RESTRICTED

G/C/M/145

22 May 2023

(23-3496) Page: 1/106

Council for Trade in Goods

MINUTES OF THE MEETING OF THE COUNCIL FOR TRADE IN GOODS 3 AND 4 APRIL 2023

CHAIRPERSON: MR ETIENNE OUDOT DE DAINVILLE

The meeting of the Council for Trade in Goods (CTG, or the Council) was convened by Airgram WTO/AIR/CTG/24 and WTO/AIR/CTG/24/Rev.1; the proposed agenda for the meeting was circulated in document G/C/W/827.

The Chairperson observed that, given the long agenda, it would be preferable for Members to keep their interventions short, if possible. He invited those Members that were planning to submit longer written statements for incorporation into the meeting's minutes to expressly indicate their intention to do so when taking the floor. To ensure transparency in the preparation of the minutes, the Secretariat would only reflect what had been said at the meeting, except in those cases where a Member had explicitly indicated that it was their intention to submit a longer statement in writing.

The delegate of the United States wished to provide a brief report, under "Other Business", on the previous weeks' event on notifications and the private sector.

The Chairperson also informed delegations that, under agenda item "Other Business", he would comment on the Tentative Annual Plan of Meetings – Subsidiary Bodies of the Council for Trade in Goods (JOB/CTG/22) and the Evolving Tentative Calendar of Formal Meetings of WTO Bodies for 2023 (WT/INF/231/Rev.1). He also wished to comment on the use of eAgenda in the Council. And he would conclude, as was customary, by the date for the Council's next meeting.

The agenda was so agreed.

1 NOTIFICATION OF REGIONAL TRADE AGREEMENTS

1.1. The Chairperson recalled that, under the working procedures agreed by the Committee on Regional Trade Agreements (CRTA) and following the adoption by the General Council of the Transparency Mechanism[1], the CTG was to be kept informed of Members' notifications of new regional trade agreements (RTAs). He informed the Council that six RTAs had been notified to the CRTA, as followed:

- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Goods – Entry into Force for Chile (WT/REG395/N/4);
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Goods – Entry into Force for Malaysia (WT/REG395/N/3);
- Free Trade Agreement between Iceland, Liechtenstein and Norway and the United Kingdom, Goods – Entry into Force for Iceland (WT/REG459/N/2);
- Free Trade Agreement between the United Kingdom, Norway and Iceland, Goods (WT/REG430/N/2) – Notification of Termination;
- Free Trade Agreement between Türkiye and the Kingdom of Denmark, Goods (WT/REG466/N/1); and
- Free Trade Agreement between Iceland, Liechtenstein and Norway and the United Kingdom, Goods (WT/REG459/N/1/Add.1).

1.2. The Council took note of the information provided.

2 STATUS OF NOTIFICATIONS UNDER THE PROVISIONS OF THE AGREEMENTS IN ANNEX 1A OF THE WTO AGREEMENT (G/L/223/REV.30)

2.1. The Chairperson drew Members' attention to document G/L/223/Rev.30 containing the status of notifications under the provisions of the Agreements in Annex 1A of the WTO Agreement. The first page of this report described the discussions by Members that had led to its current format, the most recent of which had taken place in 2018, with a view to reflecting the Trade Facilitation Agreement. The new revision of the report by the Secretariat described the status of notifications as of 31 December 2022.

2.2. In a related matter, the Chairperson also drew Members' attention to the Notifications Portal, available in notifications.wto.org for which the Secretariat had released a Beta version at the beginning of last year. The Notifications Portal sought to consolidate, under a single system, all general information concerning notifications and the information for the agreements on trade in goods summarized and presented following the template of document series G/L/223/-.

2.3. The delegate of the European Union indicated the following:

2.4. The European Union is pleased that all Members attach great importance to transparency as a fundamental pillar of the WTO, as confirmed by previous discussions on notifications. The development of document G/L/223 came out of a report (document G/L/112) in 1996 of the so-called "Working Group on Notification Obligations and Procedures" established by the Marrakesh

[1] Documents WT/REG/16, WT/L/671, and G/C/M/88.

Decision on Notification Procedures. As part of its report, the Group brought to the attention of the CTG a number of overall observations.

2.5. As part of these, the Group notably emphasized the importance of two topics: (i) improvement in the rate of compliance with notification obligations; and (ii) the need for assistance in this regard to some developing country Members (paragraph 16). The report recognized that "the key to improved rates of compliance, at least with respect to certain developing country Members, [is] extensive and carefully focused technical assistance in a number of forms". Interestingly, the report goes on highlighting what it considered were the best means of providing this assistance: (i) intensive training to inform Members of their obligations; (ii) guidance in setting up systems in the domestic administration to channel the obligations and the responses; and (iii) a practical handbook to provide detailed information on the preparation of notifications (paragraph 17).

2.6. These considerations have led to concrete actions. Document G/L/223 is now one of the resources available, providing Members with information on their notification record and where they stand. Other tools have been developed, such as the recently updated Notification Handbook and the newly developed Notification Portal. These practical tools, as well as the many technical assistance and capacity-building activities, are very valuable to inform and promote domestic efforts in support of transparency.

2.7. We heard, however, in previous discussions on notifications that challenges persist, in particular for a number of developing countries and LDCs. We recognize that a number of challenges remain and are multifaceted. As part of efforts to address these, the EU would support Members discussing how submitting notifications could be better facilitated, through for example better use of online tools, technical assistance, as well as updating or streamlining obligations as appropriate.

2.8. The delegate of the United States indicated the following:

2.9. The United States always finds the data included in document G/L/223 to be very informative. The report is a valuable resource to understand notification obligations and the status of notifications across CTG bodies. Yet it can be a bit challenging to sort through the report, and the format has remained mostly unchanged since its inception in 1996. The Friends of Transparency has proposed a review of document G/L/223 and enhancements that could be made to the report relating to the factual presentation of information on Members' notification compliance.

2.10. Since the new WTO Notification Portal will contain much of the information included in document G/L/223, but will also include updates on a real-time basis, should the Committee consider distinct ways to enhance the usability of this report, which offers an annual snapshot of notification activity? For example, might there be a way to include factual narratives about the status of Member notifications for the specific CTG bodies? Or could the report benefit from the inclusion of some charts or graphs to help identify trends regarding notification status? The Committee on Agriculture reports include a column indicating the Member's percentage compliance with each obligation. Could this be done for other obligations where annual or periodic reporting is required? Could a narrative acknowledge changes over time, such as an increase or decline in notifications from the previous year? These are some ideas that might be worth exploring.

2.11. Missing, late and incomplete notifications continue to be a concern across CTG bodies. We need to think about even minor, technical-level changes in the workings of the WTO that can contribute to more timely and complete notifications.

2.12. The delegate of Australia indicated the following:

2.13. Australia also notes that the format of document G/L/223 is largely unchanged since 1996 and we see benefit in an informal discussion within this Council for Members to consider how the document could be modernized and perhaps made more useful for Members. We also note, of course, the Notification Portal, and some inherent benefits of that portal in real-time reporting compared to document G/L/223. But we would certainly support ongoing discussions in this space.

2.14. The Council took note of the statements made.

3 MEMBERS' NON-RESPONSIVENESS TO QUESTIONS POSED BY OTHER MEMBERS – REQUEST FROM THE UNITED STATES (SEE ANNEX 1)

3.1. The Chairperson recalled that this item had been included on the agenda at the request of the United States.

3.2. The delegate of the United States indicated the following:

3.3. The United States is raising this issue before the Council to identify certain Members' non-responsiveness to questions posed by other Members. These have been outstanding issues on the agendas of the identified bodies for some time. In fact, there are dedicated parts of the agendas of those bodies specifically for unanswered questions. And we are now raising them up to the Council as a normal administrative matter. As indicated in Annex 1, there are a series of questions that have been outstanding in the identified subsidiary bodies for some time, without response. To be clear, this is not about the quality of a response or any other substantive issue in the questions themselves, but simply there being no response at all to the questions being posed.

3.4. The one exception to this is the India item from the Working Party on State Trading Enterprises, where India did identify in the response identified in the Annex that it would provide a response at a future date, but, after two years, has yet to do so. The United States and India have cooperatively discussed this issue in the past and we stand ready to further consult with India if necessary.

3.5. The United States stands willing to consult and/or work with all of the other Members identified in the Annex, so that those Members can provide the necessary responses. As the United States has demonstrated many times over in the various subsidiary bodies, we are happy to work with Members with such routine committee business and in exploring ways to improve the question-and-answer process going forward.

3.6. The delegate of the Russian Federation indicated the following:

3.7. The Russian Federation is glad that the issue of unanswered questions was raised in this CTG. We share the view that transparency is of utmost importance to the Organization. It is detrimental for the WTO if questions, including those asked in writing, remain unanswered. Specific examples of non-responsiveness include those that follow. The US did not respond to Russia's written questions submitted in the Committee on Agriculture in October 2022 and March 2023 regarding import duties in excess of the bound rates and restrictions on agricultural and agriculture-related services. Similarly, no answers were provided to Russia's questions raised in October 2022 in the Committee on Subsidies and Countervailing Measures on the semi-annual report of the United States, as well as on recent discriminatory subsidies, subsidy policies, and measures of the United States, not to mention 330 timely submitted questions that the US left unanswered during its Trade Policy Review held in December 2022. The list of developed WTO Members that do not respond to questions from WTO Members is not limited to the US. During the SPS Committee meeting in November 2022, Japan did not respond to Russia on the issue of approved procedures for poultry products. Forty-four advance written questions were left unanswered by Japan during its Trade Policy Review held in March 2023. Written questions to the EU, dated 8 October 2021, circulated in document G/MA/W/172 and document G/C/W/800 on the EU's Carbon Border Adjustment Mechanism also remain unanswered. Moreover, questions posed to the EU during the Committee on Market Access meeting in March and October 2022 on this same topic, as well as in the Committee on Technical Barriers to Trade, on the elements of the Green Deal, were left unaddressed. Australia, Canada, the European Union, Iceland, New Zealand, Norway, the United Kingdom, and the United States, consistently ignore awkward written questions in the Committee on Agriculture regarding their unilateral measures that affect trade in agriculture. These are some of the recent instances of Members' non-responsiveness to questions posed by other Members. We are of the view that, in the field of transparency, the US, as well as the other WTO Members mentioned in this intervention, has to lead by example by responding to the questions posed by other delegations, including Russia.

3.8. The delegate of India indicated the following:

3.9. India will make a statement common to Agenda Items 3 and 4.

3.10. India's belief is that the WTO Members act as per their best capacities to comply with the various notification obligations of this Organization. National circumstances may guide specific positions, which is only natural for such a dynamic domain as international trade. Specifically on the concerns raised by the US on India's responses on the questions raised for the Working Party on State Trading Enterprises, we had already mentioned that we were examining these questions and awaiting the release of our updated National Trade Policy.

3.11. More broadly, transparency brought about by complying to the notification obligations must permeate all parts of this Organization. For example, in the Council for Trade in Services meeting of March 2023, my delegation put in focus cherry-picking of the idea of notification obligations. To quote from the statement delivered in that meeting: "The compliance figures mentioned in the Secretariat's compilation 'Overview of notifications made under relevant GATS provisions' continue to be of concern and we have in the past drawn attention by the developed Members in general, and in particular, the dismal record in notifications of some prominent developed Members, who also hold top ranks in trade in global commercial services. Under discussions on WTO reforms, India recognizes the need for open, inclusive and transparent functioning of the Organization. The submission made by India and others on strengthening the WTO to promote development and inclusivity, the communication WT/GC/W/778/Rev.5 of which India is a co-sponsor, highlights the need for meeting the transparency obligations as enshrined in the GATS. These notifications are essential for Members to understand the full implications of the commitments made by the Members including entry related measures affecting existing mode 4 commitments of Members."

3.12. India hopes that Members will take a comprehensive view of these issues, which may help them in better appreciating the genuine concerns of other Members when it comes to addressing similar WTO commitments.

3.13. The delegate of Switzerland indicated the following:

3.14. Switzerland thanks the United States for introducing this agenda item and wishes to recall the mandate from MC12 to improve the functioning of the WTO, including its deliberative function. Although there are technical and organizational ways to improve the functioning of the committees, it is first and foremost Members' responsibility to foster constructive deliberations. It is expected that Members engage in good faith in the discussions during and between committee meetings. This requires Members to answer questions that are posed to them. The process of questions and answers contributes to creating common understanding about each and every Member's trade policy measures and is conducive to rebuilding trust among Members. We therefore encourage all Members to improve their responsiveness to questions posed by other Members as a way to improve the deliberative function of this Organization.

3.15. The delegate of the United States indicated the following:

3.16. The United States wishes to respond to a few of the items. With regard to Russia, for reasons obvious to us all, we will not be responding to any of the points made by Russia. With regard to India, we take note of your comments, and as we said in our comments, we have always had a cooperative approach to these questions, and we look forward to continuing that. And we thank Switzerland for their intervention.

3.17. The Chairperson proposed that the Committee take note of the statements made.

3.18. The Council so agreed.

4 MEMBERS' NON-NOTIFICATIONS OF ITEMS PURSUANT TO CERTAIN WTO AGREEMENTS – REQUEST FROM THE UNITED STATES (SEE ANNEX 2)

4.1. The Chairperson recalled that this item had been included on the agenda at the request of the United States.

4.2. The delegate of the United States indicated the following:

4.3. Similarly to the previous agenda item, the United States is bringing this agenda item to the Council to identify certain Members' non-notifications of items pursuant to certain WTO Agreements.

This non-notification issue has been raised in the identified subsidiary bodies for several years now. In fact, this issue has probably been raised in the subsidiary bodies longer than most of the specific trade concerns (STCs) on today's agenda have been in place, and so and we are now raising this up to the Council as a normal administrative matter.

4.4. As the United States has stated in past meetings, we appreciate the Chairs' and Secretariat's attempts in the relevant subsidiary bodies to get Members to make their respective notifications, and we have noticed that an increasing number of Members have done so. However, as indicated in Annex 2, there remain a number of countries that have not yet made their respective notifications. In reviewing the list, the United States notes that nearly every Member in question has informed the WTO, through the TPR process, whether it does or does not have the requisite obligation item in place. In other words, most WTO Members have already informed the WTO of their status, albeit in another forum. As other Members have demonstrated in the past, the notification is not overly burdensome and, for most Members, will likely result in a nil notification.

4.5. The United States, therefore, continues to encourage all of the outstanding Members who have yet to make their respective notifications to review their individual situations and make the applicable notification. As many of these notifications have been outstanding for over 25 years, if Members have questions about their notification obligations, they should approach the Secretariat for guidance about how to meet the requirements under the applicable WTO Agreements. Alternatively, if for some reason a Member is unable to reach out to the Secretariat, Members can reach out to other Members for guidance and/or assistance. We have all been in a position of having to do a WTO notification for the first time at one time or another, so we should all be sympathetic to the challenges certain obligations may face. Speaking solely for the United States, as many Members in the referenced subsidiary bodies can attest to, including LDCs and those with small delegations, we stand ready to help in any way we can and have indeed helped many Members with their applicable notifications. The ball is now in your court as to next steps.

4.6. The delegate of the United Kingdom indicated the following:

4.7. The United Kingdom is grateful to the United States for raising the issue. Members know well that the UK – like so many others – shares the US' passion for the underlying principles of transparency and resolution of trade concerns. Taking steps under relevant obligations on transparency, and moving towards fixing STCs, really delivers value to the real-world stakeholders, and we must all be fully invested. Tuning to this particular item, the United Kingdom noted that many of the Members listed in Annexes 1 and 2 are LDCs. The UK recognizes that several Members listed are dealing with domestic and humanitarian issues that constrain the resource available, including, but not limited to, civil war or natural disasters.

4.8. Moving from the contents of this proposal, and into the issue more broadly, the United Kingdom would like to take this opportunity to thank LDC partners for their recent constructive engagement and interactions with our Delegation on transparency notifications. We reiterate that the UK welcomes the LDCs language in paragraph 8 of document JOB/GC/223/Rev.1, which correctly underlines that notifications are the backbone of the WTO. It notes that we all need to work on compliance, and that message certainly feels to the UK like a shared view across the Membership.

4.9. As part of that, the United Kingdom will continue the ongoing conversation on how development assistance ought to be usefully prioritized to help those partners to meet their competing obligations. The United Kingdom will continue to provide technical assistance and capacity-building to help partners meet their obligations, and we look forward to continuing this conversation on transparency.

4.10. The delegate of Japan indicated the following:

4.11. Japan believes that the notifications by the CTG's subsidiary committees are important from the perspective of ensuring transparency and monitoring of the implementation of the Agreement, as well as improving the functioning of the CTG and its subsidiary committees. We would like to point out that Members have to redouble their efforts on this, while also taking into account the capacities of developing Members, as well as LDC Members.

4.12. The delegate of Switzerland indicated the following:

4.13. Switzerland would like to limit itself to echoing the importance of transparency and of respecting notification obligations. This is a prerequisite and a necessary condition for an effective monitoring of trade policies.

4.14. The delegate of Angola indicated the following:

4.15. Angola takes careful note of the comments made by the United States, Japan, and the United Kingdom, and we will certainly continue to work to change the situation.

4.16. The delegate of Nepal indicated the following:

4.17. Nepal wishes to thank the United States for raising its concerns regarding the notification under paragraph 25.2 of the Subsidies and Countervailing Agreement and paragraph 1 of the Understanding on the Interpretation of Article XVII of the GATT 1994 (State Trading Enterprises). The messages have been communicated to Capital for necessary action. Nepal will update the Council as soon as it has received the relevant information from Capital.

4.18. The delegate of Bangladesh indicated the following:

4.19. Bangladesh thanks the United States for its interest in raising this issue. Bangladesh has already notified under Article 25.11 of the SCM Agreement and has been working on the others listed by the US. This message has already been conveyed to competent colleagues and we will revert to the Council in due course.

4.20. The delegate of Niger indicated the following:

4.21. On this agenda item, Niger would like to thank the United States for having raised the issue. We take note of the notifications that are lacking with regard to our delegation. We have transferred them to Capital, and we will be reacting in due course.

4.22. The delegate of Sierra Leone indicated the following:

Sierra Leone thanks the United States for raising this concern. Sierra Leone is currently consulting with Capital and will revert to the Council as soon as possible.

4.23. The delegate of Mozambique indicated the following:

4.24. Mozambique has taken note of the points raised by the United States about the obligations of Members regarding notifications pursuant to the Anti-Dumping, Safeguards, and SCM Agreement within the principle of transparency. We are working with Capital and will inform the Secretariat about this issue as soon as possible. We also thank the United Kingdom and Japan for their comments and proposals.

4.25. The delegate of the United States indicated the following:

4.26. The United States thanks the United Kingdom, Japan, and Switzerland for their comments and takes note of them. The US also welcomes the interventions of Angola, Nepal, Bangladesh, Niger, Sierra Leone, and Mozambique, and reiterates that if any assistance is required by these Members, they should please see the Secretariat or go to another Member to discuss the issue.

4.27. The Council took note of the statements made.

5 APPOINTMENT OF OFFICERS TO THE SUBSIDIARY BODIES OF THE COUNCIL FOR TRADE IN GOODS

5.1. The Chairperson indicated the following:

5.2. The Council will recall that, at its informal meeting held on the previous Friday, 31 March, I reported to you on the progress made in appointing officers to the subsidiary bodies of the Council for Trade in Goods for 2023. My intention today was to give you a list of names of chairpersons for the Council's subsidiary bodies for your approval, as per the list communicated to the Membership in my email of 28 March. However, as was said on Friday, I regret to inform you that we have not reached a consensus around this list of names. Therefore, I will continue my consultations with my colleagues in the Council for Trade in Services (CTS). Nonetheless, I would like this morning to do what I did last Friday, but in formal mode, and go over the different stages of the process so that you understand what we have done so far.

5.3. We began our work in appointing the officers to the subsidiary bodies with a joint communication, together with the Chairperson of the CTS, on 21 December 2022, and we outlined in that communication the formal steps of the appointments process, in accordance with the Guidelines of this Organization to be found in document WT/L/510, as well as the document setting out specific measures for appointments, document JOB/GC/22. We also referred in this communication from 21 December to some important points in the guidelines; for instance, the fact that a chair should above all be a person who has the capacity and availability to take on their particular responsibilities, or the fact that appointments should be acceptable to all Members and not just to the regions or groups that proposed them.

5.4. In this same communication, we informed Members that, mindful of the importance of having a seamless and effective process for the nomination of chairs of the Tier 2 bodies under the Council's responsibility, we had invited the Regional Group Coordinators to a meeting on 6 December 2022, where we discussed the preparatory work that could be useful prior to the launch of the formal consultations, while remaining fully in conformity with the guidelines and specific measures.

5.5. Turning to 2023, at the General Council's meeting of 21 February, the Chairperson of the General Council, Ambassador Didier Chambovey, encouraged the Chairperson of the CTS, and myself, as Chairperson of the CTG, to launch the process of Tier 2 nominations. He also encouraged Members to demonstrate the same flexibility and pragmatism in the Tier 2 process as they had done for the process for the appointment of Tier 1 chairpersons.

5.6. Responding to this invitation, on 28 February 2023, the Chairperson of the CTS and myself announced our intention to launch the official procedure for the nomination of chairpersons for the subsidiary bodies of the CTS and the CTG, and that, as foreseen in document JOB/GC/22, we would begin the exercise by meeting with the Group Coordinators. In addition, to ensure the utmost transparency and inclusivity in the process, we invited those Members not belonging to any regional group to contact us in case of need. Accordingly, I met with one such delegation on 17 March.

5.7. The Chairperson of the CTS and myself met with the coordinators of the four regional groups on 9, 15, and 24 March, which resulted in a provisional list of names. We subsequently met again on 31 March, the previous Friday. To ensure the utmost transparency and inclusivity in the process, on 24 March, I conveyed the provisional list of names to Members not belonging to any regional group, for their comments, if any.

5.8. On 28 March, I communicated the list of names to Members for their consideration at this meeting. Unfortunately, I regret to have to inform you that there is no consensus on this provisional list of names. Last Friday, 31 March, I met again with the Group Coordinators to discuss the issue, and I remain in contact with the delegations concerned to explore any possible solutions. I will engage in intensive consultations in this regard, and inform the Council of any developments at the earliest opportunity. I think that we will be able to arrive at a solution quickly. I would like now to give the floor to any Member wishing to make a statement. Would any Member wish to take the floor? This does not appear to be the case.

5.9. Therefore, as the outgoing Chairperson, and as the person responsible for this process, I will continue my consultations with a view to obtaining approval of the list of names that I had previously

circulated. Accordingly, I invite all Members to do all in their power to reach a consensus on a list of names as soon as possible, especially given that, in the absence of chairs to preside over the subsidiary bodies of this Council, all our work will be blocked. This is a particularly important consideration in 2023, as we prepare for MC13.

5.10. Therefore, I suggest that we suspend this agenda item and request the incoming Chairperson of this Council, once the appointments process has been finalized, to reconvene our meeting to address this agenda item only. In this regard, I recall that such a procedure was followed two years before, when the Council faced a similar situation.

5.11. I propose that the Council take note of my statement and proceed as proposed.

5.12. The Council so agreed.

6 CANADA – REQUEST FOR AN EXTENSION OF THE WAIVER FOR THE CARIBBEAN INITIATIVE: CARIBCAN (G/C/W/826)

6.1. The Chairperson recalled that this item had been included on the agenda at the request of Canada.

6.2. The delegate of Canada indicated the following:

6.3. Canada is seeking a waiver from our most-favoured-nation (MFN) obligations on our Commonwealth Caribbean Countries Tariff (CARIBCAN) tariff preference program. The CARIBCAN preference program has provided economic and trade development assistance to eighteen Commonwealth Caribbean countries and territories in the Caribbean region since 1986. This program is established in Canada's Customs Tariff and Canada has sought periodical renewal of this waiver since its inception in 1986. As a condition of the current and past waivers, Canada provides an annual report of trade data to the WTO General Council and remains open for consultations with any interested Member regarding any difficulty or matter that may arise as a result of tariff preferences of the CARIBCAN program. As proposed in this document, Canada will continue to do this.

6.4. The delegate of Barbados indicated the following:

6.5. Barbados thanks Canada for submitting its waiver request in document G/C/W/826 and for its continued economic and trade development technical assistance to Barbados and other Commonwealth Caribbean countries. Over the years, the Programme has been a positive contributor to our trade and export earnings, improved our trade and economic development prospects and has led to new investment opportunities for Barbados and the CARICOM Region. We look forward to our continued engagement with Canada and with other Members and to advancing the draft decision to the General Council.

6.6. The delegate of Trinidad and Tobago indicated the following:

6.7. The Government of the Republic of Trinidad and Tobago supports the request by Canada for the renewal of the CARIBCAN waiver until 31 December 2033. The CARIBCAN arrangement supports Trinidad and Tobago's goals for export growth and diversification, and creates positive spill-over effects on other development goals, including economic transformation, and poverty and unemployment reduction.

6.8. Since 2016, exports to Canada have risen from TTD 405 million to TTD 786 million in 2021. Additionally, in 2021, Trinidad and Tobago was the largest exporter to Canada among the CARIBCAN beneficiaries, with 98% of its exports to Canada receiving duty-free access. Accordingly, CARIBCAN has been a very useful mechanism in supporting the export growth and diversification goals of Trinidad and Tobago.

6.9. The Government has identified key sectors for growth and diversification of the domestic economy. Among these sectors is the manufacturing sector, which is largely focused on food and beverages. A large number of products from within this sector are exported to Canada under the

CARIBCAN arrangement. It is therefore a policy goal for Trinidad and Tobago to achieve greater utilization of existing market access offered under CARIBCAN.

6.10. It should be noted that CARIBCAN preferences are not only a critical development tool for Trinidad and Tobago, but for all CARICOM member States. These economies have sought to diversify their productive base as a means of economic recovery and stabilization in the post-COVID-19 context.

6.11. In conclusion, the Government of Trinidad and Tobago reiterates its support for the continuation of the CARIBCAN arrangement and, as such, would like to strongly encourage WTO Members to also support the Canadian request for the extension of the CARIBCAN waiver until 31 December 2033.

6.12. The Chairperson proposed that the Council take note of the statements made, and approve, and forward to the General Council for adoption, Canada's request for a waiver as set out in document G/C/W/826.

6.13. The Council so agreed.

7 MC12 IMPLEMENTATION MATTERS: FUNCTIONING OF THE CTG AND ITS SUBSIDIARY BODIES AND WTO RESPONSE TO THE PANDEMIC (G/L/1464, G/L/1467, G/C/W/824/REV.1, JOB/CTG/19/REV.2, JOB/CTG/20, JOB/CTG/21/REV.1, JOB/CTG/23) – STATUS REPORT FROM THE CHAIRPERSON

7.1. The Chairperson indicated the following:

7.2. I would now like to report to the Council on the status of work we have undertaken on MC12 Implementation Matters since our last formal meeting, held on 24-25 November 2022. It is not my intention to have an in-depth discussion of these issues or repeat the discussions we had last week, but simply to provide a report for the record.

7.3. As announced at that meeting, the CTG convened an informal session on the WTO's Digital Tools on 9 and 12 December 2022, in hybrid mode. The session's programme is contained in document ICN/CTG/6. The first day was dedicated to presentations, which were recorded and shared with all delegations. A follow-up session was organized to accommodate participants in different time zones, providing them another opportunity to pose questions and interact with the speakers. The Secretariat presented the WTO's digital tools of a horizontal nature, Committee-specific digital tools, and ongoing planning for future projects. Almost 120 participants attended the information session, in person and through Zoom. The discussions held in this session have fed into exchanges on improving the functioning of WTO Committees in the context of MC12 implementation matters relating to the work of the CTG.

7.4. This year, the CTG has held three informal meetings to discuss CTG-related MC12 implementation matters.

7.5. The **first informal meeting** was held on 31 January (as convened through document ICN/CTG/7) and provided an opportunity for the Chairpersons of the CTG's subsidiary bodies to introduce their reports concerning the current functioning of the Committees and the response to the Pandemic. An updated list of those reports and their document symbols is available in JOB/CTG/19/Rev.2. Following a request from Members, I requested the Secretariat to prepare a summary or similar document that would assist them in comparing the information contained in the various reports on current functioning. At the meeting, the Secretariat presented the comparative matrix it had prepared, as circulated in document G/C/W/824. Following additional requests for additional information, in particular the number of Secretariat staff working on the various CTG subsidiary bodies, a revised version of the matrix was circulated on 14 February in document G/C/W/824/Rev.1. In response to the many requests to improve the transparency in our process and to try to ensure the participation of LDCs and the smaller delegations, I circulated my closing statements in documents JOB/CTG/20 and ICN/CTG/7/Add.1.

7.6. The **second informal meeting** of this year was held on 27 February (as convened through document ICN/CTG/8), and was organized in two parts: (i) the current functioning of the CTG itself;

and (ii) the WTO response to the COVID-19 pandemic. After the meeting, I circulated documents ICN/CTG/8/Suppl.1 and JOB/CTG/23 on 2 March, suggesting next steps, and giving Members until 7 March to comment on them.

7.7. The **third informal meeting** took place on 31 March, where Members were asked to react to the "Preliminary List of Issues Proposed for Discussion", contained in the Annex to the Convening Notice in document ICN/CTG/9. At that meeting, the Council discussed the issues on the preliminary list, with some issues grouped to enable a better flow of the discussion.

7.8. I think that you will all agree with me in saying that the meeting was extremely positive, and that Members engaged in detailed exchanges on various questions. We ran out of time to discuss the response to the pandemic, but I think that we have succeeded in considerably advancing the discussions on the better functioning of the CTG. It was a very constructive meeting.

7.9. With the assistance of the Secretariat, I prepared a document that indicates "next steps", which I had mentioned during the Council's informal meeting. This document was emailed to you earlier. The table of next steps was circulated this morning in document JOB/CTG/27.

7.10. I wish to draw your attention, in particular, to three questions on which it had been suggested that we could perhaps take formal decisions at this meeting, namely:

- Number 2.1: fix a deadline for agenda items of 15 days before the date of the meeting;
- Number 3.a: request the Secretariat to divide the agenda as concerns trade concerns such that the new concerns can be discussed first; and
- Number 4.d: instruct the Secretariat to integrate the CTG data in the Trade Concerns Database.

7.11. The document lists concrete next steps and is in the process of being translated.

7.12. Having given the floor to Members, and with a view to providing you more time to examine the document, I propose to suspend this agenda item with a view to resuming our discussions, and the possible adoption of the three decisions just indicated, in the afternoon of tomorrow, Tuesday. Does any delegation wish to take the floor? Is this way of proceeding agreeable? Certainly, there are no surprises in the document. And it includes the three points that I have just mentioned.

7.13. In this case, I propose that the Council suspend this agenda item before returning to it on Tuesday, 4 April.

7.14. The Council so agreed.

7.15. At the resumption of this item on Day 2, between Agenda Items 48 and 49, the Chairperson indicated the following:

7.16. We will now resume the discussion on the MC12 implementation matters. that we postponed from yesterday under Agenda Item 7, and in particular on the functioning of the Council for Trade in Goods and its subsidiary bodies.

7.17. You will recall that yesterday we circulated document JOB/CTG/27, included also under the document symbol ICN/CTG/9/Suppl.1, a document prepared under my responsibility, in which I propose the next steps following our informal meeting of last Friday, 31 March 2023. This document contains three columns, taking up to a large extent the list of points that we reviewed on Friday, distinguishing those points in relation to which a further discussion appeared necessary, those for which a request for preparatory work by the Secretariat was made, and those for which a consensus emerged among a significant number of Members, and it is on these last points that I should like to return now.

7.18. You recall that we had identified essentially three points on which there was an emerging consensus among Members last Friday: (i) the deadline for registering CTG agenda items, which is currently 10 calendar days, whereas it had been proposed during the discussion to pull this back to

15 days, as in the TBT Committee; (ii) to distinguish between new and previously raised trade concerns by first addressing new trade concerns, followed by previously raised trade concerns; in this regard, it had been proposed in the table to maintain the order in which the agenda items had been raised within the two categories of new and previously raised trade concerns, beginning with the new concerns; and (iii) the request that the Secretariat integrate the CTG's trade concerns with the Trade Concerns Database.

7.19. Accordingly, I proposed in document JOB/CTG/27 a written formulation of these three recommendations. I propose now to open the floor, inviting you to react to the totality of the document and the accompanying table, confirming or reacting to the three concrete proposals that could be adopted at the present meeting of the Council, and executed as of the Council's next meeting.

