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## INSIDE THIS ISSUE

- **Japanese Legislature to Vote on U.S.–Japan Agreement**
- **Chilean Protests Threaten to Disrupt Fruit Exports**
- **RCEP Signing Expected in 2020; India Withdraws**
- **WTO Authorizes Chinese Tariffs on U.S.**
- **USTR Prepares for Extended Tariffs**

## A REPORT FOR THE CALIFORNIA CHERRY BOARD

## SPECIFIC ISSUES OF INTEREST TO THE CCB:

### Japanese Legislature to Vote on U.S.–Japan Agreement

- Following a temporary suspension of parliamentary operations, the Japanese National Diet (the legislature) will debate the U.S.–Japan agreement in the next two weeks, according to Japanese media reports.
- The governing Liberal Democratic Party announced its plans to put the U.S.–Japan agreement to a vote in the lower house of the Diet on November 14, ensuring there is enough time to pass the agreement before the parliamentary session ends in early December.
- If the Diet approves the agreement during the current parliamentary session, Japan and the U.S. plan to implement it on January 1, 2020.

## GENERAL ISSUES OF INTEREST TO THE CCB:

### Chilean Protests Threaten to Disrupt Fruit Exports

- The Chilean Association of Fruit Exporters [has called](#) the ongoing protest movement in Chile an urgent threat to Chilean exports and encouraged an immediate resolution.
- The protests, now in their third week, have resulted in a widespread state of emergency and a labor strike that has severely limited major Chilean ports.
- The protests could seriously disrupt the Chilean cherry trade, which depends on exports for the vast majority of its demand. The cherry season has already begun, and production should increase in December.

### RCEP Signing Expected in 2020; India Withdraws

- At an ASEAN summit in Thailand, negotiators released a [joint statement](#) announcing that they had concluded negotiations on the text of the proposed Regional Comprehensive Economic Partnership (RCEP).
- The agreement is scheduled to be signed in 2020, with some technical and legal details still outstanding.
- RCEP will include Australia, Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Philippines, Singapore, South Korea, Thailand and Vietnam.
- India, which participated in negotiations, announced on November 4 that it would not join the final agreement. Indian Prime Minister Narendra Modi said that the agreement would not protect Indian agriculture and manufacturing from competition, particularly from China.
- Of the countries that are party to the agreement, Australia and China produce cherries. RCEP could further open the regional market to these cherry industries.

### WTO Authorizes Chinese Tariffs on U.S.

- On November 1, the World Trade Organization [released its ruling](#) on a U.S.–China dispute, finding that the U.S. unfairly applied anti-dumping duties to Chinese manufactured goods. (*Continued on following page.*)

- This decision will give China the right to raise tariffs on U.S. product up to approximately \$3.57 billion.
- China has not announced how they plan to use this retaliation. While China's earlier submissions suggest that it will target U.S. manufacturing, rather than food products, no official decision has been announced.
- China can request authorization for specific tariff measures as soon as November 22.

#### **USTR Prepares for Extended Tariffs**

- The USTR has published a [document](#) requesting the resources to continue conducting tariff exclusion requests for Section 301 tariffs for three years, through December 2022. Section 301 tariffs include the current U.S. tariffs against China and the European Union.
- While trade talks are ongoing to reduce these tariffs, this suggests that the USTR is preparing for the possibility of more U.S. retaliatory tariffs in coming years.