

# WORLD TRADE ORGANIZATION

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**Committee on Sanitary and Phytosanitary Measures**

## SUMMARY OF THE MEETING HELD ON 29-30 JUNE 2005

Note by the Secretariat<sup>2</sup>

Revision

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<sup>1</sup> In English only.

<sup>2</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights or obligations under the WTO.

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## **I. ADOPTION OF THE AGENDA**

1. The Committee on Sanitary and Phytosanitary Measures (the "Committee") held its thirty-third meeting on 29-30 June 2005. The agenda proposed in WTO/AIR/2604 was adopted with amendments.

2. The Secretariat reminded Members of the importance of ensuring that documents were submitted well in advance of the Committee meeting, so that they could be circulated as formal documents in the three WTO working languages.

## **II. ELECTION OF THE CHAIRMAN**

3. The Committee confirmed Mr. Gregg Young (United States) as Chairman of the SPS Committee until the conclusion of the first regular meeting of 2006, and expressed its appreciation and confidence in his leadership.

## **III. ACTIVITIES OF MEMBERS**

*Eradication programmes for classical swine fever, brucellosis and tuberculosis in Nicaragua (G/SPS/GEN/575 and 576)*

4. The representative of Nicaragua described Nicaragua's eradication programmes for brucellosis and tuberculosis. A certification process of farms free of brucellosis and tuberculosis had been initiated first in the dairy producing areas and subsequently throughout the country. Nicaragua expected to be able to establish disease-free zones after completing the certification of disease-free farms. The certification process had been designed with the support of the United States Department of Agriculture Animal and Plant Health Inspection Service (USDA-APHIS) and was made possible thanks to the participation of both the private and the public sectors.

5. The representative of Nicaragua further informed the Committee about the national programme for the eradication of classical swine fever. This programme had been designed in collaboration with OIRSA, Chinese Tapei and USDA. The aim was to better provide appropriate information to both producers and the population and to establish an efficient epidemiological surveillance programme as well as an emergency control system. Nicaragua hoped to have all the basic information necessary for achieving international recognition as a country free from classical swine fever by 2008.

*Information meeting for third countries on the new EC hygiene and food and feed controls legislation*

6. The representative of the European Communities explained that a meeting to provide information and clarifications on the revised EC legislations would take place on 19 July 2005 in Brussels. She recalled that the regulations (852/2004, 853/2004 and 854/2004) on processing hygiene inspections and controls of food and feed would enter into force on 1 January 2006. The information event for third countries would address the following subjects: (i) the new hygiene rules for food and feed; (ii) the revised rules for inspection and controls; and (iii) implementation strategies and implications for non-EC countries as well as tools for capacity building and technical assistance. Updated information on the EC import requirements for wood packaging material would also be provided. The representative of the European Communities encouraged Members to alert the European Communities bilaterally in advance of the meeting of specific issues they would like to raise to allow sufficient time to prepare the answers.

7. The representatives of Canada and the United States expressed their interest in this event given the significance of the new regulations. Canada indicated interest in commenting on drafts of the regulations prior to their adoption.

*Canada's proposed BSE import policy (G/SPS/GEN/585)*

8. The representative of Canada updated the Committee on the recent developments regarding Canada's BSE import policy. Canada's existing BSE import policy permitted the importation of live ruminants and most of their products only after the exporting country had been officially recognized as BSE-free by the Canadian Food Inspection Agency. As the measures available to mitigate the transmission of BSE had evolved substantially in recent years, Canada's existing policy had recently been determined to be more restrictive than the current international standards. Consequently, Canada had decided to revise it. The new proposed import policy, notified in G/SPS/N/CAN/244, closely adhered to the revised OIE standards on BSE adopted in May 2005 and reflected the current scientific understanding of the measures necessary to protect human and animal health, thus maintaining Canada's previous level of protection but in a less trade-restrictive manner. Canada urged its trading partners to adapt their current BSE import policy to the new OIE standards.

*Actions regarding BSE in the United States*

9. The representative of the United States recalled that the purpose of the US enhanced surveillance and testing programme of a targeted cattle population (mentioned in G/SPS/R/36/Rev.1, paragraphs 9-12) was to provide meaningful estimates of the rate of prevalence of BSE. This testing programme, begun in June 2004, had only detected one positive case out of 400,000 animals tested, indicating that the safeguards in place to protect human and animal health were working. No part of the positively-tested animal had entered any food or export chain and its carcass had been incinerated. The United States was still conducting an epidemiological investigation of this animal, born before the institution of the ruminant-to-ruminant feed ban in August 1997. The fact that no cases of BSE had been found in animals born after the introduction of the feed ban was a strong indication that this important safeguard was being effectively implemented. At its May 2005 meeting, the OIE had adopted new provisions recognizing that boneless beef from cattle 30 months of age or under was safe for international trade regardless of the BSE status of the supplying country as long as specific processing procedures were followed. The United States had implemented these processing procedures since January 2004 and therefore urged its trading partners not to adopt further restrictions on US beef.

*Comments by the United States on the DSB findings in the Japan-Apples case (WT/DS245)*

10. The representative of the United States recalled that the Panel's decision in the Japan-Apples case made clear that Japan's import regime for apples did not comply with the provisions of the SPS Agreement. The Panel had endorsed the US argument that any hypothetical concerns regarding the spread of fire blight could be addressed by restricting exports of apple fruit to mature symptomless fruit. The United States estimated that apple exports to Japan would approximately amount to 143 million dollars in the absence of restrictions and was looking forward to working with the Japanese authorities to restore access for US apples to Japan. The representative of the United States encouraged other Members which had similar restrictions regarding fire blight on fruit to review them carefully in light of the Panel's decision.

*Sanitary situation of Paraguay with regard to FMD and BSE*

11. The representative of Paraguay explained that, since Paraguay's exports of meat products represented a high percentage of total exports, a better management of the control and eradication programmes for FMD and BSE was a high priority for the Government. Implementation of the FMD eradication programme had begun in 1992, and by 1999 all centres of FMD had been eliminated. In

May 1997, Paraguay had been certified by the OIE as a country free of FMD with vaccination, a status which had been maintained until the end of 2002, when one outbreak of the disease was located at the frontier with Brazil. In July 2003, another outbreak of FMD had been located very close to the frontier with Argentina and Bolivia. These events had obliged the country to thoroughly revise its FMD eradication strategy. As a result of Paraguay's efforts to comply with OIE requirements and procedures, the OIE's Scientific Commission for Animal Diseases had decided to restore Paraguay's FMD-free status with vaccination in January 2005. The representative of Paraguay noted that arrangements had been made with Argentina, Brazil and Bolivia for specific activities on the frontiers. The representative of Brazil congratulated Paraguay on its work struggling against FMD and mentioned Brazil's commitment to continue the joint efforts to tackle this disease in the South American region.

12. Concerning BSE, the representative of Paraguay recalled that in July 2000, the scientific commission of the European Union had granted to Paraguay the country classification of geographical BSE risk 1 (GBR 1), implying a highly improbable risk of infection of domestic cattle by the BSE-causing agent. This situation was very stable because there had been no registration of imports of animal origin from countries known to be affected by BSE. Assuming that the measures taken continued to be appropriately implemented and that there was no new significant external threat, the probability that cattle be infected by BSE would stay very low. Paraguay's GBR 1 classification had been renewed annually from 2001 to 2005. In February 2005, Paraguay had provided the OIE with the relevant documentation requesting the recognition of its BSE-free status. A technical report on Paraguay's documentation would be considered by the OIE International Committee in May 2006.

#### **IV. SPECIFIC TRADE CONCERNS**

##### **(a) New Issues**

##### *Australia's import restrictions on New Zealand apples*

13. The representative of New Zealand explained that although his country enjoyed a strong trading relationship with Australia, it had been actively pursuing access to the Australian apple market since 1986. Fresh apples were the second most significant horticultural export of New Zealand after kiwifruit. He highlighted that it was the first time that New Zealand had raised an issue of concern in relation to Australia in the SPS Committee. Australia's ban on New Zealand apples was based on the perceived risk of fire blight transmission, although science had clearly demonstrated that the risk of mature symptomless apples in trade being vectors for the transmission of fire blight was negligible. Since 1999, when New Zealand made its fourth application for regaining access to the Australian apple market, the Australian authorities had only released two draft risk analyses, systematically followed by a round of comments. This undue delay of six years was unacceptable. The representative of New Zealand invited the Australian authorities to clarify when the next draft risk analysis would be issued and to provide New Zealand an assurance that this would be the last draft prior to the issuance of a final risk analysis. He also requested that the Australian authorities indicate when the final risk analysis might be completed and expressed hope that this would occur in the near future so that New Zealand would not be forced to consider further options to resolve this longstanding issue.

14. The representatives of Chile, the European Communities and the United States indicated that they had experienced similar difficulties. The European Communities hoped that since Australia was reviewing the scientific justification of its 2004 risk assessment in light of the Panel findings in the Japan-Apples case, its phytosanitary import policy might improve. The representative of the United States recalled that the major plant pest of concern was fire blight. As mentioned earlier, a WTO dispute settlement Panel had recently found that stringent control requirements were not justified on the basis of the available scientific evidence, which clearly demonstrated that mature symptomless apple fruit did not pose a risk of transmitting fire blight. He encouraged Australia to expeditiously

modify its existing import prohibitions on apples and other fruits due to fire blight concerns. The representative of Chile requested to be kept informed of any progress on this issue.

15. The representative of Australia reminded the Committee that recent changes to Australia's biosecurity agency had caused some delays in the time taken to complete a number of risk analyses. Australia was committed to deliver a science-based risk assessment for New Zealand apples as soon as possible. This risk analysis, currently in progress, addressed a number of quarantine concerns about pests and diseases in addition to fire blight. Australia was committed to bringing this matter to an expeditious conclusion.

*EC's Eurep/Gap requirements for bananas*

16. The representative of St. Vincent and the Grenadines reported that, as part of the African Caribbean and Pacific group of countries, St. Vincent and the Grenadines had benefited significantly from the assistance provided by the European Communities for the exports of bananas and other fresh agricultural produce to the EC market. However, the Eurep/Gap certification, introduced in 1997, had now been made a condition for continued trade between St. Vincent and the Grenadines and the United Kingdom's supermarkets. In St. Vincent and the Grenadines' view, SPS measures were to be introduced by governments and not private entities or non-governmental organizations. Some of the measures dealt with in the Eurep/Gap certification programme were clearly within the scope of the SPS Agreement. St. Vincent and the Grenadines therefore enquired if these measures were part of the EC general food law or if they were private entity requirements.

17. The representative of Jamaica indicated that Jamaica was experiencing similar problems with the Eurep/Gap requirements for fresh fruit and vegetable entry into the European Communities. Since a reading of the EC food and feed regulation indicated that the Eurep/Gap requirements were private sector requirements, Jamaica asked what recourse was available to exporting countries.

18. The representative of the European Communities clarified that Eurep/Gap was not an EC body nor one of its member States. It was a private sector consortium representing the interests of major retailers. In no case could Eurep/Gap requirements be presented as EC requirements. Even if these standards, in certain cases, exceeded the requirements of EC SPS standards, the EC could not object to them as they did not conflict with EC legislation. This issue was one the EC was willing to discuss at the information seminar to be held on 19 July 2005 in Brussels. The representative of the European Communities encouraged developing countries, particularly LDCs, to discuss this issue with non-governmental organizations since, in many respects, the Eurep/Gap requirements reflected their concerns. The current accumulation of such standards constituted an opportunity to emphasize the value of official standards, since private standards were often much more demanding.

19. The representative of Peru enquired about the interpretation of Article 13 of the SPS Agreement which referred to its implementation by, inter alia, non-governmental entities within the territory of the Member. The representative of Ecuador noted that, as an exporting country, Ecuador was following the impact of this issue upon trade towards the European Communities. The representative of Mexico indicated that SPS measures as defined in Annex A were the core of the SPS Agreement. It was only when these measures were adopted by governmental authorities that a Member had the obligation to ensure that governmental and non-governmental entities involved were implementing them properly, as provided for in Article 13. Annex 3 of the TBT Agreement established a code of good practice for non-governmental standard-setting institutions developing food quality standards. This code had been accepted by many of these organizations. He suggested that it could be interesting for the SPS Committee to take a look at these provisions of the TBT Agreement before reaching any conclusion on the issue.

20. The representative of Argentina recalled that the international community had generated international agreements to ensure that trade standards were not unnecessarily stringent so as to act as

barriers to international trade, and countries had devoted time and financial and human resources to attend all the international meetings where standards were discussed, developed and implemented. If the private sector was going to have unnecessarily restrictive standards affecting trade, and countries had no forum in which to advocate some rationalization of these standards, twenty years of discussions in international fora would have been wasted. The representative of Argentina was convinced that the rational and legal aspects of these kinds of regulations had to be addressed.