7.20. The delegate of the European Union indicated the following:

7.21. The European Union thanks you and the Secretariat for the very detailed and high-quality table which was produced over the weekend. Concerning your proposals on the three concrete next steps, we remain in favour, as per our discussion of last Friday. On the table itself, we have just one remark, or suggestion, which links to point 4, concerning IT tools, and point 4.B in particular, which links to maintaining virtual participation in meetings. Further discussion will be required, but based on our perception from Friday, there was nevertheless a large consensus for maintaining this option. Perhaps these are rather linked to the second column, namely actions to be taken by the Secretariat, because I think that there were still comments linked to a differentiated participation for committees, but it is perhaps here that we need some response from the Secretariat. So perhaps something that should fall rather under the second than the first column.

7.22. The delegate of the United States indicated the following:

7.23. We would like to thank you and the Secretariat for preparing the chart and for facilitating discussion of this today. In addition to what is being proposed by the Chair regarding the ordering of the STCs, we would like to add that the items under each section, old and new, also be alphabetized for ordering purposes. We believe that putting these items in alphabetical order facilitates review of the items by capital-based experts and may even encourage online attendance by those experts as they will have a better sense of when in the agenda the items will come up, rather than waiting all day for scattered items throughout the meeting. We got the sense from Friday's meeting that there was some receptivity to this idea, and we would like to add this now for consideration by Members.

7.24. The delegate of the United Kingdom indicated the following:

7.25. We would like to express our thanks to the Chair and Secretariat for the weekend work to prepare the table. We like the way that the table has been set out, with the three categories, including things to keep discussing, actions that can be taken now or off the back of Friday, and then the ideas for today. For what it is worth, we think that the ideas so far sound good from our perspective. We did just have one substantive question, but it is more around the second column, about things that can be taken forward by the Chairperson and Secretariat, and that is on the deadlines document. We had some discussion on Friday about how these can be helpful to informally lay out the steps, including on when eAgenda opens. On moving forward, subject to what we agree today, it would be great to send out a consolidated list to Members, also copying the Chairs of the subsidiary bodies, simply because it was such a helpful discussion on Friday and advancing and pragmatically agreeing on some of these items is welcome and would be helpful. Such a communication would be a helpful compilation of what we have done and send a positive signal to other bodies as they conduct the same exercise on their own ways of working.

7.26. The delegate of Ecuador indicated the following:

7.27. We would like to thank the Secretariat for its work in compiling and condensing, in a very appropriate manner, the discussions that were held at the informal meeting. We believe that this discussion is on a good path, we perceive it very positively, and we would like to register Ecuador's support to the three proposals that we are reviewing today in order that they may be adopted by the Council. We would also like to continue this dialogue because we believe we can do even more.

We would therefore like to request the support of all Members to continue this work, and to produce results that we believe will benefit all of us who are in this Council.

7.28. The delegate of Argentina indicated the following:

7.29. We would like to join others in thanking you, Chair, and the Secretariat, for the support provided to us in all these discussions, and for your work in compiling the discussions in this document. Argentina would like to support an immediate action from this Council on the three points we highlighted. On behalf of the co-proponents of document JOB/CTG/21, we would like to share our satisfaction with the discussions held, and for the conclusions.

7.30. Following up on the statement by the United Kingdom, we would like to propose, if this is agreeable to all, to go one step further. That is, not only to inform the subsidiary bodies of the results of our discussions, but also, on the basis of the consensus that emerged in the discussions held last Friday, to suggest a list of points, which in our statements we noted as being of importance, to discuss in subsidiary bodies. We present this as a suggestion to simplify discussions, as reflected and circulated this morning in room document RD/CTG/19, where we focused on the points that we had identified as being of interest to subsidiary bodies. These are points 1.a.1, 1.b, 2.a, 2.c, 3.a, 3.b, and 3.c. If possible, in addition to the report, we would like to request that a suggestion be added that subsidiary bodies should take these points into consideration in particular.

7.31. The delegate of Thailand indicated the following:

7.32. I would like to echo the comments of other Members in thanking the Chair and Secretariat for their hard work in putting together this list. I believe that these three items certainly are for early harvest; they are low-hanging fruit that we can harvest right away. They could be adjustments to the improvements that we are seeking for this Council. However, I would like to remind the Council that another item that seemed to receive great support, and consensus, is 3.d, the possible introduction of an annotated agenda. We had a lengthy discussion, and this issue was brought by Hong Kong, China, in a previous meeting, and it seemed to receive great support. It could be another low-hanging fruit that could be introduced right away. Certainly, as noted here, it should be on a trial basis. But I wonder, in fact, if this could also be implemented immediately, along with the other three points.

7.33. The Chairperson indicated the following:

7.34. Just to react to Thailand's question, we had placed it in the middle column because, if I recall our discussion on Friday correctly, there had been an emerging consensus among Members on the principle of an annotated agenda. However, Members wanted first of all to see, given that there were various types of annotated agenda being used in different committees, a model prepared by the Secretariat before agreeing to it; this was the reason for including it in the second column.

7.35. The delegate of Australia indicated the following:

7.36. I would like to join other colleagues in thanking you and the Secretariat for your work on this document. I would also like to commend us all for the discussion on Friday. It was a very constructive and useful discussion. And it was a long discussion, but a good one. And we are making progress, and this is very positive. I would like to add our support for an early harvest of the three items in the final column, as they are written there. I take note of the US suggestion on alphabetization of agenda items, and as some of us are at the top of the alphabet, and others at the bottom, and we all also have time zone differences that keep colleagues awake, so I support the general concept of improving engagement by capital-based colleagues, but I think that we need to have a longer conversation about whether this would be effective in that regard. But Australia is open for that conversation in the future.

7.37. The delegate of Norway indicated the following:

7.38. I would like to join all previous speakers in thanking you and the Secretariat for putting together this very useful table, and to confirm Norway's support for the three measures proposed for adoption at this meeting. It was also helpful to hear Australia's comments, as I had also

understood that the US additional proposal would mean that STCs would be grouped after Member, or group of Members. I do not think that we have any strong views on that.

7.39. The delegate of the United States indicated the following:

7.40. First, I would like to thank Argentina for putting together document RD/CTG/19. We would support these ideas being shared with the subsidiary bodies, but ask that the ideas be shared strictly for the consideration of the subsidiary bodies. And our thanks also to Australia for their comment on our suggestion of alphabetization of agenda items. We would be happy to discuss this further.

7.41. The delegate of Canada indicated the following:

7.42. Indeed, thanks to you, Chair, and to Roy and the Secretariat team, for pulling this together over the weekend. I would add Canada's support to the three items in the third column. They all make sense. I sense that there is a good amount of support for them, which is positive. I would also like to agree with the EU on the remote participation aspect. I think that there still was support for that. Perhaps it is the middle instead of the final column – perhaps something to consider.

7.43. In addition, our thanks to Argentina for pulling together those items. They make sense to me. I would also agree that it should be information that we are sharing with the subsidiary bodies, including the changes that we are making here today, or discussing, at least, and possibly agreeing to, in terms of what actions we have taken here in the CTG. It would then be up to us, or our colleagues, in those subsidiary bodies to carry the conversation forward also there, and to decide in the subsidiary bodies what is appropriate for them.

7.44. On the alphabetization suggestion, I would like to discuss this further as well. I have a vague recollection – perhaps it was during the pandemic – of a meeting where all of the STCs were alphabetized, which was an approach that still had its challenges, as I recall, even though no concern was raised against Canada on that occasion. Perhaps we would have to go through it one more time to get a better sense of exactly how that might facilitate the discussion or change anything at all. Further discussion would be a good thing, I think. And I do look forward to the further discussion, given that there are a lot of items in the middle column that the Secretariat will be preparing for us, which we greatly appreciate.

7.45. The delegate of Paraguay indicated the following:

7.46. Paraguay would like to thank Argentina for introducing document RD/CTG/19. We note that there is considerable support for it to be sent to the subsidiary bodies for their consideration, as is the intention of the document. Paraguay has always noted that the intention sought is that the debate we are having at the Council and in the subsidiary bodies follows a structure. Keeping in mind that each subsidiary body has its own characteristics, and as such, each would decide which issues they wished to pursue, and which not, and to further report to this Council on the areas where they could make progress, and which not, and why.

7.47. Paraguay also agrees with Canada's suggestion that, as and when the Council agrees on certain points, to inform the subsidiary bodies in order to inform their discussions, and to serve as a guide in their discussion to see what can be adopted and what not.

7.48. Paraguay is also of the view of the European Union on maintaining remote participation of meetings, which we would add to the three points that we consider could be adopted today following consensus on these issues.

7.49. Regarding the suggestion from the United States on listing the trade concerns in alphabetical order, as Australia and Canada did, we also recall a meeting where this was tried, and where the experience was not positive. There was some backlash from the Members in the room at the time. Also, Members with many trade concerns on the agenda required a big effort to respond to each. In our experience, in every committee we cover, except in the Committee on Agriculture, where matters are grouped by topic, and then by alphabetical order, the order on the agenda always follows a first come first served rule. We believe that this is also a positive incentive for delegations to place their items on the agenda as early as possible, which ensures their items will be placed earlier on the agenda, too. For our Capital, it is easier to follow issues in this manner, given the level of interest

we have on matters discussed in this Council. We could try this one more time, on a trial basis, but an adoption today would require further discussion.

7.50. The delegate of the Dominican Republic indicated the following:

7.51. The Dominican Republic would like to thank you, Chair, and the Secretariat, for this summary document. We agree with the three elements that have been presented for adoption. We also share the question of the European Union and Canada on the status of virtual participation in meetings. We would like to understand if the format will change, and if not, we would like to suggest that it be included as approved for consensus. This helps capital-based delegates, but also Geneva-based delegates, because sometimes we need to follow meetings from our offices. It also provides us with important flexibility when we need to move from one organization to another, or one meeting to another. It is therefore important for us that it is maintained. We also hope that the elements you have suggested are also approved today.

7.52. The delegate of Hong Kong, China indicated the following:

7.53. Thanks to you, Chair, and the Secretariat, for this excellent document, which we support. Just one suggestion concerns Item 4.h about a WTO digital tools overview session. I would suggest moving this to the middle column because I think we have consensus on holding this at least once per year. What needs to be discussed is whether we need to hold more such sessions, as suggested by Australia, if I recall correctly. So I would suggest moving this item to the middle column.

7.54. The delegate of Uruguay indicated the following:

7.55. Uruguay would also like to thank you, Chair, and the Secretariat for the document, and Members for the efforts made in these discussions. We also agree with the points identified in document JOB/CTG/27. With regard to the suggestion of the United States on listing the trade concerns, we note their suggestion as to criteria on the order in which items are placed on the agenda, but at the same time it is interesting to recall that this was already tried, as noted by Canada and Paraguay, and as the latter delegations shared their doubts on its effectiveness, it would be worth discussing this issue further. Uruguay also thanks Argentina for its room document, and supports the statements made in that regard, namely that this Council may inform the subsidiary bodies of the progress it has made, for their consideration.

7.56. The delegate of China indicated the following:

7.57. I would also like to join previous speakers in thanking you, Chair, and the Secretariat, for their hard work. We also support the three items in the third column to be implemented as soon as possible. And regarding the ideas proposed by some Members today, we would like to express our support to the suggestions made by Argentina and the European Union. Regarding the US proposal on alphabetization, we also think we need further discussions on this to see how it could work for the CTG.

7.58. The delegate of Brazil indicated the following:

7.59. First of all, I would like to thank you and the Secretariat for the hard work that went into crafting this document over the weekend. Brazil would also like to support the three items that you mentioned. I think that they enjoy a broad consensus. Brazil also supports the proposal that was tabled by Argentina on behalf of the other co-sponsors. We believe that this would be very useful not only in the CTG, but also in its subsidiary bodies. Regarding some of the proposals that were made here, in particular on the alphabetization of agenda items, we believe that we should have more discussions.

7.60. The delegate of Colombia indicated the following:

7.61. Colombia would like to thank the Chair, the Secretariat, and Members, for the work being done, and for the discussions we have had. Colombia would also like to thank Argentina for its detailed presentation of what we have called "low-hanging fruits". We would also like to note that we hope that we can present this basket of mature fruits to the subsidiary bodies in order to materialize the work and discussions we have had here.

7.62. The delegate of the United Kingdom indicated the following:

7.63. This is a request more about organization and transparency in that there have been in the CTG different steps taken by different subsidiary bodies, so you have some that have written out requesting written input, in this case closed, some that still have the case open for written input, some that have had similar discussions in formal meetings, some that are scheduling informal meetings off the back of that, and so on. And this has been great, and we have been really interested in all of these discussions. But it has been hard to keep track of what is happening because of so many committees. So, Chair, if you will be sending out a list of outcomes of today's CTG, it would be really helpful if there is some way simply to track for each subsidiary body any upcoming or current discussions, with opportunities for inputs, to help us organize ourselves in terms of such an overview.

7.64. The delegate of the United States indicated the following:

7.65. I just wanted to return to the idea of virtual participation. We are not questioning, whatsoever, the usefulness of virtual participation. However, we would recall that there were some budgetary concerns mentioned in junction with this idea on Friday, so we would ask, for this reason, that it remain in the first column for now.

7.66. The delegate of Canada indicated the following:

7.67. If we are going to keep it there, this is okay, but can we then make it clear that this is the reason, essentially that, "The discussion of this item showed broad support for continuation, but there remain questions around the budget", or words to that effect that would be cross-cutting, to go back to one of the US's earlier baskets, so just to make sure that this is clearly indicated.

7.68. The Chairperson indicated the following:

7.69. Thanks to all of you for your comments. On the EU proposal concerning online participation, having heard the most recent interventions, I propose to proceed as suggested by Canada, namely, to leave it in column one with an indication as to why it remains in that column, namely that it is a horizontal question that does not depend on the Council alone. My recommendation for my successor will be not to ask you again about this because, *a priori*, there is a consensus in the Council for continuing to use this tool. It depends now on the global political decision of the Organization.

7.70. On the proposed decision on the examination of trade concerns, beginning with the new concerns, I propose to remove the last phrase from the wording indicated in the table, where we recall the current rule, which is the examination of trade concerns on a first come first served basis, and to postpone for future discussion to see whether or not it is important to adopt an alphabetical order of trade concerns, or some other type of presentation. In other words, for adoption today we will keep only the new rule indicating that in future we will examine first the new trade concerns, followed by previously raised concerns.

7.71. On the proposals of Argentina, I have understood from Members' comments their wish not to be too prescriptive in relation to the CTG's subsidiary bodies because it is up to each committee to take the necessary decisions concerning its approach to its work based on its particularities and constraints. In this regard, I recall that I recently met with the outgoing Chairpersons of the CTG's subsidiary bodies to explain to them where we were in our CTG discussions, notably in relation to our meeting of end-February, and to recommend to them, within their respective committees, to continue this work on better functioning, and to pass the torch, as it were, to the incoming chairpersons.

7.72. Thus, I propose to circulate after this meeting a new communication, by way of information, to the outgoing Chairpersons of the CTG's subsidiary bodies, in which we can certainly include an updated table concerning our discussions from today, which will be more or less the table before you now, but completed in light of our discussions today, and with an introductory text that could be more exact in terms of the different points that attracted most consensus last Friday, which are those largely figuring in the document proposed today by Argentina. However, I will try to avoid having a list because there could be confusion due to having too many lists and documents.

7.73. On the proposition of Hong Kong, China, to transfer the annual session on digital tools to the middle column, I am entirely prepared to do so, there is just the issue of budgetary impact, but I think this would not be case as it is a matter of presenting the existing digital tools and organizing a meeting.

7.74. Finally, the proposition of the United Kingdom of a document specifying deadlines to be respected for the different documents to submit in relation to future meetings, a point that I have not clearly understood because I was in the process of changing interpretation language.

7.75. The delegate of the United Kingdom indicated the following:

7.76. This is a reflection of different conversations and emails have gone out across a lot of bodies on this same functioning issue at the same time, and so it would be useful to see, in one place, for each subsidiary body, what steps they have taken, and when, and any future steps coming up. So, for example, in terms of the committees I cover, one of them has had two informal discussions, and they have requested input in writing, and the deadline for that was Friday. Another committee I cover had an initial discussion a few weeks ago, and is planning an informal meeting. Other committees are yet to discuss this, or yet to request input in writing. Thus, we just need something that collates what steps have been taken by each committee, and to indicate any deadlines for written submissions or planned and scheduled meetings that are coming up, just to help us prepare, and to be sure that we are not missing any opportunities to input.

7.77. The delegate of the United States indicated the following:

7.78. On a point of clarification on the proposal from Hong Kong, China, and again, no objections on face value to WTO digital trade overview sessions, my question is just, if we are still asking ourselves how many times it makes sense for us to hold this per year, and if there are maybe budgetary implications, why would we move that from the column in which it is now?

7.79. The Chairperson indicated the following:

7.80. In our discussion on Friday we had specified that it would be one annual cross-cutting session, but we can of course leave it in the first column.

7.81. The delegate of Canada indicated the following:

7.82. On both of those points, on the UK's suggestion, this sounds to me like a tracking document that the Chair of the CTG should have in its pocket so that he knows what the subsidiary bodies are doing, and when they are doing it, in respect of better functioning. This seems like a fairly simple Secretariat document just keeping track of what each of the subsidiary bodies is doing, or not doing.

7.83. On the US discussion, I am not sure that it matters either way, which column, and if I recall correctly, I am not sure if there are budgetary implications for this, even perhaps for the recording of the session. I think, in essence, it is something we want to discuss at a next informal meeting, in the sense of when it might happen again, and what can be done to improve it, perhaps, if there is anyone who wants to reflect on how the past session went, but at the end of the day it actually is an action to be taken by the Secretariat and the Chairperson to organize those sessions. I do not think it is an issue, and I agree with Hong Kong, China, that it is something that we have asked for. I guess it is more a question of the portrayal or representation in the table.

7.84. The delegate of Hong Kong, China indicated the following:

7.85. I agree with Canada concerning Item 4.h. I am okay with placing it in either column, but just like virtual participation, I think we may specify that the reason of keeping it there is that there is a budgetary consideration there.

7.86. The Chairperson indicated the following:

7.87. In this case, I suggest that we keep point 4.b on virtual participation but indicating the reason, namely cross-cutting or eventual budgetary constraint.

7.88. I think we are agreed on starting with new trade concerns in the examination of trade concerns, and not specifying the order of examination within each category, which is retained for future discussion.

7.89. I also propose to move to the middle column the suggestion to have an annual information session on digital tools, provided by the Secretariat.

7.90. And finally, if you agree, I will send a communication/information note to the Chairpersons of the subsidiary bodies on the status of our work. I am a little less comfortable about asking for a document that groups everything and instructs them what to do. It is true that the Council already envisaged to have reports from the Chairpersons of the subsidiary bodies, which should be submitted to the CTG so they can be considered at November's meeting. And in effect, a certain number of chairs of subsidiary bodies have already begun preparing certain reports. But I will turn to Ambassador Abdulhamid to see how he would like to proceed in this regard. By contrast, I will send a communication, as outgoing Chairperson, that will reflect the current status of discussions from today and indicate the overview and sequence of relevant documents concerning the CTG.

7.91. Finally, I note that there is an agreement on the proposed text for the three issues as contained in JOB/CTG/27 and modified today: an extension to 15 calendar days for requesting the inclusion of an agenda item[2], separating the trade concerns in new and previously raised[3], and on including CTG trade concerns in the Trade Concerns Database.[4]

7.92. I propose that the Council take note of the statements made, and proceed as proposed.

7.93. The Council so agreed.[5]

8 EUROPEAN UNION – IMPLEMENTATION OF NON-TARIFF BARRIERS ON AGRICULTURAL PRODUCTS – REQUEST FROM AUSTRALIA, BRAZIL, CANADA, COLOMBIA, COSTA RICA, DOMINICAN REPUBLIC, ECUADOR, GUATEMALA, PANAMA, PARAGUAY, PERU, THE UNITED STATES, AND URUGUAY (G/C/W/767/REV.1)

8.1. The Chairperson recalled that this item had been included on the agenda at the request of Australia, Brazil, Canada, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Panama, Paraguay, Peru, the United States, and Uruguay.

8.2. The delegate of Paraguay indicated the following:

8.3. I would like to begin by noting that non-tariff barriers faced by agricultural products getting into the European Union are numerous and diverse, as can be appreciated by today's agenda, which includes not only this, but also several other trade concerns that are related. However, my statement will focus on the current problems concerning maximum residue levels (MRLs). My delegation would like to reiterate its trade and systemic concern regarding the MRLs for plant protection products in the European Union to the limit of detection (LOD) on the basis of scientific uncertainty. We are also of the view that the EU is failing to comply with its obligations under Articles 5.1 and 5.7 of the SPS Agreement in the decisions that are the subject of this major trade concern, which is of the

[2] The Council agreed to the following: "Members wishing to propose the inclusion of an agenda item for a formal meeting of the Council for Trade in Goods should, no less than fifteen calendar days prior to the date of the meeting, either include it in the eAgenda or inform the Secretariat in writing of their intention. If the deadline falls on a non-working day, it will be moved to the previous business day."

[3] The Council agreed to the following: "The Secretariat is instructed to include a new subsection in the agenda to separate them and place them before previously raised trade concerns."

[4] The Council agreed to the following: "The Secretariat is instructed to integrate the CTG data on trade concerns into the Trade Concerns Database, subject to budgetary constraints. As the project progresses, the Secretariat will consult with Members on potential adjustments, such as how to link trade concerns raised at the CTG with STCs raised in other bodies."

[5] The outgoing Chairperson prepared a revised document describing the current Status of Work Following the Formal Meeting of 3-4 April 2023, which was circulated in document JOB/CTG/28, and sent a communication to the Chairpersons of the CTG's subsidiary bodies (See JOB/CTG/29). At the request of Members, the Secretariat has informed Members by email of the dates on which the CTG's subsidiary bodies have been discussing improvement to their functioning.

utmost importance for several Members of this Organization, and which has been raised in the SPS Committee and the Committee on Market Access.

8.4. Furthermore, the routine use of emergency authorizations by European producers for many of these substances is not only discriminatory, but also compromises the high level of protection that the EU claims its consumers enjoy, and which is the reason it cites for being unable to grant transition periods necessary for the adaptation and adjustment of production systems in third countries, whose trade is being affected by these measures. I am sure that, in her answer, our colleague from the European Union will state that trade has not been affected, and that the export values into the EU market of those Members raising this concern have in fact increased. However, we believe that we should measure the quantities and not the values, which have been affected by inflation and are not representative of the impact on trade. We should also look into the concrete impact of the measures on a concrete product from my country, which is being affected by these measures.

8.5. In Paraguay's case, for example, our rice exports to the EU are being affected principally owing to residues of tricyclazole, a substance whose MRLs were reduced to 0.01 under Regulation (EU) No. 2017/983. It is important to recall that the previous limit was 1 under Regulation (EC) No. 149/2008, and that the decision not to renew the substance was taken on the basis of scientific uncertainty because, according to the EFSA report, data gaps were identified that prevented a risk assessment from being carried out. An import tolerance application was submitted in 2018 and has just been recommended for approval by EFSA in December 2022, four years and eight months after its submission. Its future is uncertain since several EU member States have declared their opposition to the approval of import tolerances on principle; that is, independently of whether the science support the importation and safe use of the substance. Even if the import tolerance is approved – and we hope that it will be – the lack of an appropriate five-year transition period, which we have been requesting for five years, has affected our rice exports to the EU on at least nine occasions since the new MRLs were applied, a situation that could have been avoided with appropriate transition periods. This is just one example of how these restrictions are real and not theoretical.

8.6. The import tolerance proposal was possible thanks to the Good Agricultural Practices (GAPs) submitted by another Member and collaboration with one of the producers of the substance. However, we note that the EU's current system does not allow direct engagement with third countries without the producers of the substance as intermediaries, and that the comments made by the EU's trading partners are not taken into account when making decisions. The exercise of notifying the Committees thus becomes a mere formality, with no possibility for any real impact on decision-making that would affect our countries' producers. An example includes situations where the opportunity to submit comments is given one day, and the voting on the measure takes place the following day. It is difficult to believe that comment periods of less than 24 hours can properly take into account the comments by other Members in this process.

8.7. Therefore, in cases of scientific uncertainty, we request the EU: (i) to grant appropriate transition periods that would allow trade to continue while maintaining an appropriate level of protection for consumer health; (ii) to give trading partners the opportunity for the producer of the substance to engage in EFSA assessment processes sooner, and in an independent manner; and (iii) to make decisions based on risk rather than hazard.

8.8. Similarly, we request the European Union to clarify the scope of the European Court of Justice ruling regarding emergency authorizations for applications other than treated seeds and products other than neonicotinoids as directly referred to therein. While European farmers continue to benefit from these derogations to ensure their competitiveness, and while no flexibility is granted to third countries wishing to export to the EU, the measures implemented by the Commission will continue to be interpreted not as protecting consumers, but as protecting the competitiveness of European agriculture.

8.9. We further recall that my delegation, together with the delegations of Colombia, Ecuador, and Guatemala, submitted specific questions to the Commission and EU member States during the most recent SPS Committee meeting in November, and that we are still awaiting replies.

8.10. The delegate of Peru indicated the following:

8.11. Peru wishes to reiterate its support for this trade concern regarding the implementation of non-tariff barriers by the European Union, which in practice are unjustified barriers restricting trade in agricultural products. As we have mentioned on a number of occasions in the SPS Committee, Peru considers that the approach used by the European Union for assessing any maximum residue limit for pesticides results in such limits being more restrictive than necessary and does not take into account the provisions of the SPS Agreement. Moreover, we are concerned about the European Union's initiatives to take into consideration environmental aspects as a factor for future pesticide risk assessments, despite the fact that there is no technical basis for such a policy.

8.12. Furthermore, non-tariff barriers do not only refer to MRLs for pesticides, since the European Union is also establishing maximum levels for contaminants that deviate from those established under the Codex Alimentarius, as in the case of cocoa derivatives. Regarding other foods, Peru has also approached the European Union bilaterally to request information on the process for the adoption of new MRLs for contaminants and expressed the need for adequate time-frames for their implementation, given that mitigation measures vary and are effective after a subsequent extended period of implementation.

8.13. We once again request that the European Union take into consideration the concerns raised in this Council and the SPS Committee to ensure that its policies are aligned with the provisions of the SPS Agreement, and to avoid any further unnecessary disruptions to trade.

8.14. The delegate of Brazil indicated the following:

8.15. Brazil regrets that, since this issue was first raised, nearly two years ago, not only has the European Union not provided adequate answers to the many concerns raised by a large number of WTO Members, but it has also continued to adopt non-tariff barriers (NTBs) that lack scientific evidence and further imbalance trade in agricultural goods. Brazil therefore makes reference to its previous statements on this topic, as all Brazil's concerns remain valid.[6]

8.16. In addition, Brazil notes that the European Union has claimed that the measures being questioned have not prevented it from being a large importer of agricultural goods, nowhere in the GATT does it say that being a large importer of agricultural goods enables a WTO Member to adopt discriminatory policies or to go against the basic principles of the SPS Agreement. Secondly, such imports simply reflect the reality that other regions of the world can produce more effectively and more sustainably than the EU without the thousands of euros of subsidies per farmer. But while enabling a more efficient allocation of production and promoting the rise of living standards through trade are key goals of this Organization, WTO Members have never had a level playing field in the trade in agricultural goods, and the reform mandated by Article 20 of the Agreement on Agriculture (AoA) is a clear indication of that. Besides, the scientific principle, enshrined in the SPS Agreement and materialized through risk analysis, exists for a reason, namely, to establish a balance between the principle of protection of life and human and animal health, and the guarantee that the market access conditions negotiated multilaterally are not undermined by unjustified NTB measures.

8.17. However, after nearly 30 years, the European Union has not engaged meaningfully in redressing the imbalance in its favour in the AoA and is constantly imposing prohibitions based on the hazard approach and/or recourse to Article 5.7 of the SPS Agreement, despite contrary technical advice from renowned institutions. This not only tilts the balance towards protectionism, but also undermines the capacity of developing countries to raise living standards in rural areas. It is thus worrying that 25 years after its adoption, the interpretation that is being given to the SPS Agreement is moving away from the purposes that guided the negotiations during the Uruguay Round. It is also worrying that Brazil has to bring debates of this nature to the CTG in a context in which it has been following with concern the legislative projects that try to create new non-tariff barriers under the guise of environmental protection measures.

8.18. Additionally, Brazil would like to note that it is still waiting for adequate answers regarding the compatibility with WTO law of the publication by the European Union of more than 2,600 emergency authorizations by its member States of substances under review since 2017, many

[6] Document G/C/M/144, paragraphs 6.61-6.66.

of which presented the same arguments as delegations from other WTO Members in the SPS and TBT Committees, while others simply do not offer any justification and yet were approved.

8.19. As a final comment, Brazil stresses that the world is facing an acute food security crisis, which will become even more challenging in the next decades as the world's population grows. It is thus imperative to have in place incentives and policies that support agriculture in those areas that, blessed with a favourable climate for agriculture, can increase output in a sustainable manner. Unfortunately, EU policies in this area are not pulling in the direction WTO Members need in order to support the poorest in developing countries and increase food security worldwide.

8.20. The delegate of Ecuador indicated the following:

8.21. As my delegation has already said in statements before the Committees on Sanitary and Phytosanitary Measures and on Technical Barriers to Trade, Ecuador yet again finds it necessary to support this trade concern. We find it regrettable that the discussion on this issue has stalled, further increasing the economic uncertainty caused by the impact of the European Union's non-tariff barriers, mainly on small- and medium-scale farmers whose production is intended to serve the markets of European Union member States.

8.22. In discussions on improving how this Council functions, the treatment of trade concerns has been identified as one of the issues that requires further analysis. We agree that the purpose of this analysis should be to generate a genuine exchange between Members to deal pragmatically, through concrete decisions, with the substantive matters raised in this forum.

8.23. We would briefly like to recall the five objections and arguments underpinning the shared trade concern of the Members that have raised the issue under this agenda item: (i) the adoption of measures without scientific evidence; (ii) the failure to observe international standards; (iii) the failure to comply with the requirements established in the SPS Agreement; (iv) the suspension of MRLs that are beyond the levels recommended by the Codex Alimentarius; and (v) the lack of reasonable transition periods where such periods are proved necessary.

8.24. The new maximum levels have already led to the rejection of fruit exported from Ecuador to European markets. It is expected that, as new plant protection products become "unauthorized" and their residue limits are reduced to 0.01 ppm, this trend of rejecting products will increase. The five elements that we have mentioned in support of our claim have not been adequately addressed or have received only partial answers and explanations. The fifth point, although not the only one, is crucial: trading partners need at least five years to adapt their agricultural practices and put in place processes that allow the use of substitutes.

8.25. Taking the view that these concerns could form the basis for constructive dialogue with all trade partners with an interest in this matter, within the framework of this trade concern, we also refer to the queries raised by my delegation and other countries at the meeting in November last year regarding assessments of the impact on tropical developing Members and on small- and medium-scale farmers from such Members.

8.26. The lack of authorized substances has a direct impact on market access for typical Andean and tropical fruits, which, being minor crops, have few defined residue limits for approved substances. Many of these products are exported in the necessary volumes thanks to the cooperative work of small family farms, for which a change in the MRL can mean large losses. Agreeing on a transition period before implementing a measure, and implementing through programmes that facilitate the replacement of products with new ones, has a special socioeconomic and sustainable development dimension.

8.27. Farmers in the European Union opt for emergency authorizations, some of which last for years thanks to the possibility of consecutive renewals, while no similar mechanism exists for their trading partners. Equivalent treatment would not only address the socioeconomic and sustainable development dimension that I mentioned, but also ensure consistent, non-discriminatory treatment.

8.28. To conclude, Ecuador renews its willingness to engage in a constructive exchange to find a definitive solution to this issue that addresses the concerns of the European Union and its trading partners, in the spirit that governs the functioning of the WTO: namely, to lay the foundations for

understandings that facilitate a global trade that is free of unilateral barriers and in compliance with applicable rules and regulations. Only a frank and committed dialogue will enable us to achieve this objective and consolidate trade freedoms for all Members.

8.29. The delegate of Uruguay indicated the following:

8.30. Uruguay maintains its trade and systemic concern regarding the general approach taken by the European Union in its regulatory decisions linked to sanitary and phytosanitary matters, and the way in which it interacts with other European agricultural policy instruments, such as subsidies and tariffs, to restrict access to the European market, thus preventing producers in third countries from competing with their European counterparts on equal terms, in line with the views expressed by other delegations.

8.31. We are particularly concerned at the adoption of an approach whereby it has been decided to reduce the MRLs for a growing list of active substances, used at different stages of the production process of a wide range of agricultural products, to levels lower than those agreed in the Codex, and even the detection level, without a full risk assessment necessarily being carried out to justify such a departure based on conclusive scientific evidence.

