

TRADE POLICY HIGHLIGHTS

EU EXPECTED TO DELAY IMPLEMENTATION OF SOLID WOOD PACKING MATERIAL REGULATIONS

The European Union (EU) is expected to temporarily delay implementation of its proposed regulations on coniferous solid wood packing material since the EU's Standing Plant Health Committee has yet to finalize the regulations because of concerns raised by member states, the United States, and Canada, which are affected by the proposed regulations. The proposed regulations would have required, beginning January 1, 2001, that coniferous solid wood packing material entering member states from Canada, China, Japan, and the United States be heat treated to 56 degrees Celsius (at the core) for at least 30 minutes; have a moisture content below 20 percent or be pressure-treated; and display an officially approved mark enabling the identification of where and by whom treatment has been carried out.

CROATIA BECOMES 140TH MEMBER OF THE WTO

Croatia became the 140th member of the World Trade Organization (WTO) on November 30, 2000. On December 8, 2000, the WTO's General Council approved the accession of Lithuania to the WTO. Lithuania will formally become a member once its Parliament ratifies the terms of accession.

U.S. AND SINGAPORE LAUNCH FREE TRADE NEGOTIATIONS

On November 16, 2000, President Clinton and Singapore Prime Minister Goh Chok Tong, meeting in Brunei, announced the launch of free trade negotiations between the United States and Singapore. The agreement when it is finalized will be the United States' first free trade agreement with an Asian country. U.S. negotiators are expected to focus on Singapore's restrictions in the services area. Singapore is already the U.S.' tenth largest export market (and largest in Southeast Asia), with exports totaling in excess of \$16 billion in 1999. U.S. wood products exports to Singapore totaled just over \$13 million in 1999.

DRAFT PEST RISK ASSESSMENT ON IMPORTING SOLID WOOD PACKING MATERIALS RELEASED

On October 17, 2000, USDA/Animal and Plant Health Inspection Service (APHIS) advised through the Federal Register the availability of a draft pest risk assessment (draft PRA) that evaluates the risks associated with the importation of solid wood packing material. This analysis will be used as the basis for future regulatory actions to reduce the risk of the introduction of exotic pests through solid wood packing material. The draft PRA is available on APHIS' web site <http://www.aphis.usda.gov/ppq/praswpm>. APHIS is accepting comments on the draft PRA through February 15, 2001.

JTC AND BEC COMMITTEES MEET IN JAPAN

The Japanese Agricultural Standards Technical Committee (JTC) and Building Experts Committee (BEC) met in Tokyo, Japan, November 30 and December 1, 2000, respectively. These committees were originally set up under the terms of the 1990 U.S.-Japan Wood Products Agreement, and are comprised of representatives from government, industry and academia from the United States, Japan, and Canada. Discussions at the JTC meeting focused on recent changes in the Japanese Agricultural Standards (JAS) Law to allow foreign organizations to function as Registered Grading/Certification Organizations, and revisions being proposed to specific JAS standards, notably the standard for glue-laminated timber. Implementation of the newly revised Building Standard Law, and the new Housing Quality Assurance Law were the focal points of the BEC discussions.

U.S. AND JORDAN ENTER INTO FREE TRADE AGREEMENT

On October 24 the United States and Jordan entered into a Free Trade Agreement. Under the terms of the Agreement, tariffs on virtually all U.S. and Jordanian products will be eliminated over a period of ten years. The Agreement calls for tariffs of less than 5 percent to be phased out over a two year period, tariffs 5-10 percent over a four year period, tariffs 10-20 percent over a five year period, and tariffs in excess of 20 percent over a ten year period. Tariffs on many wood products (e.g. lumber, veneer, oriented strand board) in both countries have already been eliminated and were not affected by the Agreement. Jordanian tariffs on highly, value-added wood products (e.g. builder's carpentry and joinery) will be eliminated over ten years. The full text of the agreement can be found on the web site of the Office of the U.S. Trade Representative <http://www.ustr.gov/regions/eu-med/middleeast/US-JordanFTA.html>.