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NOTE FOR THE ATTENTION OF THE TRADE POLICY COMMITTEE

SUBJECT: Information note on the outcome of the 69th WTO Sanitary and Phytosanitary (SPS) Committee meeting of July 2017, in Geneva

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OBJECTIVE: *For information*

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REMARKS:

The 69th meeting of the WTO SPS Committee took place in Geneva, on 13 and 14 July 2017, preceded by a thematical session on regionalization and the informal meetings of the Committee.

Further details of the sixteen bilateral meetings held in the margins of the WTO SPS Committee with several WTO Members, are included in the annex to this note.

Summary

As in previous Committee meetings, **the EU proposal on criteria for endocrine disruptors** was the main topic of the agenda. A record number of 31 Members took the floor against the EU to criticise the hazard based approach as inconsistent with the SPS Agreement. The **French measure to ban cherries from countries which have authorised the use of dimethoate** was strongly criticised by the US, supported by other Members. Argentina, supported by several other Members, raised again concerns about the approval of **glyphosate** in the EU. Overly restrictive policies on the setting of **pesticides MRLs** were raised on several occasions during the two day discussions with often direct or indirect references to the EU. EU pesticide MRLs were also the main defensive issue in most of the bilateral meetings.

On a positive note, compromise language on private standards was agreed for the **report of the 4th review** of the operation and implementation of the SPS Agreement. That allowed the report to be adopted after several years of difficult discussions. Also, the **thematic session on regionalisation** (an EU initiative) was very successful in allowing Members to exchange views about a very topical issue in a constructive manner. The Committee was informed about the **new EU legislation on official controls** and a report on the **EU's SPS-related technical assistance in 2015-16** was issued.

On the offensive side, the EU challenged a number of members that do not respect their WTO obligations (like China and Korea on **regionalisation** and **BSE**). **16 bilateral meetings** offered opportunities to push for key EU market access interests, including the Chinese new certification measure for all imported foods to China.

Details

- Specific Trade Concerns (STCs)

18 STCs were discussed. The EU raised 5 offensive STCs and defended its policy on 2 issues.

EU offensive issues: previously raised - **Russian Federation** – import restrictions on certain animal products from Germany; - **Russian Federation** – import restrictions on processed fishery products from Estonia and Latvia; **China** – import restrictions due to African swine fever (ASF); **South Korea** – import restrictions due to ASF; General import restrictions due to **BSE** urging other Members (USA, Malaysia, Korea, Vietnam, South Africa, China) to rapidly lift or continue lifting their long-standing and scientifically unjustified restrictions on BSE. The EU supported the US in their concern raised against China for lack of recognition of regionalisation on Avian influenza. The EU also supported the US and Israel in their concern raised against **China** on its **new certification measure** for all imported food to China. This concern was supported by 10 other countries including Japan, Canada, Australia and Mexico.

EU defensive issues: The main concern was again **Endocrine Disruptors** (raised by the US, China and Argentina, supported by 28 other Members). In addition to the criticisms on substance, there were also complaints on procedures (mainly on the split of the draft proposal into criteria and derogation). US statement included a frontal attack on the overall EU policy on pesticides. The US (supported by Argentina and Canada) also criticised the **French measures on dimethoate for cherries** as disproportionate and not scientifically justified. The statement of **Russia on ASF** included references to the situation in the EU and was, once again, challenged by the EU.

- Other issues

A **thematic session on regionalisation**, focussing on animal health and organised at the initiative of the EU, took place on 11 July prior to the Committee. The EU made very well received presentations on the EU control measures on avian influenza and on how the EU seeks recognition of its regionalisation measures by trading partners. There were also presentations from a number of other countries regarding exporting and importing countries' views on regionalisation. The event proved to be useful in addressing issues surrounding regionalisation in a constructive manner. No specific follow up was agreed but there were proposals to organise another session on pest free areas (plant health).

The adoption of the report on the **4th review** of the operation and application of the SPS Agreement had been pending since October 2014, the main issue of contention being a recommendation on **private standards**. In this meeting the discussions were based on a revised text for the section on private standards recording the different views. African countries still insisted on a specific recommendation that the Committee should consider trade concerns created by private standards. However, the new chair managed to convince the African delegates to accept the proposal on the table with an addition that private standards could have an impact on international trade. This new text was acceptable to all Members and allowed the adoption of the 4th review report. Irrespective of the text of the report, private standards will continue to appear on the agenda of the SPS committee for the foreseeable future.

The other longstanding issue concerning the wording of a **disclaimer** continues to prevent the adoption of the "**catalogue of instruments**". To unblock this situation, the chair distributed a compromise text drafted on the basis of previous proposals and asked Members' comments by 15 September. The text is acceptable for the EU.

The US, Kenya and Uganda will prepare a revised version of their proposal for **follow-up to the workshop on pesticide MRLs** which took place in connection to the October 2016 SPS Committee. Written comments, including the EU comments, will be taken into account. India, supported by several developing country Members, came back to the sensitive issue of setting MRLs at the level of quantification (LOQ). They insisted that the Indian proposal on this issue had to be considered as it was the original reason for organising the workshop. Inevitably, this issue will be further discussed with a main focus on the EU policy on setting MRLs at LOQ when the use of a pesticide is not authorised in the EU.

Brazil provided information on the 'meat scandal' providing assurances that the problem was under control. Brazil also briefly referred to its SPS proposal for **MC11** reporting that it had been presented to the CoASS but without any clear indication about follow up. Since both points were mentioned at the very end of the meeting, there was no time (and probably no interest either) to discuss these matters further.

- Informal meeting – 12 July 2017

The agenda of the informal meeting included the 4th review, the disclaimer and the follow up of the pesticide workshop.

- Bilateral meetings – 12-14 July 2017

Sixteen bilateral meetings were held in the margins of the Committee with *Australia, Brazil, Bahrain (as GCC coordinator together with participation from Kuwait, Oman and Qatar), Canada, China, Dominican Republic, India, Indonesia, Japan, Philippines, South Africa, Thailand, Turkey, Russia, US and Vietnam*. The EU strongly encouraged all these countries to process market applications faster and reiterated the EU's SPS market access priorities (focused on real market openings), while also responding to their concerns about their exports

to the EU (Australia, Brazil, Canada, China, Dominican Republic, India, Japan, Turkey).

Positive highlights of these bilateral meetings include: **(a) China** showed flexibility as regard the implementation of the new certification measure for all food products (confirming a long transition period, clarifying scope of products and asking the EU to propose a template); **(b) Brazil** reported that it would grant to all Member States approved to export products of animal origin without pre-listing a one-off possibility to review their list of establishments and to add new establishments without the need to be audited beforehand; **(c) the Philippines** announced they were lifting the ban on poultry exports for a number of MS (NL and soon PL, DE, FR); and **(d) The GCC countries** confirmed that new obligations under their GCC Import Guide would be postponed until further notice and that they would consider EU comments for the final version.

In different degrees, all trading partners were open to the questions put forward by the EU and undertook to promptly follow-up.

Next meeting

The next SPS Committee meeting will take place on 2-3 November 2017, and will be preceded by a workshop on transparency on 30-31 October and an informal meeting on 1st November.

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