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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

USTR to Extend Some Tariff Exemptions

- The office of the U.S. Trade Representative [announced](#) that it will consider extending some tariff exemptions for Chinese products.
- Requests for extensions will be accepted for products that were subjected to tariffs on July 6, 2018, and granted exemptions. These exemptions were scheduled to expire on December 28, 2019.
- Requests can be submitted to the [Federal eRulemaking Portal](#) (Docket number USTR-2019-0019) from November 1 until November 30.

International Plant Protection Committee Submits Report

- On October 20, the International Plant Protection Committee (IPCC) submitted a [WTO report](#) summarizing its activities since July 2019 and explaining its plans for future activities.
- In 2020-2030, the IPCC will focus on strengthening the pest outbreak alert and response system. This may include the creation of an IPP Surveillance Landing Page; the organization of the International Pest Free Area (PFA) and Surveillance Symposium; the creation of a global surveillance projects register, as well as the creation of a global plant health surveillance information portal on the IPP.
- The IPCC is also developing tools to help increase the use of a systems approach and restructuring the International Phytosanitary Portal. Further projects are planned for 2020, which has been designated the International Year of Plant Health.

South Korea Will Relinquish Developing Country Benefits

- According to media reports, the Korean Minister of Finance announced that South Korea will no longer self-identify as a developing country for WTO purposes in order to receive favorable trade terms.
- The change was made in order to address criticism from the U.S., which has previously threatened to use economic measures against countries that unfairly use the developing country designation.
- No immediate changes to import tariffs are expected, but the decision will affect the trade agreements that South Korea negotiates in the future.

GSP Review Will Affect U.S. Tariffs on Thailand and Ukraine

- Thailand's preferential tariff treatment under the Generalized System of Preferences (GSP) will be limited following a GSP review, according to the [U.S. Trade Representative's office](#).
- Approximately \$1.3 billion in [products](#) will no longer receive preferential tariff treatment. These changes are scheduled to take effect in April 2020, unless Thailand can negotiate a resolution. A pending GSP review of market access to Thailand could result in further changes. (*Continued on next page.*)

- Following Ukraine's GSP review, USTR will restore approximately one-third of the country's GSP benefits, worth an estimated \$12 million.
- GSP eligibility reviews for Iraq and Bolivia have been concluded with no action taken. GSP reviews are ongoing for Azerbaijan, South Africa, and Uzbekistan.

Indonesia and South Korea Conclude Trade Talks

- The Korean Trade Ministry [announced](#) that South Korea and Indonesia have concluded substantive trade talks in the tenth round of negotiations. The resulting trade deal, the Korea-Indonesia Comprehensive Economic Partnership Agreement, is expected to be signed in November.
- While the full text of the agreement has not been released, the Korean Trade Ministry said that approximately 90% of trade between the two countries would have zero tariffs. Some exceptions will be carved out for agricultural products of domestic importance.
- Indonesia is a major fruit producer and exporter, having exported approximately \$509 million in fresh fruit in 2018, although it does not produce cherries. Indonesia is not currently a major supplier of fruit to South Korea.
- Several major Indonesian agricultural exports could benefit from the agreement, including fresh fruit. Indonesia is not currently a major supplier of fruit to South Korea.
- In 2018, Indonesia exported \$509 million in fresh fruit. It does not produce cherries.

Brexit Deadline Extended to January 2020

- On October 28, European Council President Donald Tusk announced that the EU had accepted the UK's request for an extension of the Brexit deadline. The new deadline for the UK and EU to agree on and pass a Brexit deal is January 31, 2020.
- This measure averts the possibility of a no-deal Brexit on October 31 and allows the UK Parliament more time to pass a Brexit deal.
- The latest delay has been termed a "flexextension", as the UK can schedule an exit date before January 31 if the UK and the EU agree on a deal before the deadline.