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INSIDE THIS ISSUE

- **USTR Accepting Comments on Trade Distorting Policies**
- **Chinese Port Capacity Begins to Recover**
- **China Publishes Detailed Tariff Exclusion Guide**
- **Canadian Senate Ratifies USMCA**
- **European Countries Shut Down Stores to Fight Coronavirus**
- **Vietnam Increases Penalties for Noncompliance**
- **South Korea Amends Pest List**
- **WTO Meetings and Trade Negotiations Canceled**

A REPORT FOR THE CALIFORNIA CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

USTR Accepting Comments on Trade Distorting Policies

- The Office of the U.S. Trade Representative [plan to hold meetings](#) in Florida and Georgia in April regarding trade distorting policies that may cause harm to fruit and vegetable producers, and how the USTR should respond to them.
- While the meetings are likely to focus on an ongoing conflict between U.S. and Mexico tomato producers over Mexican imports, the request for comments is not specific to that issue.
- Comments can be submitted to [Regulations.gov](#) with docket number USTR-2020-0010 until March 26.

Chinese Port Capacity Begins to Recover

- In the past week, the Chinese government has allowed more port workers to return to work as the coronavirus epidemic has slowed, according to international media. Some Chinese ports have resumed operations and begun clearing shipments that had been delayed during the outbreak on March 6.
- According to one report, Shanghai and Tianjin ports now have enough refrigerated plugs to accept perishable imports, and shipments are no longer being diverted to other markets.
- While some Chinese ports are now processing imports, their capacity is constrained and freight rates have increased.

China Publishes Detailed Tariff Exclusion Guide

- China's State Council Tariff Commission (SCCTC) published a new [step by step guide](#) (in Chinese) on applying for tariff exclusions for U.S. products. A [new USDA GAIN report](#) provides a translation of this guide.
- The guide gives the documents and information needed to apply for exemptions from Section 301 tariffs.
- The Chinese importer or buyer applying for tariff exemptions must already have a contract to purchase a specific quantity of the product. Exclusions are granted to individual applications, not products. [*BCI Monitor*: 3-3-20]
- A further [GAIN report](#) translates a frequently asked questions list from the SCCTC regarding the tariff exclusion process. This report clarifies that companies can request tariff exclusions for products that were not included in China's original list through the same application process. These applications require one additional question on the impact of the product on China's domestic production.

Canadian Senate Ratifies USMCA

- [U.S. Trade Representative Lighthizer welcomed](#) the Canadian Senate's passage of the U.S.-Mexico-Canada Agreement on March 13, completing the Canadian Parliament's ratification process. The agreement has now been ratified by all three partners.
- The vote was taken earlier than planned as Canada's Parliament prepares to shut down until April due to the coronavirus outbreak.
- The U.S., Mexico, and Canada can now start implementing the agreement, which is expected to take several months.
- The Trump administration officially aims to have the USMCA implemented by June 1. However, with the coronavirus outbreak disrupting negotiations, U.S. businesses have requested that the administration delay implementation to give businesses more time to comply with new requirements.

European Countries Shut Down Stores to Fight Coronavirus

- On March 11, Italian Prime Minister Giuseppe Conte [announced](#) (in Italian) a nationwide shutdown of all stores except supermarkets and pharmacies to control the spread of coronavirus. The quarantine measures will close all foodservice until at least March 25th.
- In the past week, Spain, France, Germany, Greece, and Switzerland have taken similar measures as coronavirus has spread, according to media reports.
- While all countries will keep supermarkets open, foodservice in France, Spain, and Greece has been shut down for at least two weeks. Foodservice establishments in Germany and Switzerland will be required to limit face-to-face contact and reduce their operating hours.
- Anticipating a surge in demand at supermarkets and possible shortages, European leaders warned against panic buying.

Vietnam Increases Penalties for Noncompliance

- Vietnam increased fines for failures to comply with plant and animal health import regulations, such as an incorrect or missing phytosanitary certificate, according to a new [USDA GAIN report](#).

GENERAL ISSUES OF INTEREST TO THE CCB:

South Korea Amends Pest List

- South Korea [notified the WTO](#) of changes to its quarantine pest list, adding 36 new pests including both prohibited and controlled pests.
- While there do not appear to be any changes directly affecting California cherries, the amendments add relevant pests for the global cherry trade, including species of fruit fly, mealybug, and aphid.
- Among other changes, the new list includes *Bactrocera facillias*, a species of fruit fly found in Oceania, and *Ceratitis cosyra* (mango fruit fly), found in Africa.

WTO Meetings and Trade Negotiations Canceled

- In response to the coronavirus outbreak, the World Trade Organization [announced](#) this week that all meetings through the remainder of March and April have been canceled, postponed, or moved to phone or virtual meetings.
- The WTO subsequently [canceled](#) the 12th Ministerial Conference, originally scheduled for June in Kazakhstan, showing that the coronavirus outbreak could disrupt WTO activities for several months.
- Earlier this week, the White House canceled all scheduled travel for President Donald Trump, and the European Commission canceled a planned visit to the U.S. These events will likely delay most ongoing trade negotiations.
- Trade negotiations involving the United Kingdom have also shut down in the face of the outbreak, including both U.S.-UK talks on a free trade agreement and UK-EU Brexit negotiations.
- The U.K. has publicly pledged to reach a Brexit agreement with the EU by the end of the year, but this date could be difficult to meet after these delays.