



EUROPEAN UNION
Permanent Mission
to the World Trade Organization
The Head of Mission

Geneva, 23 July 2019

NOTE TO:

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Subject: WTO - SPS Committee – Geneva, 15 -19 July 2019, Flash report

Summary

As expected following recent discussions at the Council for Trade in Goods, the EU policies on Pesticides occupied most of the Committee's formal agenda where many Members reiterated previous trade concerns and raised additional ones, although with similar arguments. On the offensive side, the EU reiterated several trade concerns: Russia's (RF) import restrictions on fishery products from Estonia; South Africa bans on poultry due to HPAI; the USA continuous delay in authorising EU imports of apples and pears; Indonesia's approval procedures for animal and plant products; and the import restrictions imposed by several trade partners allegedly due to BSE. In addition, the EU urged trade partners to respect international standards and WTO rules on regionalization of African swine fever (ASF) and HPAI. The formal meeting was preceded by a thematic session on Transparency and Coordination and an informal meeting on the Fifth Review of the implementation of the Agreement. Twelve bilateral meetings - Turkey, Brazil, China, India, Indonesia, Korea, Japan, Malaysia, Morocco, Peru, Philippines, Saudi Arabia -, offered opportunities for the EU to push for key market access interests and to explain the rationale behind specific EU policies.

Detail

I. Trade concerns raised by the EU

The EU raised the following STCs¹:

- Previously raised:
 - South Africa: Import restrictions on poultry due to HPAI – no movement from South Africa's side, beyond a wish for continued dialogue and a generic expression of optimism of finding a solution.

¹ STC stands for Specific Trade Concerns.

- USA: Import restrictions on apples and pears – Still no publication date of the final rule; USA simply indicated this could happen “soon”.
- Russian Federation: Import restrictions on processed fishery products from Estonia - Russia reiterated its willingness to continue working with the Estonian authorities to address this matter.
- BSE: The EU welcomed the progress made by South Korea and Japan, and urged other Members to rapidly lift their long-standing and scientifically unjustified restrictions.
- Indonesia: Lack of transparency and undue delays in approval procedures for plant and animal products. The EU acknowledged feedback received on procedures for lifting HPAI ban, however information is still lacking on timelines and procedures for approval procedures for all products. Indonesia reported they are currently assessing internally the approval procedures including the indicative timelines, this will be shared together with flowcharts as soon as it is finalised.
- The EU drew attention once again to the unjustified trade restrictions put in place by several WTO Members not respecting the OIE international standards on ASF and on HPAI.
- The EU notified the resolution of STC 411 concerning the Russian ban of animal products from Germany.

II. Trade concerns raised against the EU

• Pesticides

As in previous meetings, numerous Members criticised the EU measures on pesticides as inconsistent with the WTO SPS agreement. These criticisms related mainly to the scientific justification underpinning the entire pesticides’ legislation as well as each specific measure. The cut-off criteria were the object of extensive criticism. In addition, there were allegations of lack of transparency, disregard of the needs of developing countries, and EU measures not being proportionate to the actual risk. The STCs raised were as follows:

- Endocrine disruptors (and cut-off criteria) (22 Members)
- Buprofezin, Chlorothalonil, Diflubenzuron, Ethoxysulfuron, Glufosinate, Ioxynil, Iprodione, Molinate, Picoxystrobin and Tepraloxydim (17 Members)
- Imazalil (new, 16 Members)
- Transitional periods for MRLs (14 Members)
- Dimethoate (French measure, USA and Canada)
- Lambda-cyhalothrin (new, China)
- Folpet (China)

• Others

- 3-MCPD limits (new). Colombia strangely alleged discrimination against palm oil. Seven other Members registered their interest in this STC without clarifying whether or not they supported Colombia’s claims (most likely not).
- Restrictions on China’s imports of animal products.

As usual, the EU delegation **defended** the legitimacy and consistency with WTO law of the EU SPS measures.

III. Other issues

A two-day thematic session on **Transparency and Coordination** and an informal meeting on the **Fifth Review** of the Agreement preceded the formal meeting. On the latter, it was agreed that the EU, together with the USA and Brazil would prepare draft recommendations on **Regionalization** for discussion at the next Committee meeting. The Committee also agreed on a Belize proposal to hold in March 2020 a thematic session on **Third Party Certification**. The Chair announced a meeting in late September to discuss draft recommendations for the **report** of the Fifth Review.

Brazil chaired an informal discussion on the reinvigoration of the work of the Committee, which did not deliver much progress. Discussions will continue on the margins of the next Committee meeting. Finally, two side events took place in the margins of the Committee, one hosted by the US on **Gene Editing** and another one by Canada on **LLP of GMOs**.

IV. Bilateral meetings

Twelve bilateral meetings were held in the margins of the SPS Committee namely with **Brazil, India, Indonesia, Japan, Malaysia, Philippines, Saudi Arabia, South Korea, Turkey, China, Morocco, and Peru**. A meeting with US was cancelled due to time constraints. Highlights of the issues (both offensive and defensive) discussed in these meetings include:

BRAZIL: The EU requested an update of the SPS matrix. In response, Brazil informed that it considers that the EU-Brazil SPS Mechanism is the best forum to discuss this topic and invited the Commission to attend a meeting in Brasilia in the autumn.

