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INSIDE THIS ISSUE

- U.S. International Trade Commission Publishes Report on Trans-Pacific Partnership
- Asia-Pacific Trade Ministers Meet to Discuss Trans-Pacific Partnership Implementation and Regional Trade Issues
- President Obama Visits Vietnam to Promote Bilateral Relationship, Trans-Pacific Partnership
- European Commission Publishes Report on Thirteenth Round of Transatlantic Trade and Investment Partnership Negotiations
- Mercosur, European Union Exchange Market Access Offers for Free Trade Agreement

GENERAL ISSUES OF INTEREST TO THE CCB:

U.S. International Trade Commission Publishes Report on Trans-Pacific Partnership

- On May 18, the U.S. International Trade Commission (USITC) [published](#) its report on the effects of the prospective Trans-Pacific Partnership (TPP) agreement. The USITC uses a computable general equilibrium model to assess the impact of TPP relative to a baseline projection of the economy without TPP. The model assumes TPP entry into force in 2017 and relative growth figures are based on changes expected to occur through 2032.
- According to the analysis, the USITC estimates that the agreement will have a positive, but relatively small, effect on the U.S. economy. Notably, the report demonstrates that the U.S. agriculture and food sectors would benefit most from the deal, largely due to increased market access in countries where the U.S. does not currently have free trade agreements such as Japan, Vietnam, and Malaysia. As a result of TPP, it is anticipated that agriculture sector exports and imports would expand by \$7.2 billion and \$2.7 billion, respectively, by 2032. Exports of fresh fruit, vegetables, and nuts are forecast to increase by two percent. Overall, agricultural output would rise by \$10 billion, representing an expansion of 0.5 percent relative to the baseline projections established in the report.
- The report's publication is expected to drive debate on the deal in U.S. Congress. According to media sources, on May 18, U.S. Trade Representative (USTR) Michael Froman indicated that the Obama administration has already launched an unprecedented and accelerated process with the prospective TPP members to facilitate implementation and ensure enforcement. Ambassador Froman also noted that the Obama administration plans to seek TPP approval during the lame-duck session of Congress. A number of U.S. congressional leaders have stated the Obama administration must first address their concerns about various aspects of the agreement and provide a comprehensive implementation plan before they will consider holding a vote on TPP.

Asia-Pacific Trade Ministers Meet to Discuss Trans-Pacific Partnership Implementation and Regional Trade Issues

- Trade ministers from the Asia Pacific Economic Cooperation (APEC) member countries met in Peru from May 17-18 to continue regional economic integration efforts. In a [joint statement](#) outlining shared goals, the ministers reaffirmed a commitment to pursuing the Free Trade Area of the Asia Pacific (FTAAP).
- On the sidelines of the APEC meeting, trade ministers representing the twelve prospective members of the Trans-Pacific Partnership (TPP) met to provide updates on the status of their respective domestic ratification processes.
- According to a [media statement](#) issued by Malaysia's Ministry of International Trade and Industry (MITI), most TPP countries will be able to complete ratification by the end of 2016, although Malaysia is planning for ratification in 2017. In Japan, Australia, and New Zealand, national parliaments have begun their consideration of the agreement. Additionally, media sources indicate that Vietnam plans to submit TPP to its National Assembly in July 2016 and Brunei is aiming for ratification in 2017.

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Asia-Pacific Trade Ministers Meet to Discuss Trans-Pacific Partnership Implementation and Regional Trade Issues

- During the meeting, TPP ministers also agreed on a mechanism to address any issues that may arise relating to the agreement's implementation and administration. The mechanism includes the designation of a rotating TPP chair, the appointment of representatives from each country, and the establishment of a virtual library for all TPP-related documentation.

President Obama Visits Vietnam to Promote Bilateral Relationship, Trans-Pacific Partnership

- On May 23, U.S. President Barack Obama met with Vietnamese President Tran Dai Quang in Vietnam to promote the further expansion of bilateral relations between the two countries. In line with their shared effort to boost the U.S.-Vietnam relationship, both presidents highlighted the strategic and economic importance of the Trans-Pacific Partnership (TPP).
- In a [joint statement](#) following the meeting, both sides reaffirmed their commitment to promptly ratify and implement TPP. President Obama also noted that the U.S. is prepared to offer comprehensive technical assistance to Vietnam as it works to fully implement the standards of the agreement.
- TPP is expected to facilitate a further expansion in bilateral trade between the two countries— particularly through tariff reductions—as Vietnam's current average tariff rates are the highest among the prospective TPP countries. Despite these barriers, trade between the U.S. and Vietnam nearly tripled in the last seven years to surpass \$45 billion. The U.S. remains Vietnam's largest export market and in 2015, Vietnam was the fastest-growing U.S. export destination among its top 50 trading partners.

European Commission Publishes Report on Thirteenth Round of Transatlantic Trade and Investment Partnership Negotiations

- On May 24, the European Commission published a [report](#) detailing the progress made during the thirteenth round of Transatlantic Trade and Investment Partnership (TTIP) negotiations, which took place in New York City in late April 2016.
- According to the report, regulatory cooperation was a major focus of discussions, with negotiators addressing issues related to conformity assessment practices and technical barriers to trade.
- However, the report indicates that significant issues remain within the portions of the text dedicated to market access. While progress was made on less controversial provisions of the agriculture chapter, both parties maintained divergent positions on other aspects of the chapter. Additionally, significant differences remain regarding public procurement provisions and the report notes that "a lot of work remains to be done" in this section of the text.
- The negotiators reiterated their support for intersessional meetings designed to accelerate work between rounds and quicken the pace of the negotiations. The next round is tentatively scheduled to take place in Brussels during the week of July 11, 2016.

Mercosur, European Union Exchange Market Access Offers for Free Trade Agreement

- The European Union (EU) exchanged market access offers with the Latin American trade bloc Mercosur on May 11, according to a [joint communiqué](#) published by the European Commission. The Mercosur member states participating in the negotiation include Argentina, Brazil, Paraguay, and Uruguay; Venezuela, though a member of Mercosur, is not currently participating.
- Previous free trade agreement (FTA) negotiations were suspended for six years following an unsuccessful exchange of market access offers in 2004. Moving forward, both sides expressed a commitment to making progress on the FTA negotiations; chief negotiators for the two sides will meet this summer to prepare a schedule of meetings to take place during the second half of the year.
- According to a [document](#) published by the European Commission, one of the primary reasons the EU is pursuing an FTA with Mercosur is to gain preferential access to the increasingly integrated market of 250 million consumers. Together, the member states of Mercosur represent the fifth-largest gross domestic product (GDP) in the world. Conversely, Mercosur hopes to gain preferential access for its agricultural products, which already represent nearly half of its exports of goods to the EU. Bilateral trade in goods amounted to nearly \$107 billion in 2015, with fresh fruits and vegetables accounting for approximately \$1.3 billion.