*US import procedures for fruits and vegetables*

21. The representative of the European Communities highlighted the concerns of EC exporters of fruits and vegetables experiencing very lengthy inspection procedures from APHIS. Because of the highly perishable nature of the products, the delays often resulted in commercial losses. APHIS also required that only US-produced pesticides be used during cultivation, some of which were not permitted within the European Communities. The European Communities invited the United States to consider the use of equivalent pesticides. Certain insects used to protect crops in the European Communities were not allowed entry into the United States. Other concerns included, *inter alia*, cold treatment import requirements and pre-clearance inspection procedures. The European Communities was willing to continue bilateral discussion on this issue in order to achieve better market access in the near future.

22. The representative of the United States replied that US import procedures were operated in a transparent and WTO-consistent manner. Levels of pesticide residues on fruits coming into the United States had to be approved by the US Environmental Protection Agency (EPA). Pesticides did not have to be produced in the United States, but to be registered on the EPA list of authorized pesticides. The United States imported very substantial volumes of fresh fruits and vegetables from about 150 countries. The value of imports had increased by 97 per cent over the past ten years, demonstrating that the United States was a growing market for fruits and vegetables produced around the world.

23. The representative of Argentina described the case of markets not attractive enough for the private sector to register a pesticide, so that no specific limit was fixed for the level of residues of this pesticide. On sanitary grounds, the default limit was zero or close to zero, which equalled prohibiting the products. This problem affected many countries. The maximum limits established by the Codex Alimentarius, which had a reasonable scientific foundation, should be the ones used by default in such cases. Should countries wish to change them, they would have to provide some justification.

*Japan's import restrictions on EC exports of plant and animal products*

24. The representative of the European Communities raised concerns with regard to Japanese phytosanitary administrative procedures governing the approval of agricultural imports. Although the issue had been previously raised on a bilateral basis, little progress had been noted. The procedures were time consuming and not always fully transparent. To list a new variety of plant products, EC exporters were facing delays of two to three years. The approval procedure for one plant was usually not valid for similar varieties although, in terms of plant health risk, there were almost no differences between them. The European Communities requested that any future application for similar plant species with similar plant production systems and pest status be considered as an extension of the original application. This request was proportionate to the risk and would contribute to reducing both human and financial efforts by both trade partners. Other issues of concerns to the European Communities included, *inter alia*, Japanese inspection procedures in the exporting country, strong phytosanitary import regulations and a system of zero-tolerance for all pests not included in Japan's list of non-quarantine organisms. With regard to the animal sector, disease-free status recognition and health import certification were difficult. The representative of the European Communities thanked Japan for its efforts made the previous year to address EC concerns, but invited Japan to review its internal administrative SPS procedures to make them more efficient and transparent. The

representative of Brazil also expressed concern regarding Japanese approval procedures for plant varieties.

25. The representative of Japan explained that he could not give any decisive response to the EC concerns as he was not sure if the Japanese administrative procedures were indeed the source of the problem. Japan had already taken the necessary steps to fully comply with the SPS Agreement and a number of EC exports of fruits and vegetables were currently entering the Japanese market. However, Japan remained open to discuss with the EC any specific issue justified by facts and figures in order to identify the source of the problem.

*Mexico's restrictions on US poultry*

26. The representative of the United States informed the Committee that Mexico was banning imports of poultry and poultry products from an entire US state in which cases of low pathogenic avian influenza (LPAI) had been reported in some areas. Mexico also required avian influenza (AI) testing for layer and broiler flocks regardless of whether or not AI had been reported. Only two subtypes of AI (H5 and H7) had been found to mutate into the highly pathogenic forms of the disease. Low pathogenic strains of AI did not cause systemic disease and had not been shown to be of consequence for animal health or food safety. The OIE did not recommend any trade restrictions on poultry and poultry products when cases of low pathogenic strains of AI of non-H5 and H7 subtypes were reported and only limited measures for low pathogenic strains of the H5 and H7 subtypes. The relevant scientific evidence showed that the LPAI virus did not appear in the muscle tissue of an infected chicken and that neither fresh meat nor eggs imported from regions affected by low pathogenic AI posed a risk of transmitting the disease. Given the scientific evidence underpinning the recently-adopted changes in the relevant international standard, the United States encouraged Mexico to modify its import restrictions and testing requirements.

27. The representative of Canada indicated concerns related to a case of high pathogenic avian influenza (HPAI) which had occurred last year. In March 2004, Mexico had banned the importation of poultry and its products from all of Canada in response to the findings of HPAI in British Columbia. Canada had kept all trading partners fully informed of the control measures it had imposed to limit the outbreak to British Columbia. Unlike many of its trading partners, Mexico had not regionalized its measures to apply to British Columbia only. Canada had now been free of HPAI for over one year and had provided all the information requested by Mexico to verify this status in accordance with OIE guidelines. Consistent with the OIE, the majority of Canada's trading partners had removed their measures against Canadian poultry. Canada called upon Mexico to do the same.

28. The representative of Mexico explained that since May 1994, when one subtype of low pathogenic avian influenza had been detected in Mexico, specific SPS measures targeted to this subtype had been applied. Mexican official standard 44700/1995, applying to any kind of subtype, both low and high pathogenic strains, had been adopted in 1995. In the United States various subtypes of low and high pathogenic strains had been officially identified. Some of these subtypes did not exist at the moment in Mexican poultry. Sanitary requirements for imports of poultry products from the affected US states were equivalent to those applied in the Mexican poultry sector, except for the epidemiologic surveillance and the control of movements of poultry and poultry products. As the risk of transmission of AI was particularly high in live poultry and less in its products and by-products, importation of some poultry products from the quarantined states was allowed. Mexico was analyzing the technical information provided by the United States in order to restore access for imports of poultry and all by-products. This additional information had been provided to USDA in early 2005.

29. The representative of Mexico recalled that at the general session of May 2005, the OIE had established new standards for AI in both its high and low pathogenic forms. These new standards established that all kinds of H7 and H5 avian influenza in both its high and low pathogenic strains



should be notified and that states or zones free of avian influenza and free of the notifiable high and low pathogenic forms of the disease could be identified. In accordance with Article 2.1, 2.2, and 2.3 of the SPS Agreement, Mexico had established the health requirements for exporting poultry and poultry by-products originating from areas free of avian influenza and free of the notifiable high and low pathogenic forms of the disease. Mexico currently allowed imports of poultry, poultry products and by-products from the United States, except for live birds and some products from the states affected by certain subtypes of AI. Regarding Canada, the representative of Mexico explained that British Columbia had been quarantined for H7 and H3 highly pathogenic strains of avian influenza last year and that Mexico was still waiting to receive technical information allowing it to lift the quarantine restrictions. Mexico had recently been notified that certain other subtypes of avian influenza strains had been identified in some sectors of British Columbia.

*Chinese Taipei's BSE-related import restrictions on non-ruminant products*

30. The representative of the United States raised concerns regarding the BSE-related import prohibition imposed by Chinese Taipei on non-ruminant rendered meals except fishmeal and all spray-dried animal products except dairy products and certain porcine products made in specified plants. For over five years, the United States had been providing significant scientific information to the animal health authorities of Chinese Taipei to allow the resumption of this trade. Despite continuous technical dialogue, the problem remained. Chinese Taipei had not provided any scientific justification explaining why it was resorting to measures exceeding the relevant international standards. The United States urged Chinese Taipei to lift its import ban on non-ruminant products and implement measures consistent with the OIE Code. Thanks to bilateral discussions with Chinese Taipei's representatives during the previous days, the United States and Chinese Taipei were on the verge of finding a mutually satisfactory solution.

31. The representative of the European Communities requested that Chinese Taipei and other countries fully adopt the new recommendations of the OIE Code. The European Communities had explained to Chinese Taipei the EC procedures currently in place for ensuring the safety of beef. The new clearer and simpler provisions of the OIE Code specifically allowed trade of beef products derived from deboned skeletal muscle meat from animals under 30 months. The European Communities urged Chinese Taipei to extend this provision to EC exports.

32. The representative of Chinese Taipei replied that Chinese Taipei had engaged in bilateral dialogue with the US government on these issues on several occasions. She pointed out that Chinese Taipei's concerns focused primarily on the possibility of cross-contamination with material of ruminant origin. Therefore the implementation of the US system needed careful evaluation and should be verified by on-site inspections. Based on risk analysis results, the importation of fish products, hydrolysed proteins derived from processing meals, spray-dried proteins and plasma proteins from the United States were not currently prohibited. Chinese Taipei's SPS measures were designed to ensure the safe trade of animal and animal products in accordance with the concept of an appropriate level of protection and did not exceed the OIE guidelines. Chinese Taipei was seeking a solution to the issue with the United States. Regarding the EC concern on beef, the representative of Chinese Taipei would convey the message to her authorities and respond to the European Communities in writing.

*Japan's import suspension on heat-processed straw and forage for feed*

33. The representative of China recalled that, following an FMD outbreak in May 2005 in a few provinces, China had notified both the OIE and the Japanese embassy in China of the outbreak and the control measures in place which had brought the epidemic under control. To prevent the introduction of FMD, Japan had issued an overall import suspension of straw and forage for feed from China at the end of May 2005. In China's view, since the straw and forage to be exported to Japan originated from FMD-free areas, Japan's ban violated the principle of regionalization as laid down in

Article 6.1 of the SPS Agreement. In addition, as the Chinese straw and forage to be exported to Japan were processed in line with Japan's animal health requirements, Japan's ban violated its own requirements. Straw and forage heat treatment companies were inspected and designated by the Ministry of Agriculture, Forestry and Fisheries of Japan. The heat treatment, under joint monitoring of Chinese and Japanese inspectors, was more than sufficient to kill FMD viruses. Japan's ban lacked scientific evidence and violated Article 2.2 of the SPS Agreement. China requested Japan to lift the ban. China was willing to provide the necessary information but wanted to emphasize that all trade should not be affected by a regional problem. China invited Japan to come to China at its convenience for the necessary controls and for discussion with the competent departments.

34. The representative of Japan recalled that Japan had suspended imports of heat-processed straw and forage from China at the end of May 2005 to respond to repetitive detection of faeces in imported straw and intentional replacement of heat-treated with non heat-treated straw, in violation of Japan's animal health requirements and of Article 2.2.10.28 of the OIE Code. These products were accompanied by the genuine Chinese animal health authorities certificate, in violation of paragraph 6 of Article 1.3.4.72 of the OIE Code. Considering the recent rapid spread of FMD in China, Japan had decided to suspend the importation of heat-processed straw and forage until the Chinese Government addressed these issues. Japan had not yet received any satisfactory response from the Chinese Government, which was responsible for issuing the export certificate. Japan had not yet received any epidemiological information on the FMD status of the export facilities for heated straw.

*EC geographical BSE risk assessment classification of India*

35. The representative of India indicated that the EC categorization of India in the suspected list of the geographical BSE risk assessment (GBR) had been a deep cause of concern. The assumptions made by the European Communities while conducting the risk assessment needed to be reconsidered, as BSE had never been reported in Indian cattle and buffalos. Moreover, feeding practices in India did not allow feed of ruminant origin. India had also provided the European Communities with all the technical information required, including, *inter alia*, health profiles of imported cattle for the last 20 years. All these facts clearly demonstrated the need to upgrade India's status to GBR 1. India had made these concerns known to the European Communities on several occasions, including at the bilateral meeting held on 28 June 2005. The EC categorization had the potential to disrupt India's beef trade not only with EC member States but also with its other trading partners. India strongly urged the European Communities to undertake the reassessment of India's GBR status as a priority.

36. The representative of the European Communities replied that the BSE import regime in relation to beef and beef products was proportionate, non-discriminatory and science-based. The recent findings of BSE in both the United States and Canada had not led to measures from the European Communities. The European Communities had put in place a framework which allowed EC member States to trade beef and beef products in accordance with strict scientific criteria. The system had been introduced due to insufficient progress in the OIE with the development of an international framework on trade in beef and beef products and BSE. In that context, the European Communities welcomed the recent agreement in the OIE on a revised Terrestrial Animal Health Code and encouraged all OIE members, including India, to work towards country classifications, which would allow the European Communities to abandon its classification. The representative of the European Communities clarified that India's existing classification would not be revisited since it had been carried out on an independent basis by EC scientists. India was categorized as GBR 2, which was a relatively attractive category allowing trade to take place with minimal safeguard measures. If the OIE failed to classify countries, the European Communities would reconsider the existing classification of third countries, including India. The European Communities sympathised with India's problems in relation to the use of the EC classification system by third countries for their own trade. The European Communities did not encourage such practices by third countries.

*Japan's import requirements for Indian mangoes*

37. The representative of India stated that although India had many years ago provided the pest and surveillance data and the information on treatment standards requested by Japanese authorities, the pest risk analysis had not yet been completed. At a bilateral meeting with Japan, India had expressed its deep concerns that the extremely slow progress made so far was impinging heavily on India's market access for mangoes to Japan. Another round of bilateral technical consultations was to be held in mid-July 2005. India hoped to raise this issue and urged Japan to make genuine efforts to conclude the technical process of the risk assessment in the shortest time possible.