8.32. In our view, any determination in that regard, particularly when it deviates from internationally accepted standards and harmonization efforts in multilateral forums such as the Codex, must necessarily be based on a full scientific risk assessment and conclusive scientific evidence, in accordance with the SPS Agreement. This is essential to maintain the effective balance that must exist between the right of Members to pursue their legitimate objectives and the need to avoid creating unnecessary barriers to trade.

8.33. Uruguay agrees with other Members that the issue of derogation regimes, including the existence and practical implementation of emergency authorizations, seem to show tensions between the domestic policies of EU member States and the aim of protecting health at the Community level, as well as trade-related situations that could potentially be discriminatory vis-à-vis third parties. In this connection, we would be interested to know how the EU intends to consider emergency authorizations for substances subject to restrictions at the Community level in the light of the recent judgement of 19 January 2023 of the Court of Justice of the European Union (CJEU), which considers such authorizations to be illegal in certain cases. Uruguay is also concerned that adequate transition periods are not being granted to make the necessary adjustments to production and to ensure that the products concerned comply with the amended MRLs.

8.34. Lastly, Uruguay once again urges the European Union to reconsider the direction of its regulatory approach with a view to avoiding the unjustified proliferation of barriers to international trade in agricultural products, bearing in mind its WTO obligations and the socio-economic consequences that these policies may have on its trading partners, especially developing and least-developed countries.

8.35. The delegate of Costa Rica indicated the following:

8.36. Costa Rica wishes to thank the European Union for its willingness to maintain a constructive dialogue with Costa Rica and other interested Members on our concerns regarding the EU's regulatory focus on the establishment of MRLs. Having said that, Costa Rica maintains the same concerns and the same requests it has made on previous occasions in this Council, which have been elaborated on by the delegations that took the floor before us. For this reason, so as not to repeat ourselves, we will refer to the minutes of the previous meeting.[7]

8.37. The delegate of Panama indicated the following:

8.38. Panama echoes the comments of the delegations that preceded me on the European Union's approach to the various trade concerns that we, the co-sponsoring Members, have raised in this and other forums. Panama reiterates its systematic trade concern relating to the increasing implementation of non-tariff barriers on agricultural products. The reduction of MRLs without sufficient scientific evidence restricts access to essential substances for agricultural production,

[7] Document G/C/M/144, paragraphs 6.23-6.28.

particularly in countries with a tropical climate, such as Panama. Panama believes that the EU's set of policies and practices carries the risk of nullifying and undermining the legitimate rights of WTO Members that are signatories to the AoA and to the SPS Agreement.

8.39. Panama agrees with the European Union's goal of supporting the global transition to more sustainable world agri-food systems, but these must be based on building solutions designed and implemented through dialogue mechanisms and multilateral cooperation frameworks. We note with regret that no progress has been observed to date. We urge the EU to listen to the legitimate concerns of dozens of WTO Members. In view of the above, Panama requests the EU to align its MRLs with the limits established under the Codex Alimentarius, or to consider less trade-restrictive alternatives, and not to accord less favourable treatment to our farmers than that accorded to European farmers through the frequent use of emergency authorizations. We believe that a constructive, serious, and ongoing dialogue, in conjunction with mutually agreed technical assistance, will enable us to find solutions beneficial to all parties.

8.40. The delegate of the Dominican Republic indicated the following:

8.41. The Dominican Republic wishes to reiterate its statement made at the last formal meeting of the Council for Trade in Goods, held on 24-25 November 2022, as follows:

8.42. The Dominican Republic welcomes the inclusion of this matter on the Committee's agenda and, for the sake of brevity, we refer to our statement made at the last meeting of the Committee on Sanitary and Phytosanitary Measures.

8.43. We share the European Union's concern regarding the protection of human and animal health and measures to protect the environment. However, we are concerned about the systemic and commercial impact that the measures to reduce MRLs may have on our exports, given that this type of regulation has a direct socio-economic impact on the Dominican Republic, particularly affecting agricultural producers, who tend to be the most vulnerable populations in LDCs and in developing countries, and who are directly hit by the socio-economic consequences of these restrictions on international trade.

8.44. The Dominican Republic considers that any measure applied by the European Union must be prepared in accordance with the rules agreed at the WTO. The draft regulation on MRLs submitted by the European Union must take into account the scientific evidence generated from studies in experimental animals, as well as epidemiological studies on exposed populations, to clearly establish disruption as an effect, thereby eliminating the presumption of adverse effects.

8.45. We therefore invite the European Union to comply with the Codex Alimentarius by reconsidering the implementation of these measures. In addition, the Dominican Republic wishes to reiterate its delegation's statement made at the last meeting of the Committee on Sanitary and Phytosanitary Measures, where we expressed particular concern about the possible modification of MRLs for imazalil, which is a key product for fruits such as bananas and mangoes.

8.46. The delegate of Canada indicated the following:

8.47. As noted in its previous interventions on this subject, Canada emphasizes the need for transparency and predictability in international trade. An important aspect in achieving this is regulatory frameworks that have been developed based on scientific data and risk analysis, and which have taken into account the comments of trading partners so that they may achieve desired outcomes while facilitating trade where this is feasible and appropriate.

8.48. In accordance with WTO obligations, Canada recognizes the right of Members to regulate in the public interest and to apply the food safety measures deemed necessary to protect human health. However, such measures must be implemented in a transparent manner that does not unjustifiably restrict international trade.

8.49. The European Union is the world's leading agricultural and forest products importer and therefore plays an important role in ensuring a predictable and open trade environment. Today, Canada would like to comment on two particular policy initiatives where the EU's approach is more

trade restrictive than necessary and could result in increased uncertainty, higher compliance costs for importers and exporters, and further complicate international supply chains.

8.50. The first issue is the European Union's proposal on deforestation-free supply chains. While Canada share's the EU's objective of preventing global deforestation, the compliance mechanisms that have been proposed within the EU's draft legislation, including the use of plot-of-land-based traceability, will result in increased costs and administrative burden for countries exporting to the EU market. As the legislative process for this regulation is well under way and moving rapidly, it is imperative for the EU to seriously take into account the concerns of its trading partners, and to ensure that any new regulation to help curb global deforestation does not unnecessarily impact trade.

8.51. The second issue relates to the series of measures that support the European Union's approach to regulating pesticides. Canada is particularly concerned with the apparent strategy to restrict the use of important plant protection products through the reduction of MRLs, and most recently on the basis of environmental concerns rather than dietary risk, which could lead to significant barriers to trade. Canada urges the EU to consider dietary risk when setting MRLs, as all countries should have the ability to use plant protection products that are appropriate to their particular circumstances and needs without unnecessarily jeopardizing access to trade. Canada urges the EU to consider pollen, nectar and floral residues for pollinator exposure in its risk assessment. The current EU approach is also problematic as European farmers still have the ability to use some of these plant protection products on an annual basis through emergency authorizations. Canada notes that EU member States have authorized numerous emergency derogations to allow plant protection products to be placed on the EU market that are banned for use in the EU, and therefore not eligible for use by exporters wishing to trade with the EU. There are many examples of emergency derogations being granted for individual EU member States for multiple years, which may indicate there is a legitimate case for the use of such products. Frequent use of emergency authorizations in the context of the EU's current approach to plant protection renewals creates an unfair playing field between domestic and imported products.

8.52. Canada also recalls that the European Union has stated that it will be changing how requests for import tolerances are established, including taking into account certain environmental impacts in the country of origin. Canadian growers and exporters have yet to be assured of the real-world feasibility, commercial viability and compliance with international obligations of the EU's proposed approach. Consequently, Canada once again requests that the EU consider maintaining MRLs for substances that do not pose unacceptable dietary risks to European consumers, as this would be the only means by which consumers would be exposed to these products.

8.53. For example, Canada is concerned by the European Union's decision to adopt legislation to lower the MRLs for clothianidin and thiamethoxam to the Limit of Quantification (LOQ) based on perceived environmental concerns rather than protection of consumer health. Additionally, this legislation does not take into account successful risk mitigation measures which have been taken by exporting countries or residues in pollinator relevant matrices such as pollen and/or nectar. This type of policy and rationale restricts trade and appears to be the EU's attempt at levelling the playing field for regulations they have imposed upon their own agricultural producers. If a pesticide does not have dietary concerns and poses no risks to EU consumers, the EU should maintain the MRLs or harmonize with Codex.

8.54. Lastly, Canada requests the European Union to take into account the timelines necessary for practical decision-making by farmers and producers, as well as the time and effort required to bring products to market, particularly for commodities with long shelf lives. Transition periods should therefore be appropriate to the circumstances and product type, and should allow commodities to clear channels of trade where no dietary risks of concern to consumers have been identified.

8.55. In conclusion, Canada hopes that the reiteration of its concerns will emphasize the importance that Canada, and many WTO Members, attribute to seeking enhanced transparency and predictability for trade, particularly in a context where such trade can contribute to global food security and supply.

8.56. The delegate of the United States indicated the following:

8.57. The United States joins Australia, Brazil, Canada, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Panama, Paraguay, and Uruguay in again raising concerns regarding the European Union's implementation of non-tariff barriers on agricultural products.

8.58. As the United States has noted in the past, the European Union continues to lower many pesticide Maximum Residue Levels, or MRLs, to trade-restrictive levels without clear scientific justification or measurable benefit to human health. This hazard-based approach to pesticide regulation may lead to trade barriers that threaten the security of global food systems.

8.59. Further, the European Union enforces newly reduced pesticide MRLs at the point of production for domestic goods, but at the point of importation for imported goods. This difference in the way that domestic and imported goods are treated causes trade inefficiencies and disruptions for products destined for the EU market and results in an unfair advantage for EU producers, especially for those that produce products with long shelf lives.

8.60. The United States remains concerned that it appears as though the European Union is following a similar approach with its new veterinary drug legislation through prohibitions on the use of antimicrobials that are not considered medically important for human health. Like other Members, the US has shared its concerns in the SPS Committee that these prescriptive restrictions, which do not appear to be based on completed risk assessments, will apply to foreign producers exporting animals and animal products to the EU.

8.61. Given the European Union's position as one of the largest importers in the world, EU polices affect production practices in third countries, as producers must choose between adopting European production practices or to abandoning trade with the EU. The United States again requests that any EU measure allow flexibility to trading partners to meet the EU level of protection in a manner that is appropriate to the needs of farmers and producers within the exporting countries' own domestic context. In light of recent calls for coordinated action to ensure predictable trade flow and support international food security, the international community should be working together to support science-based measures that promote a safe and sustainable food supply, and the United States calls on the European Union to join with its trading partners in identifying such mutually beneficial approaches.

8.62. The delegate of Australia indicated the following:

8.63. Australia has raised or supported a number of STCs relating to the European Union's implementation of non-tariff barriers on agricultural products, including at the most recent SPS and TBT Committee meetings. Australia remains concerned that the EU's application of its health and environmental standards to imported agriculture and agri-food products in many aspects does not facilitate trade and is not conducive to achieving productive and sustainable outcomes in the agriculture sector.

8.64. For imported agricultural products, the European Union's regulatory approach to agricultural inputs, production requirements, and specific measures targeted at protecting the environment has impacted third-country producers' ability to access the EU market. These concerns include the EU's recent attempts to set MRLs for certain pesticides in order to achieve environmental outcomes in third countries.

8.65. Australia does not consider that MRLs are an appropriate nor efficient tool to achieve environmental outcomes. Third country national authorities are indeed the best decision maker to ensure that pesticide application is undertaken in a safe, responsible, and sustainable manner in each country, and in accordance with their unique environment.

8.66. Australia also maintains concerns over the unfair competitive advantage provided to EU producers in applying EU domestic production requirements to imports, without allowing for the recognition of third-country systems that achieve equivalent outcomes. EU producers are subsidized to implement the EU production requirements, and if they are unable to maintain productivity and profitability, then only EU producers can access EU exemptions from certain regulatory requirements, such as emergency authorizations for the use of plant protection products (PPPs).

This creates a two-tiered system, with imported products subject to more stringent regulatory conditions than domestically produced products.

8.67. Australia recognizes the right of WTO Members to regulate agricultural imports in a manner that protects animal, plant and human health and the environment. However, Members are also bound by WTO obligations, particularly in relation to undertaking science-based risk assessments and ensuring that measures are no more trade-restrictive than necessary. In order to ensure the free flow of agricultural trade without unnecessary regulatory burden, Australia maintains its request that the EU apply international standards and best practice for regulating imported agricultural products.

8.68. Australia thanks the European Union for its ongoing engagement on these long-running issues.

8.69. The delegate of Guatemala indicated the following:

8.70. We regret having once again to place this concern on the agenda. The concern is centred on the MRL changes made by the European Union. It is being raised because, despite having expressed our concern several years ago, none of our requests have been heard.

8.71. With regard to the impact on trade, we have started to see border rejections. Allow me to recall that the export of non-traditional products depends on small producers. When the EU rejects what it sees as a small quantity of goods, for Guatemala this represents the work of many small producers. We hear about the EU's promotion of rural development and bilateral and regional trade with its trading partners, but this type of measure runs counter to that objective.

8.72. It is projected that, from 2024/25, most sectors will run out of alternatives and options for rotation. We recall that our producers do not receive the internal support that the EU grants to its agricultural producers, so the impact on our trade is real and felt directly by small producers, leading to crop losses.

8.73. A five-year transition period has been requested. This time-period was chosen because producers need to carry out tests in the field before and after a substance is used. The transition from one substance to another requires a reasonable period of time to measure the effectiveness of the new substance during various environmental cycles over the year. In addition, producers need to rotate substances to prevent resistance, which is being made more difficult by the lack of alternatives on the market. Producers are seeking certainty as regards when MRLs will be modified, as each crop involves different production stages and thus a different application of substances.

8.74. We understand that a health-based approach is the priority. However, this approach is only applied to third countries and not to European producers. If it is a health concern that has led to the EU's MRL reduction, we fail to understand how European producers enjoy the flexibility to continue using the substance with emergency authorizations that apply for 120 days and can be renewed an unlimited number of times by each member State. Meanwhile, third-country producers lack the same flexibility with regard to this rule. European agricultural producers and producers from tropical countries all face challenges linked to climate change, pests and humidity, yet they are treated differently.

8.75. We ask the European Union to hold frank discussions that enable commercial solutions to be sought with a view to ensuring that trade is not hindered more than necessary, and that similar treatment is granted. We are open to dialogue, but dialogue that leads to real results.

8.76. The delegate of Colombia indicated the following:

8.77. We remain concerned about the European Union's overall hazard regime, which is evident mainly in the pesticides policy that establishes technical and health regulations that are more restrictive than necessary. Colombia has also stated that the measure may be discriminatory when selecting the substances to be reviewed, when allowing the involvement of stakeholders, when establishing criteria such as how a food product is consumed, and in disregarding the different geographical and climatic conditions of countries, especially in tropical areas, and, last but not least,

when establishing different exemption regimes for European and foreign producers. Today, we wish to reiterate all of these arguments and our previous statements.

8.78. Colombia would like to express its agreement with the legitimate objective pursued by the European pesticides regime. However, I would like to ask the European Union: Why not establish longer transition periods for substances that are in the process of approval? Why not avoid regulatory action during production if the pesticide residue does not exceed the authorized level at the time of application? Why not maintain existing MRLs while import tolerance applications are being reviewed and until a full risk assessment has been completed, or why not consider third country data earlier in the European Union's process for renewals and approvals? Is it not possible to work together to give our producers of goods imported into the European Union an outlet? My producers are running out of solutions, and these are avenues that do not involve a change of policy but offer a way out.

8.79. The delegate of India indicated the following:

8.80. India shares the concerns raised by Members on the European Union's application of non-tariff barriers on agricultural products. The document G/C/W/767 dates back to July 2019. That these issues are still being discussed more than three years later demonstrates the serious concerns the EU's trading partners have on the approach adopted by the EU.

8.81. The European Union's unilateral measures are increasingly undermining regulatory principles and are not founded on internationally agreed risk analysis principles. They do not take into account alternative approaches to meeting regulatory objectives. In implementing its SPS measures, as well as the new approach to use TBT measures for environmental reasons, the EU seems to impose its own domestic regulatory approach onto its trading partners. India observes with concern that this is becoming a wider trend, as also seen under the European Green Deal related regulations.

8.82. India has also raised similar concerns in other bodies like the Committee on Agriculture, the Committee on Market Access, the Committee on Sanitary and Phytosanitary Measures, and the Committee on Technical Barriers to Trade.

8.83. The delegate of Japan indicated the following:

8.84. Japan acknowledges that the European Union is working to take specific measures that are already under way, including the lowering of MRLs to protect pollinator insects and the introduction of deforestation-free product rules in order to ensure that the EU health and environmental standards apply to imported agricultural, livestock and fishery products within the framework of a mirror clause.

8.85. However, in order to build a sustainable food system, it is necessary not only to address agricultural products imported into the European Union, but also agricultural products produced around the world. To that end, it is important for each country to work on building a sustainable food system that takes into account its own climate and other factors. Japan is of the view that EU health and environmental standards should not be uniformly applied to imported goods, but the efforts of each country should be respected.

8.86. The European Commission's report on the "Application of EU health and environmental standards to imported agricultural and agri-food products" has stated that the European Union will continue to make efforts at the multilateral level to obtain a global consensus on internationally agreed standards. If the EU introduces such a new approach, Japan would like to request that it ensure that the measures are consistent with WTO Agreements, and that it hold international discussions on this topic.

8.87. The delegate of the European Union indicated the following:

8.88. The European Union takes good note of the various comments by WTO Members. The EU provided detailed replies to these concerns at the previous CTG meetings. The EU's previous statements remain valid in their entirety.

8.89. The European Union has engaged extensively, including on the basis of the questions raised in this Council and the SPS and TBT Committees. The EU has also engaged bilaterally. Recently, on

17 March, a plurilateral meeting took place in Geneva which allowed for a frank technical discussion. The EU has also organized information sessions and provided detailed information through various communications. The EU refers in particular to document G/SPS/GEN/1494/Rev.2, circulated in July 2021, which provided an overview of the ongoing review of MRLs of pesticides in the EU. Importantly, it described the review process, as well as how non-EU countries could actively contribute to it. The EU remains open to engage in further discussions on how Members can work together to facilitate the trade of agricultural products treated with PPPs.

8.90. The European Union continues to provide technical assistance to developing countries and LDCs in improving SPS capacity and market access, directly or through other international organizations and partnerships, such as the WTO-hosted Standards and Trade Development Facility (STDF). The EU emphasizes our common interest in ensuring that pesticide residues are not present at levels presenting an unacceptable risk to human health.

8.91. On emergency authorizations, according to a recent ruling of the European Court of Justice (case C-162/21), EU member States can no longer grant emergency authorizations for any outdoor use of thiamethoxam or clothianidin, whether these are for coating seeds for outdoor sowing or for any other outdoor uses such as foliar spraying; nor can they grant emergency authorizations for the sowing of seeds that have already been coated with either of these substances. Furthermore, the Commission is considering the implications of the judgement for the granting of other emergency authorizations, including for other substances or for substances that have not been approved or have not been renewed in the EU because of risks to human/animal health or the environment.

8.92. Finally, based on the outcome of the 2021 UN Food Systems Summit, and considering the Stocktaking Moment next July, the European Union believes that we have a shared interest in making our food systems sustainable by tackling the issue of toxic active substances and protecting our citizens' health with appropriate measures.

8.93. The Council took note of the statements made.

9 EUROPEAN UNION – PROPOSED MODIFICATION OF TRQ COMMITMENTS: SYSTEMIC CONCERNS – REQUEST FROM URUGUAY

9.1. The Chairperson recalled that this item had been included on the agenda at the request of Uruguay.

9.2. The delegate of Uruguay indicated the following:

9.3. Uruguay wishes to reiterate its position on, and its trade and systemic concerns about, the issue of unilateral modifications of concessions in the form of European Union tariff rate quotas under Article XXVIII of the GATT 1994 following Brexit, in particular with respect to the fact that they are not necessary and that there is no legal basis under the WTO Agreements for proceeding in that manner.

9.4. Uruguay wishes to reiterate is dissatisfaction given that the European Union has not as yet shown any willingness to consider even its more modest and reasonable requests, despite the injury studies submitted in a timely fashion, and the particular importance and sensitivity for Uruguay of the market access conditions and concessions being discussed.

9.5. Once again, Uruguay reaffirms its willingness to find a mutually agreed solution, for which the European Union will need to recognize Uruguay's specific conditions and needs, and demonstrate the necessary political will to reach an agreement.

9.6. Lastly, without prejudice to the bilaterally agreed commitments between the European Union and the United Kingdom, Uruguay once again requests that the European Union unequivocally remove the United Kingdom from the potential users of its tariff rate quotas in its WTO Schedule of concessions. At the same time, Uruguay continues to wait for the European Union to proceed with the downward adjustment of its final bound aggregate measurement of support (AMS) entitlements in its Schedule of concessions, in line with the announcements made.

9.7. The delegate of Paraguay indicated the following:

9.8. Paraguay would like to reiterate its systemic concern over the lack of change regarding the European Union's TRQ commitments, as well as the proposed reduction of total bound AMS following the exit of the UK from the European Union. Recently, in the Committee on Agriculture, the EU once again introduced a notification, in the series MA/1, instead of actually adjusting their Schedule of concessions as they should have done. This issue subsequently met with a number of questions in that recent Committee.

9.9. The delegate of Brazil indicated the following:

9.10. Brazil has been co-sponsoring this agenda item for years due to the assessment that the proposed splitting of the EU-28 TRQ commitments would undermine the current level of market access enjoyed by Brazilian companies and producers in the EU and UK markets, and that compensation was therefore due. Concerning the UK's scheduling, Brazil has entered into an agreement with the UK and the EU. However, Brazil stresses that the methodology used for those negotiations do not represent, and should not be construed as, a precedent for future negotiations.

9.11. The delegate of the European Union indicated the following:

9.12. The European Union is negotiating with its WTO partners in full respect of the provisions laid down in Article XXVIII of the GATT 1994 as regards the modification of its Schedule. Furthermore, the EU has been open to discuss with WTO partners its proposed TRQ apportionment. Whenever WTO partners presented valid data and arguments justifying a modification of the proposed TRQ volumes, the EU has been open to meet such requests. WTO partners have also asked the EU to exclude the United Kingdom from access to its WTO *erga omnes* TRQs (and vice versa). The EU has fully met this request, as laid down in Article 33 of the EU-UK Trade and Cooperation Agreement.

9.13. The European Union's efforts to seek mutually agreed solutions with its WTO partners have given very good results. The EU is pleased to report excellent progress achieved so far with agreements formally signed with nine partners, initialled with another two partners, and negotiations close to reaching an agreement with the majority of the other partners.

9.14. The European Union welcomes the increased engagement of many WTO Members and remains fully committed to continuing these negotiations and consultations and to bringing them to a successful close before the end of the negotiation period (set up now for 1 July 2023).

9.15. The Council took note of the statements made.

10 UNITED KINGDOM – DRAFT GOODS SCHEDULE AND PROPOSED UK TRQ COMMITMENTS: SYSTEMIC CONCERNS – REQUEST FROM URUGUAY

10.1. The Chairperson recalled that this item had been included on the agenda at the request of Uruguay.

10.2. The delegate of Uruguay indicated the following:

10.3. Uruguay wishes to reiterate once again its position and concerns regarding the United Kingdom's claim of a substantial bound total AMS of GBP 4,949.3 million; the proposed currency conversion in the draft schedule of concessions of that Member, and its consequences for the levels of domestic support commitments and access to the proposed markets; and the United Kingdom's intention to replicate the right to invoke the special agricultural safeguard for all the products set out in the European Union's Schedule and under the same criteria and conditions.

10.4. With regard to the ongoing Article XXVIII process, Uruguay reaffirms its willingness to continue working with the United Kingdom with a view to reaching a mutually advantageous agreement, which will allow that Member to have an independent schedule of concessions formally established in the WTO, while safeguarding Uruguay's legitimate rights and interests.

10.5. The delegate of the United Kingdom indicated the following:

10.6. The United Kingdom would like to thank Uruguay for its interest on this agenda item today, and all Members who have engaged on this issue. The United Kingdom refers Members to document G/L/1386/Add.3, which was circulated by the Secretariat on 2 December 2022. The document outlines that the UK has now extended the timelines under Article XXVIII:3 of the GATT 1994 by six months, until 1 July 2023. In this time, the UK aims to address the small number of remaining technical concerns raised. To this end, the UK is engaged in bilateral discussions with Uruguay and is open to continuing this bilateral dialogue.

10.7. Regarding the technical points made, the United Kingdom would like to refer Members to the previous statements made in this Council, and at the Committee on Market Access, which set out the UK's position on these issues. The UK would also like to note that, following technical level engagement, many Members who once initially held similar concerns have since received sufficient reassurances to enable them to remove their objections.

10.8. The United Kingdom would like to reiterate its thanks to all Member, including Uruguay, who have engaged constructively on matters relating to its Goods Schedule in this process. In line with WTO practice, the UK will further update Members as it continues towards concluding this process.

10.9. The Council took note of the statements made.

11 EUROPEAN UNION – QUALITY SCHEMES FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS – THE REGISTRATION OF CERTAIN TERMS OF CHEESE AS GEOGRAPHICAL INDICATIONS – REQUEST FROM NEW ZEALAND AND URUGUAY

11.1. The Chairperson recalled that this item had been included on the agenda at the request of New Zealand and Uruguay.

11.2. The delegate of New Zealand indicated the following:

11.3. New Zealand continues to raise this item in the Council for Trade in Goods and refers the European Union to its previous statements on this matter. New Zealand has considered the EU's response on this matter. However, we still see a conflict in the European Commission's approach to protecting the cheese names "Danbo" and "Havarti", for which there are existing CODEX standards, and the integrity of the standards setting system that promotes reliability and consistency in international trade rules, which we would expect the EU to support.

11.4. The delegate of Uruguay indicated the following:

11.5. Uruguay regrets placing this item on the agenda once again and wishes to refer to its previous statements, while reaffirming its trade and systemic concerns at the European Union's decision to register the term "Danbo" as a protected geographical indication, despite objections by several Members. In systemic terms, it is worrying that recognized international standards are disregarded, raising doubts about their integrity and the value of international harmonization efforts undertaken in the Codex. It is unclear what the point and significance are of multilaterally agreeing a Codex standard, only for the use of this term to later become an exclusive privilege of certain producers.

11.6. As Uruguay has noted for a long time, Danbo refers to a cheese manufacturing technique covered by Codex Standard 264, which lays down the characteristics, form of production, and labelling of this type of cheese. This standard establishes that Danbo is the name that can be applied to food that conforms to the standard, and that the product's country of origin, which is clarified as meaning the country of manufacture, must be declared on the label. This Codex standard is commonly interpreted as Members' recognition of Danbo as a generic term for a product that may be produced in a variety of locations so long as the requirements established under the standard are satisfied.

11.7. In trade terms, the creation of unnecessary barriers to the marketing of this type of cheese in the European Union, and the impact this has when extended to third markets through the conclusion of trade agreements, is a matter of concern. This situation also creates uncertainty in terms of the legitimate expectations of small-scale producers, who acquired rich cultural knowledge,

in areas including cheese production, through Danish cooperation programmes, to access international cheese markets.

11.8. Uruguay is of the view that the registration of the term "Danbo" as a protected geographical indication is not only inconsistent with that historical policy of cooperation, but also constitutes a precedent for the establishment of a *de facto* monopoly over a Codex standard. Despite the time that has elapsed and the *faits accomplis* that fail to take into account these legitimate trade and systemic concerns, Uruguay will keep this item on the agenda.

11.9. The delegate of the European Union indicated the following:

11.10. The European Union takes note of the concerns expressed by New Zealand and Uruguay. The European Union has provided detailed replies to these concerns at previous CTG meetings. We have no new development to report. Without repeating its previous statements in full, the EU would like to underline that its previous statements remain unchanged. In particular:

11.11. The European Union has consistently said that the fact that a GI name is subject to a specific Codex Alimentarius standard or that it is listed in Annex B to the Stresa Convention does not imply that the name should be considered as a common or generic term. Generic status in the European EU can only be assessed with regard to the perception of the consumers on the EU territory. In the EU, the relevant public is comprised mainly of the reasonably well-informed members of the public and/or customers who may purchase the product or a like product.

11.12. Regulation (EU) No. 1151/2012 on quality schemes for agricultural products and foodstuffs, as well as subsequent delegated and implementing acts, were notified to the WTO under the TBT Agreement as they contain provisions relevant to the TBT Agreement (for example, provisions related to technical standards, definitions, and labelling issues). Nevertheless, even if intellectual property rights (in particular, elements related to the substantive protection of geographical indications) are part of the notified measures, those are not relevant for TBT purposes.

11.13. The Council took note of the statements made.

12 INDIA – IMPORT POLICIES ON TYRES – REQUEST FROM CANADA; THE EUROPEAN UNION; INDONESIA; THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU; AND THAILAND

12.1. The Chairperson recalled that this item had been included on the agenda at the request of Canada; the European Union; Indonesia; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; and Thailand.

12.2. The delegate of Indonesia indicated the following:

12.3. Indonesia has once more voiced its disapproval to India because it has not yet received a satisfactory response or explanation addressing the subject of restricting tyre imports from India. Indonesian tyre exports to India have so far been prevented from reaching the Indian market. The policy of restricting tyre imports and the policy of charging a marking charge for the use of the Indian Standard Mark (IS Mark) on tyre products exported to third countries, respectively, are something that Indonesia intends to ask India for more clarification on.

12.4. India has asked importers to submit separate electronic mail (email) declarations addressing import limits for specific types and size categories of tyres that can be produced locally in India as part of the aforementioned tyre import restriction policy. The FTDR Act of 1992 imposes criminal penalties for violations of the registration requirements of warehouses where imported tyres are kept, therefore importers must abide by them as well.

12.5. Indonesia believes that the ban on Indian tyre imports is discriminatory because it only applies to a small number of WTO Members who could pose a threat to domestic Indian tyre producers. This selective application allows the intended policy to potentially run counter to the WTO principle of non-discrimination. In addition, Indonesia believes that the policy of restricting imports of Indian tyres has severely hampered the availability of Indonesian tyre goods in the Indian market,

particularly given the large range of tyre sizes that can be produced in India, one of the world's major tyre producers.

12.6. The imposition of a marking fee on tyre products marked with the Indian Standard (IS) Mark is something that Indonesia also plans to seek India to clarify. According to Indonesia, the application of IS Mark marking fees on tyre products that will be exported to third countries can burden the country's tyre industry and erect needless trade barriers.

12.7. India has also previously declared that the tyre import restrictions regime and the enforcement of IS Mark marking fees are examples of non-automatic licensing procedures. Actually, in accordance with Article 3.2 of the Agreement on Import Licensing Procedures, the non-automatic import licensing procedures used by WTO Members must match the breadth and duration of the customary import licensing procedures. Also, the non-automatic import licensing process should not obstruct trade or add to the administrative burden for import licensing applicants. Furthermore, based on Article 3.3 of the Agreement on Import Licensing Procedures, WTO Members who implement non-automatic import licensing procedures that are intended other than for applying quantitative restrictions are required to provide information regarding the basis of the import licensing procedures.

12.8. Indonesia implores the Indian government to give information on the scope and schedule for implementing the policy restricting tyre imports, as well as additional justification for the execution of the aforementioned policy.

12.9. Indonesia also requested that India review its import restrictions on tyre products right away to ensure compliance with its obligations under the TBT Agreement, Import Licensing Agreement, Article XI of the GATT 1994 regarding the General Elimination of Quantitative Restrictions, and the WTO's transparency and non-discrimination principles.

12.10. The delegate of Chinese Taipei indicated the following:

12.11. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has consistently expressed its concerns regarding India's licensing regime on the importation of pneumatic tyres under Notification No. 12/2015-2020. This notification amended the import regulation of certain pneumatic tyres from "Free" to "Restricted". We remain disappointed that India has not adjusted or revoked its existing measures, nor clarified the criteria for granting licences, or explained the reasons for its refusals.

12.12. According to the Ministry of Commerce and Industry of India's statistics, the quantity of our tyre exports to India from 2020 to 2022 sharply decreased, by 50%, compared to the exports in 2019. This clearly indicates that the measure has significantly hampered our tyre products' access to the Indian market, resulting in substantial adverse effects on trade.

12.13. We urge India to abide by the relevant provisions of the WTO Agreement on Import Licensing Procedures, which specifically require that the import licensing measures shall neither restrict nor distort trade, and that India publishes complete information about the import licence application procedure, ensuring transparency so that foreign manufacturers are able to understand the criteria for licence approval and the detailed reasons for potential licence rejections.

