

OCTOBER 23, 2018**INSIDE THIS ISSUE**

- **European Union-Vietnam Trade and Investment Agreements Adopted**
- **European Union and Singapore Sign Trade Agreements**
- **Australia One Step Closer to Ratifying CPTPP**
- **U.S. Codex Program Strategic Plan**
- **Joint Statement from U.S. and Philippine Trade Representatives**
- **U.S. Steel and Aluminum Tariffs Disputes at the WTO**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****European Union-Vietnam Trade and Investment Agreements Adopted**

- On October 17, the European Commission adopted the [European Union-Vietnam Trade and Investment Agreements](#) paving the way for their signature and conclusion.
- The trade agreement will eliminate over 99 percent of customs duties on goods traded between the European Union (EU) and Vietnam. Vietnam will remove 65 percent of import duties on EU exports from entry into force of the agreement, with the remainder of duties being gradually eliminated over a 10-year period.
- Vietnam will gradually eliminate its 10 percent tariff for cherries in six equal annual stages. At year 6 of the agreement, cherries from the EU will enter Vietnam duty-free.
- The Commission is now submitting both agreements to the Council for signature and conclusion. Once authorized by the Council, the agreements will be signed and presented to the European Parliament for consent. The trade agreement can then be concluded by the Council and enter into force. The investment protection agreement with Vietnam will be ratified by Member States according to their respective internal procedures.

European Union and Singapore Sign Trade Agreements

- On October 19, the European Union (EU) and Singapore signed three agreements: the EU-Singapore Trade Agreement, the EU-Singapore Investment Protection Agreement, and the Framework Agreement on Partnership and Cooperation.
- Under the [EU-Singapore trade agreement](#), Singapore will remove nearly all remaining tariffs on EU products. The EU will remove tariffs on around 84 percent of Singapore products upon entry into force and phase out the remaining tariffs over a five-year period. Additionally, the trade agreement will simplify customs procedures as well as trade in goods for food products, pharmaceuticals, and electronics. The trade agreement is expected to boost trade between Singapore and the EU by 10 percent within five years of entry into force.
- The trade and investment agreements will be sent to the European Parliament for consent. The trade agreement could then enter into force before the end of the current mandate of the European Commission in 2019, while the investment protection agreement will also follow ratification procedures at Member States level. The Partnership and Cooperation Agreement will need to be ratified by EU Member States and submitted to the European Parliament before it enters formally into force. More information is available at the following [press release](#).

Australia One Step Closer to Ratifying CPTPP

- On October 17, the Australian Parliament passed the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP). The legislation will now go to the Senate to complete the ratification process.
- The CPTPP will enter into force 60 days after six countries have ratified the Agreement. So far, Mexico, Japan and Singapore have completed their domestic processes.

U.S. Codex Program Strategic Plan

- The U.S. Codex Office is finalizing the U.S. Codex Program's FY-2019-2023 Strategic Plan and is holding a public meeting on November 2, 2018.
- The objective of the public meeting is to provide information and receive public comments on the Plan's Goals and Objectives.
- More information is available at the following *Federal Register* [notice](#).

Joint Statement from U.S. and Philippine Trade Representatives

- U.S. Trade Representative Robert Lighthizer and Philippine Secretary of Trade and Industry Ramon Lopez [announced](#) progress in areas like agriculture, geographic indicators, automotive standards, and electronic payments, under the U.S.-Philippine Bilateral Trade and Investment Framework Agreement (TIFA).
- The U.S. and the Philippines plan to collaborate on the development of cold chain requirements and best practices in the Philippines, taking into account international guidelines and practices on food hygiene adopted by Codex Alimentarius. The work will build on private sector and local efforts already underway in the Philippines to improve the existing cold chain infrastructure.
- The Philippines recognized the U.S. interest in extending Philippine tariff rates on certain agricultural goods, recognizing that the extension of tariff rates would contribute to prices on those goods remaining stable. Additionally, the Philippines announced efforts to ensure the valuation of imports for duty collection purposes is consistent with World Trade Organization rules, including by prohibiting the use of reference pricing.
- The two nations also discussed relief for the Philippines from U.S. safeguard measures for solar panels and the steel and aluminum tariffs.

U.S. Steel and Aluminum Tariffs Disputes at the WTO

- In a coordinated effort, the European Union, China, Canada, Mexico and several other World Trade Organization (WTO) members have requested that the WTO Dispute Settlement Body determine the legality of the U.S. Section 232 tariffs on steel and aluminum imports.
- A total of seven nations requested the establishment of separate dispute settlement panels with the United States. While the U.S. will be able to block the requests for a panel at the upcoming October 29 meeting of the WTO Dispute Settlement Body (DSB), if any of the WTO members chooses to file a second request, the U.S. may not block the establishment of a panel inquiry a second time.
- Simultaneously, the U.S. requested the establishment of separate panels with Canada, China, the European Union, and Mexico to review the retaliatory actions those nations took against the U.S. steel and aluminum tariffs. The U.S. also filed for supplemental consultations with Turkey on its amended retaliatory duties on the United States. Again, the first panel request may be rejected, but the second request cannot be.
- A list of proposed items for consideration at the next meeting of the DSB are available at the WTO [website](#).
- While a determination from the WTO DSB could be years away, if it is determined that the U.S. tariffs on steel and aluminum on the basis of national security are allowable under WTO rules, it could encourage the U.S. imposition of Section 232 tariffs on autos and auto parts and encourage other WTO members to use national security as a justification for protective trade measures. However, if the WTO DSB finds that tariffs on the basis of national security are incompatible with WTO rules, it could force the U.S. to withdraw the steel and aluminum tariffs and roll back future tariffs on the basis of national security.