

JUNE 30, 2020

INSIDE THIS ISSUE

- **USTR Requests Comments on Retaliatory Tariffs in Aircraft Dispute with EU**
- **USMCA Enters Into Force July 1st**
- **USDA Clarifies USMCA Certificate of Origin Requirements**
- **Saudi Arabia Raises Value-Added Tax**
- **EU-Vietnam Free Trade Agreement to Enter Into Force August 1st**
- **Honduras Implements Online Import Permit System**
- **Brazil Delays Implementation of New Positive List for Additives in Plastic Food Packaging**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

USTR Requests Comments on Retaliatory Tariffs in Aircraft Dispute with EU

- The U.S. Trade Representative (USTR) has opened a [portal](#) for stakeholder feedback regarding a modified list of U.S. retaliatory tariffs on EU goods. The U.S. imposed higher tariffs on a variety of EU products in October 2019 after the [WTO granted](#) it the right to retaliate against EU subsidies to Airbus in the amount of \$7.5 billion annually (*BCI Monitor 10-15-19*).
- USTR is requesting comments on the current list to determine which products should remain or be removed. It is also asking for feedback about potential other products to include now and the retaliatory rate that should be imposed on those new products.
- Comments are due by July 26, 2020. Additional information is available via a Federal Register [notice](#) issued by USTR.
- Notably, in a separate [WTO dispute](#), the EU is awaiting an arbitrator decision about the specific amount it may retaliate against the U.S. for its subsidies to Boeing. In April 2019, the EU published a [list of U.S. products](#) that could face higher tariffs.

USMCA Enters Into Force July 1st

- The U.S.-Mexico-Canada Agreement (USMCA) enters into force on July 1st, replacing the North American Free Trade Agreement (NAFTA).
- U.S. Customs and Border Protection has created a [website](#) to provide guidance regarding compliance with the new agreement.
- The USMCA secures continued access for U.S. agricultural exports to Canada and Mexico, which totaled a combined \$40 billion in 2018.

USDA Clarifies USMCA Certificate of Origin Requirements

- The USDA recently published a [report](#) clarifying new certificate of origin requirements under the U.S.-Mexico-Canada Agreement (USMCA).
- Under the new agreement, NAFTA Form 434 will become invalid and there will no longer be an official government certificate of origin form.
- USMCA [Chapter 5](#) details the requirements for preferential treatment; certification must comply with nine minimum aspects as specified in USMCA Chapter 5 Annex 5-A.

Saudi Arabia Raises Value-Added Tax

- Saudi Arabia's value-added tax (VAT) will increase from 5% to 15%, effective July 1, 2020, as [announced](#) in May (*BCI Monitor 5-12-20*).

EU-Vietnam Free Trade Agreement to Enter Into Force August 1st

- The EU-Vietnam Free Trade Agreement (EVFTA) will enter into force on August 1, 2020, according to an official EU [notice](#).
- Tariff reduction details are included in the June 9th edition of the *BCI Monitor*.

GENERAL ISSUES OF INTEREST TO THE CCB:

Honduras Implements Online Import Permit System

- According to a [notice](#) published by the Honduran National Service for Agri-Food Safety and Health (SENASA), Honduras is implementing an online platform to facilitate imports on July 1, 2020.
- The system will support trade by allowing import permit requests to be tracked and managed online, increasing transparency and availability of information. Development of the system was supported by the U.S. Agency for International Development (USAID).

Brazil Delays Implementation of New Positive List for Additives in Plastic Food Packaging

- Brazil's National Health Surveillance Agency (ANVISA) has issued [Resolution No. 391/2020](#) (in Portuguese), delaying the implementation of [Resolution No. 326/2019](#) (in Portuguese) until June 3, 2021, citing COVID-19 issues.
- Resolution No. 326/2019 was originally scheduled to enter into force on June 1, 2020 and specifies more than 1,000 substances and relevant limits, including restrictions for nine metals, five phthalates, and certain solvents (*BCI Monitor 5-12-20*).