CHINA: The EU called on China to intensify dialogue and cooperation towards the recognition of regionalisation measures for AI and ASF but no concrete information was given by China on the next steps it intends to take in this regard. In response to EU's request concerning registration of infant formulae, China informed that a draft regulation will be notified to WTO for comments. China reiterated their concerns on: MRLs for lambda-cyhalothrin, new EU definition of folpet, EU's inspections of rice from China due to GMOs presence, as well as EU's new phytosanitary requirements for the Acer sp. from China. They also requested information on the EU's microbiological testing of processed pet food and on fishery product certificates.

INDONESIA: The EU acknowledged feedback received on procedures for lifting HPAI ban, however information is still lacking on timelines and procedures for approval procedures for all products. The Indonesian delegation took note of EU's concern and promised to deliver the message to the capital and also promised support for future progress.

JAPAN invited the EU to an information session on the efforts made to speed up the return to normality and guarantee food safety eight years after the Fukushima accident including efforts for decommissioning the reactors, stocking and treating contaminated water, and management of ground water and the environment in and around Fukushima.

MALAYSIA: The EU reiterated its concerns on the lack of communication and disappointment over the recent extension of the country-wide ban on BE and PL due to African Swine Fever. The EU requested the lifting of the ban and offered to provide the technical services of Malaysia with any possible information request. The EU emphasized that any restrictive measures must be science-based and take the least trade restrictive approach. Malaysia promised to convey the message to the capital and facilitate the exchange of needed technical information. Malaysia provided some information on pending EU applications. Malaysia indicated that the process for approval of new pork establishments from three Member States have been technical finalised at technical level but awaits a decision by a Ministerial Committee in July 2019.

MOROCCO: The EU referred to recent notifications from Morocco that would imply a systematic certification also for low risk products, and probably a systematic testing. The EU highlighted the trade implications and asked Morocco to introduce amendments that would take into account a sustained risk assessment for the products covered by the measure. The EU pointed out how the draft model certificate seems to call for systematic testing for all products and consignments on a wide range of parameters. Morocco committed to set up a dialogue with the EU (and other trading partners), consider the possibility of a delayed implementation and offered to reflect on a reformulation of the testing requirement.

PERU: The EU requested feedback on Member States applications, which Peru committed to provide from capital. The EU also referred to a harmonized certificate for exports of European meat products to Peru, In this respect, the EU indicated that it will provide soon a formal response but that it found difficulties in

accepting some elements in the latest Peruvian proposal. Peru also informed the EU of a monitoring program they intend to carry out on the presence of cadmium in cocoa growing areas.

PHILIPPINES: The EU reiterated its request regarding the lifting of countrywide bans on imports of pork from several Member States. The EU expressed its concern on the recent suspension of import licenses for pork meat originating in Member States not affected by ASF. In addition, the Commission stressed that the suspension of system accreditation for pork imports from the entire Germany as of 1 July is a disproportionate measure from the Philippine's side. Pending market access applications for animal products and for plant products were also discussed.

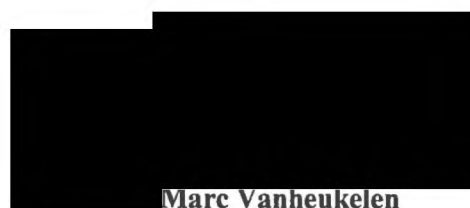
SAUDI ARABIA: The EU requested feedback to its comments to several Saudi Arabia notifications, pertaining in particular a country wide ban for BG equines, limits of Arsenic in rice, imports of beef linked to BSE conditions (E.g. 30-months rule), and regionalization for poultry, in particular live animals. Both sides agreed to a videoconference in August. Furthermore, Saudi Arabia indicated it intends to notify soon to WTO a revised rule on BSE conditions, with further alignment to WTO. For issues related to animal health, Saudi Arabia will contact the relevant experts and revert with more information.

SOUTH KOREA announced that the authorisation process on export of beef from Denmark and The Netherlands is in its final phase, inspections have been finished and trade can be expected to start within some months. For the remaining Members States South Korea is also moving forward in the authorisation process but in some cases they are still waiting for input from Member States. South Korea agreed on holding the annual SPS Committee as well as an ASF regionalisation seminar 4-5 September 2019 in Sejong-si.

TURKEY reiterated their concerns on the EU MRL legislation and expressed their wish for further cooperation at this area. Turkey also raised three additional topics, which were not on the agenda, namely export and transshipment of hatching eggs, export of composite products and bivalve molluscs. The EU took note of these issues.

V. Next meeting

The next SPS Committee meeting will take place on 4-8 November 2019. The formal meeting will be preceded by a thematic session on Approval Procedures and by informal meetings.


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cc: SPS distribution list