12.14. It is evident that India's measures have resulted in a quantitative restriction on tyre imports. We request India to provide a WTO-consistent justification for its restrictive measure. Otherwise, we strongly urge India to ensure that all import licence applications, which fully comply with the required quality standard for tyre products, are granted without any quota limitations at all.

12.15. The delegate of Canada indicated the following:

12.16. Canada would like to reiterate its concerns with India's non-automatic import licensing system, which effectively imposes quotas on imports of tyres. These concerns have previously been expressed by a number of Members in various WTO bodies, including this Council. Canada once again calls on India to eliminate this quantitative import restriction in accordance with its WTO obligations.

12.17. The delegate of the European Union indicated the following:

12.18. The European Union reiterates its concerns relating to the long-standing issue of India's import policy on tyres. We have provided details on multiple occasions in various bodies of the WTO, including this Council, the Market Access Committee, the TBT Committee, the Import Licensing Committee, and the TRIMs Committee.

12.19. Stakeholders in the European Union continue to be negatively impacted by this measure. The EU continues to urge India to reconsider and eliminate any implicit or explicit quantitative or other restrictions on the import of replacement tyres. The EU remains of the view that these restrictions are contrary to WTO rules.

12.20. The delegate of Thailand indicated the following:

12.21. Like previous speakers, Thailand would like to reiterate the concern that it has raised numerous times in past meetings of the Committee on Import Licensing, the Committee on Market Access, and the Council for Trade in Goods regarding India's import policies on tyres that has still considerably affected Thailand's exports of the products to India, and which has aggravated over time.

12.22. Let me provide some statistical background. In 2021, the exports of car tyres from Thailand to India declined by 40% compared to 2019, before this restrictive measure was implemented. In 2022, however, the rate of decline was even more staggering, where the exports fell by 57% compared to the same period of 2019. Also, Thailand regrets to say that it has yet to receive any response from India regarding the requests for information it has made since October 2022. Therefore, Thailand would like to reiterate its request once again that India provide the following information as soon as possible: (i) information on the administration of the restrictions, including the time-frame or period for processing applications; (ii) information on the import licences granted to Thailand over the recent period; and (iii) information on the distribution of such licences among supplying countries.

12.23. The delegate of India indicated the following:

12.24. India would like to thank the various Members for their continued interest in this issue. India would also like to refer to its response provided in previous meetings of the Council for Trade in Goods, the Committee on Market Access, and the Committee on Import Licensing. India would like to reiterate that its non-automatic licensing requirements for tyres are administered in a manner consistent with the rules of the Agreement on Import Licensing Procedures, including with respect to the time-frames for the grant of import licences. The Capital continues to examine the points raised by the interested Members.

12.25. The Council took note of the statements made.

13 INDIA – IMPORT RESTRICTION ON AIR CONDITIONERS – REQUEST FROM JAPAN AND THAILAND

13.1. The Chairperson recalled that this item had been included on the agenda at the request of Japan and Thailand.

13.2. The delegate of Japan indicated the following:

13.3. Japan continues to express its concerns that India's import ban on air conditioners, including refrigerants, introduced in October 2020, is a measure that unreasonably imposes a restructuring of corporate supply chains. Japan is seriously concerned that this measure is likely to constitute an import ban that is inconsistent with Article XI:1 of the GATT 1994, as well as Article 2.1 of the TRIMs Agreement.

13.4. India responded in the previous CTG meeting that the measure was consistent with its obligations under the Montreal Protocol. However, Japan considers this import ban to be superfluous and irrational in that it covers a wide range of air conditioners that use refrigerants. Furthermore, these air conditioners are not subject to India's reduction, elimination obligations under the Montreal

Protocol, or the regulation for freon gas causing ozone layer depletion under India's domestic regulation.

13.5. India stated in the previous CTG meeting that "we have shared with Japan the intention and status of this measure and would like to draw your attention to the notification to the Import Licensing Committee (G/LIC/N/2/IND/21)". However, India has not responded to the written questions, and it is difficult to say whether India has fully explained the situation. Japan expects a sincere and prompt response from India, including a response to the written questions Japan submitted in September 2020. Japan would also like to clarify the purpose of the reference to the notification to the Import Licensing Committee (G/LIC/N/2/IND/21) in the context of the issue of the import restrictions in question.

13.6. In addition, as Japan mentioned in the past, with regard to the IS Mark certification system based on the Quality Control Orders for air conditioners and their parts, which has been extended to October 2023, and in order to prevent delays in the certification procedure for imported products, Japan would like to ask that the Bureau of Indian Standards (BIS) conduct smooth overseas factory inspections, or that India consider alternative procedures for certification other than overseas factory inspection. If it is difficult to do so, Japan would like to ask India to extend the date to implement the measures.

13.7. The delegate of Thailand indicated the following:

13.8. Thailand would like to echo Japan's concerns regarding India's import prohibition on air conditioners containing refrigerants. Despite our intervention on numerous occasions in various WTO bodies, and our esteemed Indian delegate's statement that our concerns were conveyed to New Delhi for analysis, yet four months have passed, and we have heard absolutely nothing from India. In the meantime, Thai exports of air conditioners to India continue to be subject to this highly restrictive import measure, which is clearly inconsistent with Article XI:1 of the GATT 1994.

13.9. According to India, the ban at issue serves to protect the stratospheric ozone layer within the meaning of the Montreal Protocol, and is, therefore, justified under the exceptions in Article XX of the GATT 1994. Like India, Thailand is dedicated to protecting the stratospheric ozone layer, as required by the Montreal Protocol. Thailand, however, fails to see any rational connection between India's ban and the objective of protecting the ozone layer.

13.10. India's Notification No. 41/2015-2020 merely lists two HS codes for air conditioners that are subject to India's import prohibition if they contain refrigerants. The notification in question does not specify the types of prohibited refrigerants, or, for instance, explain whether these are the ozone-depleting substances listed in the Montreal Protocol; nor does the notification refer to India's legislation on the protection of the stratospheric ozone layer. There is thus no clear nexus between this measure and India's obligations under the Montreal Protocol, as required under Articles XX(b) or XX(g) of the GATT 1994.

13.11. Moreover, India's Ozone Depleting Substances (Regulation and Control) Rules, read together with their 2014 Amendment, provide for many exceptions for India's domestic products that contain ozone-depleting substances, including air conditioners. This suggests that India fails to apply its import ban "in conjunction with restrictions on domestic production or consumption" within the meaning of Article XX(g) of the GATT 1994, and instead applies its ban "in a manner that constitutes a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail" within the meaning the chapeau of Article XX of the GATT 1994. Thailand has provided many examples of these exceptions for India's domestic products during the previous meetings of the Committee on Market Access, on 19 October 2022, and the Council for Trade in Goods, on 24 November 2022.

13.12. Last but not least, Thailand has also found that India's notification to the Committee on Import Licensing in document G/LIC/N/2/IND/21 is at odds with this import restriction of air conditioners with refrigerant. According to the notification, the importation of hydrofluorocarbons is allowed given that a non-automatic import licence is granted. Ironically, if the same substance is contained in an air conditioner, the importation of the air conditioner into India will be banned. Thailand requests India to provide as soon as possible an explanation of this self-contradictory and discriminatory action.

13.13. Given the inconsistency of India's prohibition on air conditioners with Article XI:1, and that the measure cannot be justified under Articles XX(b) or XX(g) of the GATT 1994, as well as its self-contradiction in relation to India's own import licensing regime on hydrofluorocarbons, Thailand asserts that India should immediately amend or repeal this import prohibition on air conditioners with refrigerant.

13.14. The delegate of the Republic of Korea indicated the following:

13.15. The Republic of Korea shares the concerns expressed by previous speakers regarding India's import restrictions on air conditioners. Korea believes that the measure appears to be inconsistent with WTO rules, particularly Article XI:1 of the GATT 1994, thereby creating an unnecessary obstacle to trade. Korea requests that India resolve the issue in a timely manner. Korea stands ready to further engage with India.

13.16. The delegate of India indicated the following:

13.17. India would like to thank the delegations of Japan, Thailand, and the Republic of Korea for their continued interest in this issue. My delegation has already shared details of these measures, the intent and ongoing developments with the delegations. India would also like to attract attention to the notification in document G/LIC/N/2/IND/21 made by India to the Committee on Import Licensing under Article 5.1-5.4. This notification clearly spells out the details of the restricted import policy for hydrofluorocarbons, which are relevant to this agenda.

13.18. In the recently concluded Trade Policy Review of Japan, we had highlighted that Japanese firms enjoyed strong market share in this segment in India, including in the most recent three years, and that it was unfortunate that this issue continues to be raised in the CTG and other bodies. The issue of inspection procedures raised by Japan has been addressed in the previous meeting of the Committee on Technical Barriers to Trade.

13.19. The Council took note of the statements made.

14 NEPAL – IMPORT BAN ON ENERGY DRINKS – REQUEST FROM THAILAND

14.1. The Chairperson recalled that this item had been included on the agenda at the request of Thailand.

14.2. The delegate of Thailand indicated the following:

14.3. Thailand would like to reiterate its concern over the Nepali government's measure prohibiting imports of caffeinated mixed energy drinks and flavoured synthetic drinks from Thailand since 2019. That said, Thailand would like to convey its sympathy to the people of Nepal who are facing one of the most difficult economic hardships of the country, which have understandably forced the government of Nepal to adopt the trade-restrictive measures.

14.4. Thailand would like to remind Nepal that WTO Members facing balance-of-payments difficulties may apply import restrictions, subject to the provisions under Article XII of the GATT 1994, provided that they do not exceed those necessary, are progressively relaxed, and are maintained only to the extent that the conditions still justify their application. That said, Thailand takes note of Nepal's notification of this measure in document G/MA/QR/N/NPL/1, dated 11 October 2022. However, Nepal has yet to provide any justification and other related details of such measure. Thailand urges Nepal to do so as soon as possible.

14.5. Thailand would also like to remind Nepal of the provisions under Article 6 of the Understanding on the Balance-of-Payments Provisions of the GATT 1994, where "[A] Member applying new restrictive import measures taken for Balance-of-Payments purposes shall enter into consultations with the Committee on Balance of Payments Restrictions within four months of the adoption of such measures", and Article 9 of the Understanding, where "[A] Member shall notify to the General Council the introduction of or any changes in the application of restrictive import measures taken for Balance-of-Payments purposes". Thailand urges Nepal to respect and follow these provisions without delay.

14.6. Finally, Thailand would also encourage Nepal to provide an update on its balance-of-payments situation, and how such trade restrictive measures could help alleviate the problem.

14.7. The delegate of Nepal indicated the following:

14.8. Nepal would like to thank Thailand for its statement and continued interest in its trade policy measures and notes that this concern has also been raised in the Committee on Market Access (CMA). Accordingly, Nepal wishes to refer to its earlier statements delivered at the meetings of the CMA held in October 2022, and at the Council's meeting held in July 2022, in response to the concern raised today, while noting that Nepal is still facing challenges in its balance of payments.

14.9. Nepal's export-import ratio of trade in goods was 1:2.5 in 2004/2005, when Nepal became a WTO Member; it has widened and reached 1:15.3 in 2017/2018; and the export-import ratio was more than 1:10 in the year 2022, which has been placing huge pressure on its balance of payments. The Government of Nepal is assessing the measure periodically in view of the pressure on its balance of payments. In this regard, Nepal has made some progress, which has been notified through document G/MA/QR/N/NPL/1, on 11 October 2022. Once again, Nepal would like to inform Members that the measure was not intended to impact any area in particular. I would also like to assure Members that I will update them as soon as I receive a further progress report from Capital. Finally, Nepal wishes to resolve this matter at the bilateral level.

14.10. The Council took note of the statements made.

15 UNITED STATES – TRADE DISTORTING AND DISCRIMINATORY SUBSIDIES MEASURES OF THE INFLATION REDUCTION ACT OF 2022 – REQUEST FROM CHINA

15.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

15.2. The delegate of China indicated the following:

15.3. China would like to refer to the statement it made in previous meetings of the Council. China has been following this issue very closely. We take note that last Friday, the US Treasury Department and the Internal Revenue Service (IRS) released proposed guidance on the new clean vehicle provisions of the Inflation Reduction Act. According to the press release of the US Treasury Department, beginning in 2024, an eligible clean vehicle may not contain any battery components that are manufactured by a foreign entity of concern, and beginning in 2025, an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by a foreign entity of concern. The US Treasury and the IRS will issue subsequent guidance on this provision.

15.4. China remains deeply concerned with the discriminatory aspect of these measures. We believe that subsidies to address climate change should be non-discriminatory and consistent with WTO rules. We urge the United States to eliminate discriminatory and distorting subsidies in the Inflation Reduction Act (IRA) that are not in line with WTO rules.

15.5. The delegate of the Russian Federation indicated the following:

15.6. The Russian Federation would like to thank China for raising this concern. In August 2022, the United States enacted the so-called Inflation Reduction Act (IRA). According to the estimates of the US Congress, the IRA implies support to the domestic US economy worth over USD 369 billion during the next ten years.

15.7. The IRA contains various tax incentive programmes for domestic manufacturers and energy suppliers. Specifically, pursuant to this Act, the USD 7,500 tax credit for an electric vehicle stipulates the following conditions: (i) the electric vehicle has to be assembled in North America; (ii) components for a vehicle battery shall originate in the United States, Canada, or Mexico; and (iii) the so-called "critical" raw materials used for manufacturing a vehicle battery shall originate in North America and the territory of US FTA partners. Besides these conditions, the IRA provides additional support for the use of renewable energy facilities with the use of US-made iron and steel.

15.8. Obviously, these measures discriminate against a wide range of products originating from non-eligible WTO Members and undermine global trade in goods over the entire supply chain. The law aims to exclude products from certain WTO Members from participating in said supply chains, provoking international trade fragmentation as well as destabilizing trade and investment flows. What makes the law even worse is that, in order administratively to choose with whom to trade, the US Administration aims to conclude bilateral arrangements, in the form of special raw materials pacts, with a number of WTO Members, which would extend to such Members the status of an FTA partner, making their products eligible for US tax credits.

15.9. The IRA is yet another US initiative that explicitly violates WTO rules, in particular those concerning most-favoured-nation and national treatment, provisions of the Agreement on Trade-Related Investment Measures, and the Agreement on Subsidies and Countervailing Measures. Members taking such steps are neglecting the fundamental principles of the WTO, despite their words in favour of preserving the multilateral system.

15.10. The delegate of Switzerland indicated the following:

15.11. Switzerland welcomes the efforts of the United States to combat inflation by means of environmental measures as we recognize that promoting clean energy and transportation technologies may contribute to environmental objectives. Trade policy can make a very important contribution to solving climate change and other global environmental challenges and trade policy must be part of the solution. That said, Switzerland reiterates its concerns regarding the potential discriminatory aspects of the measure against imported like products. In our view, environmental measures by means of trade policy instruments must be non-discriminatory and in compliance with WTO rules, which also ensures that such measures deploy their positive environmental impacts to the greatest possible extent.

15.12. The delegate of the United States indicated the following:

15.13. We all share an urgent need to increase investments in clean energy technologies to seriously combat the climate crisis, as well as to address supply chain issues. The Inflation Reduction Act signed by President Biden is a key tool for the United States to meet these critical objectives.

15.14. The transportation sector is the highest source of greenhouse gas emissions in the United States, and we will not meet our Paris commitments and other climate goals without bold action to promote major new investments in clean energy technology, especially incentives for electric vehicle production and their adoption. The Act provides clean vehicle tax incentives to encourage a rapid transition to clean transport. It ensures we can create more diverse and robust supply chains and promote the domestic adoption of clean vehicles. In addition to the Clean Vehicle Tax Credit for new clean vehicles purchased, the Inflation Reduction Act also provides for a Commercial Clean Vehicle Credit and a Previously-Owned Clean Vehicle Credit. These provisions create tax credits for certain eligible light, medium and heavy-duty clean vehicles purchased by businesses, and, for used clean vehicles. Final assembly, battery and critical mineral requirements do not apply to these credits. We believe these vehicles will account for a significant share of the total clean vehicle purchases in the future and our Congressional Budget Office estimates these vehicles will receive roughly 40% of overall Clean Vehicle Tax Credit funding.

15.15. We are in the early stages of developing the regulations for this program. We are considering input from all stakeholders as the Department of Treasury moves forward with its public process in implementing these credits as required by the legislation. We note that several of our trading partners already have taken advantage of the opportunity to participate in our transparent process, and that there will be future opportunities to engage in this process.

15.16. We would note that many of our trading partners, including China, have also prioritized investment in EV technologies, and taken a range of domestic measures to support zero emission vehicles.

15.17. In discussions regarding electric vehicle measures, the starting point should be the importance of working to achieve our overall climate, supply chain, and related goals in parallel – and to do so in a way that we can maintain support from our stakeholders. This includes, for example, our shared goal in ensuring we achieve the Paris commitments.

15.18. The Council took note of the statements made.

16 UNITED STATES – A SERIES OF DISRUPTIVE POLICY MEASURES ON THE GLOBAL SEMICONDUCTOR INDUSTRY CHAIN AND SUPPLY CHAIN – REQUEST FROM CHINA

16.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

16.2. The delegate of China indicated the following:

16.3. China continues to express its serious concerns over the disruptive and discriminatory measures taken by the United States regarding the semiconductor industry. We take note that the United States Department of Commerce recently issued a Notice of Funding Opportunity CHIPS Incentive Program – Commercial Fabrication Facilities. We believe some measures in this notice may violate WTO rules and severely distort the market.

16.4. The notice sets the prioritization and selection factors for selecting applications for funding. One factor is to strengthen the intent to use domestically produced iron, steel, and construction materials. This may result in local content subsidies that are not consistent with the SCM Agreement.

16.5. The notice also indicates that an applicant must demonstrate how the requested CHIPS Incentives will incentivize the applicant to make investments in the United States that would not occur in the absence of the CHIPS Incentives. This gives us the impression that the applicant's investment decisions may not be based on market orientation, and commercial interests and logic, because those investments would not occur without the CHIPS Incentives.

16.6. In addition, the CHIPS and Science Act restricts recipients of the funds from constructing new or expanding existing leading-edge and advanced technology facilities in foreign countries of concern for 10 years. The proposed thresholds for the above-mentioned restriction are USD 100,000 or a 5% increase in a facility's production capacity. In China's view, this means that, if the recipients get the CHIPS incentive funds, they are not allowed to expand their investment in advanced semiconductor facilities in China by more than USD 100,000, or increase their production capacity by 5%.

16.7. We believe that this is typical "Cold War mentality", a "zero-sum game", and "trade bullying". The measures taken by the United States have severely undermined the global semiconductor industry chain, violated the market principles that the US has always been advocating, disrupted the normal order of international trade and investment, and negatively affected the rules-based multilateral trading system. China calls on the WTO to strengthen the monitoring of the relevant measures that may violate WTO rules.

16.8. The delegate of the United States indicated the following:

16.9. The CHIPS Act consists of three distinctive initiatives: (i) large-scale investments in leading edge logic and memory manufacturing clusters; (ii) expansion of manufacturing capacity for mature and current generation chips, new and specialty technologies; and (iii) initiatives to strengthen and advance US leadership in research and development. A successful CHIPS program will respond to market signals, fill market gaps, and reduce investment risks to attract significant market capital. On the topic of market distortions, the contemplated support is consistent with US law and international commitments. The Subsidies Agreement does not have obligations with regard to restrictions on eligibility of entities receiving government support. The US Department of Commerce will implement certain restrictions to ensure that those who receive CHIP funds cannot compromise national security. Those national security restrictions are described in more detail in the Act. Entities can choose whether or not to apply for incentives through the CHIPS program, and thus must be subject to national security limitations. We would also note that China itself has a semiconductor program called the National IC Fund. It was started in 2014, but has never been notified. Moreover, China has refused to make public certain implementing measures of the IC Fund. Beyond the national program, China also has numerous programs at the central and sub-central levels of government in the form of government guidance funds, none of which have been notified.

16.10. The Council took note of the statements made.

17 EUROPEAN UNION – SWEDEN'S DISCRIMINATORY MARKET ACCESS PROHIBITION ON 5G EQUIPMENT – REQUEST FROM CHINA

17.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

17.2. The delegate of China indicated the following:

17.3. China regrets to raise this issue again. To date, Sweden has not yet provided any credible explanations and evidence to prove that the 5G products of Huawei and ZTE pose so-called "national security" threats to Sweden. These two companies have always been operating legally in Sweden, for more than 20 years, and have gained a good business reputation in Sweden. China urges Sweden to comply with the WTO's rules, and to provide a fair, transparent, and non-discriminatory environment for Chinese companies to operate in Sweden.

17.4. The delegate of the European Union indicated the following:

17.5. The European Union notes that the matter raised by China in relation to the Swedish 5G spectrum auction is under legal proceedings under the bilateral investment agreement between Sweden and China. In light of these ongoing proceedings, the EU will not enter into details on this issue in the Council today.

17.6. The Council took note of the statements made.

18 AUSTRALIA – DISCRIMINATORY MARKET ACCESS PROHIBITION ON 5G EQUIPMENT – REQUEST FROM CHINA

18.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

18.2. The delegate of China indicated the following:

18.3. China continues to raise this concern with regard to Australian restrictions on relevant Chinese 5G products. To date, Australia has not provided its reasonable rationale on these measures. We believe these discriminatory measures are inconsistent with the WTO's rules. We urge Australia to bring its measures into line with the WTO rules, and provide a fair, transparent, and non-discriminatory environment for Chinese companies to operate in Australia.

18.4. The delegate of Australia indicated the following:

18.5. Australia notes China's statement. Since China first raised this issue in the WTO in late 2018, Australia has engaged constructively with China to explain the rationale for its position on 5G networks. As Australia has previously stated, its position on 5G networks is country-agnostic, transparent, risk-based, non-discriminatory, and fully WTO consistent. Australia also notes that other WTO Members have made similar decisions in their national interest on equipment for national 5G networks.

18.6. The Council took note of the statements made.

19 EUROPEAN UNION – CARBON BORDER ADJUSTMENT MECHANISM – REQUEST FROM CHINA, INDONESIA, AND THE RUSSIAN FEDERATION

19.1. The Chairperson recalled that this item had been included on the agenda at the request of China, Indonesia, and the Russian Federation.

19.2. The delegate of China indicated the following:

19.3. China believes that to effectively respond to climate change, realize the global sustainable development goals, and build a community with a shared future for mankind, Members need to earnestly implement the goals, principles, and requirements of the United Nations Framework

Convention on Climate Change (UNFCCC) and the Paris Agreement, reduce barriers, and promote trade and investment liberalization.

19.4. Regarding the European Union's Carbon Border Adjustment Mechanism (CBAM), there seems to be no scientific basis for its implementation. Many studies have pointed out that the EU-Emission Trading System (ETS) does not lead to carbon leakage, and that the CBAM makes little contribution to the reduction of global emissions. We believe that the CBAM's purpose is not to eliminate the so-called "carbon leakage", but to protect European companies from competition.

19.5. For developing Members, the European Union's CBAM will impose a huge burden on the exporters of developing Members, as they lack the capacity and funding to collect the carbon emission data of their products. In the past, developed Members exported their emissions by outsourcing carbon-intensive production to developing Members. Now, with the advantage of owning and controlling green technology, developed Members are promoting production "reshoring". This will negatively affect the economic green transition of developing Members.

19.6. The European Union's unilateral CBAM deviates from the basic principles of "Common but Differentiated Responsibilities and Respective Capabilities" and "Nationally Determined Contribution Arrangements" of the UNFCCC and the Paris Agreement. In addition, it may not be in line with the basic WTO principle of non-discrimination. China is willing to enhance its engagement with the European Union on the EU's CBAM, and hopes that the EU will actively participate in the thematic sessions relating to CBAM.

19.7. The delegate of Indonesia indicated the following:

19.8. Indonesia again voices its objections to the European Union regarding the approval of the CBAM proposal. We are of the view that the proposed CBAM policy is discriminatory since it violates the WTO's most-favourite-nation (MFN) and national treatment standards.

19.9. Indonesia is aware that the European Union's CBAM will make reference to the EU-ETS, where each sector has a free allowances cap, while discussing the national treatment concept. As a result, local EU goods will be subject to lower fees than goods from elsewhere. Indonesia has yet to receive clarification on when and how the reduction in allowances will be implemented, despite the European Union's pledge to gradually eliminate free allowances in all sectors.

19.10. Regarding the MFN concept, Indonesia is aware that not all WTO Members have developed carbon markets and accounting systems, particularly those that do not use the ETS programme. As a result, the method used to establish carbon prices will vary depending on the WTO Member. In Indonesia's view, the classification of WTO Members with low or high objectives for reducing emissions for calculating carbon prices is likewise not based on specific standards.

19.11. Indonesia believes that the European Union's CBAM may result in increased costs for manufacturers outside of the EU, in addition to import tariffs in accordance with the Schedule of Concessions of the EU with regard to Article II of the GATT 1994. Indonesia requests further clarification from the EU regarding its plans to expand the product sector covered by its CBAM.

19.12. The United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement discuss the principles of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), which Indonesia reminds the European Union should apply to all environmental policies, including the EU's CBAM. According to the CBDR-RC principle, developing nations have fundamentally different responsibilities, capacities, and obligations than do developed nations. The CBDR-RC principle is crucial for the EU to follow as a guide so that it is in conformity with the principles of fair trade and equity in respect to the SDGs. Indonesia is of the view that any environmental rules should also not be imposed, since they would create another non-tariff trade barrier that would encourage protectionism.

19.13. The delegate of Brazil indicated the following:

19.14. Brazil would like to join others in this request. Brazil also refers to its previous statements on the topic[8] and remains concerned about different aspects of the European Union's CBAM that involve unilateral trade measures resulting in unnecessary and discriminatory negative impacts on international trade. We would like to reiterate our request for further explanations on the CBAM's consistency with the principles of non-discrimination and national treatment of several points raised by Brazil in earlier meetings. In particular, we have been informed that European producers are receiving free allowances on their ETS while the CBAM is being phased in. Could the European Union clarify how taxing imports from third countries, while exempting your own producers from the same tax, could be consistent with the core rules of the WTO.

19.15. We also recall that trade-related environmental measures must be designed and applied in a way that is harmonious and mutually supportive with the multilateral environmental agreements, including the UNFCCC and the Paris Agreement, where the EU has agreed to take into account the principle of Common but Differentiated Responsibilities and Respective Capabilities. Historical responsibilities means that countries that industrialized first, benefiting from cheap and more polluting energy sources, should bear a larger brunt of the cost of emissions reductions. We call on the EU to fulfil that commitment and avoid measures that attempt to impose specific standards and decarbonization strategies on other economies.

19.16. The EU is not only a major trading partner for Brazil, but also a Member with which we share perspectives on the importance of preserving the multilateral trading system and achieving a sustainable future in a decarbonized economy. Brazil remains committed to working together with the EU and other Members at the WTO, and the UNFCCC, to achieve our common goals of sustainable development and effective solutions to climate change. The delegation of Brazil regrets that the EU continues to pursue the issue without due dialogue with all potentially affected parties, when concrete concerns persist that such a measure, whether in its design or its application, could violate the obligations undertaken by the EU under WTO Agreements, and in relevant instruments in the environmental field, in particular the UNFCCC and the Paris Agreement.

19.17. The delegate of the Republic of Korea indicated the following:

19.18. The Republic of Korea recognizes that climate change is one of the most pressing issues that all WTO Members should continue to jointly focus on, with a view to finding effective ways to tackle it. Yet Korea has concerns that, unlike its original intent, the European Union's CBAM may impose an excessive administrative burden on exporters, while treating them less favourably than the EU-based businesses subject to the EU's ETS. To address these concerns, Korea believes that it is essential to promote a common understanding on the design of relevant international standards through sufficient discussions in international forums. In an effort to implement the rules targeting this global common challenge, an inclusive approach would be more effective than requiring trading partners to comply with specific standards, such as the methodology for calculating the emissions of products. Korea will continue to closely engage with the EU to resolve our concerns.

19.19. The delegate of Paraguay indicated the following:

19.20. Paraguay continues to support this systemic trade concern. In this regard, we would like to refer to our statement delivered at the Council's previous meeting[9], which we request to be included in the minutes in its entirety, as follows:

19.21. As Paraguay has covered its concerns regarding other elements under the Green Deal that affect trade in agricultural products, on this occasion Paraguay will focus on the CBAM. Regarding

[8] Document G/C/M/144, paragraphs 40.18-40.19, and document G/C/M/143, paragraphs 41.2-41.22.
[9] Document G/C/M/144, paragraphs 24.51-24.55, under Agenda Item 24, "European Union – European Green Deal (Carbon Border Adjustment Mechanism and Deforestation Free Commodities) – Request From Brazil and Indonesia).

the CBAM, Paraguay reiterates its systemic interest in this concern and requests that its prior statements are reflected in the minutes of today's meeting.[10]

19.22. Paraguay requests the European Union, once more, to share information on whether they are planning a lowering of tariffs for imported products that contain a lower carbon footprint, and whether they are considering increasing tariffs for products with a higher carbon footprint than that of EU products, as there should be a mechanism to recognize positive contributions and lower carbon footprints, and not just a penalty for producers who pollute more than European companies.

19.23. Paraguay also reiterates that responsibilities are common but differentiated, and must be taken into account, and that these mechanisms should be negotiated and not unilaterally imposed, so that they actually fulfil their objectives – which may be shared. But the policy tools are criticized due to the manner in which they are built, designed, and implemented, lending themselves to protectionism and trade distortions.

19.24. Briefly, regarding commodities free of deforestation, Paraguay wishes to make reference to its statement delivered under Agenda Item 6[11], but to add that there is an intrinsic discrimination in the design of the measure, even if according to the European Union it applies in the same way to its producers. This discrimination exists from the moment production of some of these commodities does not take place in European territory, and that the EU only has 3% of its native forests, and thus the same conditions do not apply as to those with a higher percentage of native forests. Therefore, we are being penalized for our conservation and preservation efforts, and for providing eco-systemic services for years, and continuing to do so, when Europe has eliminated 97% of its native forests.

19.25. The delegate of the Russian Federation indicated the following:

19.26. The Russian Federation reiterates its statements on this issue made during the previous meetings of the CTG, CMA, and the Committee on Trade and Environment (CTE). In December 2022, the Parliament and the Council of the European Union reached a final agreement on the text of the regulation on the CBAM. The legal act will cover a wide range of products, such as cement, chemicals and mineral fertilizers, iron, steel and products thereof, aluminium, and even hydrogen. It seems that this legislative initiative pursues strictly economic goals contrary to declarations of tackling climate change issues. Apart from the obvious violations of the WTO rules, the EU's CBAM will have a negative impact on global trade and has nothing to do with achieving any environmental goals. In this context, we would like to make the following points.

19.27. First, the European Union has stated on various occasions that the CBAM aims at a reduction in the so-called carbon leakages. No international organization, neither the WTO nor those under the auspices of the United Nations, has confirmed the link between the leakages and globally determined climate goals. In fact, the whole concept of prevention of the so-called carbon leakage is an intention to localize capacities in the EU territory, especially those that are European but have been moved outside the EU. Thus, the EU's legislative act merely pursues economic purposes rather than the declared purpose of tackling climate change.

19.28. Second, the scope of products is questionable. For instance, there is no doubt that the inclusion of hydrogen in the regulation aims to secure foreign investments in the EU's companies in renewable hydrogen, decreasing the competitiveness of other such kinds of energy sources, in particular those derived from natural gas, methane, and so on. Along with that, we can see that iron ores have also been added, which are primary raw materials for the manufacturing of steel products. Obviously, this has been done in order to protect the domestic production of recycled steel products.

[10] Minutes of the Meeting of the Council for Trade in Goods, 7 and 8 July 2022, document G/C/M/143, paragraphs 16.42–16.43: "The delegate of Paraguay indicated the following: Paraguay wishes to reiterate its interest in this trade concern and requests that its previous statements be placed on record. In addition, Paraguay again requests information from the European Union on whether it plans a tariff reduction for imported products with a lower carbon footprint, and how it plans an increase for those with a higher footprint. Paraguay believes that incentives are just as important as penalties in measures such as these, and that common but differentiated responsibilities should also be taken into account." Footnote: "Document G/C/M/142, paragraphs 36.24-36.25."

[11] Paragraphs 8.2-8.9.

Thus, the provisions of the CBAM aim at discrimination not only against goods, but production methods as well.