38. The representative of Japan explained that Japan was taking the necessary measures to prevent a possible invasion of the melon fly and two other pests which, according to the scientific literature, had been recorded in India but were not present in Japan. Japan had to implement measures to verify the disease status of Indian mangoes or the application of a technically-certified effective disinfestation treatment in accordance with relevant international standards. Technical discussions were currently ongoing between Indian and Japanese experts in order to develop the disinfestation technique, but the technical data provided were not sufficient to allow certification of the effectiveness of the technique. These points would be discussed at the technical meetings in July.

*Panama's inspection regime for meat products (G/SPS/GEN/582)*

39. The representative of Costa Rica noted that due to Panama's new inspection system, notified in April 2005 as G/SPS/N/PAN/43, several Costa Rican firms were experiencing problems in trying to export milk and animal products to Panama. Panama had changed its rules regarding the inspection of plants without prior notification to the WTO, without allowing for an adaptation period. In spite of the fact that the Costa Rican enterprises already had certifications from the Panamanian Ministry of Health for exports of sweetened milk and animal products to Panama, according to the new rules they also had to undergo inspection by the Ministry of Agriculture. The Costa Rican firms had requested the Panamanian authorities, unsuccessfully to date, to avoid the second inspection. Costa Rica had also requested that Panama provide the risk assessment and scientific justification supporting the consistency of this new requirement with the SPS Agreement. Costa Rica did not question Panama's right to establish SPS measures, but was concerned by this new double sanitary inspection for highly industrialized products such as sweetened and condensed milk.

40. The representatives of Argentina, Canada, Colombia, the European Communities and the United States reported experiencing similar difficulties accessing the Panamanian market. Argentina reported that it was experiencing sanitary difficulties in relation to FMD and bureaucratic difficulties which did not seem to be designed to protect animal health in Panama (paragraphs 173-174 refer). The European Communities had suddenly been faced with a new Panamanian health legislation referring, firstly, to a system which seemed to link obtaining an import licence for Panama to a payment and, secondly, to an inspection system which would be paid for by the exporting country. The United States recalled an issue raised at the March meeting of the Committee concerning the expansion of Panama's inspection programme to most food processing establishments and the non notification of this significant change in Panama's import regime. Canada had been experiencing problems with Panama's requirement for plant-by-plant approvals for meat exports and the recent changes to Panama's inspection regime.

41. The representative of Panama reminded the Committee that it was the first time that this issue of plant inspection was raised by Costa Rica before the SPS Committee and explained that he would convey Costa Rica's comments to the competent authorities. Panama's inspection regime followed the fundamental principles of the SPS Agreement and of OIE and IPPC standards. Risk assessment methods comprised two parts: the protection of Panama's health status and the functioning of the Ministry of Agriculture. The excellent quality of Panama's exports of cattle and dairy products was due to a stringent application of the SPS measures domestically and to imports. Because of its

geographical situation as a hub for world trade, Panama was exposed to a greater risk of introduction of pest and animal diseases and therefore had to undertake a risk assessment prior to authorizing imports from countries affected by exotic diseases. The risk assessment undertaken by the Panamanian authorities would shortly be given to the Costa Rican delegation.

*Brazil's lack of recognition of regionalization and disease-free status for classical swine fever*

42. The representative of the European Communities recalled concerns that Brazil's lack of recognition of regionalization and disease-free status for several animal diseases, including classical swine fever (CSF) was adversely affecting EC exports of pig products to Brazil. The European Communities had always recognised regionalization and, in the case of Brazil, on various occasions and for several animal diseases including FMD. The European Communities had previously provided all the necessary information and evidence regarding which EC regions could safely export pig products and had provided access to importing WTO Members for inspection and other procedures in accordance with Article 6.3 of the SPS Agreement. French exports of pig products to Brazil were experiencing restrictions, although the domestic EC pig population was free of CSF according to OIE standards, since the virus was present only in the wild boar population. CSF in France was epidemiologically under control, with strict veterinary and police surveillance and systems for animal identification and traceability. The European Communities urged Brazil to respond quickly and positively to legitimate requests for the application of the principle of regionalization for CSF to EC member States.

43. The representative of Brazil responded that Brazil's measures regarding regionalization for CSF in the European Communities were based on an assessment of the risks for disease spread, taking into account the size of the proposed CSF-free area and considering the epidemiological characteristics of the disease agent. These control measures were scientifically supported by Article 2.6.7.3 of the 2004 OIE Terrestrial Animal Health Code. Moreover, the disease agent could be found in the wild boar population, which made more difficult the establishment of control measures for a proposed disease-free area. The probability of the CSF agent spreading to domestic pigs had to be considered. During the last bilateral meeting held in Brussels in April 2005, Brazil had proposed the establishment of a bilateral expert working group to define risk analysis criteria related to equivalent regionalization procedures. The Brazilian sanitary authorities were currently working with the bilateral expert group in order to define criteria. Brazil had a regular and continuous CSF-free zone which covered almost all commercial swine herds.

44. The representative of the OIE clarified that the OIE Code for CSF included recommendations for the importation of several pig products from countries or zones free from CSF in the domestic population where the disease was present in the wild population. The OIE Code did not recommend banning imports of such material.

(b) Issues previously raised

*Thailand – Rule 11*

45. The representative of the United States recalled that Thailand had notified revisions to Rule 11 on 23 May 2005, leaving only 38 days for WTO Members to provide comments. The United States believed that this was not a sufficient delay for exporters to become familiar with the changes, nor did it provide sufficient time for Members to develop comments, or for Thailand to consider the comments that WTO Members might have provided. The United States still had substantial concerns about the scientific basis for Thailand's categorization of many US products in Rule 11 as "high risk". It was also still not clear whether Thailand would require certification and testing on domestic products. On 24 June 2005, the United States had been informed that the implementation of Rule 11 would be delayed until 31 December 2005. The United States appreciated these developments and

encouraged the Thai authorities to discuss Rule 11 and to develop measures consistent with the SPS Agreement to manage the risks that might be documented.

46. The representative of Japan mentioned that Japan appreciated the intention of the Thai government in introducing this new rule as a part of a national strategic plan on food. However, a regulation such as Rule 11, aimed at strengthening the control measures for the safety and quality of domestic and imported food, should be based on a science-based risk assessment and the working principles for risk analysis applied by the Codex Alimentarius. In order to avoid unjustified trade barriers, risk management should ensure transparency and consistency in the decision-making process in all cases. Japan requested information about the relationship between the proposed regulation and the related international standards.

47. The representative of Thailand replied that the food standards that would be applied throughout the country complied with the relevant international standards. Requiring a health certificate was the best option to alleviate the burden on importers at the border and was in compliance with Codex standards. Thailand had tried its best to address most of the comments received from Members since the first notification of Rule 11. Some food standards inconsistent with the Codex had been withdrawn, pending further science-based evaluation. An official from the Thai Ministry of Health had accompanied the Thai delegation in order to meet with WTO Members concerned about Rule 11.

*India – Non-notification of various SPS measures*

48. The representative of the United States reminded the Committee that although India had informed the United States of changes to improve its coordination on SPS issues, the United States continued to discover non-notified SPS measures implemented by Indian departments. This practice was causing unnecessary trade disruption on an increasingly broad array of commodities and the occurrences of India's failure to notify measures were increasing. The United States requested once again that India meet its obligations and notify new and revised food regulations and import conditions.

49. The representative of the European Communities noted that the European Communities had also been adversely affected by India's lack of notification of some SPS rules governing imports of agricultural products. Progress made by India in terms of transparency had been limited to the phytosanitary sector; legislation governing animal health and production were not systematically notified. The European Communities invited India to address this lack of transparency.

50. The representative of India explained that the Indian Department of Commerce had been working with various concerned departments to verify if the transparency provisions were implemented. With a view to better addressing the responsibilities outlined in the SPS Agreement, the Indian Government had recently established three separate enquiry points with clearly delineated responsibilities. This information had been circulated to Members. These efforts had achieved greater coordination among agencies, as could be demonstrated by the number of recent notifications that had been submitted at an early stage in the development of the regulation and with a due period for comments.

*Argentina - Import restrictions on semen and bovine embryos due to BSE*

51. The representative of the European Communities recalled that exports of bovine semen from some EC member States to Argentina were still suffering restrictions. According to OIE rules, bovine semen should not be subjected to restrictions regardless of the BSE status of the exporting country. The European Communities invited Argentinean authorities to replace their national bans by specific import requirements compliant with OIE standards and to finalize negotiations with the concerned EC member States in order to resume trade of bovine semen and embryos.

52. The representative of Argentina replied that Argentina was in the process of adjusting its legislation to the new OIE directive adopted in May 2005. The European Communities was Argentina's most important trading partner; imports from the European Communities amounted to more than 4 billion dollars. Argentina was currently working bilaterally with several EC member States to resolve the issue of export certificates.

*Japan - Restrictions on beef imports*

53. The representative of the United States emphasized that the issue of Japan's restrictions on beef imports was of considerable urgency as Japan was a vital market for US beef, valued at over 1.7 billion dollars annually. This issue had been the subject of numerous bilateral discussions. Over the past 17 months, the United States had provided Japan with extensive technical information on all aspects of its BSE-related protection measures, internationally recognized as effective and appropriate, for both food safety and animal health. Japan had not provided any scientific justification for these measures which went beyond the relevant international standards. The United States appreciated Japan's recent proposal to exempt cattle younger than 21 months of age from testing and the current review of the proposed changes to the import regulation by Japan's Food Safety Commission. However, the United States stressed that according to the revised OIE standards, the recent detection of one BSE-infected animal blocked from the food and feed chain could not be used as an excuse to restrict imports of US beef products. The United States urged the Food Safety Commission to complete its review expeditiously.

54. The representative of the European Communities recalled that the revised OIE standard provided for deboned skeletal muscle meat to be safely traded under certain conditions regardless of the BSE status of the exporting country. The European Communities therefore invited Japan to replace its import ban with specific requirements in accordance with OIE standards.

55. The representative of Japan reported that Japan's Food Safety Commission had completed the risk assessment on domestic beef on 6 May 2005 and was now carrying out the risk assessment on US beef. Japan was now hoping for the expeditious settlement of this issue.

*Australia - Import restrictions on EC pig meat and pig meat products*

56. The representative of the European Communities informed the Committee that thanks to intensive bilateral discussions with Australia, certain EC products might soon be allowed into Australia. Any real progress beyond this had been hampered by the extreme measures taken by Australia to avoid the introduction of porcine multi-systemic wasting syndrome (PMWS), closely associated with the virus PCV2 which was present in Australia. A joint expert working group had been established to look at ways of restoring trade while protecting Australia from the introduction of PMWS. A recent court case in Australia had ruled that the risk measures for PMWS protection laid down in the Australian risk assessment were not scientifically based and that no import permits relying on these measures would be issued. Consequently, the European Communities and other WTO Members where PMWS was present were unable to expand the range of products authorized for export to Australia. There was also a risk that existing licences, valid only for two years, would not be renewed in July 2006. The European Communities was grateful to the Australian Government for its effort to reduce the impact of this ruling and for their appeal of the court decision. The European Communities hoped that this would very soon result in continuous trade.

57. The representatives of Canada and the United States expressed appreciation for the Australian Government's appeal of the court decision and the efforts to minimize its trade impact. Canada had been engaged with Australia in technical-level discussions relating to the existing measures related to PMWS and hoped that the Australian Government would continue to honour the existing import permits and would maintain a science-based approach to imports. The representative of Canada expressed concern about the future implications of the fact that Australia was not issuing any new

import permits. Canada acknowledged continuous collaboration between the Canadian and Australian governments on this issue. However, the uncertainty of the situation was disrupting trade and Canada encouraged the Australian Government to bring the matter to an early close. The representative of the United States noted that the United States had been able to export pork products to Australia under very stringent conditions for one year. Since during that time trade had grown significantly, the United States was very concerned about the outcome of the recent court case in Australia. The United States would follow the judicial proceedings closely.

58. The representative of Australia confirmed that the Australian Government's policy determination for the import of pig meat, completed in May 2004, had been the subject of a legal challenge in the Federal Court of Australia, which focused on the conditions for the import of pig meat from countries where PMWS was present. As a result, one import permit had been revoked, the remaining 83 had been maintained, but Australia was unable to issue any new permits. The Australian Government had appealed this judgement and was seeking an expedited hearing. Australia welcomed the favourable comments made by its trading partners on the manner in which it had been managing this issue.

*Venezuela – Restrictions on imports of potatoes, onions, fertilised eggs, day-old chicks and meat products*

59. The representative of Canada indicated that Canada was concerned about the discretionary aspects of Venezuela's policy for the issuance of import permits. Without any SPS justification and despite having negotiated a sanitary agreement a few years ago, Venezuelan pork importers had never been able to obtain import permits from the Venezuelan sanitary authorities for Canadian pork. Permits for seed or table potatoes had not been issued for long periods of time. The Canadian delegation had met with the Venezuelan delegation the previous day and a meeting between the Canadian embassy and the Venezuelan authorities had been scheduled in Caracas.

60. The representative of the United States noted that Venezuela's restrictive import regime was also constraining US agricultural exports. If this regime was based on SPS permits as opposed to import licences, as Venezuela had implied in the Import Licensing Committee, Venezuela should explain the risk being addressed through this permit and supply the supporting risk assessment.

