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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

Comments Requested on U.S. Trade and Investment Agreements

- On June 29, The Office of the U.S. Trade Representative and the Commerce Department [requested comments](#) on an [executive order](#) to review the performance of all U.S. trade and investment agreements. The review will include all free trade agreements (FTAs) and bilateral investment treaties (BIT), as well as the performance of trade relations with trading partners with which the U.S. does not have an FTA but does have a significant trade deficit in goods.
- The agencies are asking about the harm and the benefits that have resulted from any agreement or treaty – chiefly whether there have been violations or abuses of any agreement or treaty, and whether there has been unfair treatment by trade and investment partners that has harmed American workers, domestic manufacturers, and farmers.
- Countries subject to the review include China, the European Union (EU), India, Indonesia, Japan, Malaysia, Switzerland, Taiwan, Thailand, and Vietnam.
- The reviews must be issued on October 26. Comments from the public are due before midnight on July 31.

Russia Extends Countersanctions on Food Imports from the European Union

- On June 28, the European Union (EU) formally extended economic sanctions on Russia until January 31, 2018. In response, Russian President Vladimir Putin signed an [executive order](#) extending the duration of countersanctions on food imports from the EU until December 31, 2018.
- The EU Member States unanimously decided to [extend sanctions](#) due to the insufficient progress made to implement the Minsk agreements, which would lead to a truce in Eastern Ukraine. The sanctions were originally imposed in July 2014 following Russia's annexation of Ukraine's Black Sea peninsula and its support for separatists in Eastern Ukraine. The EU sanctions have targeted mainly Russia's energy and finance sectors, while Russia has targeted the European food export industry.
- Following the initial sanctions, Russia in August 2014 introduced a year-long ban on agricultural imports from the EU, the US, Canada, and several other countries that followed the EU's lead by placing sanctions on Russia. The [list of banned goods](#) includes dairy, fruit, and vegetables.

South Korea to Amend Plant Protection Act

- On June 27, South Korea [notified](#) the World Trade Organization (WTO) of [amendments](#) to the “Plant Protection Act of the Republic of Korea.”
- The amendment includes the allowance of e-phytosanitary certificates for import or export inspections. Additionally, when a phytosanitary officer is inspecting an article of concern as a result of a pest risk assessment, that officer may order the disinfection or discard of the article if regulated pests are detected.
- Currently, the South Korean National Plant Protection Organization (NPPO) conducts all tests for viruses and bacteria necessary for phytosanitary clearance; however, this amendment will allow for the accreditation of third party agencies to conduct these tests.
- The amendments will come into force December 3, 2017.

Australia and New Zealand Launch Free Trade Negotiations with the Pacific Alliance

- On July 1, both [Australia](#) and [New Zealand](#) launched free trade agreement (FTA) negotiations with the Pacific Alliance. The Pacific Alliance is a trade bloc that consists of Mexico, Chile, Colombia, and Peru, but has recently admitted Singapore, Australia, and New Zealand as associate members.
- Both Australia and New Zealand are seeking better market access and lower tariffs. The Pacific Alliance is a significant trade bloc that has a combined GDP of \$3.85 trillion USD, making it the world’s sixth largest economy.
- Australia has had difficulty capitalizing on the demand from this market due to high tariffs. Tariffs of up to 80 percent are imposed on Australian beef, while dairy products face up to a 45 percent tariff. For New Zealand, negotiating a high-quality FTA with the Pacific Alliance will help the government reach its ambitious “Trade Agenda 2030” target of having 90 percent of goods traded under FTAs by 2030.

The United States and United Kingdom to Launch Trade Talks

- A United States and United Kingdom (UK) working group plans to hold its first meeting on July 24 to lay the groundwork for a potential free trade agreement (FTA), according to a spokeswoman from the UK’s Department of International Trade.
- These discussions will focus on creating commercial continuity for U.S. and U.K. businesses during, and after, the U.K.’s departure from the European Union (EU). Additionally, the working group will look at possible ways to strength trade and commercial ties immediately.
- The working group will provide a mechanism for the two countries to prepare for a future trade agreement. However, the U.K. cannot formally engage in trade talks while it is still a member of the EU. It will only be able to launch official talks after the negotiations with the EU conclude on March 29, 2019.