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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****NAFTA Talks Continue**

- Mexican Economy Secretary Ildefonso Guajardo will be in Washington, DC for the second week in a row to continue negotiations on the North American Free Trade Agreement (NAFTA).
- According to media sources, Guajardo set August 25 as the last day to wrap up talks in order to have the current President of Mexico, Enrique Peña Nieto sign the agreement before the next administration takes over in December.
- While Guajardo and Canadian Foreign Affairs Secretary Chrystia Freeland insist that NAFTA remain a trilateral agreement, Freeland was not present at NAFTA talks last week and will not be present this week.
- Mexico's chief negotiator for NAFTA has said that the negotiating teams are working on closing out the chapters that are close to completion such as customs and trade facilitation, environment, financial services, textiles, energy, and digital trade.

U.S. Eyes Trade Talks with the Philippines

- U.S. Trade Representative Robert Lighthizer, at a July 26 Senate Appropriations panel hearing, told senators that the U.S. will soon begin free trade agreement negotiations in Southeast Asia and Sub-Saharan Africa.
- The Philippines has topped the list candidates for free trade talks. Jose Manuel Romualdez, Ambassador of the Philippines to the United States, recently told reporters that talks will begin in September and that the first round will be held in Washington, DC.
- Note, U.S. Trade Promotion Authority law requires that Congress be notified of trade negotiations at least 90 days before talks begin. No such notification has been made.

Japan Backs Thailand in CPTPP Bid

- On July 17, Thailand's Deputy Prime Minister and Japan's Chief Cabinet Secretary conducted a high-level joint commission meeting in Tokyo, Japan to discuss cooperation on Thailand's entry to the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP).

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Japan Backs Thailand in CPTPP Bid

- At the meeting, Thailand reaffirmed its intention to join the CPTPP and Japan agreed to support Thailand's bid. Thailand plans to apply for membership later this year.
- The signatories of the CPTPP include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

South Korea a Candidate for Associate Membership in Pacific Alliance

- During a presidential summit for the Pacific Alliance, members confirmed South Korea as a new candidate for associate member status. According to a [communiqué](#) (in Spanish) published afterward by the Mexican government, both Ecuador and South Korea asked to be considered for associate member status; however, talks with Ecuador on its request are still ongoing.
- South Korea already has free trade agreements (FTAs) with all the Pacific Alliance members except Mexico. By joining the Pacific Alliance, South Korea hopes to gain greater market access in Mexico as Korean goods are often at a competitive disadvantage against the United States, the European Union, and Japan, all of which have FTAs with Mexico.
- The Pacific Alliance consists of four Latin American countries – Mexico, Chile, Colombia, and Peru. Australia, Canada, New Zealand, and Singapore are associate members. All four associate members are currently negotiating free trade agreements with the bloc.
- Additionally, leaders [highlighted](#) that one of the key achievements of the summit was reaching an action plan that would bring the Pacific Alliance closer to Mercosur, the customs union between Argentina, Brazil, Paraguay, and Uruguay. The two groups have agreed to work on removing non-tariff barriers, increasing regulatory cooperation, and trade facilitation in goods and services.

United States and European Union Agree to Not Impose New Tariffs

- On July 25, President Donald Trump and European Commission President Jean-Claude Juncker met face-to-face in Washington, DC and announced that the U.S. and European Union (EU) will launch a trade dialogue with the intent of bringing non-auto industrial tariffs to zero.
- The two leaders said that as long as negotiations are ongoing, neither party will impose additional tariffs on each other.
- The Trump administration is considering imposing tariffs on autos and auto parts under Section 232 of the Trade Expansion Act of 1962; however, the announcement allows the EU to avoid such tariffs for now.
- According to President Trump, the Section 232 tariffs on steel and aluminum, and the EU's retaliatory tariffs, will be resolved through the dialogue.

USDA Analyzes Agricultural Trade Between U.S. and Southern Africa

- The U.S. Department of Agriculture (USDA) recently released a [report](#) analyzing agricultural trade between the U.S. and Southern Africa. Southern Africa refers to South Africa, Angola, Namibia, Botswana, Zambia, Zimbabwe, Mozambique, Swaziland, Lesotho, Mauritius, and Madagascar.
- Agricultural trade between the U.S. and Southern Africa reached a record high of US \$1.5 billion in 2017, with U.S. agricultural exports totaling US \$627 million. However, agricultural exports from the U.S. only accounted for 4 percent of total agricultural imports into the Southern African region.
- Importers and retailers indicate that the main challenge for U.S. agricultural exports to Southern Africa is the high external tariffs and the absence of a preferential or free trade agreements. Major competitors, such as the European Union and the Mercosur countries, enjoy tariff advantages through a free trade agreement and preferential trade agreement, respectively.