61. The representative of Venezuela took note of Canada's concerns, which would be transmitted to the Venezuelan authorities. Bilateral negotiations were taking place between Canada and Venezuela, in particular with the Ministry of Agriculture, and Venezuela was willing to continue attempting to achieve an expeditious resolution of this problem. With regards to the concerns expressed by the United States, Venezuela requested a written copy of the US concerns in order to provide a written response.

*Australia - Restrictions on imports of fresh table grapes*

62. The representative of Chile recalled concerns with the slow progress of the Australian authorization process for imports of Chilean grapes. Chile had recently been informed that on 24 June, after a process of consultations and comments, the report had been forwarded to the Eminent Scientists Group. Chile enquired as to the length of the waiting period for the next step and trusted that, as assured by the Australian authorities, the final authorization would be granted before the next grape shipping season in mid-October.

63. The representative of the European Communities raised concerns regarding the transparency of the Australian quarantine regime for fruits and vegetables, in particular as in some cases it was not clear which were the pests of concern and which risk mitigation measures had to be taken. The European Communities had also experienced long delays before the issuance of a risk assessment which had prevented EC exporters from accessing the Australian market for years. The European

Communities invited Australia to review its internal administrative procedure for the approval of fruits and vegetable imports. The representative of New Zealand mentioned that he was pleased to see that perhaps, by the time of the next season, Chile might be able to export grapes to Australia and was looking forward to receiving a similar type of assurance from Australia for New Zealand's apples.

64. The representative of Australia assured Chile that Australia was committed to deliver a science-based risk assessment as soon as possible and noted that the issue was making good progress.

*European Communities – Deviation from international standard for wood packing material*

65. The representative of the United States emphasized that although the United States appreciated the fact that the European Council had suspended the debarking requirement contained in Directive 2004/102/EC on wood packaging material until 1 March 2006, the United States was still concerned about the pending implementation of this new directive. The directive, in going beyond ISPM-15, would affect US agricultural and commercial products packaged in wood material exported to the European Communities, a trade worth up to 80 billion dollars. When developing ISPM-15, it has been determined that Members might require that imported ISPM-15 compliant WPM be bark-free only if such requirement was technically justified, as laid down in article VII.2.(a) of the IPPC. Accordingly, the United States reiterated its long-standing request that the European Communities provide a detailed pest risk analysis or scientific evaluation justifying this additional requirement and looked forward to the 19 July meeting mentioned by the European Communities.

66. The representatives of Canada and the Philippines thanked the European Communities for delaying the application of the proposed debarking requirement for wood packing material. Canada hoped that the delay would be extended until the IPPC International Forestry Quarantine Research Group had reviewed and assessed the technical justification for this requirement. He encouraged other countries to be supportive of this IPPC review process and to await communication of the IPPC position before implementing measures on debarking. The representative of the Philippines noted that debarking should not be imposed if the wood packaging was already on the market or certified to have undergone the approved treatment according to ISPM-15. He invited Members to wait for further information on the EC risk analysis and related technical justification for debarking and emphasized that the Philippines would appreciate being informed of any further developments, including on a bilateral basis.

67. The representative of the Dominican Republic asked if the European Communities had assessed which of their requirements in Directive 2004/102/EC would affect developing countries. The representative of Jamaica recalled that the imposition of debarking would present additional difficulties to many developing countries which were already experiencing significant problems in trying to meet the requirements of ISPM-15. She further clarified that many developing countries exported extensively to the European Communities and urged the European Communities to suspend the debarking requirement on a permanent basis.

68. The representative of Argentina mentioned that the text of the ISPM-15 did not include the concerns expressed by Members regarding criteria such as volume or percentage of debarking. Argentina was not sure that a quarantine treatment was 100 per cent effective in cases where there was a very high percentage of debarked wood and where the bark was not easily separated from the wood. A working group in the IPPC was working on precisely this issue of debarking. The representative of Chile explained that Chile was also looking forward to the outcome of the IPPC working group on debarking.

69. The representative of the European Communities recalled that the European Commission had been very careful to notify the measure to the SPS Committee almost one year before its adoption by the European Council (G/SPS/N/EEC/221 and Add.1-3; G/SPS/GEN/556). Although the European Communities was satisfied with the scientific basis for the debarking requirement of



Directive 2004/102/EC, it had postponed its entry into force as a consequence of the numerous comments received from several Members with regard to the potential for very serious disruption of trade, in order to review and strengthen its scientific justification. The European Commission was currently putting together a technical dossier consisting of a review of the technical literature, further laboratory research and the review of import surveillance of wood packaging material, with the intention of presenting that technical dossier to the IPPC International Forestry Quarantine Research Group in November 2005. The representative of the IPPC confirmed that a standard on the guidelines for debarked and bark-free wood was currently under development.

*United States - Import restrictions on potted plants from the European Communities*

70. The representative of the European Communities recalled that on 27 April 2005, the US authorities had notified as G/SPS/N/USA/1059 a draft rule proposing the inclusion of two species from the Netherlands and Denmark in the conditional positive list of plants established in approved growing media that might be imported into the United States. The European Communities welcomed the progress made on this issue and requested that new applications for similar species from similar production systems or country pest status be treated as an extension of this proposed rule. This request was legitimate, proportionate to the risk and trade facilitating by nature. The European Communities invited the United States to publish the final rule as soon as possible.

71. The representative of the United States indicated that the comment period for its draft rule had closed on 27 June 2005. The United States requested a written copy of the EC statement to further consider its request. However, considering any additions or revisions to a proposed rule that had been both notified and published might slow down final action.

(c) Consideration of Specific Notifications Received

*United Kingdom's proposed regulations for piper methysticum (kava-kava) (G/SPS/N/GBR/4)*

72. The representative of Fiji expressed concerns regarding the UK notification of emergency measures on kava-kava, as kava-kava was one of Fiji's few tradable crops of economic significance. Fiji's concerns were related to the request of the UK Commission on Safety of Medicines to prohibit kava-kava use in unlicensed medicinal products on the grounds that the CSM had sufficient evidence to conclude that kava-kava was associated with rare cases of liver toxicity. According to an in-depth investigation of kava-kava products conducted by a German consulting firm in 2003, the efficacy and safety of kava-kava had been proven by 20 clinical trials including more than 10,000 patients and supported by post-marketing experience in Europe, the United States and other areas. Health authorities such as the US Food and Drug Administration agreed that kava-kava was a safe drug. Findings also showed that should the toxicity exist, it would occur in an extremely low number of patients far below the incident rate observed with other freely available drugs. Out of 450 million kava-kava pills exported all over the world between 1990 and 2000, only three cases of liver problems had been linked to the pills. The Fiji kava-kava council was currently drafting a legislative text including, *inter alia*, standards, certification and labelling to ensure consistency and quality of supply. Fiji would be very grateful if the UK delegation could provide any new evidence that supported the claim that the consumption of products containing kava-kava was associated with liver damage.

73. The European Communities recalled that the regulation banning kava-kava had come into force in England and Scotland in 2003 following reports of rare but serious risks to public health and review of evidence by independent experts in 2002. Similar regulations for Northern Ireland had been planned at the time but only notified on 14 June 2005. A similar notification for Wales was also due to be issued soon. The Food Standard Agency of the United Kingdom had recently requested new evidence on kava-kava in order to review its position.

(d) Information on Resolution of Issues

74. The Chairman recalled the importance of providing reports on the resolution of issues in order to better track the effectiveness of the operation of the Agreement.

*Some WTO Members – Import restrictions on EC bovines and bovine products*

75. The representative of the European Communities informed the Committee that during the last months, the number of countries that had lifted their respective bans on EC bovines and bovine products in accordance with OIE standards had been regularly growing, including also non-Members of the WTO. The European Communities reminded Members that, according to the revised BSE chapter of the Terrestrial Animal Health Code, many bovine derivate products, including deboned skeletal muscle and blood products, could be safely traded regardless of the BSE status of the exporting country. In light of the positive actions taken by numerous WTO Members and non-Members, the European Communities invited the remaining WTO Members to replace their import bans with specific import requirements in accordance with OIE standards. Oman, Bahrain and Kuwait had decided during the past few months to lift the ban on EC exports of pomace oil without further requirements such as certification. The European Communities was hoping that this would allow trade to resume with these three Members very soon.

76. The representative of the OIE noted the large number of BSE-related concerns being raised by Members, and observed that this paralleled the disproportionate amount of time spent on BSE in recent OIE General Sessions. Some of the features of the newly revised chapter on BSE included: a simpler three-category approach; a categorisation based on an assessment of the risks presented, due to the presence or absence of BSE-related factors, rather than just on the number of cases found; a greater emphasis on commodities traded. He advised that a new appendix on surveillance, allowing Members to better show their BSE status to their trading partners, had also been adopted. Both were available on the OIE website. The representative of the OIE reminded the Committee of a paper outlining the OIE's concerns over trade disruptions caused by the misinterpretation of its standards (G/SPS/GEN/437) and recommended that Members make themselves familiar with the new standards and adopt them as a basis for their import regulations.

## **V. OPERATION OF TRANSPARENCY PROVISIONS**

77. The Chairman drew Members' attention to the documents circulated by the Secretariat to enhance transparency within the context of the SPS Agreement. These included the most recent list of national notification authorities contained in G/SPS/NNA/8, G/SPS/NNA/8/Add.1 and 2; the most recent list of national enquiry points contained in G/SPS/ENQ/18, G/SPS/ENQ/18/Add.1 and 2; an update of Members' implementation of the transparency provisions contained in G/SPS/GEN/27/Rev.14 and notifications received since the last meeting of the SPS Committee summarized, on a monthly basis, in G/SPS/GEN/559, G/SPS/GEN/560 and G/SPS/GEN/563.

78. The Secretariat informed the Committee that further to the decision taken at the March meeting to update the information about Members which had identified enquiry points, it had found that over 20 Members still failed to meet their basic obligations of establishing a notification authority and an enquiry point. The Secretariat had contacted the missions of each of these Members and received only three responses. Burkina Faso had now identified an enquiry point and a notification authority, the Former Yugoslav Republic of Macedonia had completed the information previously provided by identifying a notification authority and Niger had notified an enquiry point but no notification authority. In order to assist it finding a better way of getting responses from Members, the Secretariat was considering making use of the African Group, since of the 18 Members which had not yet completed their basic obligations, 14 were African. All Spanish-speaking Members had now complied.

79. The Secretariat reported on the status of development of the SPS information management system (SPS-IMS) which had the objective of helping the Secretariat to better search and manage the documentation received and to allow it to perform more searches for Members. The structure of the SPS-IMS was almost completed and the next step would be to fill in the historic and current data. The Secretariat was hopeful that, by the end of the year, the SPS-IMS would be operative. When the SPS-IMS would be running, the Secretariat would make it accessible to Members so they could perform their own searches. At a further stage, Members would even be able to directly submit the notifications to the SPS-IMS. The Secretariat further brought to the Committee's attention that the WTO was currently releasing its third annual World Trade Report which focused on an economic analysis of the effect of standards, including SPS standards and other requirements, on international trade.

80. The Chairman expressed his appreciation of the progress of the SPS-IMS and suggested that Members begin to think forward about what they would like to do with it once it was in operation. In order to assist them in that process, information about the foreseen structure of the SPS-IMS would be provided at the next meeting.

81. The representative of Ecuador reported that Ecuador had recently made its first notifications of all its various SPS and agriculture laws and regulations, as well as its national standards for wood packaging in international trade (G/SPS/N/ECU/1-3). Ecuador was also making its enquiry point more transparent and efficient to have its notifications of proposed laws and regulations verified by other Members and to answer their concerns. This had been carried out with support from IICA.

82. The representative of India informed the Committee that India had recently sent information to Members indicating the establishment of three separate enquiry points on food safety issues, animal health and plant health issues (contained in G/SPS/ENQ/18/Add.2). These three enquiry points resulted from an effort to better coordinate with the various relevant departments concerned with SPS issues.

83. The representative of Dominica mentioned that Dominica was in the process of revising legislation on plant protection and animal health and putting in place new pesticide legislation. Dominica was also drafting terms of reference for a more effective national SPS and food safety committee.

## **VI. IMPLEMENTATION OF SPECIAL AND DIFFERENTIAL TREATMENT**

(a) Chairman's report on the informal meeting and adoption of the report to the General Council

84. The Chairman reported that the discussion at the first informal meeting on special and differential treatment (S&D) on 27 June had focused on the draft report to the General Council on the proposals for special and differential treatment referred to the Committee by the General Council (G/SPS/W/175). A number of Members had prefaced their statements at the first meeting by referring back to the mandate which the Committee had to discharge when reporting to the General Council by July 2005. In particular, reference was made to :

- Paragraph 44 of the Doha Ministerial Declaration in which it was agreed that all S&D provisions would be reviewed with a view to strengthening them and making them more precise, effective and operational;
- Paragraph 12.1 of the Doha Decision on Implementation-Related Issues and Concerns; and
- the Decision of the General Council at the end of July on the Doha Work Programme and to refer consideration of specific S&D proposals to subsidiary bodies.