19.29. Third, the CBAM is supposed to mirror the EU-ETS for importers of the covered products. However, the EU-ETS implies financial contribution measures. The EU State Aid Guidelines provide compensation for the reduction of indirect GHG emissions. In other words, national authorities provide financial support to companies if they consume alternative energy resources produced within the EU. Bearing this in mind, a fair question arises: does the EU plan to reimburse the costs connected with the reduction of carbon footprint of imported products, as in the case of domestic manufacturers?

19.30. Finally, there is a lack of understanding of how to ensure the uninterrupted implementation of this mechanism after it enters into force. It is no secret that currently there are no globally harmonized standards for monitoring, reporting, and verification (MRV), and the calculation of GHG emissions, carbon footprint, and so on. This topic has become one of the most widely discussed here at the WTO. The Secretariat prepared an outstanding survey last December, and held a forum dedicated to this situation this March, where all the participants admitted that there were no common standards in this field, while the EU regulation, albeit in a limited form, enters into force in October 2023. Taking this into account, the EU's CBAM will surely create unnecessary obstacles for international trade, increasing administrative and transaction costs.

19.31. Summing up, the Russian Federation would like to note that there is no coherence between any global agreement on tackling climate change, the WTO rules, and this particular regulation. Unfortunately, the European Union chooses to ignore this fact, which will cause greater problems than those already being faced by the global community.

19.32. The delegate of Türkiye indicated the following:

19.33. Türkiye welcomes increased efforts at the global level to mitigate the impacts of climate change and deems it important to discuss how cooperation at the WTO could help facilitate the transformation to environmentally sustainable economic growth globally, in an inclusive and just manner. As voiced by many Members, in this process, it is of the utmost importance to keep climate mitigation efforts built on constructive cooperation so that a strong global response to the challenges can be generated. As such, we are closely following the ongoing legislative processes under the European Green Deal and the CBAM, and continue a cooperative bilateral dialogue with the EU on these issues. Türkiye would also like to take the opportunity provided by this multilateral platform to share some of our considerations regarding the CBAM while the European Commission is solidifying the implementation aspects of the transition period.

19.34. The most crucial issue with regard to the EU's CBAM is to make sure that it is designed and applied in a non-discriminatory way; that is, that it is not more burdensome than necessary to achieve its objectives, meaning without putting the importers and imported goods at a competitive disadvantage compared to their counterparts in the EU. For this aim to be achieved, there might be some stumbling blocks in the design of the CBAM, some of which we would like to indicate here.

19.35. The first of these is the difference between the scope of the EU-ETS and that of the CBAM. As you may know, while CBAM applies to products identified by CN codes, the ETS applies to installations identified in terms of their activity/production process, subject to minimum capacity or total rated thermal input thresholds. Therefore, it is possible that some producers of CBAM goods will be covered by the CBAM regulation even though they would be exempt from EU-ETS if they were EU producers.

19.36. A second issue is related to the treatment of precursors. We are not aware of a requirement brought under the EU-ETS on EU producers to obtain and report the embedded emissions of the precursors they use. In our view, for any precursor identified for CBAM goods, both the EU producers and third country producers using these precursors in their production processes should be subject to the same MRV requirements.

19.37. On the other hand, in the EU-ETS, due to such practices as over-allocation of free allowances and the EU companies' ability to trade allowances, the state aid provided by member States with regard to CO_2 costs related to electricity use, as well as funding opportunities through the

Modernization and Innovation Funds, it seems to us that the EU producers would be given a competitive advantage against third country producers. Hence, remedies to address these imbalances should be sought.

19.38. This brings me to my last point: Türkiye believes that the allocation of CBAM revenues to the financing of green transformation projects of developing countries and LDCs would also be more in line with the climate change mitigation objectives underlying the draft regulation. In this process, ensuring access by developing countries and LDCs to critical technologies will also be key to inclusivity and overall success.

19.39. The delegate of India indicated the following:

19.40. India wishes to make a consolidated statement on this subject, given that there are several items on the agenda that broadly cover the European Union's measures relating to the European Green Deal. India has raised its concerns on the proposed European Union measures under the CBAM, Deforestation-Free Commodities, and other Green Deal proposals in various forums. Most recently, India submitted a paper, document JOB/TE/78, to the Committee on Trade and Environment, which pointed out that we are witnessing potential trade fragmentation if Members continue to take unilateral trade measures which apply extra-territorially. We also urged the need to act in accordance with the principles of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), as well as honouring the nationally determined contributions (NDCs).

19.41. We remain concerned about the idea of "leakage". This turns the principle of comparative advantages – the bedrock of international trade development – on its head. Today, the EU has talked about carbon leakage, but in the same vein, the EU or any other Member may seek to make an adjustment of any input parameter to trade in the name of leakage, but in effect seeking protectionism to nullify the comparative trade advantages of its trading partners.

19.42. We welcome the EU's proposal to conduct technical sessions on both the CBAM and deforestation proposals during the upcoming Trade and Environment Week in June. However, we remain opposed to the very principles on which the EU is basing its spate of new green legislation.

19.43. The delegate of Japan indicated the following:

19.44. Climate change is one of the most important issues. Countries must raise their ambitions and policy efforts to achieve carbon neutrality worldwide by 2050, while at the same time ensuring a level playing field and preventing carbon leakage. Therefore, policy coordination is important for the production and introduction of products with low carbon intensity.

19.45. When discussing policy coordination, each country has been making reduction efforts in the past according to their own circumstances, such as energy resource constraints and the industrial environment, and in principle, the focus should be on "carbon intensity" as the "result" of such reduction efforts.

19.46. In other words, if the "carbon intensity" of a country or sector is low, this would be the result of the country or sector having taken sufficient measures, so that there are no problems in terms of the level playing field or carbon leakage. In this regard, the EU's CBAM is designed to charge at the border based on the level of specific policy, such as an explicit carbon price at the present stage. In this case, even if the product has the same actual carbon intensity, and does not cause any carbon leakage, taxation will occur due to the explicit difference in carbon price.

19.47. In this respect, the environmental objective itself cannot be justified from the viewpoint of preventing carbon leakage, but sufficient consideration is required from the viewpoint of ensuring fair, competitive conditions. In addition to the above-mentioned institutional design issues, it is a prerequisite that this measure be designed consistently with the WTO rules, as has been repeatedly stated.

19.48. As we note that the CBAM was provisionally agreed among EU member States at the end of last year, we would like to request that the EU consult with its member States sufficiently, through conducting an expert meeting on methods for measuring CO_2 emissions of products. We hope that

the EU will not introduce the CBAM without it first ensuring sufficient international understanding, otherwise this could potentially lead to international trade disputes.

19.49. The delegate of Thailand indicated the following:

19.50. Thailand would like to join the co-sponsors and previous speakers in expressing its concern over the European Union's CBAM. Thailand fully recognizes and shares the firm commitment of the international community to addressing the pressing global issue of climate change. At the same time that we rise to this global challenge, we also think it important to ensure that international rules and principles, including those under the WTO and the UNFCCC, are respected.

19.51. According to the existing CBAM regulation, some could argue that the EU's CBAM treats products made in the EU differently from like products imported into the EU from other WTO Members that employ different processes and production methods, or different emission reduction schemes, from those of the EU. How would the EU reconcile the current EU CBAM regulations with the WTO's basic principle of non-discrimination enshrined in the GATT 1994's most-favoured-nation and national treatment obligations?

19.52. Moreover, Thailand firmly believes that such a global problem as climate change is best addressed by multilateral cooperation, and that a measure such as CBAM should be thoroughly discussed in a multilateral setting before being implemented to ensure that it is WTO-consistent and in line with the principle of "Common but Differentiated Responsibilities and Respective Capabilities" enshrined in the Paris Agreement and the UNFCCC. However, as stated by several Members before me, the EU's CBAM is a unilateral action by the EU that is applied extra-territorially, and in arguably a punitive manner. How would the EU reconcile its CBAM regulations with the principles of collaborative spirit, supportive multilateral cooperation, and mutual respect to socio-economic differences and historical emissions among Members, firmly established in the international community in tackling the climate change that is facing us today?

19.53. The above observations are, of course, non-exhaustive. We also recognize that the proposed regulation is still to be finalized, given the ongoing internal process of the EU. While we look forward to receiving an update on the EU's CBAM regulations from the EU, we urge the EU to seriously consider the compatibility of its CBAM with the WTO rules, and the well-established practices in the international community for fighting against climate change, and modify the regulations accordingly.

19.54. The delegate of Egypt indicated the following:

19.55. The proposed CBAM by the European Union has raised concerns over its compatibility with WTO principles, and its potential discriminatory and protective nature. This was expressed by several other Members today. The CBAM is designed to impose a border tax on imports from certain companies in countries with weaker climate policies as a means of addressing carbon leakage and ensuring a level playing field for domestic producers. However, this approach could have adverse effects on developing countries' economies, particularly with regard to their exports. It could also eventually lead to erosion of current preferential arrangements between the EU and the exporting country.

19.56. The CBAM is a unilateral action by the EU rather than a cooperative approach, which goes against the spirit of the UNFCCC. The UNFCCC recognizes the need for collective action, and international cooperation, to address climate change and achieve sustainable development, and the EU's CBAM should be designed in a way that is consistent with this objective, and should take account the CBDR principle.

19.57. The CBAM will increase the cost of exporting to the EU market for developing countries, leading to less competitive pricing and a disadvantageous position vis-à-vis domestic producers within the EU. For instance, the proposed CBAM tariff of EUR 20 per tonne of carbon emitted could lead to an additional cost of EUR 200 per unit of a product with a carbon footprint of 10 tonnes per unit for the exporting country. This increase in cost for manufactured products outside the EU market could lead to decreased export revenues for the exporting country, potentially undermining their economic development.

19.58. Therefore, the CBAM policy could be seen as discriminatory and protectionist, going against the principles of the WTO. The policy targets imports from countries based on their climate policies and could therefore be interpreted as discriminatory, with the potential to undermine free trade. The potential advantage given to domestic producers in the EU market. Furthermore, the EU's proposed CBAM could increase the administrative burden on developing country Members in several ways.

19.59. Firstly, developing countries may need to invest significant resources and time to comply with the requirements of the CBAM. The policy aims to track the carbon content of imported goods and impose a border tax on products from countries with weaker climate policies, which may require developing countries to collect and provide detailed data on the carbon content of their exports to the EU market. This could create a significant administrative burden for developing countries, particularly those with limited technical and financial resources.

19.60. Secondly, the implementation of the CBAM may require developing countries to establish new administrative structures and capacity to track and report on the carbon content of their exports. This could require significant investments in infrastructure and training, which may not be feasible for many developing countries, particularly those with limited financial resources.

19.61. Thirdly, the administrative burden of the CBAM may disproportionately affect small and medium-sized enterprises (SMEs) in developing countries, which may not have the resources and capacity to comply with the requirements of the policy. This could result in a loss of market access and competitiveness for these SMEs, which could harm their economic development and reduce the potential benefits of international trade.

19.62. In light of these concerns, it is crucial to assess the potential economic impact of the CBAM on developing countries, and explore alternatives that could reconcile climate change mitigation with economic development and still remain consistent with the WTO rulebook. We request the EU to share with us the details of its methodology for measuring CO_2 emissions.

19.63. The delegate of Kazakhstan indicated the following:

19.64. Kazakhstan again reiterates its position as expressed at the last meeting of the CTG and continues to follow developments around the EU's CBAM. Kazakhstan urges the EU to fully consider the CBAM's compatibility with the WTO's rules and regulations and to ensure that any such regulation does not create obstacles to trade.

19.65. The delegate of the European Union indicated the following:

19.66. The European Union appreciates the interest of its partners in this important issue and would like to thank them for their comments. The co-legislators reached a provisional agreement on the CBAM in December 2022. The agreement still requires the formal approval of the EU Council and the European Parliament in order to become law. Our expectation is that the process should be finalized by early May 2023.

19.67. There is an urgency to tackling climate change, and we can only do this by scaling up global ambition. Only by taking ambitious actions will it be possible to halt global warming and keep the 1.5°C Paris Agreement goal within reach, while lessening the economic, social, and environmental impact of climate change. Keeping the temperature increase below 1.5°C is still within reach if countries scale up their global ambition.

19.68. The EU has stepped up its climate ambition, fully translating the implementation of the Paris Agreement into legislation. The EU invites its partners to share a comparable level of ambition. The introduction of a CBAM to address the risk of carbon leakage is an integral part of that implementation and ambition. The CBAM is a purely climate-oriented environmental policy tool. It will be applied in a non-discriminatory and even-handed manner in full compliance with WTO rules and other international obligations.

19.69. The CBAM does not target third countries. It is addressed to companies as it applies to goods from certain carbon-intensive sectors and takes into consideration the application of carbon pricing systems by third countries (opening possibilities for reduction or non-payment of the CBAM charge)

and the carbon footprint of individual producers (the CBAM will be charged according to the actual emissions of imported goods).

19.70. The CBAM Regulation will enter into force in October 2023, with a two-year transitional period where importers will have to report their emissions but will not have any financial obligations. It will then be gradually phased in over nine years, from 2026 to 2034, when the CBAM will be fully operational. The phase-in of the border adjustment will be mirrored by a phase-out of free allowances in the EU-ETS for the sectors covered under the CBAM. It is to be noted that the rate of reduction of free allowances will be low in the first years, which will correspond to a low and proportionate border adjustment.

19.71. The European Union has been engaging, and will continue to engage, with its trading partners and international organizations to inform and, where possible, assist with the implementation of the measure.

19.72. The Council took note of the statements made.

20 EUROPEAN UNION – DEFORESTATION FREE COMMODITIES – REQUEST FROM INDONESIA AND THE RUSSIAN FEDERATION

20.1. The Chairperson recalled that this item had been included on the agenda at the request of Indonesia and the Russian Federation.

20.2. The delegate of Indonesia indicated the following:

20.3. Indonesia opposes the European Union's acceptance of the Deforestation-Free Commodities (DFC) proposal to impose mandatory due diligence on six items, namely soybeans, cattle, palm oil, wood, cocoa, and coffee, which are thought to have a possible impact on deforestation. We are of the view that the anticipated DFC proposal may potentially give native products from the European Union treatment distinct from that given to imported goods. Indonesia believes that the mandated due diligence system has the potential to develop by stealth into a trade barrier.

20.4. Indonesia is also concerned that this DFC proposal may infringe upon the legal sovereignty of other WTO Members and the rights of poor nations to pursue development, given that the European Union has developed rules that it cannot compel other WTO Members to adopt.

20.5. Indonesia requests the European Union to provide further information on the criteria used to choose the commodities covered by the DFC, the expansion of the list of commodities covered by the DFC, as well as the specifics of the required due diligence system.

20.6. Indonesia reiterates that the CBDR-RC principle, which differentiates between developed and developing nations, should have been taken into account by the European Union while creating and implementing its upcoming DFC proposals.

20.7. The delegate of the Russian Federation indicated the following:

20.8. The Russian Federation reiterates its position regarding this issue, which was stated during previous meetings of the CTE, the CMA, and the CTG. The main institutions of the European Union reached an agreement on the regulation on deforestation-free commodities last December. In this regard, we would like to make several points.

20.9. First, as previously stated, the regulation is a *de facto* quantitative restriction measure, discriminating products by their origin, and is incompatible with Article XI and Article I of the GATT 1994. Despite the fact that this particular legal act establishes the concept of the mechanism to be imposed, there are no doubts it will have a severe impact on trade across a wide range of agricultural products and products derived against the background of the current food security crisis.

20.10. Second, there is a lack of clarity regarding the implementation of the measure, namely, how the European Union is going to classify countries of origin depending on the situation with deforestation, how and on what basis it is going to determine whether human rights are violated or

not, what specific requirements are supposed to apply to due diligence expertise, and so on. There are many questions to this regulation and to how it is supposed to work.

20.11. Third, the number of unilateral measures taken by the European Union under the environmental pretext is growing. Such measures ignore WTO rules and discussions at the United Nations, making all potential international arrangements in the field of combating common challenges, as well as the work itself at the global level, pointless. To conclude, the Russian Federation urges the European Union to fully respect the WTO rules and international climate agreements when developing and implementing its trade policy tools.

20.12. The delegate of Brazil indicated the following:

20.13. Brazil would like to join Indonesia and the Russian Federation in this request. Brazil refers to its previous statements on this issue.[12] It remains concerned over various aspects of this legislation that are discriminatory in nature and result in an unnecessarily negative impact on international trade. Such legislation does not contribute to the goal of reducing deforestation and forest degradation.

20.14. Deforestation is a multifaceted issue that should be tackled through comprehensive public policies; different illegal activities linked to deforestation must be halted, and alternative means of livelihood be made available to the millions of people that live near forests. Sustainable production practices must be fostered and scaled up. By acting as an obstacle to economic development, trade restrictions actually reinforce some of the dynamics that led to deforestation. They also reduce a government's capacity to deal with this issue.

20.15. The proposed European regulations are heavily skewed towards punishment and disengagement, by excluding from the EU market any producer suspected to have links to deforestation, with no flexibility or margin for remedial or compensatory actions, such as reforestation. Once cut off, producers will no longer have an incentive to improve their practices, and will probably not have the means for doing so either. We are particularly concerned about the proposed counter-benchmarking system with its tiered classification.

20.16. First, that system will provide different treatment for producing countries in unilateral decisions and subjective criteria. Second, by mandating and enhanced scrutiny of the products originating from high-risk countries, it penalizes sustainable producers in those countries. Third, it creates a significant incentive for trade diversion, as operators interested in escaping administrative and financial burdens related to the due diligence system will tend to merely switch to other sources.

20.17. In our view, the benchmarking system has discriminatory aspects and could severely limit and distort trade. Brazil has a track record of being constructive in both trade and environmental regimes. We are committed to addressing deforestation correctly. In our national determined contributions to the Paris Agreement, Brazil has confirmed that it is striving to end illegal deforestation in the Amazon by 2028. Therefore, we reiterate that the EU will find in Brazil a strong and committed partner in the promotion of sustainable development. We urge the EU to duly consider the many concerns we have expressed in adopting a constructive approach, to the benefit of both regimes, and especially of small producers in the developing world.

20.18. The delegate of Paraguay indicated the following:

20.19. We refer to our previous statements in this Council[13] and would like to note the following points. First, the EU deforestation project does not take into account the principle of Common but Differentiated Responsibilities, nor the European Union's historical responsibility towards deforestation. Second, it does not include or consider equivalent mechanisms to recognize each country's national efforts to fight against deforestation. This issue was also the subject of questions in the recent Committee on Agriculture, which have not received an adequate response from the European Union.

[12] Document G/C/M/144, paragraphs 24.2-24.19.
[13] Document G/C/M/144, paragraphs 24.51-24.55.

20.20. The delegate of Türkiye indicated the following:

20.21. The proposed regulation to prevent deforestation and forest degradation, as declared by the European Union, aims to reduce the EU's share of global deforestation by diverting consumption to products that do not promote deforestation. In this sense, with the draft legislation, companies that use the products in scope of regulation as input in production, or that trade these products, are obliged to notify (due diligence) to show that the products are produced in a way that does not cause deforestation, at the stage of entry of the relevant products into the EU market. The legislation envisages grouping countries according to the risk of deforestation and tries to ensure that supply chains are designed in a way that does not encourage deforestation.

20.22. In this context, we believe it is important that the technical requirements of the proposed regulation, like certification or verification, which third-country operators will face when they place these products on the EU market, should be the same as for EU operators. In this regard, it is critical that no additional administrative burden should be placed on third countries.

20.23. Besides, in order for a regulation to serve its purpose, but without preventing the trade of any product, Türkiye believes that possible extensions in scope of the legislation should be determined on the basis of solid data showing that the products covered are indeed the biggest contributors to global deforestation.

20.24. The delegate of the European Union indicated the following:

20.25. The main driver of deforestation and forest degradation is the expansion of agricultural land, linked in particular to the production of a series of commodities of which the European Union is a major consumer. Seven commodities—beef, wood, palm oil, soya, coffee, cocoa, and rubber—as well as some of their derived products, such as leather, furniture, printed products, or chocolate, are included in the scope of the draft regulation. These commodities have been selected objectively, based on the best available scientific data. They are the commodities through which the EU has a bigger impact on the world's forests in terms of deforestation and forest degradation.

20.26. The regulation will introduce mandatory due diligence rules for operators who place these commodities and their derived products on the EU market or export from it. Only products that are both deforestation-free and legal according to the laws of the country of origin will be allowed on the EU market. The regulation will apply equally to commodities produced inside and outside the EU. It relies on concepts developed at the international level, and specifically on the work of the FAO, to define what is to be considered a "forest" or "deforestation" under the Regulation. There will be no ban on any country or any commodity. All countries, including those considered to be at high risk of deforestation, will be able to continue to sell their commodities on the EU market, provided that the operators who place them there can demonstrate that those commodities are deforestation-free and legal.

20.27. The regulation is an environmental measure that complements global or multilateral action. It is developed in compliance with the European Union's international commitments, including its trade agreements and WTO requirements. The regulation is an opportunity to enhance trade in deforestation-free products and boost opportunities for sustainable actors around the globe.

20.28. As highlighted in the Regulation, close cooperation with partner countries will be of paramount importance for the fulfilment of the objectives of the Regulation. We will use partnerships and cooperation mechanisms to support countries to address deforestation and forest degradation where a specific need has been detected and where there is a demand to cooperate.

20.29. The Council took note of the statements made.

21 EUROPEAN UNION – THE EUROPEAN GREEN DEAL – REQUEST FROM THE RUSSIAN FEDERATION

21.1. The Chairperson recalled that this item had been included on the agenda at the request of the Russian Federation.

21.2. The delegate of the Russian Federation indicated the following:

21.3. The Russian Federation wishes to express its deep concerns in respect of the Green Deal and its implementing legislation, and we reiterate the statements on this topic made during previous meetings of the WTO's working bodies. This time we would like to draw attention to the new initiatives recently issued under the umbrella of this strategy.

21.4. In 2022, the European Commission published a proposal for a Directive on corporate sustainability due diligence. This draft regulation covers two groups of companies in the EU. The first group consists of around 9,400 companies, with more than 500 employees and more than EUR 150 million in net turnover worldwide. Given the description of this group, all industries are included in its scope. The second group consists of economic operators with more than 250 employees and more than EUR 40 million in net turnover that are involved in the manufacturing of raw materials, agricultural products, fish products, and so on.

21.5. The companies will be obliged to do due diligence expertise on compliance of their suppliers with the international agreements on climate change and human rights. In other words, the European enterprises are to determine whether their trade partners' business practices are consistent with international law. The measure does not set specific requirements for products to be supplied to the EU market, like other elements of the Green Deal, but there is no doubt that such legislation will force companies to review their supply chains. This situation is harmful to international trade and will affect the interests of many Members.

21.6. Another measure I would like to highlight is the new proposal on packaging and packaging waste, which is nothing more but another attempt by the European Commission to adapt the currently applied private standards of the enterprises that are major consumers of plastic packaging. During the meetings of the TBT and CTE Committees, the Russian delegation listed the regulation's potential deviations from international rules. In brief, the measure is inconsistent with the TBT Agreement due to the fact that the provisions of the European draft legal document set requirements which are not compliant with international standards, and which will definitely create unnecessary obstacles to international trade.

21.7. The Russian delegation would like to urge the European Union one more time to respect the WTO rules and international agreements in the field of environmental protection.

21.8. The delegate of Uruguay indicated the following:

21.9. Uruguay agrees with several of the points raised in the statements of various delegations, including those of Brazil, Argentina and Paraguay, under the different agenda items on policies within the European Green Deal framework. Uruguay shares the objectives of combating climate change and protecting the environment, as reflected in the commitments that it has made under the multilateral agreements on the matter, including the Paris Agreement, and the policies adopted to comply with those agreements.

21.10. However, Uruguay remains concerned at the European Union's attempts to impose the view that there is only one single model of production and sustainable development that should be emulated worldwide, without taking into account the local characteristics and specific conditions of different countries and regions, the realities of their production systems and their relative contributions to the problems that need to be addressed. The excessively restrictive effects that the practical implementation of several of the strategies and policies announced in the European Green Deal, such as those mentioned under previous agenda items, may have on international trade and production beyond the borders of the European Union, as well as the possible inconsistencies between those strategies and policies and WTO rules, are also cause for concern.

21.11. In view of the above, Uruguay urges the European Union to ensure the compatibility of its trade and environmental measures with its commitments and obligations under the WTO Agreements and multilateral environmental agreements.

21.12. The delegate of the European Union indicated the following:

21.13. We thank Uruguay for its statement and refer to our statements just delivered on the CBAM and deforestation. As to the Russian Federation, we refer to the statement that we will deliver on trade measures taken vis-à-vis the Russian Federation under Agenda Item 31, where we will notably stress our expectation that the rules-based international order be respected.

21.14. The Council took note of the statements made.

22 UNITED KINGDOM – UK ENVIRONMENTAL ACT: FOREST RISK COMMODITIES – REQUEST FROM INDONESIA

22.1. The Chairperson recalled that this item had been included on the agenda at the request of Indonesia.

22.2. The delegate of Indonesia indicated the following:

22.3. Indonesia is aware that the United Kingdom has implemented regulations banning the importation of goods that may contribute to deforestation. Business actors in the UK must perform due diligence, or information gathering, risk assessment, and mitigation, in order to demonstrate that imported goods are not the result of deforestation.

22.4. The prohibition of imported commodities is contrary to Article XI of the GATT 1994, which deals with the General Elimination of Quantitative Restrictions, as well as Article XX of the GATT 1994, regarding the General Exception, which stipulates that WTO Members are allowed to apply restrictive policies, as long as the intended policies aim to protect human safety or health, animals, or plants, but must prove the existence of a legitimate objective, and the most important thing is that the implemented policies must not be more restrictive than necessary.

22.5. Indonesia is also of the opinion that the aforementioned policy, which was implemented unilaterally by the British government, may be arbitrary and result in various interpretations of Article XX of the GATT 1994 regarding the General Exception, including in terms of identifying the forestry products covered by the policy. In Indonesia's view, the UK Environmental Act has the potential to divert trade to other WTO Members who do not have significant forestry obligations.

22.6. Indonesia requests the United Kingdom to provide additional clarification regarding the scientific data that served as the foundation for its policy formulation, the range of forestry commodities, as well as the most recent changes to the UK Environmental Act and the Due Diligence on Forest Risk Commodities policy.

22.7. Indonesia realizes the importance of WTO Members' commitment to making every effort to protect the environment. However, every policy implemented by WTO Members must also be in accordance with WTO provisions and principles, so as not to have a negative impact on market access for the products of other WTO Members, and not hinder international trade. In addition, the intended environment-related policies should also comply with the Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) principles, which regulate the differences in obligations and responsibilities between developed and developing countries.

22.8. The delegate of Brazil indicated the following:

22.9. Brazil shares the United Kingdom's objective of protecting ecosystems and eradicating deforestation. However, Brazil believes that collaborative initiatives between producer and consumer countries based on dissemination of best production practices and a multilateral partnership would be far more successful than unilateral restrictive measures. Brazil notes the definition of the scope of application of the secondary legislation proposed by the UK is discriminatory, as it would require measures almost exclusively from developing countries with tropical climates.

22.10. Brazil also raises concerns about the definition of forests used in the Environmental Act, which reportedly omits an essential aspect of the multilaterally agreed definition, creating a situation of conceptual uncertainty that could lead to arbitrariness in the implementation of the due diligence process. The due diligence process will be highly costly and could have the same effect as a

prohibitive tariff on products imported from countries discriminated against under the scope of the legislation. The cost will be disproportionally higher for small and low-income producers, which could increase poverty levels and related social problems in developing countries.

22.11. Brazil believes that improving the sustainability of international agricultural trade should be a result of a multilateral partnership, with developed countries supporting developing countries to achieve this goal. Brazil also notes that the increased cost of due diligence and the technical difficulties of its implementation will vary greatly, depending on which regulation is adopted. The above-mentioned costs will be disproportionally higher for small and low-income producers if the burden of due diligence were passed on to them by importers in the United Kingdom, which could have negative social and environmental impacts on developing countries. Therefore, Brazil asks that the contributions by the Brazilian government and the Brazilian associations receive adequate attention and consideration in the implementation of the secondary legislation proposed by the United Kingdom.

22.12. Brazil believes that the conciliation and compilation efforts undertaken by Brazil with the United Kingdom, including the Forest, Agriculture and Commodities Trade Dialogue, is the way forward, rather than implementing trade restrictive measures which will hardly help to solve the problem.

22.13. The delegate of India indicated the following:

22.14. We remain concerned with the way environmental measures are being implemented by the United Kingdom. We continue to study the various proposals and urge the UK to not undertake trade restrictive measures while citing environmental objectives.

22.15. The delegate of the United Kingdom indicated the following:

22.16. The United Kingdom thanks Indonesia, Brazil, and India for their continued interest on the due diligence provisions as set out in the UK's Environment Act 2021. The UK wants to reduce the negative impact of its global footprint, including making an active contribution to the commitments made at COP27, working in partnership with others to help address the global challenges on the environment, climate change, and biodiversity loss.

22.17. The proposed due diligence measures will make it illegal for large businesses operating in the UK to use key forest risk commodities produced on land illegally occupied or used. Businesses in scope will also be required to undertake a due diligence exercise on their supply chains and to report on this exercise annually. The measures are designed to support the ongoing global, national, and local efforts to protect forests and other ecosystems. The core of our approach is that of partnership. Our aim is to work with producer countries and support their efforts to uphold their laws and strengthen environmental protection.

22.18. The UK introduced the Environment Act following a public consultation in 2020 and led a further consultation on the implementation of these regulations in 2021-22. We thank those Members who contributed to those consultations.

22.19. As the UK continues to work on implementing the Environment Act's provisions, we will ensure Members are updated on relevant developments and that measures comply with our international obligations. The UK is happy to continue engaging with interested Members, as it finalizes the measure.

22.20. The Council took note of the statements made.

23 UNITED STATES, JAPAN, NETHERLANDS – US-JAPAN-NETHERLANDS AGREEMENT ON CHIP EXPORT RESTRICTIONS – REQUEST FROM CHINA

23.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

23.2. The delegate of China indicated the following:

23.3. According to media reports and a statement made by a relevant enterprise, the United States, Japan, and the Netherlands have reached an agreement on restricting exports of advanced chip-manufacturing equipment to China. However, we have not yet seen any information regarding the agreement mentioned by the media as it has not yet been published by the relevant governments. We are deeply concerned with this non-transparent practice. We would like to ask the US, Japan, and the Netherlands, whether the agreement exists. And if the agreement exists, should such an important agreement relating to export restrictions not be notified to the WTO and reviewed by the relevant Members? Is it because the relevant Members are clear that the agreement may violate WTO rules that they keep its contents undisclosed?

23.4. In addition, there is reason to believe that the agreement has been made under pressure of economic coercion from the United States, as it hurts not only the interests of Chinese companies, but also the interests of other parties to the agreement, including the companies of Japan and the Netherlands. The agreement is contrary to the WTO principles of openness and transparency, and undermines the authority and effectiveness of the WTO rules. We request the relevant Members to notify the agreement and follow-up measures to the WTO, and to call on the WTO to strengthen the monitoring of these measures.

23.5. The delegate of the United States indicated the following:

23.6. The United States takes issue with the agenda item description as put forward by China. As we have stated previously, the United States does not believe that the WTO Council for Trade in Goods is the appropriate forum to discuss issues related to national security, including export controls.

23.7. The delegate of Japan indicated the following:

23.8. On chip export restrictions, Japan has long been conducting strict export control based on the Foreign Exchange and Foreign Trade Act in a manner consistent with the WTO Agreement from the perspective of maintaining international peace and security. We will continue to take action in accordance with the above policy.

23.9. The delegate of the European Union indicated the following:

23.10. The European Union takes issue with the description of the agenda point by China, as a factual matter. Moreover, the type of measures regulated by the GATT are those adopted by individual Members. The EU's statement therefore relates to the latter only.

23.11. The matter raised by China needs rephrasing: it seems to concern planned national export control measures relating to advanced semiconductor manufacturing equipment announced by the Dutch government on 8 March. The national regulatory process is still ongoing, and the measure is expected to be published in a ministerial order before the summer.

23.12. The announced measure falls under the dual use and export control framework of the European Union. This framework allows EU member States to impose additional national export controls based on essential security interests. Any such export restriction will be adopted, in the same way as all existing restrictions of this type, in full conformity with WTO rules. Most notably, the GATT 1994 permits Members to take action which they consider necessary for the protection of their essential security interests relating to traffic in goods carried on directly or indirectly for supplying military forces.

