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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

U.S. Seeks Trade Sanctions in Indonesia Trade Dispute

- The United States has [requested](#) that the World Trade Organization (WTO) let it impose trade sanctions on Indonesia. The request stems from a dispute regarding Indonesia's import restrictions on food and agriculture products.
- The U.S. considers that Indonesia has failed to comply with the recommendations and rulings of the Dispute Settlement Body (DSB) and the U.S. requests authorization from the DSB to "suspend concessions or other obligations" at an annual level basis "provisionally estimated at up to approximately \$350 million for 2017."
- Indonesia had agreed to comply with the WTO's ruling in major part by July 22, 2018. However, according to the request, Indonesia has failed to bring its measures into compliance.
- Both the U.S. and New Zealand won the trade dispute with Indonesia over import restrictions on food and agriculture products. New Zealand has not made a similar sanctions request.

China Considering Additional Tariffs on U.S. Goods

- On August 1, The U.S. Trade Representative (USTR) Robert Lighthizer [announced](#) that President Trump had directed him to consider increasing the tariff rate from 10 percent to 25 percent on a list of Chinese goods previously identified as targets worth around \$200 billion.
- The \$200 billion list was first announced on July 10 and [published](#) in the Federal Register on July 17. This is the third tranche of tariffs proposed under Section 301 of the Trade Act of 1974. The first tranche of tariffs went into effect on July 6, and the [second tranche](#) of tariffs will go into effect on August 23, 2018.
- The comment period and the public hearing for the third tranche of tariffs has been pushed back. The close of the written comment period is extended from August 30 to September 6, and the due date for requests to appear at the public hearing is extended to August 13.
- On August 3, the Chinese Ministry of Finance [published](#) four lists of goods to be hit with additional tariffs of 25, 20, 10, and 5 percent, respectively. The tariff increases will likely go into effect when the third tranche of U.S. tariffs goes into effect.
- Cherries were not included in any of the August 3 lists.

Light Brown Apple Moth Boundary Changes

- The Light Brown Apple Moth LBAM (*Epiphyas postvittana*) quarantine boundaries have changed in several southern California counties.
- Changes for Los Angeles county can be found in grids [455](#), [469](#), and [470](#).
- Changes for Ventura county can be found in grids [436](#) and [437](#).
- Changes for San Diego county can be found in grid [522](#).
- For more information on LBAM, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).

Update on Argentina Brown Marmorated Stink Bug Host List

- On July 30, Argentina [notified](#) the World Trade Organization (WTO) that the draft text notified on January 26, 2018 has not been adopted (*BCI Monitor* 1-30-18).
- The original draft text intended to update the host list for Brown Marmorated Stink Bug BMSB (*Halyomorpha halys*) to include sweet cherry (*Prunus avium*) as a host of the pest and incorporate BMSB into existing phytosanitary requirements for these hosts.
- Instead, Argentina will change how BMSB is regulated. Argentina will increase the number of physical inspections at border inspection points of shipments from countries where BMSB is present. The relevant existing phytosanitary measures will be applied if the pest is detected.

Japan Food Contact Materials Positive List System

- Japan is developing a positive list for materials that come into contact with foods. The scope of the list includes food packaging and food containers. Currently, Japan deploys a negative list system for food packaging and containers.
- On January 17, 2018, Japan [notified](#) the World Trade Organization (WTO) of amendments to its Food Sanitation Act, which included changes to its system for food packaging and container materials (*BCI Monitor* 1-23-18). There are three lists for food packaging and container materials that Japan proposes to include in the positive list (in Japanese):
 - [List 1](#)
 - [List 2](#)
 - [List 3](#)
- FAS/Tokyo encourages industry members to review the packaging and containers currently in use to ensure their inclusion in these lists and encourages industry members to [email](#) U.S. Department of Agriculture (USDA) about interest in substances not included in the provisional positive list. More information is available at the following USDA GAIN [report](#).

United States and Japan to Hold High-Level Talks

- The United States and Japan will hold a high-level trade dialogue in Washington, DC on August 9, 2018.
- President Donald Trump and Japanese Prime Minister Shinzo Abe agreed to a framework to discuss free and fair trade in April. The new framework will be headed by U.S. Trade Representative Robert Lighthizer and Japanese Economy Minister Toshimitsu Motegi.
- Motegi has told reporters that he would like to have “constructive” talks toward an expansion of free trade. The talks come amid U.S. threats to impose a 25 percent tariff on auto and auto part imports which has raised concern and criticism in Japan.

Myanmar Companies Law and Business Registration

- The U.S. Department of Agriculture has recently published a GAIN [report](#) outlining requirements of the Myanmar Companies Law and the Online Registration system.
- All companies already registered with Myanmar’s Directorate of Investment and Company Administration (DICA) need to follow the requirements of the Companies Law and re-register either online or with a paper application. The online registration launched on August 1, 2018, and there are no fees charged for online registration.
- Companies are required to re-register by January 31, 2019. USDA predicts that the new law and online registration will allow more companies to enter the Myanmar market and increase opportunities for foreign businesses operating in Myanmar.