85. Egypt, Kenya and India had expressed the view that the draft report confused the provision of technical assistance with the objective of continued market access through special and differential treatment. In this respect, they felt that there was an over-emphasis in the report on not changing the balance of rights and obligations in the SPS Agreement. Egypt considered that an authoritative statement on the part of the Committee was not to be confused with re-opening of the SPS Agreement. Egypt further stated that the flexibility provided by Article 3.3 of the SPS Agreement could render technical assistance redundant without effective S&D. The representatives of Kenya and Egypt had stated that the Committee had neglected the Doha Implementation Decision mandate in paragraph 12.1(i) to consider the implications of making non-mandatory special and differential treatment provisions mandatory. The three delegations had also stated that the draft report had not fulfilled the mandate from the General Council, since it had not included specific recommendations on the five S&D proposals which had been referred to the Committee. More specifically, the three Members were concerned that the document had substituted a work programme focussing on technical assistance in the place of clear recommendations arising from the Committee's consideration of the five S&D proposals. As such, they did not believe that section VII of the draft report should be titled 'Recommendations', since no recommendations had been reached. Kenya had suggested that one option was to send the proposals back to the CTD for its consideration.

86. China had recalled that the volume of notifications of SPS measures posed a significant problem for developing countries. Article 10 was of critical importance when trying to comply with these changes in import requirements. Technical assistance was important, but it was only one part of S&D. Nevertheless, China had felt that the Committee could do more work on the issue of technical assistance, in particular in ensuring that it was demand-driven. In this context, Chile had recalled that it had proven difficult to focus on the technical side of SPS measures and special and differential treatment. However, the Committee decision in G/SPS/33 had offered a practical solution to this problem, as had the Committee's decision on equivalence (G/SPS/19/Rev.2). Canada was of the view that, because of the highly technical nature of SPS measures, the SPS Committee was the most appropriate forum in which to discuss proposals on S&D related to the SPS Agreement

87. Several Members had recalled that there had been a good exchange of views on S&D at the March Committee meeting, as well as at recent informal meetings. They had viewed this discussion as positive and as a possible basis for further consideration of these issues as part of an on-going work programme. They had considered it was important that the July deadline to report to the General Council be respected and that the momentum of the Committee not be lost. In this context, it was recalled that Kenya had stated that the African Group was considering reworking its proposals on S&D.

88. Several Members had suggested that in the absence of agreement on how to move forward on the five S&D proposals per se, one way to advance was to look at how the recommendations on technical assistance might address some of the underlying concerns on S&D. Mexico had observed that much had been achieved by the Committee in technical assistance and it was right for the Committee to report on that. The United States had noted that technical assistance designed to help exporting countries meet the requirements of importing countries was often a faster and more effective way of ensuring market access than providing special and differential treatment.

89. A revision of the draft report had been considered by the Committee, again in informal mode, on 28 June (G/SPS/W/175/Rev.1). Discussion of the revised document had focused on drafting suggestions from several Members to specific paragraphs. Considerable progress had been made on reaching a tentative agreement on most of these paragraphs, and further modifications had been suggested, particularly with respect to the conclusions and recommendations of the draft report.

90. On 29 June, delegates had received the proposed changes to certain paragraphs of the revised draft report, reflecting the discussions of the previous day. Members had been given an opportunity

to comment on these proposed changes, and a further revision had been discussed by Members on the morning of 30 June.

91. The Chairman noted that the informal discussions had allowed a lot of progress to be made towards the finalization of the report to the General Council. The Secretariat had prepared another revision of the report, available to the Committee as G/SPS/W/175/Rev.2.

92. The Committee adopted the report on the proposals for special and differential treatment after agreeing a few final changes. It has been circulated as document G/SPS/35. The Chairman indicated that the report would be submitted to the General Council. He thanked delegations for their flexibility in working on the various documents in English only since it had not been possible to translate the various revisions in time for the informal meetings.

(b) Issues related to Special and Differential Treatment

93. The Chairman proposed holding a special workshop on special and differential treatment. The Secretariat explained that such an activity had been included in the technical assistance programme, and that therefore it would be possible to cover the cost of attendance for a number of least-developed and developing country officials. The programme might build on the results of surveys that had been undertaken by IICA to analyze actions taken by developing country Members who were making effective use of the SPS Agreement. One focus could be on models for establishing a national SPS network or committee, to ensure coordination not only at governmental level but also with stakeholders and with Geneva-based missions. One STDF project was looking at models for national stakeholder involvement and preliminary results might be available for the workshop. A second possible theme was how to make effective use of the transparency provisions, including how to make use of other Members' notifications. A third theme might be how to identify the problems a Member faced in the SPS area. A number of diagnostic tools had been developed, and it might be useful to provide information on these to Members. The Secretariat invited suggestions from Members for useful subjects for the workshop, if possible before 14 November 2005.

## **VII. EQUIVALENCE (ARTICLE 4)**

(a) Information from Members on their experiences

94. The representative of Brazil informed the Committee that since 1996, Brazil, Argentina, Uruguay and Chile had established a Committee on hygiene and health of fisheries products (G/SPS/GEN/586). The role of this Committee included establishing a single health certificate for fisheries products that were traded amongst the four countries. Furthermore, technical issues which arose in marketing of fisheries products among the four countries were efficiently dealt with since their inspection services were familiar with the methodologies and legislation used by the other countries and since there was a level of equivalence in their legislation. Thanks to the transparency of the measures taken, problems which might cause undue delays could be settled expeditiously regardless of the administrative procedure to be applied.

95. The representative of Chile emphasized the fact that Brazil was the first country to have brought an example to the Committee in the area of equivalence. Regarding the initiative taken by these four countries, similar structures and situations in their respective fishery health sector had promoted good communication among the competent authorities and had benefited trade. Exchanges of scientific information and technical material for future mutual recognition were planned, as well as a joint website providing a comparison of countries' legislation and cross-auditing. Chile hoped that other countries would follow this example and share their own experience on equivalence with the Committee.

(b) Information from relevant observer organizations

96. The representative of the IPPC informed the Committee that at the seventh Interim Commission on Phytosanitary Measures (ICPM) meeting, an international standard on phytosanitary measures relating to equivalence had been adopted, titled ISPM-24: Guidelines for the determination and recognition of equivalence of phytosanitary measures. In the standard, the equivalence of phytosanitary measures was defined as the situation where, for a specified risk, different phytosanitary measures achieved both contracting parties' appropriate levels of protection. The agreed interpretation of a phytosanitary measure was any legislation, regulation or official procedure having the purpose of preventing the introduction and/or spread of quarantine pests or to limit the economic impact of regulated non-quarantine pests. The standard described the principles and requirements that applied for the determination and recognition of the equivalence of phytosanitary measures. An Annex to the standard contained the procedure for the determination of equivalence. It described an interactive procedure for assessing phytosanitary measures in order to make a determination as to their equivalence.

97. The representative of the Codex Alimentarius mentioned that a working group meeting would be held on 5-7 September in Brussels to prepare the draft appendices to the existing guidelines on the judgement of equivalence of sanitary measures associated with food inspection and certification. These drafts would be submitted for comments to the 40th session of the Codex Committee on Food Import and Export Inspection and Certification Systems to be held from 28 November to 2 December 2005 in Australia.

### **VIII. REGIONALIZATION (ARTICLE 6)**

(a) Report of informal meeting

98. The Chairman reported that at the informal meeting on the clarification of Article 6, the Committee's discussions had centred on issues raised in documents submitted by Brazil (G/SPS/W/177) and the European Communities (G/SPS/GEN/588). The Committee's discussions had further benefited from the practical example given by Brazil on its experience with the application of regionalization with regards to FMD (G/SPS/GEN/584), and the contributions of the OIE (G/SPS/GEN/569 and G/SPS/GEN/574) and the IPPC (G/SPS/GEN/568).

99. The representative of Brazil had highlighted the different but complementary roles of the SPS Committee and the international standard-setting bodies and proposed that the Committee develop general guidelines, including possible timeframes, for the recognition of pest- or disease-free areas. Specific suggestions on streamlining the recognition process were outlined and several actions were proposed for consideration by the SPS Committee.

100. The representative of the European Communities had expressed the view that the work of the SPS Committee with respect to regionalization was not contingent on the work of the international standard-setting bodies, and proposed that the SPS Committee establish administrative guidelines without further delay. The European Communities had suggested guidelines based on its experiences with implementation of Article 6 (G/SPS/GEN/588).

101. Members had expressed common concerns regarding the practical application of Article 6. However, there had been a continuing divergence of views on the respective roles of the international standard-setting bodies and the SPS Committee, the specificity of timeframes, and the sequencing of work in the SPS Committee and in the international standard-setting bodies. One view was that the SPS Committee should establish clear and predictable administrative guidelines while the international standard-setting bodies could focus on the technical guidelines. Creating and maintaining areas free of pests or diseases was resource-intensive and had implications for technical assistance and capacity building for developing countries. Regionalization was a tool to enhance

domestic health protection as well as to gain market access, and several Members cautioned against developing burdensome guidelines. Another view was that the SPS Committee should await the completion of the work by the international standard-setting bodies and then determine the gaps to be addressed by the SPS Committee. Several Members had stated that it would be difficult to make distinctions between technical and administrative guidelines, and had been concerned about the potential duplication of work if the SPS Committee were to proceed with establishing administrative guidelines.

102. Some Members had stated that they could not agree to the establishment of timeframes. One Member had suggested that timeframes could be left to bilateral negotiations, with Members notifying to the Committee the length of time taken to recognize pest- or disease-free status.

103. Brazil had further noted that despite the positive work of the international standard-setting bodies on regionalization, there were issues relating to the SPS Agreement that needed to be addressed by the SPS Committee, e.g., how Members take into account international standards when evaluating a request for regionalization; how to ensure requirements meet the obligation of not being more trade-restrictive than required; the special needs of developing countries; and how to make the recognition process more transparent. Furthermore, some Members' legislation seemed to prevent the practical implementation of Article 6. Some legislations were not consistent with the SPS Agreement, while in other cases, unjustified procedural delays were a feature of the legislation.

104. One Member had noted that the discussions were leading to a greater understanding of the underlying issues. Many Members had supported holding a workshop on regionalization to articulate these issues in greater detail and to share experiences. The Secretariat had recalled that budgetary considerations needed to be taken into account when planning a formal workshop, and suggested that a different structure for informal meetings might permit enhanced discussions without additional costs.

#### Report of the 73<sup>rd</sup> General Session of the OIE

105. The representative of the OIE had informed the Committee that the proposed revised chapter of the Terrestrial Animal Health Code on zoning and compartmentalization had been adopted in May 2005. The revised chapter emphasized the role of the veterinary services in establishing zones or compartments and in negotiating market access with trading partners. The revised chapter would not be the final document, as a technical paper on compartmentalization was being circulated for comments, and the chapter was expected to be further revised in 2006 or 2007. The representative of the OIE clarified that the new OIE standard did not make clear distinctions between technical and administrative issues as these were considered to be part of a recommended sequence of steps.

#### Report of the 7<sup>th</sup> ICPM of the IPPC

106. The representative of the IPPC had reported that at the 7th ICPM, an open-ended working group had been established to discuss the issue of regionalization, recognizing that trade facilitation was a major objective for establishing pest-free areas and areas of low pest prevalence.

107. Standards on establishing pest-free areas and areas of low pest prevalence already existed, but there were no standards for the recognition of pest-free areas. The working group therefore had agreed that a concept standard on "Guidelines for the recognition of the establishment of pest free areas and areas of low pest prevalence" was urgently required. The ICPM Standards Committee had met in April and developed the specifications for the standard. A call had gone out to Regional Plant Protection Organizations for nominations for an expert working group that would meet in October to develop the draft standard.

108. Pest-free areas were commonly accepted on a bilateral basis. Members saw merit in developing a multilateral system of recognition of pest-free areas, but had reservations about the complexity and resource implications of such a system. To address these concerns, the working group of the ICPM had recommended that a feasibility study be undertaken. An ICPM Focus Group would meet to develop a proposal for the composition of a working group on this subject and its terms of reference. The study would take into account legal, technical and economic factors and assess the feasibility and sustainability of such a system. The proposal was to be submitted, through the ad hoc ICPM informal working group on Strategic Planning and Technical Assistance, to the next session of the ICPM.

109. In concluding the informal meeting, the Chairman had suggested that, given the continued divergence of views in the Committee, it would be premature to request the Secretariat to draft general administrative guidelines at this time. The Chairman had proposed that another informal meeting on the clarification of Article 6 be held at the time of the next Committee meeting. He had encouraged Members to discuss this matter directly with each other and to provide practical examples of their experiences with the application of Article 6.

(b) Discussion of issues related to the operation of the provisions of Article 6

110. There were no issues raised under this agenda item.

(c) Information from observer organizations regarding their work on regionalization

111. The representative of the OIE suggested that the information contained in G/SPS/GEN/569 and G/SPS/GEN/574 as well as in the OIE revised standard for BSE could constitute a good basis for further Committee discussions on the issue of regionalization.