23.13. The Council took note of the statements made.

24 UNITED STATES – SECTION 301 TARIFFS ON CERTAIN GOODS FROM CHINA – REQUEST FROM CHINA

24.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

24.2. The delegate of China indicated the following:

24.3. China is deeply concerned that the United States has imposed Section 301 tariffs on China's USD 360 billion exports to the United States for more than four years, and has extended them again, even if the WTO dispute settlement panel had ruled that these measures were inconsistent with WTO rules. The Section 301 tariffs imposed by the United States on certain goods from China not only seriously violate the WTO rules, but they also fail to serve the interests either of Chinese or of American enterprises and people. According to the US ITC's report, the cost of Section 301 tariffs is almost entirely borne by US importers, making it more expensive for US companies to purchase goods. The Section 301 tariffs also undermine the stability and security of the global supply chain and contribute to high inflation in the US. China urges the United States to correct its wrong practices and remove all Section 301 tariffs imposed on Chinese products as soon as possible.

24.4. The delegate of the United States indicated the following:

24.5. China's decision to continue to raise this matter in this and other WTO committees has been a pointless waste of WTO resources, given that China has already unilaterally imposed the only remedy that the WTO Dispute Settlement Body (DSB) could potentially authorize: the suspension of WTO concessions.

24.6. China has already applied tariff measures to imports from the United States in excess of its WTO commitments for the explicit purpose of retaliating against the measures for which it now seeks legal findings. We understand that, from July 2018 to September 2019, China imposed four rounds of tariffs, ranging from 2.5% to 30%, in retaliation against US Section 301 tariffs, which covered approximately 71% (USD 109 billion) of 2017 imports into China from the United States.

24.7. China, of course, did so without obtaining the authorization from the DSB pursuant to the Dispute Settlement Understanding. China does not dispute the fact that it has already imposed retaliatory tariff measures in response to the US measures at issue. Nor does China dispute that these retaliatory measures remain in effect. We urge China to be mindful of the Committee's and Members' time and resources when raising matters in committee meetings in the future. With respect to the dispute *United States — Tariff Measures on Certain Goods from China* (DS543), the United States already provided its views in a meeting of the DSB.

24.8. The Council took note of the statements made.

25 CHINA – COSMETICS SUPERVISION AND ADMINISTRATION REGULATIONS (CSAR) – REQUEST FROM AUSTRALIA, THE EUROPEAN UNION, JAPAN, AND THE UNITED STATES

25.1. The Chairperson recalled that this item had been included on the agenda at the request of Australia, the European Union, Japan, and the United States.

25.2. The delegate of the United States indicated the following:

25.3. It is unfortunate that, despite the United States and other WTO Members raising significant concerns with the Cosmetics Supervision and Administration Regulation (CSAR) and its implementing measures in the past 11 TBT Committee meetings and five meetings of the Council on Trade in Goods, China has not sought to work with the United States and other WTO Members to reach resolution.

25.4. The United States maintains that it has serious concerns with CSAR and its implementing measures' likely inconsistency with TBT Agreement obligations, including unequal treatment for imports; overly burdensome and disproportionate information requirements that may unnecessarily put companies' intellectual property at risk; lack of procedures to ensure the protection of confidential and proprietary information; duplicative in-country testing, and continued challenges with transparency in the development and implementation of the CSAR measures.

25.5. As we have long noted, US industry is facing pressing challenges in trying to comply with China's often unrealistic implementation timelines for CSAR and its conflicting technical regulations – complicated further by the lag from prior COVID-19 shutdowns over the past three years, and backlogs at labs in China.

25.6. In November, we asked that China consider extending by two to three years the national CSAR implementation deadlines for the notified measures contained in CHN/1459, 1515, 1525, and 1526, including extending the deadlines that have already gone into effect. We urge China to address this point. We also ask that China consider how it can rely more upon international recognition schemes for conformity assessment to reduce the costs and timelines for companies to comply.

25.7. Another measure of serious concern is the Provisions for the Supervision of Cosmetics Sampling and Testing. We understand that China published the final measure on 12 January. This published measure does not appear to address the concerns we expressed in the written comments submitted by the United States and US industry. We remain particularly concerned that the seven days provided for companies to appeal test findings on potential non-compliance of their products with CSAR requirements is not sufficient.

25.8. US companies remain eager for a means to engage with China's National Medical Products Administration (NMPA) on questions arising from CSAR implementation, including regarding the new requirements and use of NMPA's new online platforms for product and ingredient filings. Does China have any plans for this?

25.9. Finally, we refer to previous US statements for other unresolved concerns and unanswered questions. And we request that China continue to consider how these trade concerns expressed by the United States and many other WTO Members may be resolved in the implementation of CSAR.

25.10. The delegate of Australia indicated the following:

25.11. Australia respects the right of Members to implement technical measures for legitimate policy purposes and in accordance with WTO obligations. Australia, however, remains concerned that measures under China's CSAR and various implementing regulations, which entered into force on 1 May 2021, are more stringent than necessary for low-risk cosmetics. In that context, we ask that China pursue its objective of ensuring the safety and quality of imported cosmetics using less trade-restrictive measures.

25.12. Australia requests that China provide a reasonable transition period for cosmetics manufacturers to consider the regulation's requirements and make adjustments to their processes. We also request that China clarify why it has maintained its requirement for mandatory animal testing of cosmetics products to be used on children. Australian exporters are concerned about stringent and inflexible measures under the CSAR framework, particularly regarding testing, registration requirements, and requirements to provide detailed information on production processes and other aspects of their intellectual property.

25.13. We reiterate that Australia is a reliable supplier of high-quality and safe cosmetics products domestically, and to international markets. As we have said on previous occasions, the Australian Government stands ready to work with China and to discuss the CSAR and our respective systems for cosmetics regulation.

25.14. The delegate of the European Union indicated the following:

25.15. The European Union would like to reiterate the concerns it already shared in previous meetings of the Council Trade in Goods (July and November 2021, and April, July, and November 2022) with regard to the CSAR in force since 1 May 2021. To recall, these concerns relate in particular to: (i) the mandatory disclosure of commercially sensitive information, touching on the intellectual property rights of companies involved, in the registration process. The EU requests China to consider the possibility to require continuous access to inspect the sensitive information at the companies' files, but without imposing the obligation to submit it to an external database; (ii) the amount of information required for the notification of new ingredients, as well as potential issues over the disclosure of such information after a certain period of time. In particular, the Chinese legislation requires both the specification issued by the raw materials manufacturer and the ingredient composition reported by the cosmetic companies in their product application to be exact matching figures, and any mismatch between the information provided by the raw material producer and the cosmetic companies would make the application of the latter invalid. Given that the exact composition of raw materials is never completely stable, but may vary/evolve over time within certain limits, it is almost impossible to guarantee a complete consistency between the figures.

Furthermore, access to this database would reveal cosmetics' formulation. The EU encourages China to accept a range of values instead of exact matching figures; and (iii) the need to publish a detailed summary of efficacy substantiation evaluation, which may damage business secrets, as this information is disclosed to the public even before products are made available to consumers, providing commercial advantage to competitors.

25.16. The EU believes that these requirements are unnecessarily stringent to ensure consumer safety and traceability of the ingredients used in cosmetics, diverging from international practice. This extensive level of information is not required elsewhere in the world for notification and registration purposes, and the safety of consumers is always ensured. Besides, the EU would like to reiterate its comment that a differentiated approach is needed between new products and products on the market. This would avoid a situation when product supply could be interrupted for an extended period of time due to insufficient preparation time for both industry and supervision authorities.

25.17. In addition, according to EU stakeholders, since the new requirements to register high-risk New Cosmetic Ingredients (NCI) entered into force in May 2021, and at least until January 2023, no high-risk NCIs have been successfully registered in China. This is deemed due to the excessively detailed technical information required, which goes beyond what is necessary to evaluate the safety of ingredients, for example requiring R&D reports, information on how the ingredient was invented, or a description of the manufacturing process.

25.18. Finally, the European Union would like to recall that no laboratories have been accredited in EU member States. This means that, even if the CSAR rules do not impose local testing upon arrival in Chinese territory, *de facto* importers of cosmetics are forced to test their products in China. This requires sending samples only for these purposes, then undergoing the approval procedure, and only later importing cosmetics for sale. The EU would encourage China to facilitate the accreditation of laboratories in other countries, notably in EU member States.

25.19. The delegate of New Zealand indicated the following:

25.20. New Zealand continues to have concerns in relation to China's regulatory system for cosmetics which are well-documented in previous meetings of both the TBT Committee and the Council for Trade in Goods. As we pointed out at the November meetings, New Zealand continues to urge China to consider additional measures to allow for: (i) the exemption of animal testing requirements through non-government regulatory authority-issued GMP certification or other trade facilitative mechanisms for providing product assurances; (ii) providing flexibility in respect of product testing requirements. In particular, we encourage China to accept test reports from accredited laboratories situated outside of China; and (iii) further limitations on product disclosure requirements, particularly in relation to sensitive information – that is, limited to that which is required to assure product safety in China's domestic market, so as not to compromise intellectual property. New Zealand looks forward to engaging further with China on its CSAR to address these issues.

25.21. The delegate of the Republic of Korea indicated the following:

25.22. The Republic of Korea shares the concerns expressed by other Members regarding China's CSARs and its implementing measures, and refers to our statement at the last TBT meeting. As previously mentioned, Korea's businesses are still facing many issues in fulfilling the CSAR requirements, particularly in relation to testing laboratories, labelling requirements, and the scope of information disclosure, which impose negative effects for both Members' industries. Given our mutual interest in the cosmetic industry, Korea again urges China to harmonize its regulation with widely recognized international practices so as not to raise unnecessary barriers to trade. The Republic of Korea stands ready to further engage with China to resolve these issues constructively.

25.23. The delegate of Japan indicated the following:

25.24. Japan has continued to express its concerns on China's CSARs, as well as the related implementing regulations. We call for the following measures to be taken to ensure that trade restrictive measures are not more restrictive than necessary, in accordance with Articles 2.2 and 5.1.2 of the TBT Agreement: (i) we call for the acceptance of test results of overseas inspection

institutions that have the same qualifications and capabilities as the domestic cosmetics registration inspection institutions in China; and (ii) for the approval of test methods that are internationally recognized by OECD, ISO, etc, in order for the regulations not to be overly regulated.

25.25. We request that the basis for efficacy claims evaluation be determined by cosmetics registrants/notifiers based on the specific wording of claims and their scientific validity, that the scope of application of the "Guiding Principles for Evaluating Equivalent Efficacy" be expanded, and that the concept of read-across be introduced. We also request that no more detailed information be required on cosmetic ingredients than necessary for cosmetics registration, even for products containing high-risk ingredients, or for new products.

25.26. Regarding labelling rules, we request that the labelling of cosmetics should not be required to be labelled by the manufacturing company, but by the person who registered or notified the cosmetics, and that ingredients with a content of 1% or less can be listed in no particular order, in accordance with international practice. Furthermore, we request that in the future, when implementing relevant laws and regulations, an appropriate period of time be allowed between the publication to the implementation of each relevant law and regulation, in accordance with Articles 2.12 and 5.9 of the TBT Agreement, so that cosmetics registrants and notifiers can bring their products into compliance with the new relevant laws and regulations.

25.27. The delegate of China indicated the following:

25.28. China takes note of the statements made by Members. We refer to the statements made in previous meetings in this Council and the most recent TBT meeting in March. Regarding the inspection required for cosmetics registration and notification, requiring the inspection for cosmetics registration and notification to be carried out by professional institutions aims to protect consumers' rights and ensure the accuracy of the inspection results. Inspection institutions shall obtain the certification of inspection and testing qualification (CMA) in the field of cosmetics. However, China does not prohibit foreign inspection institutions from getting the certification, and China's Administrative Measures for the Accreditation of Inspection and Testing Institutions does not restrict foreign inspection institutions from getting such certificates either.

25.29. Based on the WTO's non-discrimination principle, the Provisions on the Administration of Cosmetics Registration and Filing Data put forward exactly the same requirements on imported and domestic ordinary cosmetics regarding alternative programmes of animal testing for safety evaluation. For both domestic and imported ordinary cosmetics, a toxicological test can be replaced with a safety risk assessment once they have obtained quality management system certification issued by government authorities.

25.30. On the evaluation of cosmetics efficacy claims, the formulation of the specification for the Evaluation of Cosmetic Efficacy Claims is to further ensure the specificity, accuracy, and reliability of the evaluation of cosmetic efficacy claims, safeguard the rights and interests of consumers, and promote social co-governance and the healthy development of the cosmetics industry. The Regulations on the Supervision and Administration of Cosmetics and the Specifications and other supporting regulations clearly require that the claims of cosmetics efficacy should be based on sufficient scientific evidence. Based on the principle of equivalence, the test method of efficacy claim evaluation does not make many limitations as to selecting the evaluation methods. Cosmetics registrants may, by themselves or through entrusted competent evaluation institutions, carry out cosmetics efficacy claim evaluation according to the relevant requirements set out in the Cosmetic Efficacy Claim Evaluation Project Requirement and Technical Guidelines for Cosmetics Efficacy Claim Evaluation. The specific requirements for the equivalent evaluation of freckle removing and whitening efficacy have been clearly defined by the contents about "equivalent evaluation of efficacy claim" in the Test Method of Cosmetics Freckle Removing and Whitening Efficacy and the Specification for Evaluation of Cosmetics Efficacy claims and other supporting documents.

25.31. On the cosmetics labelling-related issues, the information of cosmetics manufacturers includes the relevant information of the manufacturers, their locations, etc. Requiring the labelling of the information of manufacturers is an important measure to protect consumers' right to know, as well as an important means through which to promote social co-governance and crack down on counterfeiting and shoddy products. The Regulations on the Supervision and Administration of Cosmetics clearly stipulate that the registrant of cosmetics are responsible for the quality and safety

of cosmetics. Furthermore, the Measures for the Administration of Cosmetics Labels stipulates that ingredients with weight percentage not exceeding 0.1% (w/w) should be labelled with "other trace ingredients" as indicating words. The measures do not require a descending order of ingredient content or any other specific order.

25.32. On the raw materials safety information related issues, product safety is closely related to the safety of raw materials. It is an important measure to ensure product safety to require registrants to clarify the relevant information of raw materials safety when applying for registration. Considering that it is common for enterprises to change the raw material manufacturer, the Provisions on the Management of Cosmetics Registration and Notification Data make corresponding provisions according to different situations in which the raw material manufacturers of registered or notified products have changed. If the manufacturer of registered or notified raw materials has changed, but the content of the raw materials used in the formula and the type and proportion of ingredients in the raw materials have not changed, it only needs to maintain the raw material manufacturer through the registration and notification information platform. If the manufacturer of raw materials of registered or notified products changes, but the content of raw materials in the formula and the content of main functional ingredients and solvents in the raw materials do not change, and the type or content of minor stabilizer, antioxidant, preservative, and other ingredients added to ensure the quality of raw materials change, only the change-related information shall be submitted, not all the information. In order to facilitate the cosmetics registrant to fill in the raw material safety-related information, it is made clear in the Regulations on the Administration of Cosmetics Registration and Record Holder issued by the State Food and Drug Administration that if the raw material manufacturer has already submitted the raw material safety-related information according to the regulations, the registrant only needs to fill in the raw material submission code for information association.

25.33. On the protection of trade secrets and intellectual property rights, the procedures and data requirements for the registration and notification of cosmetics and new raw materials are detailed and clear in the relevant regulation papers. Requiring registrants to submit safety-related materials is also a common practice that aims for the safety review of health-related products in various countries.

25.34. It is exactly for the purpose of protecting the intellectual property rights and trade secrets of enterprises that, in the process of formulating relevant technical documents, the evaluation data required of cosmetics efficacy claims only include the summary of the supporting material of the efficacy claims rather than the full text. The required technical materials of new raw materials only cover the basic aspects, such as name, registration number, source, composition, physical and chemical properties, purpose of use, scope of use, safe amount of use, precautions, storage conditions, and best before period, rather than the complete information. The authorities and administrative staff will strictly protect trade secrets in handling cosmetics registration, as prescribed by all relevant laws and regulations.

25.35. The Council took note of the statements made.

26 INDONESIA – COMMODITY BALANCE MECHANISM – REQUEST FROM THE EUROPEAN UNION

26.1. The Chairperson recalled that this item had been included on the agenda at the request of the European Union.

26.2. The delegate of the European Union indicated the following:

26.3. Indonesia's import restrictive policies and practices are a long-standing item in several WTO bodies. The European Union has repeatedly stressed its deep concerns on the increasing number and scope of Indonesian restrictions, which negatively impact trade flows. The EU is particularly concerned by the restrictive impact that the commodity balance system may have. Such a system was established under Government Regulation 5/2021 and Ministry of Trade Regulations 19/2021 and 20/2021, and its scope of application keeps expanding.

26.4. We welcome efforts to ensure a coordinated and streamlined approach on the management of import and export licences. However the mechanism also raises concerns that it may result in further restrictions to trade flows, in turn raising questions in terms of its WTO compatibility.

26.5. Economic operators are confronted with a lack of clarity as to the actual implementation of the commodity balance, including on its scope and timelines for its application to different groups of products. This creates additional challenges in terms of legal certainty and predictability. The EU would also like to reiterate that imports remain necessary as a part of Indonesia's ambition to develop its domestic industry, and that raising barriers to trade would hamper its economic growth, which cannot be achieved through export promotion alone.

26.6. The EU would like to ask Indonesia to provide clarity as to the introduction of the "commodity balance" system as the basis for issuing import (and export) approvals, as well as on the implementing measures that it intends to take. The EU also urge Indonesia to ensure that such policies and measures will be compliant with its WTO obligations.

26.7. The delegate of the United States indicated the following:

26.8. The United States joins the European Union in again raising concerns regarding Indonesia's commodity balance policy. Since the policy was implemented, importers have reported experiencing significant delays in obtaining import licences for certain agricultural products, as well as reductions in the volumes received. Please explain how the Government of Indonesia is addressing these administrative delays. In addition, please explain whether importers are entitled to receive a licence covering whatever volume they request, and why there are reports that this is not happening.

26.9. The commodity balance policy appears to be stipulated for certain commodities in different stages. For example, in 2021, the first stage stipulated that commodity balances would exist for rice, sugar, beef, salt, and fisheries, but it has since been expanded to include non-agricultural products. Please explain how the Government of Indonesia determines to which products the policy will apply. While Indonesia has previously explained that this policy was designed to build better trade governance and transparency, we strongly urge Indonesia to not expand its policy to other products, and to rethink this counter-productive and trade-disruptive goal of import substitution.

26.10. The delegate of the Republic of Korea indicated the following:

26.11. The Republic of Korea shares the concerns expressed by the European Union and the United States regarding Indonesia's Commodity Balance Mechanism. It has been reported that our exporters face challenges, such as undue delays of the issuance of the recommendation and limited quantity of import quarter, brought about by the Commodity Balance Mechanism. In particular, Korea believes that Indonesia's import restrictions, which are based on its own projection of domestic supply and demand, would undermine the transparency of the mechanism itself. Accordingly, Korea requests that Indonesia enhance the transparency and improve the functioning of the mechanism so that it does not serve as an unnecessary obstacle to trade. The Republic of Korea stands ready to deepen our engagement with Indonesia to fully resolve this matter.

26.12. The delegate of Switzerland indicated the following:

26.13. As indicated in previous meetings of the Council, Switzerland shares the concerns raised by the European Union, the United States, and the Republic of Korea, regarding Indonesia's Commodity Balance Mechanism. Specifically, Indonesia had a plan aimed at reducing the value of imports by 35% compared to its 2019 level by the end of 2022. Switzerland is interested in the clarifications Indonesia will provide, in particular regarding the rationale for this plan, and the implementation details of the commodity balance system. Finally, we would be interested to know how Indonesia intends to ensure the consistency of these measures with its WTO obligations.

26.14. The delegate of Japan indicated the following:

26.15. Under the "Commodity Balance System", an SPI (Import Permit) is required to be obtained for the import of subject products, and the issuance of export and import permits to businesses is to be conducted through the "National Commodity Balance System (SNAS-NK)" based on the

government-determined commodity supply and demand balance, thus it puts the existing import application and permit system out of operation in December 2022.

26.16. However, in January 2023, there were delays and glitches in the operation of SNAS-NK, which is compliant with the system, resulting in major disruptions, such as import permits being delayed. In the case of steel products, the system has had a serious impact, with import applications themselves being blocked for a period of time, and inventories have been depleted to the point where production stoppages have become a reality for related industries in the region. In addition, obstacles to imports, including air conditioners and textiles, continue to persist, as the number and timing of approvals after applications are filed are mixed and unpredictable, and only a small portion of the volume applied for is approved. The commodity balance system is highly likely to violate Article XI:1 of the GATT, as a measure that has a trade restrictive effect on imports.

26.17. Besides, we are concerned that the specific formula for calculating the commodity balance and the specific method for determining the quantities that can be imported are not specified in the law and are inconsistent with the obligation to publish trade rules as stipulated in Article X of the GATT, and may also violate the Agreement on Import Licensing Procedures, given that actual operations have caused significant obstacles to import permits, and we request that the situation be rectified as soon as possible.

26.18. The delegate of Indonesia indicated the following:

26.19. Indonesia refers to the statement it made at the CTG's previous meeting, and would like to again emphasize that this mechanism is not intended to hinder imports from WTO Members. The Commodity Balance Mechanism aims to create and facilitate a better business environment, certainty in doing business, and free trade flows, without adding burden to import procedures.

26.20. The Council took note of the statements made.

27 INDONESIA – IMPORT AND EXPORT RESTRICTING POLICIES AND PRACTICES – REQUEST FROM THE EUROPEAN UNION, JAPAN, AND NEW ZEALAND

27.1. The Chairperson recalled that this item had been included on the agenda at the request of the European Union, Japan, and New Zealand.

27.2. The delegate of the European Union indicated the following:

27.3. This is a very long-standing agenda item, and it is an issue of deep concern to the European Union – as well as to many other WTO Members – that no real progress could be registered. Rather, the number and scope of Indonesia's restrictions seem to have further expanded over time, with negative impacts on trade flows. In particular, the EU reiterates its serious preoccupation with Indonesia's burdensome and lengthy SPS import authorization procedures, complex rules and lack of pragmatic certification procedures for Halal labelling, mandatory use of domestic SNI standards diverging from international standards for an increasing number of products, wider use of local content requirements, and restrictive import licensing requirements or other import control measures, such as the slow and partial allocation of import authorizations for textiles and footwear.

27.4. In addition to the concerns raised under the previous agenda item on the Commodity Balance Mechanism, the EU notes the introduction of a new export regime under Regulation 18/2021, which appears to significantly expand the scope of goods subject to export prohibitions (from 39 to 275 tariff lines). Such a regime further hinders trade flows and raises doubts in terms of compliance with WTO obligations.

27.5. The EU also reiterates its call on Indonesia to ensure that all relevant measures are notified to the WTO in order to allow Members to provide comments on them. And the EU urges Indonesia to reduce the high number of trade barriers which have been affecting EU trade flows for too long, and to refrain from introducing new trade barriers.

27.6. The delegate of New Zealand indicated the following:

27.7. New Zealand echoes the concerns raised by the European Union, Japan, and others, in previous CTG meetings. As New Zealand has noted previously, we believe that Indonesia's restrictions on agricultural imports continue to undermine core WTO principles. The frequent changes to import requirements reduce commercial certainty, which in turn hampers returns for businesses and can lead to increased costs. Moreover, in the food and beverage sector, this uncertainty also contributes to the ongoing increasing cost of food, which can have a particularly negative effect on people on low incomes.

27.8. New Zealand is particularly concerned about the inconsistent time-frames and issuance of import licences. Uncertainty around import licences leads to commercially significant market access issues for trading partners, and can lead to importers having greater difficulty in sourcing food products for local consumers. We request that Indonesia provide greater clarity on the time-frames for the issuance of import recommendations for commodities not currently under the SNANK system, and how import volumes are calculated and allocated to importers. We also request that Indonesia also provide further information to trading partners on the Commodity Balance Mechanism, including how the mechanism is calculated, and how Indonesia is undertaking to make the mechanism more transparent.

27.9. New Zealand welcomes that a stated objective of the Presidential Regulation 32/2022 on Commodity Balances is to improve the import licensing process and facilitate business access to imports. However, we note that the Regulation appears likely to add further complexity, as it allows for import restrictions to be applied where domestic supply is calculated to be sufficient to meet projected demand. Details of the Commodity Balance/import licensing system are yet to be provided, which is adding to the uncertain environment for imports.

27.10. Finally, New Zealand appreciates Indonesia's comments at the CTG meeting in July 2023 that, "in principle, Indonesia has no intention to impede the flow of international trade through our import and export policies"; that "Indonesia always pursues for simplification, transparency, and efficiency to make exports and imports easier to implement"; and that "Indonesia stands ready to engage bilaterally with WTO Members on their concerns". We join others in asking Indonesia to make renewed efforts to address these long-standing concerns about Indonesia's import restricting policies and their impact on agricultural trade.

27.11. The delegate of Japan indicated the following:

27.12. In past CTG and TRIMs Committee meetings, Japan has continuously expressed its concerns about the WTO-consistency of various Local Content Requirement (LCR) measures implemented by Indonesia relating to 4G LTE equipment, TV equipment, and the retail industry. Indonesia has repeatedly explained that the LCR measures in general are based on the government procurement policy, but the content of the government procurement policy is unclear. It does not appear that all LCR measures are being implemented as part of government procurement, nor are they immediately justified because of government procurement policies. In addition, at the TRIMs Committee's meeting of February 2023, Indonesia argued that the measures "are related to policies such as meeting the welfare and the necessities of life of the Indonesian people. Third, they are related to policies such as strategic goods for national management." However, as mentioned in the past, these reasons do not immediately justify LCR measures under the WTO Agreement. Japan understands the importance of the objective, but believes that taking LCR measures easily as a means to achieve the objective should not be allowed.

27.13. Regarding the comprehensive review, Indonesia has repeatedly stated at TRIMs Committee meetings that it has "initiated multiple reviews of measures at the level of domestic components and that this process is ongoing." Japan would like a concrete explanation of the schedule and the details of the review.

27.14. In May 2022, the Indonesian government announced that it would introduce the "Neraca Komoditas" (Commodity Balance System) for these products from 2023, based on Ministerial Decree No. 25 of 2022 of the Minister of Commerce. Japan's concerns about the commodity balance system are on the agenda. As mentioned under Agenda Item 26, Japan's concerns about the commodity balance system are that it violates Article XI.1 of the GATT 1994 (prohibition of quantitative

restrictions), Article X of the GATT 1994 (publication of trade rules), and the provisions of the Import Licensing Agreement, and we call for a remedy for the situation to be found as soon as possible.

27.15. Furthermore, with regard to textile products, it was truly regrettable that the safeguard measure on carpets was introduced on 17 February 2021, even though Japan had been raising this measure at various discussions, including at the Safeguards Committee, as well as in consultations. It is regrettable that no improvement has been seen. There are two main problems: (i) the tariff is as high as 150-200% in terms of *ad valorem* tax conversion; and (ii) the tariff has been introduced in a situation in which carpet imports have dropped sharply.

27.16. At the Safeguards Committee meeting held in October 2022, in response to Japan's concerns, Indonesia stated that the share of imports from Japan had not decreased, but since the overall volume of imports has decreased sharply, we request that a clear rationale be provided and, as long as there is no change in the effect of Indonesia's import restrictions, that the import restrictions be eliminated as soon as possible.

27.17. Japan is concerned about the increasing number of trade restrictive measures in Indonesia, which are thought to be inconsistent with the WTO Agreement, and we would like to request a concrete explanation regarding the background of the introduction of these systems, and their consistency with the WTO Agreement.

27.18. In particular, with regard to the three measures for the import regulation on air conditioners, import licence for steel, and import regulation for textiles, Japan submitted written questions to the Import Licensing and TRIMs Committees. We expect a prompt response from Indonesia. We do hope that import regulations on air conditioners will be operated so as not to fall under import restrictions, that permit standards and procedures will be stipulated with more transparency, and that other will measures be corrected or abolished as soon as possible.

27.19. The delegate of India indicated the following:

27.20. We remain concerned with the import substitution programme of Indonesia. It appears that several measures undertaken are more trade restrictive than necessary to achieve the policy objectives Indonesia has set. Our businesses have complained about several trade barriers they have faced in Indonesia in recent times, including those in agricultural products. We request Indonesia to review its import licensing procedures and other trade measures and remove any inherent barriers to trade contained therein.

27.21. The delegate of Switzerland indicated the following:

27.22. Switzerland shares the concerns expressed by other delegations. According to feedback from our exporters, the import of dairy products in Indonesia is repeatedly subject to delays or blockages that are incomprehensible. We would appreciate receiving further information from Indonesia on its current import system. We are particularly interested in knowing the following: (i) how import licences are issued, and quantities calculated and allocated; and (ii) what are the reasons for the difficulties faced by our exporters.

27.23. The delegate of the United States indicated the following:

27.24. As we intervened last year, we would like to take this opportunity to again underscore our concerns with Indonesia's import and export restricting policies and practices. The United States has raised concerns with specific Indonesian policies in past meetings of the Council, as well as in the TRIMs, TBT, ITA, and Market Access Committees.

27.25. First, we again ask Indonesia to provide the Council with an update on its review of its local content policies, which has been ongoing for some time. We underscore the importance of ensuring that its consultations allow for broad public input.

27.26. Second, we continue to have concerns regarding Indonesia's continued application of tariffs on multiple ICT products that appear to exceed its WTO bound tariff commitments. We have raised this issue with Indonesia bilaterally and across multiple WTO committees over the past four years, without receiving a substantive response to our concerns. We urge Indonesia to engage

constructively on this issue, and finally address these long-standing concerns to ensure the integrity of its market access commitments.

27.27. Third, we are concerned by Indonesia's continued practice of finalizing trade-related measures without sufficient opportunities for stakeholder input. Indonesia has demonstrated a pattern of issuing final measures connected to its Halal product assurance law without sufficient notification and with little, if any, opportunities for public input. These measures have the potential to impact a significant proportion of global goods trade with Indonesia, including US exports. By finalizing measures in this manner, Indonesia misses an opportunity to receive valuable feedback from stakeholders regarding the trade impact of its measures. Additionally, we remain concerned that Indonesia has yet to respond to important questions on its Halal measures that we have circulated at the TBT Committee.

27.28. Going forward, we strongly encourage Indonesia to adopt a more transparent and consultative policymaking process, as well as to reconsider its trade-restrictive policies, which will support its broader economic goals as well as the interest of Indonesian consumers, workers, and businesses.

27.29. The delegate of Canada indicated the following:

27.30. To pick up on the comment from the United States around ICT products, this was an issue that was raised last week in the ITA Committee, and Canada also continues to have systemic concerns with Indonesia's application of tariffs above its bound rates on ICT products. Canada calls upon Indonesia to eliminate those tariffs in a way that is consistent with its WTO commitments.

27.31. The delegate of Indonesia indicated the following:

27.32. Indonesia refers to its statement delivered at the previous CTG and related Committee meetings, as follows. On the Local Content Requirements, these are intended for policies relating to government procurement, and policies relating to fulfilling the need to maintain welfare and the necessities of life for the people of Indonesia, or policies relating to strategic resources managed by the state.

27.33. Regarding tariffs on ICT products, domestic consultations between the relevant ministries and institutions are still ongoing. Indonesia will continue to strive to comply with all WTO Agreements, including Indonesia's commitment to the WTO Agreement.

27.34. On the textile import licensing regime, based on existing regulations, applications for import licences are currently being carried out electronically. Once all the documents submitted are complete and in line with the regulation, import permits are processed in a relatively short time, in accordance with the Import Licensing Agreement.

27.35. Regarding the licensing regime for importing agricultural products, Indonesia has committed to implementing the recommendations and decisions of the DSB in DS477/478.

27.36. On the import licensing procedures relating to Sanitary and Phytosanitary (SPS) measures, Indonesia has continued, and always will continue, to strive to make progress, improvements, and become more transparent in our SPS-related import licensing approval procedures.

27.37. On Halal regulations, Indonesia reaffirms our openness and transparency for international cooperation in the Halal Assurance System, based on mutual principles, cooperation, mutual recognition, and mutual acceptance, in accordance with international practices and regulations. Indonesia has also submitted to the TBT Committee a number of clarifications regarding Indonesian Halal regulations.

27.38. On the Indonesian National Standard (SNI), this policy is part of Indonesian policy for consumer protection, and not intended to hinder imports from WTO Members. The SNI policy is to ensure that products fulfil the aspects of safety, security, and health of Indonesian consumers, and is enforced both for domestic and imported products. Indonesia also always strives to fulfil the principles of WTO transparency by notifying every implementation of mandatory SNI regulations and other related technical regulations to the WTO.

