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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

President Trump Threatens 5 percent Tariff on All Mexican Imports

- In a tweet on June 30, President Trump threatened to impose a 5 percent tariff on all Mexican imports on June 10, and to increase the tariff rate monthly until illegal immigration across the U.S.-Mexico border is stopped.
- The tariff will reportedly increase to 10 percent on July 1, 15 percent on August 1, 20 percent on September 1, and 25 percent on October 1. The tariff will stay at 25 percent until action is taken to “drastically reduce or eliminate the number of illegal aliens crossing its [Mexico’s] territory into the United States.”
- President Trump’s tweet came the same day that the Mexican Government sent implementation legislation for the U.S.-Mexico-Canada agreement to the Mexican Senate, complicating the ratification of the agreement.
- The President of Mexico Andrés Manuel López Obrador responded to this move in a letter to President Trump calling for a deeper dialogue on immigration issues. A delegation led by Mexican Foreign Affairs Secretary Marcelo Ebrard arrived in Washington D.C. on Friday in an attempt to come to an agreement. Secretary Ebrard will meet with Secretary of State Mike Pompeo on Wednesday.
- When asked Tuesday about the possibility of coming to an agreement with Mexico to avoid the tariffs, President Trump indicated that it was more likely that any agreement would be reached after the tariff had been imposed. Later Tuesday, Republican Senators signaled that they may attempt to block a tariff increase if no deal is reached with Mexico.

USTR Submits Draft Statement of Administrative Action on USMCA

- On May 30, the U.S. Trade Representative (USTR) Robert Lighthizer sent Congress a draft statement of administrative action on the U.S.-Mexico-Canada Agreement (USMCA) starting a 30-day clock for the submission of final implementing legislation to Congress.
- The move has angered House Democrats who have been meeting with USTR Lighthizer to iron out remaining issues they have with the agreement, particularly surrounding labor, environmental protections, access to affordable medicines and enforcement.
- In a statement following the submission, House Speaker Nancy Pelosi stated that the move was “not a positive step” toward ratification of the agreement. She argued that Democrats had “been on the path to yes” but would only accept an agreement that is positive for American farmers.
- The ratification process was further complicated Thursday by President Trump’s threat to impose a 5 percent tariff on all Mexican imports until the immigration crisis is solved. This move prompted criticism from lawmakers on both sides of the aisle who previously had insisted upon the removal of the Section 232 tariffs on Canada and Mexico as a prerequisite for debating the agreement.

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Canada Introduces Implementing Legislation for the USMCA

- On Wednesday, Canadian Prime Minister Justin Trudeau introduced implementing legislation for the U.S.-Mexico-Canada Agreement (USMCA) to the Canadian House of Commons.
- The move faced criticism from both the right and the left of the Canadian Parliament. The leader of the Conservative Party, Andrew Scheer argued that the deal is no better than the North American Free Trade Agreement (NAFTA) while the leader of the New Democratic Party, Jagmeet Singh, argued that Canada should wait until the U.S. has addressed remaining issues impeding its ratification of the agreement.
- The language in the Implementation Act allows for the Cabinet to make certain changes after the bill passes. This addresses the concerns among Canadian lawmakers over changes that could be made to the agreement in the U.S. through negotiations between Democratic lawmakers and the White House.

Mexico Sends USMCA to Senate

- On Thursday, the Mexican government sent USMCA implementing legislation to the Mexican Senate for approval, joining Canada in moving the trade agreement closer to ratification.
- In a press conference Thursday, Mexican President Andrés Manuel López Obrador (AMLO) claimed the bill had 'majority support' in Mexico and appeared confident that the agreement would be ratified without difficulty.
- Ratification of the agreement was complicated Thursday afternoon when President Trump threatened to impose a 5 percent tariff on all goods from Mexico until the issue of illegal immigration at the U.S.-Mexico border is solved. President López Obrador is sending a delegation to Washington D.C. Friday to address immigration issues and avoid the threatened tariff.

African Continental Free Trade Area Enters into Force

- On Thursday the African Continental Free Trade Area (AfCFTA) entered into force. The new free trade area is geographically the largest established since the creation of the World Trade Organization (WTO).
- The AfCFTA includes 52 of the 55 African Union nations. 22 of those countries have ratified the agreement, passing the threshold for the AfCFTA to enter into force. Nigeria, Africa's largest economy, is not among those that have ratified the agreement.
- Despite the agreement entering into force, key issues are still being negotiated, including the schedules for tariff concessions, rules of origin, and intellectual property protections.
- Despite this, Albert Muchanga, the commissioner of trade and industry for the African Union, stated that a unified market would be launched July 7.

Oriental Fruit Fly Boundary Change

- The Oriental Fruit Fly OFF (*Bactrocera dorsalis*) quarantine boundaries have been changed, effective May 28, 2019. The quarantine located in Sacramento and Yolo counties have been removed.
- For more information on OFF, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).