BCI MONITOR

BRYANT CHRISTIE INC.

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A REPORT FOR THE CALIFORNIA CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Chile Opens Online Phytosanitary Portal

- Chile's Agriculture and Livestock Service (SAG) has made an online portal available to all national plant protection organizations to verify and obtain phytosanitary certificates electronically.
- The Phytosanitary Certification Verification (PCV) portal aims to facilitate continued trade amid the COVID-19 outbreak, when exporters may be unable to physically deliver phytosanitary certificates.
- For imports, SAG will also accept scanned images of phytosanitary certificates originating from an official national plant protection organization (NPPO) email address and sent to the Chilean government contacts listed in the WTO notification.

Japan Updates Tariff Rates

- On April 1, the beginning of a new fiscal year for the Japanese government, additional tariff reductions agreed upon in the U.S.-Japan Trade Agreement entered into effect.
- The tariff on U.S. cherries (HS 0809.29) is now 2.5%. The tariff will be further reduced over the next three years and U.S. cherries will enter Japan duty-free as of April 1, 2023.

GENERAL ISSUES OF INTEREST TO THE CCB:

Canada and Mexico Ready to Implement USMCA

- Canada's Deputy Prime Minister issued a statement on April 3 notifying the United States and Mexico that Canada had completed its internal ratification processes for the USMCA trade agreement.
- Mexico's Ambassador to Canada Juan José Gómez Camacho and chief negotiator Jesús Seade announced shortly thereafter that Mexico is also ready to implement the agreement.
- The agreement will take effect on the first day of the third month after all countries have completed their internal processes. The USMCA could therefore come into force on July 1 if the United States gives notice by the end of April.

EU Introduces New Inspection Procedures Due to Coronavirus

- The European Union notified the WTO of temporary flexible inspection procedures to prevent face-to-face contact during the coronavirus epidemic. These include moving communication online and approving more laboratories for required testing of imports.
- These new procedures do not take effect automatically. Countries within the EU can choose to implement them, but must first notify the EU and the WTO.
- These procedures can be used until June 1.

Bryant Christie Inc. – Seattle
1418 Third Avenue, Suite 300
Seattle, WA 98101
Phone: (206) 292-6340 Fax: (206) 292-6341

Bryant Christie Inc. – Sacramento
2005 "I" Street, Suite 200
Sacramento, CA 95811
Phone: (916) 492-7062 Fax: (916) 492-7061

Qatar Suspends Customs Duties for Food

- On March 15, Qatar announced that food will not be subject to the general customs duty of 5% for the next six months, according to a recent USDA GAIN report.
- The report also notes that Qatar temporarily waived legalization requirements for health certificates from the Qatar Embassy in the United States to facilitate food imports and reduce costs.
- These measures are intended to increase the food supply in the import-dependent country. In recent weeks, several countries have restricted food exports, raising concerns of a food shortage in countries that depend on imported food.

USTR Publishes National Trade Estimate Report

- Last week, the Office of the U.S. Trade Representative (USTR) published the 2020 National Trade Estimate (NTE) Report. The report is published annually and details the most pressing barriers to U.S. trade, including agricultural exports, in markets around the world. The report serves as a useful reference for USTR engagement with overseas officials during trade talks.
- The report criticizes the European Union for its technical, chemical, and conformity assessment policies. It estimates that the EU's restrictive pesticide policies could cost the U.S. $5 billion in exports.
- The report also criticizes China for its inconsistent enforcement of import regulations, lack of intellectual property protection, and support for domestic industry.

Chile-Indonesia FTA Notified to WTO

- On April 1, Chile and Indonesia notified the WTO that a free trade agreement between the two entered into force in August 2019.
- Chile may now export cherries to Indonesia duty-free, while other countries including the U.S. continue to face a 5% tariff.