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**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

## SPECIFIC ISSUES OF INTEREST TO THE CCB:

## WTO Rules against the U.S. in Section 232 Dispute Settlement Case

- On December 9, the WTO's dispute settlement panel published its [report \(Addendum, Appendices\)](#) on "United States – Certain Measures on Steel and Aluminum Products". The Panel concluded that the United States' Section 232 tariffs on steel and aluminum products are not justified under Article XXI(b)(iii) of the GATT 1994. The ruling specifically dealt with disputes brought by China, Turkey, Norway, and Switzerland. Similar disputes brought by India and Russia are still pending.
- Assistant United States Trade Representative Adam Hodge [published a statement](#), rejecting the WTO's conclusions on the grounds that issues of national security shall not be reviewed and judged upon by the WTO dispute settlement system. The U.S. will not remove the Section 232 duties as requested by the dispute settlement panel.
- A summary of retaliatory tariffs brought by China stemming from the Section 232 tariffs is provided in a 2018 [GAIN report](#). Since April 2, 2019, fresh sweet cherries (HS 0809.29) have been subject to an additional 15% tariff by China.

## GENERAL ISSUES OF INTEREST TO THE CCB:

## Costa Rica to Join Pacific Alliance, Expresses Interest to Join USMCA

- The USDA Foreign Agricultural Service (FAS) [reports](#) that Costa Rica's bid for full membership into the Pacific Alliance has been advanced. It is expected that Costa Rica will formally join the Alliance, consisting of Mexico, Colombia, Peru, and Chile, in 2023.
- At this time, USDA/FAS expects little impact on U.S. agricultural exports to Costa Rica as the country already has existing bilateral trade agreements with all Pacific Alliance members.
- Additionally, according to media reports, Costa Rica's embassy has confirmed via email that the country has approached U.S.-Mexico-Canada Agreement (USMCA) members with an "interest to begin exploratory talks" regarding joining the pact.

## EU and Chile Modernize Existing Free Trade Agreement with Chapter on Sustainable Food Systems

- On December 9, the European Union (EU) and Chile released a [joint statement](#) announcing the [conclusion of negotiations](#) on the EU-Chile Advanced Framework Agreement, which is to replace the EU-Chile Association Agreement (in force since February 2003).
- Of note, this is the first EU Free Trade Agreement (FTA) that includes a chapter on sustainable food systems. The [September 2022 draft of the chapter](#) provides a definition of the term "sustainable food system" and promotes organic production and reduction of chemical pesticide use. It does not set out binding targets nor does it oblige a party to adopt specific regulations.
- The U.S.-Chile FTA has been in force since January 1, 2004, and all U.S. products enter Chile duty-free.

*(Continued on next page)*

### *European Union and Chile Modernize Existing Free Trade Agreement with Chapter on Sustainable Food Systems (continued)*

- Cherries originating in the EU have entered Chile duty-free since 2007. [Chilean cherries enter the EU](#) duty-free unless they are imported between May 21 and August 10. The press statements do not provide information regarding the elimination of the remaining tariffs and tariff quotas on Chilean imports.
- After legal verification of the agreement by both parties, the EU and Chile will propose the instrument for ratification to their constituents. [Signature of the agreement](#) is expected in November 2023.

### **UK Adopts EU Regulation on Cellulose Film**

- The United Kingdom (UK) published the [Food and Feed \(Miscellaneous Amendments\) Regulations 2022](#), adding a [Schedule 5 on regenerated cellulose film](#) to the *Materials and Articles in Contact with Food (England) Regulations 2012*.
- The new Schedule 5 corresponds to Annexes 1 and 2 from *Commission Directive 2007/42/EC*.
- The amendments apply to England only and enter into force on December 31, 2022.
- The [same amendment](#) has been made to the *Materials and Articles in Contact with Food (Scotland) Regulations 2012*, with the [Annexes added as a new schedule 6](#), and to the *Materials and Articles in Contact with Food (Wales) Regulations 2012*, with the [Annexes added as new schedule 6](#).
- The Scottish regulations enter into force on February 9, 2023, the Welsh regulations on December 31, 2022.

### **South Korea Adopts Regulations Related to Use of Recycled Food Contact Materials**

- On December 11, [Law No. 18967](#), amending Chapter 3 on Utensils, Containers and Packaging of the [Food Sanitation Act](#), entered into force (all links in Korean).
- According to machine translation, the new Article 9-2 permits the use of recycled raw materials for utensils, containers, and packaging if raw materials have been approved by MFDS according to the procedure set out in [Prime Minister Ordinance No. 1836](#) (in Korean), promulgated on December 9. Article 9-2 exempts raw materials obtained through re-polymerization as detailed in Article 6 of *Ordinance No. 1836* from the approval requirement.
- Article 9-3 prohibits the import or use of food contact materials containing recycled raw materials which do not meet the requirements of Article 9-2.
- The approval procedure for food contact materials entered into force on December 11.

### **Happy Holidays from BCI!**

*Due to the holidays, your next BCI Monitor will be delivered on January 3, 2023. We wish you a wonderful holiday season and a Happy New Year!*