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INSIDE THIS ISSUE

- Indian Parliament Approves Goods and Services Tax Bill
- U.S. Trade Representative Consults with Association of Southeast Asian Nations Economic Ministers
- Regional Comprehensive Economic Partnership Ministerial Meeting Held in Laos
- U.S. Department of Agriculture Opens Office of Agricultural Affairs in Myanmar
- U.S. International Trade Commission Publishes 2015 Trade Report

GENERAL ISSUES OF INTEREST TO THE CCB:

Indian Parliament Approves Goods and Services Tax Bill

- On August 3, the upper house of India's parliament—the Rajya Sabha—passed a constitutional amendment approving India's new Goods and Services Tax (GST) Bill. On August 8, the bill was also approved by India's lower house of parliament—the Lok Sabha. The GST Bill will now require approval in at least half of India's 29 state legislatures before implementation may occur.
- The Bill is designed to create a more efficient tax system by consolidating India's indirect taxes, duties, and surcharges into a single, streamlined tax structure. The reformed system is expected to facilitate trade in goods and services and significantly improve the ease of doing business in India for both domestic and multinational companies. According to India's National Council of Applied Economic Research, the new GST system will generate a 3.2 percent to 6.3 percent increase in exports and a 2.4 percent to 4.7 percent increase in imports.
- The Government of India will begin work to develop the specific policies that will establish the operational protocol of the new GST system and is aiming to begin implementation in April 2017.

U.S. Trade Representative Consults with Association of Southeast Asian Nations Economic Ministers

- At the 48th Association of Southeast Asian Nations (ASEAN) Economic Ministers Meeting in Vientiane, Laos, Barbara Weisel, Assistant United States Trade Representative (USTR) for Southeast Asia and the Pacific, held consultations with the ten ASEAN Economic Ministers. The ten member states of ASEAN are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. The two sides published a [joint statement](#) following the meeting.
- At the meeting, the U.S. reaffirmed its support for the development of the ASEAN Economic Community and noted the increasing importance of trade between the U.S. and ASEAN. The Ministers also discussed progress made toward the implementation of U.S.-ASEAN Connect, the recently implemented strategic framework for U.S. economic engagement with ASEAN. As part of this initiative, Connect Centers in Jakarta, Singapore, and Bangkok are expected to be operationalized in September 2016.
- The two sides also agreed on a set of best practices related to transparency and good regulatory practices to further improve trade and investment between the U.S. and ASEAN. Bilateral merchandise trade between the U.S. and ASEAN amounted to \$212.8 billion in 2015, representing 9.3 percent of ASEAN's total merchandise trade.



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the California
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Regional Comprehensive Economic Partnership Ministerial Meeting Held in Laos

- Trade ministers representing the sixteen countries of the prospective Regional Comprehensive Economic Partnership (RCEP) met in Laos on August 5 and reaffirmed their goal to conclude negotiations as soon as possible. RCEP includes the ten countries of the Association of Southeast Asian Nations (ASEAN) and six additional countries in the Asia-Pacific region—Australia, China, India, Japan, New Zealand, and South Korea.
- According to media sources, India agreed to implement similar tariff reductions for all members. India's earlier proposal involved a tiered tariff reduction schedule for specific members. This proposal was disputed by other members—including China and Japan—which contributed to an impasse in negotiations.
- Representatives are expected to meet in Vietnam from August 12-19 to continue work on remaining issues. An additional round of negotiations is tentatively scheduled for October in China. Collectively, RCEP represents a population of more than three billion people and accounts for nearly 30 percent of global trade.

U.S. Department of Agriculture Opens Office of Agricultural Affairs in Myanmar

- The U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) is opening an Agricultural Affairs Office at the U.S. Embassy in the capital of Myanmar (also known as Burma), according to a recent USDA FAS [news release](#).
- According to FAS Administrator Phil Karsting, the opening is part of an effort to increase bilateral trade and investment between the U.S. and Myanmar. Although it is a relatively small market, there is significant potential for U.S. agricultural exports to Myanmar, one opportunity being consumer oriented items to supply the country's growing hotel and restaurant industries.
- U.S. agricultural exports to Myanmar reached \$15.3 million in 2014, a 24 percent increase compared to the previous year. Including this office, FAS now has 94 offices covering 171 countries.

U.S. International Trade Commission Publishes 2015 Trade Report

- On July 27, the U.S. International Trade Commission (USITC) published [The Year in Trade 2015](#).
- The report provides comprehensive information about U.S. trade policies and relevant developments in 2015, with sections detailing: 1) the administration of U.S. trade laws and regulations; 2) activities at the World Trade Organization (WTO); 3) bilateral and regional trade activities; 4) the status of U.S. free trade agreements (FTAs); and 5) changes in U.S. trade relationships with major trading partners.
- The report underscores two significant developments in 2015: 1) the continuing challenges faced by U.S. exporters as a result of global economic trends and an appreciation of the U.S. dollar; and 2) the increasing importance of trade in the Asia-Pacific region; China, Japan, Korea, Taiwan, and India were all cited as major trading partners of the U.S.