on June 1. In Malaysia, where the agreement has already been approved by parliament, the Ministry of International Trade and Industry (MITI) recently [announced](#) the formation of a national committee to oversee the country’s TPP implementation process.



**A Report for
the California
Cherry Board**

U.S. and Argentina Refresh Bilateral Relationship, Sign Trade and Investment Framework Agreement

- Following a meeting between the two leaders in Buenos Aires on March 23, U.S. President Barack Obama expressed support for Argentina's newly elected President Mauricio Macri and championed his economic reforms.
- The meeting between the two heads of state signifies a marked improvement for U.S.-Argentina bilateral relations, which have been strained for many years due to anti-U.S. sentiment in the country and the nationalist policies of Argentina's former government administrations. In an effort to improve Argentina's economy and international credibility, President Macri has reversed the strategy of his predecessors, enacting several significant market-oriented policies since taking office in December 2015 (*BCI Monitor* 12-22-15).
- During the visit, representatives from the two countries signed a bilateral Trade and Investment Framework Agreement (TIFA) designed to support greater cooperation between the U.S. and Argentina on a number of issues. Bilateral trade between the U.S. and Argentina, which reached approximately \$23 billion in 2014, has stalled in recent years due to the antagonistic relationship between the two governments. While acknowledging that it is not feasible in the short-term, the two sides also discussed the potential for a free trade agreement between the United States and Mercosur, the South American trade bloc.
- More information about the bilateral relationship between the U.S. and Argentina is available in a recently published White House [factsheet](#).

U.S. Lawmakers Call for USDA and FDA Involvement in Review of ChemChina-Syngenta Deal

- In a [letter](#) delivered to the U.S. Department of Treasury, four U.S. Senators have urged officials to conduct a comprehensive review of the recently proposed acquisition of the multinational agrochemical company Syngenta by China's National Chemical Corporation (ChemChina) due to the potential impact it may have on the security of U.S. food and agriculture sectors.
- As a significant portion of Syngenta's business operations take place in the U.S., the Committee on Foreign Investment in the U.S. (CFIUS), which is chaired by the U.S. Department of Treasury, is already planning to review the deal. However, given the nature of the deal and its relevancy to the U.S. food and agricultural sectors, some U.S. lawmakers are requesting that both the U.S. Department of Agriculture (USDA) and Food and Drug Administration (FDA) be included in the CFIUS. When responding to a question about the deal in February, USDA Secretary Tom Vilsack expressed some trepidation, noting that China's biotechnology and related innovations occasionally appear to be based on politics rather than science.
- U.S. officials are closely scrutinizing these types of deals as Chinese companies increasingly pursue international acquisitions. In the first three months of 2016, Chinese companies have already agreed to more than \$100 billion in foreign mergers and acquisitions, compared to \$106 billion in all of 2015.

China, Israel Launch Free Trade Agreement Negotiations

- During a recent meeting between Israeli Prime Minister Benjamin Netanyahu and visiting Chinese Vice Premier Liu Yandong, the two officials [announced](#) the formal launch of free trade agreement (FTA) negotiations between China and Israel.
- The two representatives called the announcement a significant development and said that an FTA between the two countries would cover a wide range of sectors and be mutually beneficial. Bilateral trade between China and Israel currently amounts to approximately \$8 billion but could reach \$16 billion with an FTA.
- The pursuit of an FTA with China is part of Israel's effort to boost trade and cooperation with Asia. This is particularly relevant given the ongoing issues with its primary trading partner, the European Union (EU).

Australia and Indonesia Renew Bilateral Free Trade Agreement Negotiations

- Indonesian Trade Minister Thomas Trikasih Lembong and his Australian counterpart Steven Ciobo shared a [joint statement](#) on March 16 formally announcing their intention to immediately reactivate negotiations for the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA).
- Following two rounds of negotiations in March and July 2013, talks stalled due to diplomatic tensions. The third round of negotiations is now scheduled for May 2016 in Indonesia. According to media sources, the two sides are aiming to complete IA-CEPA negotiations in 12 to 18 months.
- Given the geographical proximity of the two countries and their relatively large economies, both ministers acknowledged that bilateral trade and investment volumes are underdeveloped. Indonesia is Australia's twelfth-largest trading partner, with two-way trade amounting to less than \$9 billion in 2015.
- It is unclear what additional benefits will be sought that are not already provided by the existing free trade agreement between Australia, New Zealand, and the Association of Southeast Asian Nations (ASEAN), of which Indonesia is a member. Nonetheless, the prioritization of IA-CEPA negotiations underscores Australia's ongoing effort to promote economic integration in the region.