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INSIDE THIS ISSUE

- EU-Canada Free Trade Agreement Ratification Process Reaches Impasse
- U.S., India Hold Bilateral Trade Policy Forum
- EU-Association of Southeast Asian Nations Ministerial Meeting Held in Thailand
- New Zealand Trade Minister Travels to Europe to Promote Trade Agenda
- South Korea, Central America to Accelerate Free Trade Agreement Negotiations

GENERAL ISSUES OF INTEREST TO THE CCB:

EU-Canada Free Trade Agreement Ratification Process Reaches Impasse

- The future of the European Union (EU)-Canada Comprehensive Economic and Trade Agreement (CETA) is in jeopardy after the European Commission—the body responsible for negotiating free trade agreements on behalf of the EU—was unable to secure unanimous approval of the deal ahead of an EU-Canada Summit planned for October 27.
- In order for the EU and Canada to sign CETA at the upcoming summit and move forward with provisional application of the agreement, the European Commission must secure the unanimous approval of EU member states. However, after Belgium's regional parliament of Wallonia rejected the deal on October 14, the federal government of Belgium has been unable to give its consent for the agreement.
- At a meeting of EU trade ministers on October 18 and at a European Council meeting of EU leaders from October 20-21, officials were unable to reach a compromise that would secure the support of Wallonia and allow Belgium to approve the deal. Following an unsuccessful meeting with Walloon Government officials on October 21, Canadian Trade Minister Chrystia Freeland expressed serious doubts regarding the EU's ability to conclude the deal.
- If EU representatives are able to win the support of Wallonia, Canada and the EU are expected to sign CETA during a bilateral summit on October 27. The European Parliament's International Trade Committee members would then vote on the agreement on December 5 and a plenary vote by European Parliament would likely occur later in December or in January 2017. Following positive votes, the provisional application of CETA would be possible. However, national and regional governments would retain their right to veto the provisionally applied deal during the national ratification phase.
- While EU leaders remained hopeful that a deal can be reached, they voiced concerns that failure of the agreement would have a broad and adverse impact on the EU's global trade agenda and its ability to successfully negotiate free trade agreements.

U.S., India Hold Bilateral Trade Policy Forum

- On October 20, U.S. Trade Representative (USTR) Ambassador Michael Froman met with Indian Minister of Industry and Commerce Nirmala Sitharaman in Delhi, India for the tenth ministerial meeting of the U.S.-India Trade Policy Forum (TPF), according to a [joint statement](#) published by USTR.
- The two representatives noted that although two-way trade in goods and services reached \$109 billion in 2015, there remains great potential to expand bilateral trade.
- Agricultural issues were among the key discussion topics, with both sides agreeing to continue efforts to facilitate greater trade in food and agricultural products. The two officials reviewed the results of technical dialogues held in 2016 and committed to holding additional technical dialogues covering animal health, plant health, and food issues in 2017.

(Continues on next page)



**A Report for
the California
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U.S., India Hold Bilateral Trade Policy Forum

- Regarding market access for agricultural products, India agreed to a timely review of the information submitted regarding the request to export cherries from the U.S. to India, subsequent to the receipt of additional information from the U.S. The two representatives emphasized the need to establish science- and risk-based regulations and procedures consistent with international standards.
- The eleventh U.S.-India TPF meeting is scheduled to take place in the U.S. in 2017.

EU-Association of Southeast Asian Nations Ministerial Meeting Held in Thailand

- The twenty-first ministerial meeting between the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) took place from October 13-14 in Bangkok, Thailand. The ten member states of ASEAN are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.
- According to a [joint declaration](#) adopted at the meeting, the two sides reaffirmed their commitment to intensifying efforts to resume negotiations for the region-to-region EU-ASEAN free trade agreement (FTA); previous negotiations had been suspended in 2009. Since that time, the EU has pursued bilateral agreements with ASEAN member states to build toward a framework for a larger deal. The EU has finalized FTA negotiations with Singapore and Vietnam and has begun negotiations with Indonesia, Malaysia, the Philippines, and Thailand.
- Collectively, the ten countries that comprise ASEAN represent one of the world's largest economies and the EU's third-largest trading partner outside of Europe, behind the U.S. and China. In 2015, bilateral trade in goods between the EU and ASEAN surpassed \$220 billion.

New Zealand Trade Minister Travels to Europe to Promote Trade Agenda

- New Zealand's Trade Minister, Todd McClay, recently traveled to Europe to promote New Zealand's trade agenda with the European Union (EU) and the United Kingdom (U.K.)
- In a meeting with U.K. Secretary of State for Trade Liam Fox, Minister McClay discussed the impact of the U.K.'s decisions to leave the EU on bilateral trade relations with New Zealand. The two officials announced the establishment of a New Zealand-U.K. Trade Policy Dialogue, according to a [joint statement](#) published following the meeting. The dialogue, which is scheduled to take place in early 2017 and reconvene every six months thereafter, will cover market access and trade policy issues of mutual interest.
- While in Europe, Minister McClay also met with EU Trade Commissioner Cecilia Malmström to discuss the status of the proposed EU-New Zealand Free Trade Agreement (FTA). Commissioner Malmström confirmed the EU's progress on an FTA with New Zealand remained on track and noted she did not expect the U.K.'s decision to leave the EU to impede the launch of FTA negotiations with New Zealand.
- Bilateral trade in goods between New Zealand and the EU amounted to \$8.8 billion in 2015. The EU is New Zealand's second-largest trading partner after Australia, while the U.K. individually represents New Zealand's fifth-largest trading partner.

South Korea, Central America to Accelerate Free Trade Agreement Negotiations

- During a meeting in Seoul, South Korea on October 12, Korean President Park Geun-hye and her Costa Rican counterpart Luis Guillermo Solís agreed to accelerate negotiations for the free trade agreement (FTA) between Korea and six Central American countries, according to a [news release](#) published by the Korean president's office. The six Central American countries participating in the negotiations are Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
- South Korea and the six Central American countries have held six official negotiating rounds since launching talks in June 2015, with the latest round taking place in late September 2016 in Managua, Nicaragua. The next round of negotiations is scheduled for October 24-31 in Seoul, South Korea.
- Combined, the six Central American countries comprise the fifth-largest market in Latin America. The prospective FTA is expected to boost South Korean exports of automobiles, electronics, and textiles to the region as well as Central American exports of agricultural products—such as coffee, sugar, and fruit—to South Korea. According to the Development Bank of Latin America, trade between Central America and South Korea has grown at an average annual rate of 16 percent for the past 20 years, reaching \$5 billion in 2014.