112. The representative of Argentina mentioned that at the last session of the OIE, Argentina had been recognized as a country free of FMD, with the vaccination north of latitude 42° and without vaccination in the South. Consequently, many importers, notably Chile, had resumed trade for some products previously subjected to restrictions. The representative of Chile confirmed that shortly after the OIE report, on 13 June 2005, Chile had recognized Argentina's area north of latitude 42° as a disease-free area.

113. The Chairman observed that subsequent to the informal meeting a number of delegations had put down on paper some elements for a structured discussion on regionalization. He intended to include the information received from Members into a fax that he would send to all delegations, so that all had an opportunity to engage in an open and transparent manner in setting up the framework. In this fax, he would also request comments on the structure of the discussions, to be submitted no later than 14 November 2005. A structure had to be agreed early enough for Members to submit their written contributions no later than the end of November. These contributions had to be available in the three official languages for consideration at an informal meeting in January/February 2006.

114. The Chairman further required from Members provisional indications on their willingness to contribute to the informal meeting through the provision of some written documentation and a possible presentation. His intention, contingent on the amount of inputs from Members and the level of their contribution to the informal meeting, was to set aside a full day for discussing the issue. He reiterated his thanks to the Members that had already come up with some suggestions which looked like a very promising step forward for more detailed discussion.



## **IX. TECHNICAL ASSISTANCE AND COOPERATION**

### **(a) Information from the Secretariat**

115. The Secretariat reported on the Standards and Trade Development Facility (STDF). Since the last Committee meeting, two very successful national activities had been held in Chinese Taipei and India. Several joint activities had also been organised in various countries and the WTO Institute for Training and Technical Cooperation had recently held an activity in Geneva. Two activities had to be postponed; the joint activity on training for enquiry points in the Caribbean was being rescheduled. Activities planned for the later half of the year included five regional workshops, two in cooperation with an STDF programme consisting in training of trainers in the veterinary area. This programme, if successful, could be used as a model for future cooperation with the OIE, Codex and IPPC. A number of Geneva-based activities, including a SPS training for least-developed countries and a specialized trade policy course on SPS measures, for which information had been provided at the last Committee meeting, were scheduled for the coming months.

116. With regards to financing, the Secretariat reported that Australia and Italy had contributed to the STDF budget, and donations were pledged by another EC member State. Document G/SPS/GEN/572 provided information on the projects and project preparations that had been supported by the STDF. The STDF website and document G/SPS/GEN/523 contained all the information required to submit a project or a project preparation proposal. The next deadline for receiving proposals for STDF projects was 1 July 2005. The next meeting of the STDF was scheduled for 6 and 7 September. Within the STDF, 40 per cent of the resources had to be devoted to least-developed countries. To manage this, the STDF was building on the work of the in-house integrated framework (IF) in the least-developed countries. As shown in document G/SPS/GEN/572, a number of project preparation grants approved for least-developed countries were in IF countries. In the framework of the joint integrated technical assistance programme (JITAP), one project with FAO involvement was currently looking at strengthening enquiry points, including SPS enquiry points, in 16 African countries. With regard to Ecuador's request for training on enquiry points, the Secretariat was looking to fulfil it by soliciting assistance from another enquiry point in Latin America.

117. The representative of India thanked the Secretariat, as well as OIE, IPPC and Codex for the technical assistance activity on the SPS Agreement organized in India. It had been a very useful activity which had brought together stakeholders from various departments and industry organizations. The representative of Chinese Taipei thanked the Secretariat for the event in Chinese Taipei, which had been attended by more than 140 participants from government agencies, industry, farmers associations and research institutes.

118. The Secretariat provided some details on the specialized trade policy course that will be held in October. This course would, for the first time, concentrate exclusively on the SPS Agreement, with a focus on specific implementation problems, solutions and practices among Members. Participants should be fluent in Spanish, very familiar with the Agreement, and looking for in-depth discussions on how to address specific problems. A number of the SPS delegates were registered as participants, others would participate as resource persons. Contingent on its success, the course would be repeated in English and French.

### **(b) Information from Members**

119. The representative of Canada recalled that an international plant health risk analysis workshop was planned in Niagara Falls, Canada, in October 2005. The workshop was being jointly organised by the Canadian food inspection agency and the IPPC. Detailed information had been provided by the IPPC in G/SPS/GEN/581. The goals of the workshop included the development of strengthened international partnerships between pest risk analysis (PRA) specialists worldwide,

increasing awareness of capacities issues faced by developing countries and being a catalyst for providing technical assistance to developing countries in the area of PRA. Financial contributions to support participation by 20 representatives of developing countries had been received. Thirty further places for developing-country representatives were still available and contributions were welcome. An application for funding from the STDF would be submitted and Canada hoped that it would be approved before the meeting took place.

120. The representative of the European Communities announced that at future Committee meetings information on SPS-related technical assistance provided by the European Communities and by EC member States would be provided. Over the last years, developing countries had to face particular problems with residues and contaminants which, in some cases, had an adverse impact on trade. In order to assist them improving their food safety standards, the European Communities had organised a training course on residues for laboratory specialists from developing countries in France in November-December 2004. The first session had generated great interest from developing countries to receive similar training on a permanent basis. Positive feedback was also received from the aflatoxins training course provided to experts of developing countries in the United Kingdom in May. The European Communities had recently put in place an online help desk for developing countries on how to export to its market. This interface allowed exporters from developing countries to establish contact with all EC importers and gave the possibility to launch detailed information requests about current market access issues experienced by developing-country exporters. The European Communities intended to make an electronic presentation of these services at the next meeting of the Committee.

121. The representative of Peru expressed particular interest in the residue analysis course. Peru had notified in document G/SPS/GEN/579 its system for surveillance and control of contaminants in primary agriculture production. Through its national agriculture health service, Peru was setting up a new reference centre for technical control of toxic residues and quality control of agricultural input. Close to 2.5 million dollars had been invested in infrastructure and equipment. In order to make this reference centre operational, technical cooperation was needed in several areas.

122. The representative of Colombia expressed gratitude to the European Communities for having been able to participate in the course on residues of chemical contaminants and veterinary medicines in France. As Colombia was trying to ensure access for its products to EC countries, Colombia wanted to officially request that the training received by its technicians benefit from a certain follow-up in the future by means of specific courses on areas of particular interest to Colombia.

123. The representative of the United States commented on document G/SPS/GEN/181/Add.5/Rev.1, reporting, as in previous years, on technical assistance provided by various US Government agencies from June 2004 to May 2005. The representatives of Barbados, China, Colombia, Panama, and Saint Kitts and Nevis thanked the United States for the technical assistance provided. Colombia emphasized the assistance received in the food safety area, which had increased mutual cooperation on SPS measures of particular interest to both countries. Barbados mentioned the assistance received since 1997 through the Caribbean food safety initiative, not only bilaterally but also through regional institutions. Panama highlighted the institutional support received by some officials from the Panamanian Department of Agriculture in projects dealing with the Mediterranean fruit fly, for assistance in laboratory practices and for a seminar held on safety and drugs. China noted that the US technical assistance programme had enhanced China's comprehension and administration of SPS issues and had promoted the bilateral trade of agriculture products. China extended its appreciation to Canada and Australia for the SPS-related technical assistance and expressed hopes to benefit from similar activities in the future. Saint Kitts and Nevis informed the Committee that workshops were scheduled to be held in September. The knowledge gained at this occasion would be passed on to animal health assistants, livestock production officers and farmers in order to further strengthen Saint Kitts and Nevis's emergency preparedness plan.

124. The representative of New Zealand updated the Committee on the phytosanitary capacity building activity it was providing to Cambodia, Laos, Myanmar and Vietnam. The overall goal of the activity was to enhance plant protection capabilities of these countries. Phase I of the programme had now been completed and Phase II was starting. New Zealand was coordinating with other donors active in the region to ensure complementarity. Other technical assistance provided to South-East Asia included supporting the regional coordination unit of the South-East Asia FMD campaign which aimed at eradicating FMD in the region by 2020. New Zealand also sponsored missions to Vietnam to assist the development of regional disease eradication programmes for FMD, classical swine fever and avian influenza.

125. The representative of the Dominican Republic conveyed thanks to IICA, OIRSA, New Zealand and Australia and other institutions that had cooperated with the Dominican Republic in strengthening its implementation of SPS measures and had improved the structure for SPS protection and legislation (G/SPS/GEN/587). The national surveillance and food control programme had also benefited from workshops on ISPM-15.

126. The representative of Australia recalled that Australia would, during the current week, contribute 200,000 Australian dollars to the STDF, in addition to the 60 million Australian dollars spent on other activities in calendar years 2003 and 2004. These had mainly been used for direct project support in areas such as Newcastle disease control in village poultry, building national plant disease surveillance, developing guidelines for diagnosis, surveillance and response procedures for major fruit flies species and training in the recognition of exotic pests and diseases. The total included the contribution of 500,000 Australian dollars a year to the Global Trust Fund.

127. The representative of Ecuador expressed thanks for the support of IICA in attending SPS Committee meetings on behalf of Peru, Ecuador and Bolivia. Institutional support had improved capacities in these countries in the field of SPS measures. The representative of the Bahamas acknowledged the support received from IICA for attendance at SPS Committee meetings and from the United States and Canada for technical assistance activities. He pointed out that when technical assistance was provided to a member of the Caribbean community, it did not only benefit the recipient country but was shared bilaterally among the Caribbean countries.

128. The Secretariat stressed that the technical assistance reports prepared by the United States and other Members were extremely useful, particularly with respect to the STDF database on technical assistance activities, which was very difficult to maintain accurate. This was particularly important when the STDF was looking at funding projects without duplicating the activities of donors.

(c) Information from Observers

129. The representative of Codex presented the annual report of the Codex Trust Fund for 2004 and the fifth progress report (G/SPS/GEN/564 and G/SPS/GEN/565). Through the Fund, FAO and WHO had encouraged more participation and involvement of developing countries in the Codex food standard setting process. Increasing countries' participation in Codex would enhance their food safety and quality systems. As of December 2004, nine national governments had provided around 1.5 million US dollars to the Codex Trust Fund and several countries had pledged approximately 1 million US dollars for future activities. The Codex Alimentarius appreciated such great contributions. In beneficiary countries' reports to the administrators of the Codex Trust Fund, several had stated that they had participated in a Codex meeting for the first time, and that the participation had been very useful. Several countries had pointed out specific problems they were experiencing and had requested support on policy development and capacity building. In conjunction with the forthcoming session of the Codex Alimentarius Commission, an informal meeting between recipient countries and donor countries would be held at FAO headquarters to discuss how recipient countries' participation in Codex meetings had benefited them. This informal meeting would be open to all delegates attending the session.

130. The representative of the IPPC further elaborated on the information provided by Canada regarding the international plant health risk analysis workshop (paragraph 119 refers). Within the framework of the IPPC, pest risk analysis identified pests and potential pests. International standards developed by the IPPC such as ISPM-2, ISPM-11 and ISPM-21 provided guidelines for conducting pest risk analyses (PRAs). In light of recent changes to ISPM-11 and increasing global concerns about environmental impacts of invasive alien species and living modified organisms, countries had concerns over their capacity to undertake risk analyses in accordance with these standards. The workshop would provide an opportunity to examine how best to implement the PRAs nationally and harmonize them internationally, to increase knowledge on the undertaking of PRAs and to evaluate the strengths and weaknesses of different approaches to the PRA process. The representative of the IPPC further presented the technical assistance activities undertaken by the IPPC since the last meeting (G/SPS/GEN/568). These activities included workshops related to the new vision of the International Portal on Food Safety, Animal and Plant Health in Asia and Fiji. The IPPC had been involved in a phytosanitary capacity evaluation facilitating workshop in Rome, in a WTO SPS regional workshop in Fiji and in a technical panel on quarantine issues in Canada. The representative of the IPPC recalled that a Trust Fund had been established in order to support developing countries' attendance at standard-setting meetings, training programmes and regional workshops. To date, only Canada and New Zealand had contributed to this Trust Fund.

131. The representative of the OIE informed the Committee that during the next 12 months, the OIE would hold workshops aimed at improving the capacity of the veterinary services of beneficiary countries to become more involved in standard-setting activities and the implementation of international standards. The OIE was pursuing work with IICA on the veterinary capacity tool and, in cooperation with the World Bank, looking at strengthening veterinary services in Africa. The OIE would also continue to cooperate with the Secretariat in WTO regional seminars.

132. The representative of Barbados stressed that only three of the Caribbean countries had benefited from the Codex Trust Fund and suggested that the Codex Committee give more consideration to the use of the Trust Fund for the participation of least-developed Caribbean countries in the various Codex committees.

133. The representative of the World Bank reported that since the beginning of the year, more SPS cases were identified for capacity building through a diagnostic trade and integration study (DTIS). In 2005, the World Bank had organised an e-learning course on costs of compliance. The World Bank would repeat the course since not all applicants had been able to participate, and was also considering providing the course in French and Spanish. The World Bank was also working on a methodology for capacity building and developing a pilot case for preparing action plans for managing SPS measures at a country level.