27.39. Indonesia reiterates that we will continue to strive to comply with all of our commitments and to every WTO rule and principle, particularly to the principles of transparency and non-discrimination.

27.40. The Council took note of the statements made.

28 INDIA – RESTRICTIONS ON IMPORTS OF CERTAIN PULSES – REQUEST FROM AUSTRALIA, CANADA, THE EUROPEAN UNION, AND THE UNITED STATES

28.1. The Chairperson recalled that this item had been included on the agenda at the request of Australia, Canada, the European Union, and the United States.

28.2. The delegate of Australia indicated the following:

28.3. Australia thanks India for its response to Australia's questions raised during the CTG's previous meeting, held in November 2022. As Members will recall, India implemented temporary quantitative import restrictions back in late 2017, which we and many other Members viewed as WTO-inconsistent.

28.4. In May 2021, India announced that it would remove its quantitative restriction policy for a limited number of pulses – namely urad and tur or pigeon peas – shifting them from the "restricted" to the "free" product list. This change was effectively a carve-out from a distortionary policy implemented by India.

28.5. On 28 December 2022, India's Directorate General of Foreign Trade announced a further extension of its "free import policy" for the same few pulses – urad and tur or pigeon peas – until 31 March 2024. We note that by the time this latest extension of the free import policy for urad and tur or pigeon peas is scheduled to expire, India will have maintained a "temporary" suspension on its WTO-inconsistent quantitative restrictions policies for almost three years.

28.6. Australia appreciates the extended duration of the most recent exemption of these pulses from import restrictions, not to mention its advance notice, which is effectively a signal of greater liberalization of India's trade policy. This will be positively received by global markets for pulses.

28.7. However, we cannot ignore that this is still a temporary exemption, and, for that reason, Australia once again encourages India to consider the longer-term benefits to its own food security of permanently removing its quantitative restrictions on all pulses. More permanent, open trade settings would be more effective at building greater resilience in India's supply of pulses, providing greater certainty to suppliers and reducing risk-related costs. For consumers, more open trade settings would mean a more reliable supply of pulses and lower prices, with clear benefits for food security.

28.8. The delegate of the United States indicated the following:

28.9. The United States shares the concerns of other Members regarding India's quantitative restrictions for select varieties of pulses. As we have stated previously at meetings of the Committee on Import Licensing, Committee on Agriculture, and Committee on Market Access, we repeat our request for information on how the measures reflect India's WTO commitments, and when and how the measures will be ended. We continue to urge India to consider less trade restrictive requirements, and to notify future relevant measures and regulations in a timely manner.

28.10. The delegate of Canada indicated the following:

28.11. As done many times in this Council, and in other WTO Committees before, Canada continues to call for India to immediately and expeditiously remove its trade restrictive measures put in place on dried peas and other pulses, and to implement alternative, WTO-consistent policy options that promote a predictable and transparent import regime for pulses. Canada continues to question the legal interpretation provided by India to justify trade restrictive measures on dried peas, especially its "temporary nature" when the quantitative restrictions were established on 25 April 2018.

28.12. The delegate of the European Union indicated the following:

28.13. The European Union remains concerned with the lack of certainty and stability when it comes to the import regime for certain varieties of pulses in India, which implicitly have an impact on the global pulses market. India has been saying now for years that its measures are of a temporary nature, whereas we can easily notice that in practice the situation is different. The EU calls on India to reconsider its measures while ensuring that they are WTO-consistent.

28.14. The delegate of Argentina indicated the following:

28.15. Argentina thanks the delegations that included this item on the Agenda. As we have previously stated in this Council, and in the Committee on Technical Barriers to Trade, Argentina reiterates its concern over the uncertainty that these measures entail for our exporters, and requests their review by the Indian authorities.

28.16. The delegate of India indicated the following:

28.17. India would like to thank the intervening delegations for their continued interest in this issue. As addressed in the previous meetings of the Council for Trade in Goods, as well as the Committee on Market Access, the measures adopted by India are undertaken for the purpose of maintaining food and nutritional security. This is an area of great importance to our economy and the policies on imports are regularly reviewed and updated.

28.18. The trade measures applicable to pulses are in compliance with the relevant WTO Agreements and specified procedures of those agreements. My delegation would urge the proponents of this agenda to specifically state what problems their exporters are facing, and the quantification thereof. In absence of this information, it will be unfortunate if this specific trade concern still carries forward in other meetings of WTO regular bodies.

28.19. The Council took note of the statements made.

29 UNITED STATES – IMPORT RESTRICTIONS ON APPLES AND PEARS – REQUEST FROM THE EUROPEAN UNION

29.1. The Chairperson recalled that this item had been included on the agenda at the request of the European Union.

29.2. The delegate of the European Union indicated the following:

29.3. The European Union once again reiterates its concern on the import restrictions imposed by the United States on apples and pears from the EU. The United States has still not solved this unjustified barrier. This long-standing concern has been raised multiple times in this Council as well as in the SPS Committee.

29.4. All the necessary scientific groundwork has been carried out and the United States has finalized its scientific assessment, concluding already several years ago that apples and pears from the EU are safe for imports into the United States under the accepted systems approach. The only remaining step is purely administrative, as it requires a publication of a final notice. This publication is blocked by the United States without any scientific justification for such a delay, as all technical work has been satisfactorily concluded. The United States is thereby ignoring its own risk assessment carried out at the technical level. And the United States is thereby not respecting its obligations under the SPS Agreement.

29.5. The EU reiterates its request and urges the United States to respect its obligations under the SPS Agreement. The EU further urges the US to base its import conditions on science and to resolve this important matter without further delay. The EU looks forward to continuing working with the United States with a view to resolving this issue promptly.

29.6. The delegate of the United States indicated the following:

29.7. The United States thanks the European Union for its continued interest in the status of the request from eight EU member States to export apples and pears under a systems approach to the United States. The US Department of Agriculture continues to work through its administrative procedures on this request. We would again note that the EU is able to export apples and pears to the United States under the existing preclearance program.

29.8. The Council took note of the statements made.

30 PAKISTAN – IMPORT RESTRICTIONS AND DISCRIMINATORY TREATMENT ON FOODSTUFFS AND CONSUMER GOODS – REQUEST FROM THE EUROPEAN UNION

30.1. The Chairperson recalled that this item had been included on the agenda at the request of the European Union.

30.2. The delegate of the European Union indicated the following:

30.3. The European Union would like to recall its serious concern over Pakistan's frequent issuing of new Statutory Regulatory Orders (SROs), which are very detrimental in terms of transparency and legal predictability. These regulatory duties have banned or restricted imports and impacted companies and consumers in Pakistan, with further negative consequences on local competitiveness and the business environment. We noticed that the regulatory duties introduced by Pakistan last June, via SRO 966, with its subsequent amendments, which although temporary in nature, have been further extended until the end of March, via the new SROs 204 and 205, issued on 20 February 2023. We would therefore like to invite Pakistan to confirm whether these measures will not be further extended or replaced by new ones.

30.4. The new SRO 297(1)/2023, adopted by the Pakistani authorities on 8 March 2023, is an additional source of concern, as it states that, "the sales tax shall be charged, levied and paid at the rate of twenty five percent of the value of the goods imported and their subsequent supply or the retail price … ". According to the Pakistan Sales Tax Act 1990, the sales tax was levied at a rate of 17% on both imported and domestically produced goods, while the new SRO seems to introduce a discriminatory approach between the two categories, which is inconsistent with the national treatment principle.

30.5. We would like to invite Pakistan to provide further clarification on this topic. The EU stands ready to work jointly with Pakistan to remove these restrictions as they are detrimental to consumers, exporters and at the same time they have not helped to remedy Pakistan's fiscal imbalances and budget deficit in a sustainable manner.

30.6. The Council took note of the statements made.

31 AUSTRALIA, CANADA, EUROPEAN UNION, JAPAN, NEW ZEALAND, SWITZERLAND, UNITED KINGDOM, AND UNITED STATES – UNILATERAL TRADE RESTRICTIVE MEASURES – REQUEST FROM THE RUSSIAN FEDERATION

31.1. The Chairperson recalled that this item had been included on the agenda at the request of the Russian Federation.

31.2. The delegate of the Russian Federation indicated the following:

31.3. The Russian Federation reiterates its statements on the unilateral trade restrictive measures made during previous CTG meetings. The number of anti-Russian measures imposed by Australia, Canada, the European Union, Japan, New Zealand, Switzerland, the United Kingdom, and the United States continues to grow rapidly. Today this number is approaching 3,000.

31.4. Since the beginning of the year, this long list of measures has been supplemented by new export bans on certain industrial and medical goods, additional import bans on mineral products from Russia, and a number of new restrictive measures targeting major Russian banks, research institutes, and commercial companies. These measures are not only WTO-inconsistent, but also

exacerbate global economic, energy, and food crises, and cause irreparable harm to the global economy. Despite this, we have witnessed a number of attempts to accuse Russia of triggering the global food crisis. Such attempts are not based on an objective assessment of the background data.

31.5. The growth in prices for inputs of agricultural products is the consequence of some countries' decision to reject Russian hydrocarbons, and fertilizers, and to impose restrictions on transportation, finance, and insurance. Russia is both a major producer and exporter of wheat and fertilizers. For instance, Russian fertilizers ensure the production of 117 million tonnes of wheat, or 440 million tonnes of corn, which is enough to feed about 500 million people. The measures against Russia led to increases in costs of logistics and food prices, decreasing the availability of such goods for those in need (namely emerging market economies, developing and least developed countries who are net importers of such goods from our country).

31.6. Despite claims of there being no restrictions, Russian exporters face: (i) increased import tariffs; (ii) blocking of payments; (iii) bans on seaport entry; (iv) restrictions for freight and road transport, as well as insurance and legal services; (v) inability to purchase and deliver spare parts for necessary agricultural equipment; and (vi) restrictive measures against related companies and individuals that include freezing of assets and prohibition to deal with such persons. These measures have resulted in increased transaction costs and *de facto* quantitative restrictions on Russian supplies of food and fertilizers, leading to global food shortages and price hikes. Thus, all attempts to shift the blame for all of the above-mentioned problems onto Russia look ridiculous.

31.7. We also note that the targeted sectors of sanctions align suspiciously with traditional protectionist policies against Russia. These measures serve typical market interests and alter global competition. Sanctions restrict trade relations, allowing others to pursue their economic interests. This approach fragments the multilateral trading system and undermines the WTO's foundations of resisting protectionist pressures. Trade is only open for Members of specific "like-minded clubs", leading to discrimination and distorted competition.

31.8. The WTO's value lies in negotiating trade agreements, settling disputes, and addressing trade problems. The anti-Russian measures continue to undermine the multilateral trading system (MTS). The blatant disregard of the basic principles and rules of the WTO diminishes its role as a cornerstone of the MTS. Unilateral imposition of politically biased trading measures clearly states the new norm that no Member is safe from same unlawful treatment.

31.9. In this context, the Russian Federation calls on the WTO Members in question to restore the smooth functioning of the WTO, and urges those same Members immediately to lift their unilateral trade restrictive measures, including those with extraterritorial implications, and to stop their coercive actions aimed at forcing other WTO Members to follow suit.

31.10. The delegate of the United Kingdom indicated the following:

31.11. The far-flung narrative we have heard just now from Russia was – frankly – about as unconvincing as it was untruthful. Indeed, the United Kingdom will not ignore Russia's futile – and, evidently, implausible – attempts to disinform, divert, and distract Members from the impacts of their unjustified, illegal invasion of Ukraine – which is now on Day 403.

31.12. The fact is that Russia alone bears responsibility for the worsening global implications of their chosen war within Ukraine, the impacts of which have been highlighted by multiple international organizations, including the World Bank in October. Indeed, in contrast to Russia's weak smokescreen of lies, the cold hard facts stand out with resounding clarity:

31.13. The fact is that the UN Human Rights Office has confirmed 8,000 civilians in Ukraine have been killed by Russia's war. Describing that figure as the "tip of the iceberg" back in February, the UN High Commissioner labelled the toll on civilians as "unbearable." And it is. That is a sobering reminder to everyone in this room of the appalling ongoing suffering in Ukraine.

31.14. The fact is that Russia has crippled Ukraine's grain export capabilities. Russia's actions have rendered more than 5 million hectares of agricultural land in Ukraine unusable. Russia has destroyed or damaged 84,000 units of Ukrainian agricultural machinery. And – as Russian missiles, landmines and tanks continue to displace Ukrainians, prevent Ukrainians planting and harvesting food, and

destroy Ukrainian infrastructure – the catastrophic impacts on global food security will continue to grow more acute.

31.15. The fact is that the impact is already dire. After the invasion in 2022, the UN World Food Programme said that close to 70 million people were being pushed closer to starvation by the war. And the Global Crisis Response Group has recently forecasted that 19 million more people are expected to face chronic undernourishment in 2023 because of Russia's war.

31.16. And – in reaction to a spiralling global food crisis, galvanized by their war – the fact is that Russia is choosing to make a bad situation worse. Because – having unilaterally cut global supply, and thus upped demand, and stimulated price hikes in food – Russia has, as enshrined in their legislation, taken unilateral steps that further increase global prices of agri-food.

31.17. They have done this through placing restrictions on their own exports. Such measures cover numerous agricultural goods – including fertilizer, white sugar, raw cane sugar, wheat, rye, meslin, barley, corn, rice, sunflower oil and seeds, and rapeseed oil and seeds. Again: the facts here speak for themselves. And the UK will continue to shine a spotlight on this deliberate weaponizing of food.

31.18. So these are facts of the impacts of Russia's war. But we must also address the disinformation that Russia is spreading on the UK's sanctions. The fact is that the target of UK sanctions is Putin's war machine. Not global food and fertilizer sectors. And, unlike Russia, the UK does not have any unilateral global export restrictions on agri-food.

31.19. So, as enshrined in our law, the UK has not imposed sanctions on food or fertilizer exports from Russia to third countries. Should anyone seek any more information on how we have done this, we remain at Members' disposal to explain the clear and obvious mitigations designed specifically to prevent unintended impact on Russian food exports.

31.20. Looking ahead, in terms of the crisis, the UK will keep doing all we can to support resilience in food security across the rest of the world, including funding worth USD 230 million to the Global Agriculture and Food Security Program (GAFSP), worth USD 20 million to increase food production in vulnerable countries, and nearly USD 180 million towards humanitarian crises in East Africa.

31.21. In closing, we would reaffirm that the United Kingdom will stand with Ukraine for as long as it takes. We will keep working with our international partners to ensure maximum international scrutiny on Putin and his war machine – until he withdraws his troops, and ends this unjust and illegal war in Ukraine.

31.22. The delegate of the European Union indicated the following:

31.23. The European Union reiterates its resolute condemnation of the Russian Federation's war of aggression against Ukraine, which deliberately violates the UN Charter and disregards the rules-based international order. It undermines international security and stability, and has no place in the 21st century. The European Union's support for Ukraine's independence, sovereignty, territorial integrity and right of self-defence is unwavering.

31.24. Thus, the European Union remains committed to maintaining and increasing collective pressure on Russia, including through possible further restrictive measures, and to continue working on the oil price cap together with partners. We will continue our efforts to ensure effective implementation of sanctions.

31.25. We strongly condemn Russia's disinformation attempts which blame international sanctions for rising food insecurity. Our sanctions – which neither target trade in agricultural, food or medical products, nor the trade of Russia with third countries – are not to blame. Russia, by weaponizing food in its war against Ukraine, is solely responsible for the global food insecurity that this war has provoked.

31.26. In that context, the EU will continue its efforts, through *inter alia*, the UN Black Sea Grain Initiative, the EU's Solidarity Lanes and the Ukrainian "Grain from Ukraine" initiatives to bolster global food security. It is essential to ensure the continued availability and affordability of agricultural products for the countries that are most in need.

31.27. The EU has taken all its measures in a fully transparent manner. The relevant EU measures are publicly accessible, including through notification to the Committee on Market Access.

31.28. The EU calls on Russia to stop its acts of aggression and withdraw its troops from Ukraine. Russia must cease actions endangering civilians and respect international humanitarian law, and fully respect Ukraine's territorial integrity, sovereignty, and independence within its internationally recognized borders.

31.29. The delegate of the United States indicated the following:

31.30. We condemn Russia's unjustifiable, unprovoked, and illegal aggression against independent and sovereign Ukraine, and the suffering and loss of life it continues to cause. We will spare no efforts to hold President Putin and the architects and supporters of this aggression accountable for their actions. We underline our resolve to impose severe economic and financial consequences on Russia. As we have said before, Russia is complaining about a situation that it has created, and is trying to shift the blame for the death and destruction that it has caused.

31.31. Russia started this war; Russia perpetuates this war; Russia illegally tried to annexe parts of Ukraine; Russia continues to destroy Ukraine's agricultural and energy infrastructure; and Russia continues to spread disinformation that Western sanctions are causing food insecurity when we have made it quite clear that banks, insurers, shippers, and other actors can continue to bring Russian food and fertilizer to the world. In short, Russia, with support from Belarus's complicity, is responsible for much of the devastation and disruption being felt around the world.

31.32. The United States will continue to condemn Putin's brutal, unprovoked and unjustified war against Ukraine. The United States will continue to support Ukraine's courageous efforts to defend itself, uphold its territorial integrity and protect its population. The United States will continue to work with its partners and allies to sustain and intensify international pressure on President Putin's regime, and its enablers in Belarus, for as long as necessary.

31.33. The delegate of Canada indicated the following:

31.34. Canada continues not to engage with Russia's delegation to the WTO in a business-as-usual fashion given Russia's unprovoked, unjustified and illegal war of aggression in Ukraine.

31.35. No amount of misinformation can hide Russia's culpability; Russia is solely responsible for this crisis, not Western sanctions, which are only designed to stop Russia's unjust and brutal war in Ukraine. Russia's efforts to blame Western sanctions for the cause of these crises are simply attempts to re-direct the narrative away from its own actions. It is Russia's ongoing invasion that has significantly disrupted global supply chains, and created significant uncertainty in international trade, driving up costs of food and energy worldwide.

31.36. Canada's support for Ukraine and its people is unwavering, and we will work to find ways to use trade to support Ukraine in rebuilding its economy and its society.

31.37. The evolving food crisis remains a top priority for Canada and other donors, as demonstrated by its continued prioritization within the G7 and G20 agendas in 2023.

31.38. Canada will continue to support humanitarian partners, such as the World Food Programme, to help meet the emergency food and nutrition needs of the growing number of acutely food insecure people. Canada has made significant new commitments to humanitarian food and nutrition assistance, including a record USD 650 million allocated in 2022, and continues to provide longer-term development assistance to address root causes of hunger and malnutrition.

31.39. Canada is also supportive of efforts to mitigate export shortfalls from the invasion of Ukraine and reduce global food prices, including through the EU Solidarity Lanes and the Black Sea Grain Initiative. We will continue to take actions that we consider necessary to protect our essential security interests, and we will work closely with like-minded partners to promote peace and security for all states and their citizens. Finally, we once again call for Russia to immediately cease all hostile actions against Ukraine.

31.40. The delegate of Norway indicated the following:

31.41. Norway implements restrictive measures as other Members mentioned under Agenda Item 31. The measures have been taken as a reaction to Russia's unprovoked military invasion of Ukraine and illegal attempts to annexe Ukrainian territory which Norway condemns in the strongest possible terms. The restrictive measures are directed at Russia's war machine. We are appalled by Russia's continued war of aggression, which is a gross violation of international law and the UN Charter. The blame for the global consequences of this aggression lies squarely with Russia.

31.42. The delegate of Switzerland indicated the following:

31.43. Switzerland condemns Russia's military aggression against Ukraine in the strongest terms and calls on Russia to take military de-escalation measures to end hostilities and to immediately withdraw its troops from Ukrainian territory. The continuation of this military attack blatantly violates international law, most notably the prohibition on the use of force, the principle of the territorial integrity of States, and the obligation to protect the civilian population. Switzerland calls on all actors to respect international law, in particular humanitarian international law.

31.44. In response to Russia's military aggression, Switzerland has taken a number of economic measures. We stress that these measures do not relate to foodstuffs or fertilizers and are exceptional in nature. They have been taken as a result of Russia's violation of international law and are in accordance with international law, including WTO law.

31.45. The delegate of Australia indicated the following:

31.46. As other Members who have spoken, Australia again condemns, in the strongest possible terms, Russia's illegal and immoral, full-scale invasion of Ukraine. This invasion is a gross violation of international law. Australia strongly supports Ukraine's sovereignty and territorial integrity.

31.47. Australia has imposed a comprehensive suite of measures against Russia in response to its invasion of Ukraine, including more than 1,000 targeted financial sanctions and trade measures such as: (i) a ban on imports of Russian oil, refined petroleum products, coal and gas (effective from 25 April); (ii) a ban on exports of alumina and bauxite to Russia (effective from 20 March); (iii) a ban on the export of certain luxury goods to Russia, including wine and cosmetics (effective from 7 April); and (iv) denying Russia access to most-favoured-nation tariff treatment and imposing an additional tariff of 35% on goods. Australia has notified these trade measures to the WTO to ensure transparency, which is an important obligation on all Members that Australia takes seriously. Australia has also joined like-minded partners to prohibit the importation of Russian gold to reduce Russia's ability to fund its war.

31.48. These measures are justified given Russia's unprecedented invasion, and are justified under WTO rules, in particular Article XXI of the GATT 1994. Food and agricultural commodities (aside from a limited number of luxury goods, such as lobster and caviar) are not sanctioned by Australia.

31.49. Rather, it is Russia's own decisions that are constraining its contribution to global food stocks, including through the imposition of restrictions on its own exports. Russia's illegal invasion is also compounding human suffering and propelling the global crisis in food and energy security by destroying Ukraine's agricultural land and facilities for processing and exporting staple foods, and disrupting regular trade through the Black Sea.

31.50. Australia is committed to strengthening the global rules-based order, and is a ready and able partner for all countries that seek a peaceful and prosperous world, where sovereignty is respected.

31.51. The delegate of Japan indicated the following:

31.52. Russia's aggression of Ukraine clearly infringes upon Ukraine's sovereignty and territorial integrity, and constitutes a grave breach of the United Nations Charter, which prohibits the use of force. Japan will never accept the unilateral attempt to change the status quo by force and it is an extremely serious situation that shakes the very foundation of the international order. Japan condemns Russia's actions in the strongest terms.

31.53. In response to Russia’s aggression, Japan is implementing strict sanctions in close cooperation with the international community, including the G7. We continue to work with our partners, including international organizations, to proactively address the impact of Russia's aggression of Ukraine on areas such as energy and food, among others, across many countries. Japan and other countries have been carefully addressing the situation by imposing sanctions in a manner that does not hinder the provision of humanitarian assistance or the operation of global agricultural trade.

31.54. We insist that the Russian Federation must urgently stop its aggression against Ukraine and immediately withdraw its troops. We are firmly convinced that the Russian Federation must be held accountable and must cease its actions, which undermine peace and security.

31.55. The delegate of Ukraine indicated the following:

31.56. Ukraine would like to emphasize once again that the main reason for the imposition of trade restrictive measures against Russia is Russia's illegal and unjustifiable war of aggression against Ukraine that constitutes a blatant violation of international law and undermines the rules-based international order.

31.57. Russia started and continues the war and now Russia is blaming everyone except itself and spreading disinformation that sanctions are causing and aggravating crises. The sanctions imposed because of Russia's full-scale invasion of Ukraine were introduced in accordance with international law, including WTO law. No disinformation can hide the real culprit – Russia is solely responsible for the war and the deepening crises we face.

31.58. All these economic measures are targeted at ending this war and not hindering trade in agricultural, food or medical products. Russia itself uses food insecurity as a new weapon. For example, the volume of Ukrainian food exported by sea could be significantly higher if it was not for Russia's policy of delaying the inspection of vessels. Russia's deliberate destruction of Ukrainian farming and agricultural infrastructure, including transportation and storage facilities, can hardly contribute to global food security.

31.59. We are confident that the sanctions regime should not only be maintained, but also strengthened in order to limit Russia's ability to finance its war. We expect the sanctions coalition to be expanded further, and hope that more WTO Members will join it, and cease to provide material support to Russia's war. Preventing Russia's efforts to circumvent the existing sanctions is also critical.

31.60. We reiterate our gratitude to all our partners for their comprehensive support and call on other WTO Members to put more pressure on Russia to end its ability to wage war and to undermine the rules-based multilateral trading system aimed at sustainable development that is impossible without achieving peace and stability.

31.61. The delegate of New Zealand indicated the following:

31.62. New Zealand remains united with the international community to hold Russia to account for violations of humanitarian and international law through its illegal and unprovoked invasion of Ukraine, which New Zealand condemns unequivocally. Like others, New Zealand has applied sanctions on Russia in a transparent manner for one purpose, to bring an end to this war. Sanctions are not intended to disrupt trade in essential goods.

31.63. Let us be clear. It is Russia's invasion of Ukraine that has seriously undermined global peace, security, and economic stability – as well as creating uncertainty and volatility in world food prices and supply. We are appalled by reports of the devastating and indiscriminate attacks on Ukraine's population by Russian troops, including evidence of crimes against humanity and war crimes, as well as the destruction of civilian infrastructure, including the energy grid, hospitals, schools, and homes. We will spare no effort in holding those responsible for this aggression to account.

31.64. We stand in full solidarity with Ukraine and its people and reaffirm our unwavering support for the independence, sovereignty, and territorial integrity of Ukraine.

31.65. The delegate of the Republic of Korea indicated the following:

31.66. The Republic of Korea has been strongly condemning Russia's armed invasion against Ukraine. Regarding the current item, Korea believes that it is essential to focus on the very origin of the sharply aggravating situation on the global supply chain in many areas, posing a significant threat to the rules-based global trade order under the WTO. The way to end all this is to stop Russia's military action in Ukraine.

31.67. The delegate of the Bolivarian Republic of Venezuela indicated the following:

31.68. We would like to reiterate our gratitude to the Russian Federation for having raised at this meeting an issue that, for my delegation, is highly sensitive. As we have pointed out on previous occasions, Venezuela has been warning for years against the proliferation of unilateral coercive measures. Since at least 2015, so for seven years, Venezuela has suffered a multidimensional financial, commercial, economic and patrimonial attack, with multimillion dollar losses. As a result, Venezuela's revenues have been cut by 99%, and the negative impact has spread to all areas, notably the food, health, transport, communications and technology sectors. We are witnessing first-hand the collateral damage that this type of measure causes not only to the population of the country concerned, but also to other economies, provoking disruptions of all kinds, including trade distortions.

31.69. We wish to reiterate that the WTO has proved to be an organization that is primarily guided by economic considerations and sound legal rules. The very definition of unilateralism implies conduct that violates principles and rules. In this connection, we call for a return to multilateralism as the best way to settle our differences and call for a multilateral trading system that is predictable, transparent, inclusive and based on rules agreed by consensus.

31.70. The Council took note of the statements made.

32 EUROPEAN UNION – DRAFT COMMISSION REGULATION AMENDING ANNEXES II AND V TO REGULATION (EC) NO. 396/2005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS MAXIMUM RESIDUE LEVELS FOR CLOTHIANIDIN AND THIAMETHOXAM IN OR ON CERTAIN PRODUCTS – REQUEST FROM THE UNITED STATES

32.1. The Chairperson recalled that this item had been included on the agenda at the request of the United States.

32.2. The delegate of the United States indicated the following:

32.3. The United States shares the EU's concerns about pollinator health, and we are actively working to protect bees and other pollinators in the United States. To date, the global scientific and regulatory community has found that complex interactions among multiple factors affect pollinator health, including the health of bees.

32.4. Given the critical importance of the pesticides identified in the Regulation as part of integrated pest management (IPM) programmes on crops that are exported to the EU by many countries, the proposed measure appears to pose a significant obstacle to international trade and production of agricultural products.

32.5. Use of pesticide MRLs is intended to manage the food safety risk of treated imported food products upon arrival into a market. MRLs are not intended to be an environmental safety management tool, and their use for this purpose may have unintended consequences that could undermine the development and use of international standards for food safety.

32.6. In the March SPS and TBT Committee meetings, we again asked the EU to explain how the conclusions from these risk assessments support the reduction of MRLs to the limit of detection (LOD) for the impacted products. We further asked the EU to provide any analysis and studies that it had conducted to review production systems outside the EU.

32.7. The United States is concerned by the apparent lack of the scientific or technical information that demonstrates how the reduction of these MRLs to the LOD contributes to the objective of the

protection of pollinators, including bees. We are also uncertain about the objective criteria the EU will use in assessing applications for import tolerances under this Regulation, and ask that the EU provide more detailed information on such criteria.

32.8. In the absence of scientific or technical information indicating how the reduction of MRLs to the LOD on the impacted products contributes to the objective of protection of pollinators, including bees, the United States requests that the EU maintain its current MRLs for clothianidin and thiamethoxam.

32.9. Complex environmental challenges require collaboration across the global community; unilateral approaches based on incomplete science may complicate or further delay meaningful progress on these pressing issues while unnecessarily affecting agricultural production and trade. In place of the EU's proposed regulation, the United States would welcome a collaborative approach to protecting pollinators and the opportunity to contribute resources, scientific expertise, and new ideas.

32.10. The delegate of Uruguay indicated the following:

32.11. Uruguay reiterates its concern regarding the approval, without substantive changes, of Regulation No. 2023/334 amending the MRLs for clothianidin and thiamethoxam, despite the numerous comments made by some 20 trading partners in the aforementioned consultation process, and by many WTO Members at recent meetings of the Goods Council and the SPS, TBT and Market Access Committees.

32.12. Uruguay understands that setting MRLs is a tool designed to protect consumer health from the risks arising from ingestion and that it therefore naturally falls within the scope of the SPS Agreement. The international reference body for such issues is the Codex Alimentarius Commission, where health-related issues are comprehensively addressed in relation to the adoption of MRLs.

32.13. Without prejudice to other European standards of the vast and complex European regulatory framework, the main and specific rule on MRLs for pesticides in food and feed is Regulation No. 396/2005, Article 3(d) of which defines MRLs as: "the upper legal level of a concentration for a pesticide residue in or on food or feed set in accordance with this Regulation, based on good agricultural practice and the lowest consumer exposure necessary to protect vulnerable consumers".

32.14. Uruguay shares concerns about promoting the protection of pollinators, in line with environmental and biodiversity protection, and supports the establishment of regulatory environments based on scientific criteria, so as to avoid putting food security at risk or erecting barriers to trade. In this connection, Uruguay reiterates its willingness to cooperate with other Members, including the EU, to find mechanisms that can be used to achieve these objectives without unnecessarily restricting trade, while also ensuring conservation of the environment and protection of human, animal and plant health.

32.15. However, Uruguay still has doubts as to both the relevance and the legal basis, in EU regulations and WTO standards, of reducing MRLs to the level stated on the grounds of "environmental issues of global concern" or other issues unrelated to human health.

32.16. Despite awareness of the importance of the environmental aspects, we understand that these are not included in the process of establishing MRLs, but that they are and must be addressed by countries individually in their territory using the appropriate tools, on the basis of their own production and regulatory systems, environmental conditions and policies. This was ratified by the Codex Secretariat, which confirmed that environmental issues are not currently considered in the risk analyses used for plant protection products (PPPs) under the Codex.

32.17. In short, Uruguay is of the view that MRLs must be established on the basis of a risk assessment with the aim of protecting consumer health and not for environmental protection purposes. Similarly, Uruguay would like to highlight that the sanitary and phytosanitary measures adopted or implemented by WTO Members, such as the EU, must be adapted to the objectives set out in Annex A, paragraph 1, to the SPS Agreement, and the other substantive obligations under this Agreement, such as those concerning international harmonization, the avoidance of approaches

that unnecessarily restrict trade, and transparency, as well as corresponding obligations under the GATT 1994.

32.18. Lastly, we reiterate our interest in following up on the future consideration of emergency authorization applications for these and other substances subject to restrictions under regulations at the Community level, in the light of the recent CJEU judgement of 19 January 2023.

32.19. The delegate of Paraguay indicated the following:

32.20. Paraguay reiterates its concern about the EU's claim to use the MRLs for clothianidin and thiamethoxam, not to protect European consumers, but as a means to regulate the use of neonicotinoids in production processes and methods in third countries. Paraguay also has serious concerns regarding the compatibility of the notified EU measure with obligations relating to market access and non-discrimination under WTO rules.

