

JULY 25, 2017**INSIDE THIS ISSUE**

- **Update on Special Session Under the U.S.-Korea Free Trade Agreement**
- **North American Free Trade Agreement Renegotiation Dates Announced**
- **Workshops on Harmonizing the Maximum Residue Level Setting Process in the Asia Region**
- **Remaining Trans-Pacific Partnership Nations Meet in Japan**
- **Update on EU-Ukraine Association Agreement**

A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:**Update on Special Session Under the U.S.-Korea Free Trade Agreement**

- On July 24, South Korea's Minister of Trade, Industry, and Energy Ungyu Paik [responded](#) to the U.S. Trade Representative's official [request](#) for a first ever-special session of the U.S.-Korea Free Trade Agreement (KORUS) Joint Committee.
- Under the time frame laid out in KORUS, the Joint Committee would have to convene by August 11 (*BCI Monitor* 7-18-17); however South Korea has asked to postpone the meeting until a new trade minister is fully established and is able to co-chair the Joint Committee. Korea is currently going through a government restructuring that includes establishing a trade office within the Ministry of Trade, Industry, and Energy and moving that post from the Ministry of Foreign Affairs.
- Paik recommended that the special session convene in Seoul, instead of Washington DC, at "an appropriate date in the near future," and that both parties "objectively examine, analyze, and assess" the impact of KORUS. South Korea views the agreement as mutually beneficial even though the Trump administration has criticized the bilateral trade in goods deficit that has increased after KORUS came into force.

North American Free Trade Agreement Renegotiation Dates Announced

- On July 19, U.S. Trade Representative (USTR) Robert Lighthizer announced that the first round of the North American Free Trade Agreement (NAFTA) renegotiation will be held August 16-20 in Washington, DC.
- It was also announced that John Melle, the assistant USTR for the Western Hemisphere, will act as the U.S. chief negotiator for the NAFTA negotiations.
- The official date for the first round of talks between the U.S., Canada, and Mexico became public two days after the administration released its [negotiation objectives](#) for NAFTA. August 16 is the first possible day allowed following the administration's May 18 notice to Congress of its intent to renegotiate NAFTA, which kicked off the 90-day congressional consultation period.
- Mexican Ambassador to the U.S. Gerónimo Gutiérrez has said that the NAFTA countries have agreed to try to complete the negotiations by the end of the year to ease business uncertainty and are currently working on a calendar for further negotiating rounds.

Workshops on Harmonizing the Maximum Residue Level Setting Process in the Asia Region

- The Asia-Pacific Economic Cooperation (APEC) is hosting two workshops on harmonizing the maximum residue limit (MRL) setting process in the Asian region through training on pesticide residue evaluation. An MRL is the highest level of a pesticide residue that is legally tolerated in or on food or feed when pesticides are applied correctly.
- These workshops are part of a larger project that is aiming to build the capacity of APEC member nations for risk management and assessment, and for setting MRLs using the globally accepted and harmonized methodology. With the new emphasis on training government employees to conduct MRL evaluations, APEC nations are likely working toward establishing their own MRLs.
- The first workshop will be held October 23-27 in Kuala Lumpur, Malaysia, and the second will be held November 6-10 in Bangkok, Thailand.

Remaining Trans-Pacific Partnership Nations Meet in Japan

- A meeting of chief negotiators from the 11 remaining countries participating in the Trans-Pacific Partnership (TPP) began on July 12 in Hakone, Japan.
- During the meeting, the participating countries discussed possibilities to forge ahead with the free trade agreement while minimizing changes to the deal. Japanese officials want to salvage the TPP before China is able to establish a rival trade deal – the Regional Comprehensive Economic Partnership – a less strict agreement that would bring together 16 countries, including TPP signatories.
- Items for discussion included reviving rules that would improve labor conditions, increasing protections for intellectual property in some countries, and opening more markets to free trade in agricultural products within the region.
- A meeting of chief negotiators is likely to be held again in September, and a working-level report is expected to be compiled by November, when many of the TPP nations will gather at a summit meeting in Vietnam.

Update on EU-Ukraine Association Agreement

- On July 11, the European Council (EC) adopted a decision to conclude the EU-Ukraine Association Agreement, according to a EC [press release](#). This is the final step of the ratification process, and will allow for the full implementation of the agreement on September 1, 2017.
- Much of the Agreement has been operational since September 2014, and the trade portion, the deep and comprehensive free trade area (DCFTA), has been provisionally applied since January 2016. All European Member States have now ratified the Association Agreement, with the Netherlands being the final state to do so on May 30 (*BCI Monitor* 6-13-17).
- The conclusion and entry into force of the agreement will increase cooperation between the EU and Ukraine. It will offer Ukraine a framework to modernizing its trade relations, and will speed up economic development by opening markets as well as harmonizing laws, standards, and regulations. Eighteen months provisional application of the DCFTA, trade has increased by 10 percent, making the EU Ukraine's biggest trading partner.
- Additionally, the 19th EU-Ukraine Summit was held July 12-14 where the EU reiterated its continued support to Ukraine by announcing 200 million EUR worth of priority programs for 2017, and by supporting the full implementation of the Minsk Agreements as the basis for peaceful settlement of conflict in eastern Ukraine. Recently, the EU extended economic sanctions against Russia until January 31, 2018 due to insufficient progress made in implementing the Minsk Agreements (*BCI Monitor* 7-04-17).