134. The representative of New Zealand noted that at this SPS Committee meeting there had been a lot of debate about the appropriateness and effectiveness of technical assistance provided and several contributions from Members on how donor countries were facilitating participation and attendance of developing countries at various standard-setting meetings. Over the years, there had been a steadily increasing number of countries participating in SPS Committee meetings, which showed that the IICA initiative had been quite beneficial, not only for the newly participating countries but also for all delegates since the Committee meetings benefited from more diverse and thus much richer contributions.

## **X. MONITORING THE USE OF INTERNATIONAL STANDARDS**

### **(a) New Issues**

135. The representative of Japan sought confirmation that the chapeau of paragraph 1 of Article 2.3.13.1 of the BSE chapter in the OIE Terrestrial Animal Health Code did not preclude a

Member from introducing or maintaining measures which result in a higher level of SPS protection in accordance with Article 3.3 of the SPS Agreement.<sup>3</sup>

136. The representative of the OIE explained that there was no difference between that section of the BSE chapter of the Code and the other chapters with regard to Members' rights and obligations under the SPS Agreement. The recommendation in the first article of the BSE chapter was that veterinary administrations should not require any BSE-related conditions for those commodities that, according to science, did not transmit BSE, other than the conditions which were directly attached to the commodities such as, *inter alia*, good manufacturing practices.

(b) Issues Previously Raised

137. There were no issues raised under this agenda item.

(c) Seventh Annual Report

138. The Chairman recalled that the Committee had previously adopted six Annual Reports on the procedure to monitor the use of international standards which summarized the standards-related issues the Committee had considered and the responses received from the relevant international standard-setting bodies. He invited the Committee to adopt the draft Seventh Annual Report circulated as G/SPS/W/174 and reminded Members that the report would be modified to include reference to any discussion of issues at this meeting.

139. The Committee adopted the Seventh Annual Report on the procedure to monitor the use of international standards as modified. It has been circulated as G/SPS/37.

## XI. REVIEW OF THE OPERATION OF THE SPS AGREEMENT

(a) Report of Informal Meetings

140. The Chairman reported that the discussions at the informal meeting on 27 June on the review of the operation of the SPS Agreement had focused on the revised draft text of the Report of the Review (G/SPS/W/173/Rev.1) and had continued the next day. In accordance with the procedures and timeline adopted by the SPS Committee (G/SPS/32), the Secretariat had prepared this revision of the draft report on the Review based on the written comments received before the 10 June deadline from: Australia, Brazil, Chile, China, the European Communities, Hong Kong, China, New Zealand, Uruguay and the United States. The substantive changes had been marked in the text. Comments had subsequently been submitted by Peru and circulated as document G/SPS/W/176.

141. The Committee's discussions had focused firstly on the new Overview Section and on other proposed changes marked in the text, followed by the opportunity to suggest any other changes in the document. Members had welcomed the new Overview section, which had been included to provide a summary of the positive and negative achievements resulting from the operation and implementation of the SPS Agreement over the years. Several clarifications and modifications had been suggested to the Overview section, including the incorporation here of the section on dispute resolution. A revised version of the Overview had been considered at the informal meeting on the next day.

142. Delegates had no objections to most of the other changes which had been marked in the first Revision. Some further modifications were suggested, including to the section on Transparency. It was also suggested that it would be more appropriate for the Committee to examine the relationship

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<sup>3</sup> "When authorising import or transit of the following commodities, Veterinary Administrations should not require any BSE-related conditions, regardless of the BSE status of the cattle population of the exporting country, zone or compartment."

between various Articles of the Agreement, without prejudging whether any clarification was required. The IPPC and the OIE provided more up-to-date information on their activities relating to equivalence and regionalization. Other discussions had focused on proposed changes regarding the clarification of terms, which had led to a revision of this section and of the related proposal.

143. The Secretariat had been requested to incorporate all of the modifications which had been tentatively agreed into a second revision of the document circulated as G/SPS/W/173/Rev.2, for consideration by the Committee with a view to its adoption during the formal meeting.

(b) Adoption of the Report on the Review of the Operation of the SPS Agreement

144. A revision of the draft Report on the Review was circulated as G/SPS/W/173/Rev.2, highlighting those modifications that had been made based upon the discussions in the informal meetings.

145. The Committee adopted the Report on the Review of the Operation of the SPS Agreement with minor changes. It has been circulated as G/SPS/36. The Committee agreed to hold an informal meeting in conjunction with the next regular meeting to consider issues identified in the Review.

146. The Chairman noted that Members would have to determine which issues they wished to address first and how to address them. He invited Members to submit papers or proposals on any of the identified issues by 14 November 2005. Based upon the review of these papers, the Chairman planned to propose, about one month in advance of the meeting, a more specific agenda for the informal meeting. The Chairman thanked Members for their constructive approach and for their flexibility in accepting to work on the basis of texts that were available only in English, without the corresponding Spanish and French translations.

## **XII. MATTERS OF INTEREST ARISING FROM THE WORK OF OBSERVER ORGANIZATIONS**

(a) Information from Codex

147. The representative of Codex presented an information document on activities of the Codex Alimentarius Commission (G/SPS/GEN/566). At the 22nd session of the Codex Committee on General Principles, the Committee had agreed to abolish the acceptance procedure for Codex standards as it had not been used for a long time and was not relevant in the framework of the WTO SPS and TBT Agreements. The Committee had discussed the need for information on the use of Codex standards and had agreed that the Codex secretariat should initiate formal consultations with the WTO Secretariat on how to monitor information on the use of Codex standards at the national level. The Codex representative highlighted several upcoming important Codex meetings. At the 28th Session of the Codex Alimentarius Commission to be held in July, very important draft Codex Standards, listed in the Annex of G/SPS/GEN/566, were to be submitted for final adoption at step 8. As mentioned previously, the Codex Committee on Food Import and Export Inspection and Certification Systems was currently preparing two appendices to the Guidelines on Equivalence for its September meeting. Other important work included the preparation of a proposed revision of the Guidelines for generic official certificate formats and the production and issuance of certificates, consideration of draft Principles and Guidelines for risk-based inspection of imported foods and a discussion paper on the revision of the Guidelines for the exchange of information between countries on rejections of imported foods.

148. The representative of Chile confirmed that, at the last Codex Committee meeting, it had been decided to discontinue the acceptance procedure for Codex standards. This would imply coordination between the Codex and the WTO, since harmonization was an issue that the SPS Committee was also dealing with.

(b) Information from IPPC

149. The representative of the IPPC indicated that document G/SPS/GEN/573 outlined the decisions taken at the April meeting of the ICPM. Three new standards had been adopted: (i) Requirements for the establishment of areas of low pest prevalence; (ii) Guidelines for inspection and (iii) Guidelines for the determination and recognition of equivalence of phytosanitary measures. The revision of ISPM-3, the Guidelines for the export, shipment, import and release of biological control agents and other beneficial organisms, had also been adopted, as well as amendments to ISPM-5, the Glossary of phytosanitary terms. As detailed in G/SPS/GEN/568, the ICPM had decided that a concept standard on regionalisation be urgently developed and a feasibility study undertaken. The ICPM had also decided to establish a working group to formulate policy recommendations on electronic certification to be presented to the informal working group on strategic planning and technical assistance for submission to the next ICPM meeting. The representative of the IPPC emphasized that document G/SPS/GEN/571, outlining the status of international standards for phytosanitary measures, was extremely useful, as it very succinctly described all IPPC activities. The document would be updated each year so that new standards under development could be added.

150. The representative of the IPPC recalled that before coming into operation, the revised text of the IPPC, adopted in 1997, had to be ratified by two thirds of the contracting parties. Five more ratifications were now required, hopefully before the next meeting in April 2006 which would then be the first meeting of the Commission on Phytosanitary Measures. All FAO members could attend the meeting of the current Interim Commission. Once the Commission came to being, only the contracting parties to the IPPC would be able to take part. About 40 FAO members were not contracting parties to the IPPC; most of them developing and least-developed countries. The IPPC encouraged them to put the instrument of acceptance in place in order to be able to attend future CPM meetings.

151. The Vice-chair of the IPPC raised his concerns related to the budget of the IPPC, which would be under discussion again in October 2005 at the FAO conference. In the coming budget negotiations of the FAO, the immediate prospect was that the IPPC budget might be cut by 35 per cent for the next biennium, which was an enormous setback for the IPPC, the work on international harmonization and the technical assistance activities carried out by the ICPM and by the IPPC secretariat. The Vice-Chair of the IPPC urged Members to contact their national FAO representative and advise of the importance of having international standardization done under the IPPC.

152. The representative of Argentina commented that a lot of hard work had been done to promote transparency and enhance the participation of developing countries. Developing and approving standards was onerous, since it involved consultations and dissemination of information. The resources could be shared by many countries given the fact that the first to be affected were least-developed countries.

153. The representative of Jamaica expressed appreciation for document G/SPS/GEN/571 and stated that the proposed cut in the budget of the IPPC would have a negative effect on its work and on the very meaningful technical assistance offered to many developing countries. In that context, Jamaica supported the idea that Members request from the FAO that this cut be reconsidered. The representative of Barbados endorsed Jamaica's call that Members sensitize their representatives about the cuts to the IPPC's budget.

154. The representative of Canada stressed that Canada strongly supported the provision by the FAO of adequate funding both for the IPPC and the Codex Alimentarius Commission. Canada had raised this issue previously in the relevant FAO fora and would continue to do so. Canada highlighted the disparity between the number of donors and the level of funds deposited in the trust funds of the two standard-setting bodies and encouraged countries to contribute to the IPPC Trust Fund at the same level as their contribution to the Codex.

155. The representative of Trinidad and Tobago highlighted that many countries in the Caribbean, including Trinidad and Tobago, attended the ICPM meetings in Rome and participated in the work of the IPPC either through FAO or through the IPPC Trust Fund. Trinidad and Tobago appealed to FAO and to other donors to continue to support the budgetary trust of the IPPC and assured the IPPC that in Trinidad and Tobago the cabinet had agreed to signing the new revised text of the convention. Now Foreign Affairs had to put the necessary instruments in place.

156. The representative of Saint Vincent and the Grenadines thanked his Latin American colleagues for accepting the nomination of one English-speaking Caribbean country to represent them at standards-committee meetings.

(c) Information from the OIE

157. The representative of the OIE explained that document G/SPS/GEN/569 listed the recommendations arising from a joint OIE/FAO international scientific conference on avian influenza. These recommendations covered human and animal health, vaccination and controls. Document G/SPS/GEN/577 summarized the outcomes of the 73th General Session of the OIE. The working group on food safety, in conjunction with Codex experts, was working on animal identification and traceability. Four standards on animal welfare had been adopted by the animal welfare working group. The Terrestrial Animal Health Standards Commission had adopted 24 new or revised texts, including a revised BSE chapter, an appendix on BSE surveillance, and similar revisions for avian influenza and FMD. Under the Biological Standards Commission, seven new standards had been adopted. The lists of countries or zones free of certain diseases had been updated. The implementation of OIE standards in the framework of the SPS Agreement had been discussed and some recommendations had arisen.

(d) Information from IICA

158. The representative of IICA highlighted that the tenth meeting of the SPS Initiative for the Countries of the Americas had taken place in March. Thanks to this initiative, representation in the SPS Committee from the 34 countries in the Americas had averaged 95 per cent and there had been significant advancements in implementation and coordination at the national level. IICA was open to sharing information about this initiative. IICA had also worked with the OIE to enhance national veterinary services using the Performance, Vision and Strategy Instrument which had been introduced at the October 2004 SPS Committee meeting. The process had been started in ten countries, with another six planned before the end of the year. This instrument served various roles, including educating key policy makers and stakeholders, creating a shared vision between the public and the private sector and outlining incremental changes for improvement. The IICA representative recalled a past programme called Executive Leadership in Food Safety, which had had the three principal objectives of allowing in-depth discussion on critical topics, enhancing personal leadership skills and forming a support network. IICA had evaluated this programme almost two years after its conclusion and found that 90 per cent of participants were either in new positions with increased leadership responsibilities or had taken on new leadership roles.

159. The representative of IICA further reported that IICA was supporting the OIE on the regional committee of the global framework for the progressive control of transboundary animal diseases and had also provided support for the first hemispheric meeting on international border control and animal and plant health organized by the Agriculture and Livestock Service of Chile along with FAO. IICA was working with FAO and IPPC to carry out two regional workshops on the international portal on food safety, plant and animal health and would be working with the WTO Institute for Training and Technical Cooperation on a two-week workshop on the implementation of the SPS Agreement to be conducted in Spanish in Geneva in October/November 2005. IICA would also be supporting the regional SPS workshop in Central America in November being organized by the WTO Secretariat. Additional information and contact details were contained in G/SPS/GEN/570.



160. The representative of Jamaica thanked IICA for the Initiative of the Americas on behalf of its beneficiaries. The Initiative had allowed them to gain a much better understanding of the SPS Committee and triggered many activities at the national level. On behalf of the Committee, the Chairman expressed appreciation for IICA's efforts.

(e) Information from WHO

161. The representative of the WHO drew the Committee's attention to the adoption by the 58th World Health Assembly of the revised International Health Regulations (IHR). The WHO's highest governing body had initially requested the Director General of WHO to prepare a draft revision in 1995, so the adoption represented ten years of work. A new process had been followed to draft and adopt these regulations, involving a series of intergovernmental negotiations on the text. Throughout the process, much attention had been given to the relationship between the IHR and other international agreements to ensure a synergistic approach, including through discussions with the SPS Committee, discussions with the WTO Secretariat, legal advice regarding potential conflicts and concerns raised by WHO members. He indicated that the text of the IHR was available on the WHO website under the papers for the 58th World Health Assembly (document number WHA58.3). WHO members had all received official notification of the adoption along with certified copies of the IHR, which would enter into force in June 2007. He highlighted their broadened scope, encompassing all public health emergencies of international concern, including traded foods that represented a threat of disease spread. The purpose (Article 2) remained essentially the same, but referred explicitly to the avoidance of unnecessary interference with international trade and traffic when taking measures to prevent disease spread. Article 14 dealt with collaboration with intergovernmental organizations and international bodies. A whole section (Part III) dealt with how WHO would make recommendations under the IHR during emergencies and also for routine application, making reference in Article 17 to other organizations' standards and agreements. Article 43, dealing with measures that went beyond IHR recommendations, had been drafted to be complementary to similar provisions in the SPS Agreement. Article 57 dealt with how the IHR worked in the context of other international agreements.

(f) Information from OIRSA

162. The representative of OIRSA indicated that information on OIRSA's activities had been circulated in document G/SPS/GEN/580. He highlighted SPS-related capacity building activities in Costa Rica, El Salvador, and Mexico. Together with the Ministry for Agricultural Development of Panama, OIRSA had carried out a pilot plan as a first step to establishing an area free of Mediterranean fruit flies in the Azuero region. A regional plant health standard on the preparation and divulgation of regulated pests was published. Regarding strengthening of national SPS institutions, workshops with the objective of establishing a strategic plan had been held in OIRSA countries. OIRSA also participated in SPS-related negotiation meetings for the Central American Free Trade Area. At the 73rd General Session of the OIE, OIRSA had presented information on its role and signed an agreement expanding the existing cooperation with the OIE. OIRSA established cooperation with the Spanish Government which might lead to assistance to OIRSA countries in the areas of food safety, animal and plant health. An Agreement was reached with WHO/PAHO defining the work programme for the coming years.

(g) Information from ISO (G/SPS/GEN/589)

163. The representative of ISO gave a brief overview of ISO's standard development activities, highlighting a new international standard under preparation entitled ISO 22000, Food safety management systems – Requirements for organizations in the food chain. This standard was based on a management systems approach, as well as the principles of the HACCP system developed by Codex. The new standard was circulated for ISO member body voting in May 2005 and would probably be published before the end of the year. Another document, ISO/TS 22004 would give

guidance on the application of ISO 22000 that could be helpful for small- and medium-sized enterprises and developing countries. A new international standard entitled ISO 22005, Traceability in the feed and food chain – General principles and guidance for system design and development, was intended to provide recommendations for the implementation of a traceability system both within and among organizations in the food chain. Other projects of interest included methods of analysis for the detection of genetically modified organisms and derived products, good processing practices for the irradiation of foods intended for human consumption and numerous other methods of analysis that supported and complemented the work of Codex. The ISO representative finally mentioned ISO's work on international standards and guides relevant to conformity assessment. He announced that he would provide a more detailed information paper at the next meeting of the Committee.

### **XIII. OBSERVERS – REQUESTS FOR OBSERVER STATUS**

164. The Committee agreed to invite the organizations with current ad hoc observer status to participate in the next meeting of the Committee (ACP Group, EFTA, IICA, OECD, OIRSA and SELA). The Committee also invited all interested observer organizations to participate in the informal meetings to be held in connection with the next Committee meeting.

165. The Committee took no decision regarding the requests for observer status from the Office International de la Vigne et du Vin (OIV), the Asian and Pacific Coconut Community (APCC), and the Convention on Biodiversity (CBD).

### **XIV. CALENDAR OF REGULAR MEETINGS IN 2006**

166. The Committee adopted a tentative calendar for its meetings in 2006, subsequently circulated as G/SPS/GEN/583. Formal meetings are planned for 29-31 March, 28-30 June and 11-13 October 2006, as usual preceded by two days of informal meetings respectively.

### **XV. OTHER BUSINESS**

#### *Paraguay – Mercosur*

167. The representative of Paraguay reported on a decision taken in June 2005 to adopt a Mercosur action plan for FMD-freedom, reaffirming the commitment within Mercosur at the highest political level to implement joint action in the area of animal health. FMD was the animal-health issue with the greatest impact on market access for animals and animal products. The Ministers of Agriculture of Mercosur members had thus been instructed to prepare and implement the action plan with a view to optimizing the regional animal health situation and improving the market conditions for animals and animal products.

#### *Colombia – Ochratoxin in coffee*

168. The representative of Colombia raised concerns regarding the adoption of EC regulation No. 123/2005 on maximum ochratoxin A levels in coffee, notified as G/SPS/N/EEC/247/Add.2. Colombia had commented on previous notifications from the European Communities and from Germany (G/SPS/N/DEU/9) on this subject. The European Communities had adopted more flexible levels than those previously established by Germany. However, the adopted regulation foresaw a revision of the maximum levels for certain products by 30 June 2006, at which time the establishment of a maximum level for ochratoxin in green coffee would be considered. This was of concern to Colombia because the application of maximum ochratoxin levels for roasted and soluble coffee already implied the indirect application of a maximum level for green coffee. The establishment of a maximum level for green coffee would not be proportional, since it would regulate the entire production chain, which was not planned for other products covered by the same notified measure. According to Colombia, controls of ochratoxin levels in green coffee were impracticable and counter-

productive. Given the large amounts of green coffee arriving every day in European ports, additional infrastructure would be needed to store the coffee during testing. Furthermore, during the testing process the green coffee could undergo condensation and re-humidification processes, which were among the principal risk factors for mycotoxins. Colombia was willing to work with the European Communities and share progress made regarding preventive measures, which should be taken into account in risk assessments.

169. The representative of Chile indicated that, although Chile was not a coffee producer, Chile shared similar concerns. He sought information on maximum ochratoxin levels for wine, which faced a similar situation.

170. The representative of the European Communities recalled that the issue had been extensively discussed in the past. There had been several exchanges between the European Communities and certain coffee exporters, including Colombia. He explained that the measures introduced represented a harmonized system for imports into the European Communities that was advantageous for exporting countries, since previously the 25 member States had had individual requirements. These individual requirements had been far more demanding than the harmonized levels now established. He invited Colombia to contact the European Communities to discuss the details.

#### *Argentina – FMD situation*

171. The representative of Argentina informed the Committee that Argentina had recently regained the status of FMD-free country at the OIE meeting in May 2005. There were two zones in Argentina, one free of FMD with vaccination in the north of the country, and another free of FMD without vaccination in the south. The representative of Chile noted that Chile had already recognized Argentina's improved FMD status.

#### *Argentina – Classical Swine Fever*

172. The representative of Argentina reported that at the last OIE meeting, Argentina had presented a document to declare itself free of classical swine fever. There had not been any cases of this disease in Argentina for more than six years, and since May 2004 vaccination had been prohibited. Argentina considered that regionalization was an important instrument not only to improve the sanitary situation of a country, but also to obtain market access.

#### *Argentina – Panama's restrictions on dairy products*

173. The representative of Argentina indicated that since the March 2004 meeting, Argentina had been raising Panama's imports requirements for dairy products, which it considered to be inconsistent with the SPS Agreement. In October 2004, it had been agreed that Panamanian officials would visit dairy plants in Argentina. Despite repeated invitations, this visit had not yet taken place. At the March 2005 meeting of the Committee, Panama had indicated that the visit constituted only one step of a more complex process. Panamanian authorities then required that a questionnaire be submitted, which Argentina had done. Panama subsequently added a registration requirement for firms interested in exporting dairy products to Panama for tax purposes. These sanitary and administrative requirements constituted clear barriers to trade. Argentina asked Panama to adjust its sanitary requirements to those in the OIE Code and to modify its administrative requirements.

174. The representative of Panama replied that Panama recognized Argentina's efforts to regain its FMD-free status. He confirmed that several bilateral exchanges had taken place, and that Argentina's request was close to completion. Registration of interested firms was indeed required. As soon as these necessary steps were completed, Panamanian officials would be able to visit Argentine plants to finalize the procedure. Panama was willing to maintain the dialogue in order to find a solution to the problem.

*Argentina – Indonesia's restrictions relating to FMD*

175. The representative of Argentina recalled that at the last meeting, Argentina had questioned a series of unjustified restrictions that Indonesia was applying to imports of meat products. These restrictions were inconsistent, *inter alia*, with Articles 2.2, 5.1 and 3.3 of the SPS Agreement. Indonesia required that the country of origin had been FMD-free for at least 12 months prior to shipment, and had not vaccinated against the disease in three years. These requirements exceeded those contained in the OIE Code, especially considering that Argentina had regained its FMD-free status. Argentina had been requesting since the June 2004 meeting of the Committee that Indonesia provide information on steps taken to bring its requirements in line with international standards to allow access for Argentina's exports. The representative of Brazil shared Argentina's concerns, having experienced problems with exports of meat and meat products to Indonesia for the same reasons.

176. The representative of Indonesia indicated that he had taken note of the concerns expressed and would forward them to the capital. He informed the Committee that a bilateral meeting had been planned, but had had to be cancelled due to tight schedules. Indonesia remained ready to discuss the problem with Argentina.

*Peru – Information on FMD (G/SPS/GEN/578)*

177. The representative of Peru informed the Committee that the OIE had recognized the southern region of Peru as an FMD-free region without vaccination in May 2005. Overall, 34 per cent of Peru's territory had been recognized as free from FMD without vaccination by the OIE, 63 per cent were recognized nationally as free from FMD without vaccination, and 3 per cent were recognized nationally as being free from FMD with vaccination. Thus, the entire territory of Peru was now free of FMD.

**XVI. DATE AND AGENDA OF NEXT MEETING**

178. As announced per fax on 9 August 2005, at the July meeting of the General Council and at consultations following this event appeals were made to limit, in the second half of this year, the activities of regular WTO bodies to essential or statutory requirements, so as to allow Members to focus more effectively on the substantive preparations for the Hong Kong Ministerial Conference to be held in December. Therefore, the Committee's October meeting will be limited to the afternoon of Monday **24 October 2005**. At that meeting, the Committee will take up items 11 and 14 of the provisional agenda (see below) since these items need to be concluded in 2005. The meeting will then be suspended, to be resumed in early 2006. The continuation of the regular meeting has tentatively been scheduled for **1-2 February 2006**. Informal meetings on regionalization, special and differential treatment and on establishing substantive elements for the work programme of the Review of the operation of the SPS Agreement will be held on **30-31 January**. The planned workshop on the Implementation of the SPS Agreement will be held immediately following the March meeting.

179. The Committee agreed on the following provisional agenda for its next meeting:

**AGENDA FOR MEETING OF 24 OCTOBER 2005  
TO BE CONTINUED ON 1-2 FEBRUARY 2006**

1. Proposed agenda
2. Activities of Members
3. Specific trade concerns
  - (a) New issues
  - (b) Issues previously raised
  - (c) Consideration of specific notifications received
  - (d) Information on resolution of issues in G/SPS/GEN/204/Rev.4
4. Operation of transparency provisions
5. Implementation of special and differential treatment
6. Equivalence – Article 4
  - (a) Information from Members on their experiences
  - (b) Information from relevant observer organizations
7. Pest- and Disease-free areas – Article 6
  - (a) Information from Members on their experiences
  - (b) Information from relevant observer organizations
8. Technical assistance and cooperation
  - (a) Information from the Secretariat
  - (b) Information from Members
  - (c) Information from observers
9. Issues arising from the Review
10. Monitoring of the use of international standards
  - (a) New issues
  - (b) Issues previously raised
11. Transitional Review under Paragraph 18 of the Protocol of Accession of the People's Republic of China
12. Matters of interest arising from the work of observer organizations
13. Observers - Requests for observer status
14. Chairman's annual report to the Council for Trade in Goods
15. Other business
16. Date and agenda of next meeting

180. The following deadlines are relevant for the next meeting:

- (i) For sending comments in writing for the work programme of the Review of operation of the SPS Agreement: **14 November 2005**
  - (ii) For suggesting topics for the workshop on the implementation of the SPS Agreement to be held in conjunction with the March 2006 meeting: **14 November 2005**
  - (iii) For indicating the intention to prepare papers on regionalization or to present regionalization experiences at an informal meeting: **14 November 2005**
  - (iv) For submitting papers on regionalization: **30 November 2005**
  - (v) For identifying new issues for consideration under the monitoring procedure: **19 January 2006**
  - (vi) For requesting that items be put on the agenda: **19 January 2006**
  - (vii) For the distribution of the airgram: **20 January 2006.**
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