32.21. Paraguay shares a genuine interest in environmental and biodiversity conservation, and accords primacy to the protection of human, animal and plant health, including protection of pollinators, which also play a key role in global food production and contribute to higher yields of agronomically important crops. But each country has particular needs and challenges in its agricultural production, on the basis of its geography, ecosystem and local scientific capacities, as part of the quest to attain and maintain sustainability in agriculture. This situation is reflected in the evidence-based regulatory frameworks applied to registration processes to assess the risks of pesticides and their uses, including the assessment of risk to the environment and pollinators. For example, the European framework does not envisage any cases where GAPs would allow these substances to be applied at times when bees would be unaffected.

32.22. My country, like several other Members, submitted comments on notification G/TBT/N/EU/908 within the established deadline. However, on 27 September 2022, the EU Standing Committee on Plants, Animals, Food and Feed (ScoPAFF) approved the proposal to reduce the MRLs for these substances without modifications, thereby failing once again to take its trading partners' comments into account.

32.23. Commission Regulation (EU) No. 2023/334 was approved at the start of February, and I would like to point out that, like we did at the SPS and TBT Committees, an incorrect reference was made to Paraguay in footnote 19, with a resolution and ministry that do not exist in my country. Our representatives in Brussels have already lodged the relevant complaints and, although they assured us that steps would be taken to correct it, we would appreciate an update regarding the status of the correction and an explanation as to why Paraguay was mistakenly included in a regulation that was not only discussed but also approved by the European Parliament at the Commission's behest.

32.24. Far from achieving environmental outcomes, the measure will serve to impose restrictions on international trade and make farmers less competitive in Paraguay and the region than farmers in Europe who do not have to contend with the same pests and climatic conditions to produce food, and who could until recently benefit from emergency authorizations to continue using these substances. Accordingly, we welcome the European Court of Justice ruling regarding the prohibition of emergency authorizations for neonicotinoids that are banned in the EU. It will finally require European producers to fully implement European regulations. Perhaps now the Commission will finally understand the need to review some of its policies given that they are not viable for production systems, even within the European Union itself.

32.25. The delegate of India indicated the following:

32.26. We thank the delegation of the United States for raising this item on the agenda. The EU policies on sanitary and phytosanitary measures have already been discussed under Agenda Item 8. The rich discussion showed Members' wide-ranging concerns on EU policies, and on the EU's administering of its policies, related to Maximum Residual Limits.

32.27. This particular agenda item has been discussed in the Committee on Agriculture, the Committee on Sanitary and Phytosanitary Measures, where we raised this as a separate item, and the Committee on Technical Barriers to Trade. This agenda item has, in recent meetings of these

bodies, taken the maximum time, with Members from all continents, and with a broad range of levels of development, urging the EU to review its proposals. It is unfortunate that the EU is using the environment as a pretext to manage MRL-related issues and without taking into account the unique climatic, environmental, and soil conditions which prevail in different parts of the world.

32.28. The delegate of Ecuador indicated the following:

32.29. Ecuador thanks the United States for its interest in including this concern on the agenda for this meeting. My delegation would also like to reiterate its concern in relation to this matter, in line with what we have already expressed before the Committees on Sanitary and Phytosanitary Measures and on Market Access.

32.30. We stress that the new proposal for a regulation would distort the objective of Regulation 396/2005, since it would shift the approach to "European consumer" protection and add unilateral consideration of "environmental factors" in countries outside the territory and jurisdiction of the European authorities. Such an approach ignores and invalidates the adequacy of the regulatory policies of other countries, which sovereignly establish the conditions for food production and agricultural activity in their jurisdictions. The European Union's extraterritorial objectives do not always seem to be consistent with WTO rules or to take into account the climatic and developmental conditions of its various trading partners.

32.31. These measures impose an even heavier burden on small producers, who are still trying to recover from the adverse effects of the pandemic. Adjusting to new MRLs would increase the cost or quantity of fertilizers and pesticides. Indeed, the development of new substances to replace those that would be withdrawn from the market is either in the experimental stage or so costly as to be unaffordable to small and medium-scale producers.

32.32. Ecuador firmly believes that sustainability rests on three pillars: social, economic and environmental. When adopting measures on MRLs, account must be taken of the negative effects that they will have on the other sustainability pillars in the European Union's trading partners, particularly developing countries. For these reasons, we once again urge the European Union to maintain the current maximum levels for third countries, as import tolerances.

32.33. The delegate of Argentina indicated the following:

32.34. We would like to thank the United States for including this item on the agenda. Argentina remains concerned about the consistency of this measure with WTO principles. We consider that the measure is inappropriate and disproportionate, and that the EU's decision is an extraterritorial application of law because it clearly has an impact on third-party decisions and a totally negative effect on trade.

32.35. Argentina fully shares the EU's genuine interest in the strategic importance of pollinators for the global environment, especially bees for ecosystems and biodiversity. Likewise, as a major food producer, it recognizes the significant contribution they make to agriculture and global food security. That is why, like many other countries, we have stepped up measures to provide producers with the tools required to properly protect plant life, which will enable them to continue producing food. At the same time, by adopting good agricultural practices, we are reducing the effects of pollinators from the use of certain products. However, everything seems to suggest that this measure notified by the EU will, rather than protecting the environment or pollinators, create an obstacle that will restrict producer third countries' ability to export to the EU.

32.36. Irrespective of whether or not the objective being pursued is legitimate, the EU's measure will result in a virtual ban on access to its market for a wide range of food and feed products. Therefore, we believe that the trade-disruptive impact that the reduction of the MRLs would have on all the products covered by the measure would not be proportional to the objective being pursued by the EU.

32.37. Equally of concern to Argentina is that implementing the measure would amount to a disguised restriction on international trade, contrary to the provisions of the SPS Agreement. The EU has established an MRL at the level of detection to protect bees, when MRLs are actually adopted

to ensure food safety, not to protect the environment. The Codex Alimentarius recently adopted new MRLs for neonicotinoids, demonstrating that they are safe for consumers.

32.38. Argentina considers that the measure adopted by the EU is not clearly justified and constitutes a disguised restriction on international trade because it is disproportionate to the objective that it claims to protect and unduly restricts trade, as it prevents the marketing of any product that has been treated with these neonicotinoids that may exceed the LOQ, even though the EU cannot demonstrate that MRLs at the level established by the Codex may affect the health of consumers, which ultimately is the intended purpose of an MRL.

32.39. The delegate of Brazil indicated the following:

32.40. On the European Union's proposed regulation, which withdraws the approval of active substances thiamethoxam and clothianidin, and restricts the MRLs in certain products, Brazil would like to recall Article 2.2 of the TBT Agreement. We understand that the EU's current proposal goes against this commitment, as it falls outside the scope of the TBT Agreement to support unilateral policies aimed at protecting the environment in third countries.

32.41. Besides the need for further discussion, on a sound scientific basis, about the risks that thiamethoxam and clothianidin may have on the bee population worldwide, Brazil understands that one could not expect to extend to all countries of the world trade restrictive measures that do not consider the variety of local conditions, including climate and soil. Furthermore, there are different needs and challenges posed by agricultural production in each country.

32.42. The EU affirms that its trade restrictive measures would seek to avoid the transfer of adverse effects on bees from food production in the EU to food production in non-EU countries. However, for Brazil, this approach does not appropriately consider that many countries, including Brazil, have technical procedures for approving substances. Furthermore, Brazil believes that, due to its extraterritorial effects, the EU's proposed regulation goes against the rules and jurisprudence of the multilateral trading system.

32.43. Brazil is also concerned that, if the current proposal for restricting the use of those substances becomes the basis for other similar restrictions, farmers in Brazil and worldwide could face serious problems that will affect productivity and their capacity to contribute to global food security. Therefore, Brazil calls for the European Commission to consider a more balanced approach that is in harmony with the Codex Alimentarius recommendations for the MRLs of those substances. Brazil also appreciates the opportunity to provide comments and would be grateful if they could be taken into account, and replied to, before the adoption of the notified draft.

32.44. The delegate of Japan indicated the following:

32.45. The lowering of the MRLs for the two active ingredients for the protection of pollinator insects outside the region is clearly different from the previous method of setting MRLs for the protection of human life or health, and deviates from the international harmonization on MRLs. The EU claims that this measure is a TBT measure on the grounds that it is not directly related to consumer health issues and is intended to protect the environment, but we believe that when bringing in a new approach to measures that affect third countries, such as MRLs, it is necessary to have full discussions with third countries, including at SPS Committee meetings. The EU states that if there is no risk to pollinators, it is possible to apply for import tolerance, but details should be clarified.

32.46. Given that the environmental conditions in each country are different, and the authorities in each country set the method of use of pesticides in consideration of the environmental conditions, the EU should not make decisions on the pros and cons of the use of pesticides in third countries.

32.47. The delegate of New Zealand indicated the following:

32.48. New Zealand shares the concerns raised by other Members following the EU's adoption of the proposal notified in document G/TBT/N/EU/908, which seeks to address pollinator decline by lowering the MRLs of the neonicotinoids clothianidin and thiamethoxam to the limit of quantification.

32.49. New Zealand shares worldwide concern for the decline of pollinators given their vital role in supporting ecosystem functions and food production. However, the extent of this pollinator decline varies considerably throughout the world and can be associated with a range of different causes. New Zealand encourages the EU, like all WTO Members, to address global environmental issues, including sustainable pesticide use, by working with trade partners in multilateral forums.

32.50. New Zealand reiterates concerns previously raised in the Council for Trade in Goods that unilaterally imposing prescriptive import measures, in a manner such as those notified, may not successfully achieve the intended goal, and could create unjustified trade barriers for trading partners. New Zealand maintains that national authorities are the most appropriate decision-makers with respect to the sustainable use of pesticides within their country. While it is noted that there is a large variability in trading partners' production and regulatory systems, reflecting their unique climate, environment, and pest and disease status, amongst other factors, New Zealand encourages Members to recognize that different production and regulatory systems can, and do, deliver desirable environmental outcomes. New Zealand encourages the EU to use risk-based measures founded on sound science and relevant international standards, which are least trade-restrictive and appropriate to achieve the desired outcome.

32.51. The delegate of Colombia indicated the following:

32.52. We remain concerned about the European Union's overall hazard regime, which is evident mainly in the pesticides policy that establishes technical and health regulations that are more restrictive than necessary. Colombia has also stated that the measure may be discriminatory when selecting the substances to be reviewed, when allowing the involvement of stakeholders, when establishing criteria such as how a food product is consumed, and in disregarding the different geographical and climatic conditions of countries, especially in tropical areas, and, last but not least, when establishing different exemption regimes for European and foreign producers. Today, we wish to reiterate all of these arguments and our previous statements.

32.53. Colombia would like to express its agreement with the legitimate objective pursued by the European pesticides regime. However, I would like to ask the European Union: why not establish longer transition periods for substances that are in the process of approval? Why not avoid regulatory action during production if the pesticide residue does not exceed the authorized level at the time of application? Why not maintain existing MRLs while import tolerance applications are being reviewed and until a full risk assessment has been completed, or why not consider third country data earlier in the European Union's process for renewals and approvals? Is it not possible to work together to give our producers of goods imported into the European Union an outlet? My producers are running out of solutions, and these are avenues that do not involve a change of policy but offer a way out.

32.54. The delegate of Guatemala indicated the following:

32.55. We thank the United States for including this agenda item. This is a matter in relation to which we have previously expressed concern, and we reiterate our comments made at previous meetings. We will be following this issue's progress.

32.56. The delegate of the European Union indicated the following:

32.57. The European Union takes note of the interest by the United States and other Members on this issue. As previously communicated, the EU takes into account environmental objectives when deciding about setting MRLs for substances no longer approved in the EU due to environmental concerns of a global nature, while respecting WTO standards and other international obligations. The EU addresses this matter on an incremental basis, considering and reviewing the position of each particular active substance on a case-by-case basis, founded on the best available scientific evidence and ensuring that its measures are not more trade restrictive than necessary to achieve their objective.

32.58. The European Union informed WTO Members about its approach already two years ago in November 2020 (G/SPS/GEN/1868). The EU has regularly updated the SPS and TBT Committees on progress since then. The draft Regulation on lowering the maximum reside levels for the two neonicotinoid substances clothianidin and thiamethoxam was notified to the TBT Committee on

6 July 2022 (G/TBT/N/EU/908). The EU has carefully studied and replied to all comments received from WTO Members during the notification process.

32.59. Last February, the new rules were adopted through Commission Regulation (EU) 2023/334. This Regulation is the first one implementing the new policy announced in the European Green Deal and – more specifically – the Farm to Fork Strategy on imported food in relation to pesticides residues.

32.60. We have explained in previous meetings the rationale for the measures and refer to these explanations. The environmental objectives of global concern that this Regulation targets are those related to the protection of pollinators. This is an issue of global concern, which goes beyond national boundaries and cannot be solved through actions at EU level alone.

32.61. The EU's objective is to ensure that food and feed consumed in the EU do not contribute to the global decline of pollinators, independently of whether the product is produced in the EU or imported from third countries.

32.62. With regards to possible trade impacts, the Regulation defers the application date of the Regulation to 36 months after entry into force (instead of six months, which is the standard period given in the EU). It allows products placed on the market before the application date to remain on the market until the end of their shelf life. The Regulation will therefore become applicable only at the beginning of 2026.

32.63. The EU considers that currently there is no alternative to the lowering of the MRLs of clothianidin and thiamethoxam which would be less trade restrictive and equally contribute to the objective of protecting pollinators. Based on the best available current knowledge, reducing the use of neonicotinoids is an effective and preventable action to tackle pollinator decline. The EU is acting in full compliance with WTO rules, which allow Members to adopt measures if they are necessary to achieve a legitimate objective.

32.64. The EU acknowledges that third countries may face production conditions and pest pressures different from those in mainland Europe. Therefore, import tolerances can be granted to active substances not authorized in the European Union provided that the submitted information demonstrates that the use is safe to pollinators.

32.65. The EU provided clarifications on emergency authorizations in its statement under Agenda Item 8.

32.66. The Council took note of the statements made.

33 CHINA – ADMINISTRATIVE MEASURES FOR REGISTRATION OF OVERSEAS PRODUCERS OF IMPORTED FOODS – REQUEST FROM AUSTRALIA AND THE UNITED STATES

33.1. The Chairperson recalled that this item had been included on the agenda at the request of Australia and the United States.

33.2. The delegate of the Australia indicated the following:

33.3. Australia remains concerned that China's Regulation on Registration and Administration of Overseas Manufacturers of Imported Food, promulgated as Decree 248, will unnecessarily disrupt and restrict trade and is more trade restrictive than necessary to fulfil China's food safety objectives. Australia has previously raised its concerns on several occasions in both the Committee on Sanitary and Phytosanitary (SPS) Measures and the Committee on Technical Barriers to Trade (TBT).

33.4. Australia appreciates the cooperation between the Department of Agriculture, Fisheries and Forestry and the General Administration of Customs of China (GACC) to work through the many system issues being experienced in the CIFER system. We remain willing to continue to work with China to minimize impacts to trade.

33.5. Australia is concerned at the resource and labour-intensive costs borne by exporters and exporting countries' competent authorities to comply with registration in the CIFER system. This

burden is exacerbated by the number of technical issues, delays, and lack of clarity experienced within the CIFER system. Australian food exporters are ready and willing to comply with China's food safety requirements, but businesses and governments need clarity and a reasonable time-frame to make changes to comply with new measures.

33.6. In light of the above, Australia requests that China's customs authorities adapt a flexible approach to implementation until 1 July 2023, during which they would allow entry of products in line with historical trade, in addition to entry under China's new system of registration, pending completion of outstanding applications, corrections, or updates to online registrations.

33.7. Australia urges China to address these issues promptly and remains willing to work collaboratively with China to ensure that food safety is upheld while facilitating undisrupted trade.

33.8. The delegate of the United States indicated the following:

33.9. The United States remains deeply concerned with China's lack of response to requests for scientific justification or explanation of how Decrees 248 and 249 will address food safety and public health concerns. The lack of guidance provided by China, and inconsistency in China's implementation and enforcement of the measures, is causing considerable confusion for exporters and competent authorities, which is leading to negative trade impacts.

33.10. In addition, we again note that China's GACC appears to require foreign competent authorities to maintain information in China's online system for each registered facility from their country producing certain categories of products. Such a requirement creates tremendous administrative burdens on foreign competent authorities without a clear connection to food safety outcomes. GACC should ensure that all facilities are able to self-register without foreign competent authority involvement or unreasonable information requirements.

33.11. Finally, we note that GACC's deadline of 30 June 2023 for firms and competent authorities to complete the registration process is completely unrealistic. The actions GACC appears to request would take years to complete – if they are even possible at all. We request that China indefinitely suspend this deadline to allow trade to continue while China addresses outstanding concerns with these requirements. We maintain our availability to work with China on this issue and look forward to receiving the information that we have requested.

33.12. The delegate of the Republic of Korea indicated the following:

33.13. The Republic of Korea would like to reiterate our concerns with China's administrative measures for registration of overseas producers of imported foods, and refer to our statement at the last TBT meeting. Korea respects China's right to ensure food safety, and recognizes its efforts to facilitate implementation of its measures. However, Korea remains concerned that several points raised have yet to be fully addressed. In particular, Korea continues to be concerned that China's measures still apply for low-risk food products provided in Article 7 of Decree 248, which creates unnecessary obstacles to trade. In addition, Korea's applicants are facing several challenges in trying to register through China's system, notably its time-consuming nature, inefficiency, and uncertainty. Korea would like to underline that all WTO Members have the obligation to implement food safety regulations based on sound scientific evidence, and in a transparent manner. The Republic of Korea stands ready to further engage with China to resolve these issues constructively.

33.14. The delegate of the European Union indicated the following:

33.15. The European Union would like to reiterate its concerns about the implementation of Decree 248 of the General Administration of Customs of the People's Republic of China (GACC). More than a year after its entry into force, the EU considers that the whole process of implementation of Decree 248 is still very burdensome, and not transparent. As previously mentioned, EU applicants are still facing many issues in the registration process, mostly due to recurrent technical problems with the web-based registration system (CIFER), making the electronic submission of documents cumbersome, time-consuming, and uncertain, be it to apply for new registrations or to amend or correct existing registrations.

33.16. In this context, EU applicants are concerned with the upcoming deadline of June 2023 to provide supplementary information for existing registrations. Due to recurrent technical problems with the CIFER system, it is unlikely that all establishments will be able to complete their registration on time. More recently EU applicants have also faced difficulties regarding the renewals of past registrations, with a burdensome procedure including first an application for "modification" followed by an application for "extension".

33.17. In order to avoid food trade disruption, the EU urges China: (i) to resolve the technical software problems with the CIFER system; (ii) to facilitate the process to amend/correct existing registrations; (iii) to extend the deadline of June 2023 to provide supplementary information on existing registrations; and (iv) to simplify the renewal procedure for past registrations and allow that trade can continue until these establishments conclude their renewal. The EU would like to thank China for the constructive dialogue, which has so far helped to address several questions related to the implementation of Decree 248.

33.18. The delegate of the United Kingdom indicated the following:

33.19. The United Kingdom would like to thank Australia and the United States for once again raising this concern on China's administrative measures for the registration of overseas producers. We have highlighted our concerns in previous interventions on this matter, so we will only make a short statement. We remain concerned that the application of these measures is disproportionate to the risk posed by many of the products. We welcome China's decision to remove the requirement for submission of a checklist for modification and extension applications of overseas meat, fish, and dairy establishments producing high-risk products. This is a positive step and we request that consideration be given to also removing this requirement for medium-risk commodities. The UK would again urge China to take a proportionate approach to the application of administrative measures, taking into account the UK's own rigorous controls and processes for ensuring the safety of food destined for domestic and international markets.

33.20. The delegate of Canada indicated the following:

33.21. Canada continues to have concerns with China's administrative measures for the registration of overseas manufacturers of imported food. Canada remains concerned with the registration and renewal process in CIFER. The lack of predictability, transparency, and clarity with respect to CIFER's approval procedures continues to create undue administrative burden, uncertainty, and delays for foreign establishments. We will continue working with China to resolve these issues.

33.22. The delegate of Japan indicated the following:

33.23. We note that there are many uncertainties in the registration procedures related to China's "Regulations for Management of Registration of Overseas Manufacturers of Imported Foods", which impose a significant burden on overseas authorities and business operators. For example, the online registration system may be changed suddenly and without prior notice. We request China for an improvement of operations and the transparency of procedures related to the implementation of these regulations so that the procedures do not become an excessive burden on business operators.

33.24. The delegate of Chinese Taipei indicated the following:

33.25. My delegation has been consistently expressing its concerns regarding China's administrative measures on the registration of overseas manufacturers of imported food. As a wide range of our food industries have been or may be affected by this measure, we have been closely monitoring its development. Our concerns have been explained in a detailed manner on multiple occasions, including in the previous CTG meeting, and in the most recent meetings of the TBT and SPS Committees. In the interest of time, we would like to simply highlight the following requests.

33.26. Firstly, we urge China to designate and provide an enquiry point that business facilities can engage with directly to address their specific concerns about the online registration system, and seek solutions to overcome them.

33.27. Secondly, we urge the GACC to comply with the requirements as set out under Article 5.2.2 of the TBT Agreement. These include transparency and the requirements for the applicants to be

informed in a precise and complete manner of all the deficiencies in their applications, allowing for any necessary corrections to be made.

33.28. Thirdly, we urge China to clarify the ambiguity of HS code categorization and the scope of the products subject to this measure.

33.29. Fourthly, we urge China to consider offering an extended grace period for implementation to avoid further serious trade disruptions in the future.

33.30. Finally, despite seeking clarification from China several times through both bilateral channels and in this forum, we have yet to receive a sufficient and detailed response. We therefore urge China to engage in a constructive dialogue to resolve the above-mentioned difficulties.

33.31. The delegate of China indicated the following:

33.32. China would like to thank Members for their interest in this issue. We have taken good note of the comments and questions raised and would like to refer to our statements made in previous meetings of this Council, and the most recent SPS Committee meeting of March.[14] With regard to the regulations and the registration system, China's General Administration of Customs (GACC) is willing to respond to questions by Members and provide the necessary technical support. In fact, China's GACC has maintained close communication with the competent authorities of relevant Members on this issue. To date, the GACC has held video conferences with the competent authorities of 152 Members, and organized training sessions for more than 2,000 overseas companies to address their questions. So far, more than 100 Members have provided lists of recommended companies for registration, and a total of 82,000 overseas companies have been registered. China will continue engaging with Members on this issue.

33.33. The Council took note of the statements made.

34 CHINA – SUBSIDY TRANSPARENCY AND CHINA'S PUBLICATION AND INQUIRY POINT OBLIGATIONS UNDER CHINA'S PROTOCOL OF ACCESSION – REQUEST FROM AUSTRALIA, CANADA, THE EUROPEAN UNION, JAPAN, THE UNITED KINGDOM, AND THE UNITED STATES

34.1. The Chairperson recalled that this item had been included on the agenda at the request of Australia, Canada, the European Union, Japan, the United Kingdom, and the United States.

34.2. The delegate of the United States indicated the following:

34.3. As the Council is aware, over the years, the United States and many other Members have had numerous concerns with respect to the transparency of China's industrial subsidy regime. In China's Protocol of Accession, China agreed to publish all trade-related measures in a single journal, which China has designated as the China Foreign Trade and Economic Cooperation Gazette, or MOFCOM Gazette. However, China rarely publishes its subsidy measures in the MOFCOM Gazette – especially what it calls "normative documents", as well as measures from sub-central governments. And sometimes these measures are not made public at all.

34.4. In its Protocol of Accession, China also agreed to "establish or designate an enquiry point where, upon request of any individual, enterprise or WTO Member all information relating to the measures required to be published … may be obtained."

34.5. Several years ago, we came across specific references to five legal measures, two relating to fuel subsidies for fishermen, one relating to the development of China's distant water fishing fleet, and two relating to the semiconductor industry. Unable to find these measures in the MOFCOM Gazette, or anywhere else, we submitted a request to China's WTO enquiry point in April 2020, three years ago now. Under its Protocol of Accession, China agreed with respect to its enquiry point that "Replies to requests for information shall generally be provided within 30 days after receipt of a request. In exceptional cases, replies may be provided within 45 days after receipt of a request. Notice of the delay and the reasons therefor shall be provided in writing to the

[14] See, for example, document G/C/M/144, paragraphs 8.40-8.41.

interested party." Despite having submitted the initial request for the missing legal measures in April 2020, almost three years later we have yet to receive a written response to our request. In September 2020, a Ministry of Commerce representative did speak with the US Embassy and stated that China would not be providing copies of any of the requested measures because they were either soon to be replaced by new measures or, in its view, were not relevant to China's WTO commitments. MOFCOM did not provide any information on timing of the replacement measures.

34.6. Is it China's position that it can refuse to provide any requested measure, if that measure is to be replaced at some point in time? China's Protocol of Accession certainly does not provide for such an exception, and given that legal measures are often superseded, China's position would rather significantly undermine the obligation itself, if not render it entirely meaningless.

34.7. At the previous meeting, China argued that the semiconductor measures requested were not relevant to China's WTO commitments "since these documents are not laws, regulations, or other measures pertaining to, or affecting, trade in goods, they are not relevant to China's enquiry point commitments." Is it China's position then that these measures are not "laws, regulations or other measures", or that the measures are not "pertaining to, or affecting, trade in goods"?

34.8. The United States views China's handling of the United States' request as inadequate and not in keeping with China's WTO commitments. The transparency obligations of China's Protocol of Accession are there because Members were concerned, in part, with the lack of transparency of China's industrial subsidy regime. After twenty-one years, those very same concerns remain. But more fundamentally, as we noted at the last meeting, beyond the legal technicalities, we have to ask the obvious question: why is China refusing to make public, for example, a legal measure on its fuel subsidy programme for fishers? It is difficult to understand.

34.9. As noted at the last meeting, we have now found, through our own further investigation, two of the measures that we requested relating to China's fuel subsidy programmes for its domestic and distant water fishers. These measures were published on unofficial Chinese news sites – they still do not appear on any official government websites and, as noted, have not been published in the MOFCOM Gazette. The essence of these two measures, which cover China's fuel subsidy programmes from 2015 to 2020, is that, while China is keeping the overall level of support for its fishing industry the same, it has reduced subsidies for its fishers in its own waters, while increasing the level of subsidies for its distant water fleet. These measures also provide striking new details about China's support for domestic fishers. For example, the measure covering fishers in China's domestic waters cites the objective of renovating fourteen thousand fishing vessels and scrapping or converting to other uses, twenty thousand fishing vessels.

34.10. So what exactly is it about these measures that China does not want us to see? And what is in the other measures that China has refused to provide or to otherwise make public? Of the remaining measures, one appears to be China's plan to develop its distant water fishery. The other two measures relate to China's semiconductor policies. What is it about these measures that China does not want us to see?

34.11. At the last meeting, China stated that it "has no intention of hiding its relevant policies". If so, then we request that China either provide the requested legal measures or tell us where they can be found in the public domain.

34.12. The delegate of Australia indicated the following:

34.13. Australia attaches considerable importance to the WTO notification and transparency obligations, particularly relating to subsidies, which stem from both the WTO Agreements and the obligations made by Members under their Protocols of Accession. Transparency remains critical to the proper functioning of the WTO and underpins the Subsidies Agreement. It helps provide greater certainty for all our exporters in being able to compete fairly in international markets. It is for the subsidizing Member to notify its measures promptly and comprehensively, and not to place the burden of discovery on other WTO Members. Australia therefore urges China to fulfil the transparency commitments made as part of its Protocol of Accession.

34.14. The delegate of the United Kingdom indicated the following:

34.15. The United Kingdom again would like to show support for the concerns raised by the US, Australia, Canada, and Japan, regarding China complying with its transparency obligations under its Accession Protocol. This has now been raised multiple times without resolution of the concern. Transparency is core to the functioning of the WTO and forms the foundation of the multilateral trading system. It is therefore vital that Members take all necessary steps to fulfil their obligations, including any Member-specific commitments.

34.16. In accordance with its WTO obligations, we encourage China to provide Members with clarity on how they should engage with China's enquiry points. China should respond to information requests in a complete and timely manner. We encourage China to use the MOFCOM Gazette to follow through on commitments of publishing all measures pertaining to or affecting trade in goods, including subsidies, in a clear and accessible manner. Engaging constructively on these matters will help to address concerns raised by Members and will reduce the need for further follow-ups.

34.17. The delegate of Japan indicated the following:

34.18. Japan has repeatedly pointed out in the Committee on Subsidies that if transparency in subsidy disbursement is not ensured, distortions in subsidy disbursement will be encouraged, which may lead to problems such as excess production capacity. In particular, various Members have expressed concerns about the transparency of Chinese subsidies, and the possibility that they may not be notified, but it is difficult to say that China is taking sufficient action in response to the points raised. We would like to request that China also fulfil its notification obligations under the Subsidy Agreement, and its transparency obligations agreed to in the Accession Protocol, and ensure the effectiveness of the mechanisms that contribute to improving transparency.

34.19. The delegate of Canada indicated the following:

34.20. Canada continues to echo the concerns of other Members regarding China's compliance with WTO transparency obligations. The notification and transparency requirements are integral aspects of the multilateral trading system, and it is important that these obligations are upheld for the proper functioning of the rules-based international system. It is imperative that all Members comply with the notification requirements and responses to enquiries in accordance with WTO rules, including the transparency obligations in Protocols of Accession to the WTO.

34.21. The delegate of New Zealand indicated the following:

34.22. New Zealand considers transparency as critical to the proper functioning of the WTO, and attaches considerable importance to adherence by all Members, including China, to WTO notification and transparency obligations, particularly in relation to subsidies, including under their Protocols of Accession. It is vital that these obligations are fulfilled in a timely manner, including any Member-specific commitments. Adhering to these obligations helps build certainty for exporters and makes an important contribution to the successful functioning of the rules-based international trading system.

34.23. The delegate of the European Union indicated the following:

34.24. The European Union wishes to echo the concerns raised by other co-sponsors regarding China's compliance with its transparency obligations under its Accession Protocol. The EU refers to its past statements on the matter. We urge China fully to comply with its Member-specific commitments by publishing all trade-related measures, as it agreed to do, and by responding to requests for information under the enquiry point without undue delay.

34.25. The delegate of China indicated the following:

34.26. China would like to thank Members for their interest on this issue. We would like to refer to the statements we made in previous meetings in this Council. As we have said in previous meetings, the documents the US enquired about, relating to China's fishery development, already expired and was replaced by a new document, and the new document has been published on the official website of China's State Council.

34.27. With regard to the two documents relating to semiconductors, China would like to reiterate that, since these documents are not laws, regulations, and other measures pertaining to or affecting trade in goods, so they are not relevant to China's enquiry point commitment. China's enquiry point has already communicated with the United States on this issue.

34.28. The delegate of the United States indicated the following:

34.29. We would like to thank China for that response. However, we note that it did not specifically and completely answer the questions that we posed. The questions are not new and have in fact been repeated in past CTG meetings, and China has previously received our interventions in writing with the same questions. Can China please clarify why it is unable, or perhaps unwilling, to provide complete responses to all of these questions? Or can China commit today, before the other Members, that it will have meaningful and complete responses to all these questions before or at the next CTG meeting?

34.30. The delegate of China indicated the following:

34.31. We thank the United States for the follow-up comments. As we have stated just now, and at previous meetings, the documents relating to the fisheries development requested by the United States have already expired, so if the United States is really interested in China's fisheries policies, it should please look at China's currently valid policy, which can be found on China's State Council's website. If the United States cannot find it, we are happy to provide our assistance.

34.32. The Council took note of the statements made.

35 EGYPT – HALAL CERTIFICATION MEASURE, BASED ON EGYPTIAN STANDARD ES 4249/2014 GENERAL REQUIREMENTS FOR HALAL FOOD ACCORDING TO ISLAMIC SHARIA – REQUEST FROM CANADA AND THE UNITED STATES

35.1. The Chairperson recalled that this item had been included on the agenda at the request of Canada and the United States.

35.2. The delegate of Canada indicated the following:

35.3. Canada continues to be concerned with Egypt's Halal certification requirements for all imported food and beverage products. Canada understands Egypt's objective to ensure that Egyptian consumers are confident that they are buying and consuming Halal-certified products in agreement with Islamic Sharia. However, such measures should not create unnecessary barriers to international trade or be more trade-restrictive than necessary to fulfil that objective.

35.4. While Canada appreciates Egypt's delayed implementation of the Halal certification for dairy products until 31 March 2023, we are now past this date and Canada requests that this measure be suspended until the following questions are answered. Canada requests further information on procedures to receive certification, fee structures, details on audits (if needed), and specificity on how these requirements will be implemented.

35.5. Canada also notes that the proposed new regime only specifies one Egyptian certification body that will have the authority to certify Halal products for the Egyptian market. It is our understanding that this has already significantly raised the Halal certification fee, which will have to be borne by exporters of Halal product to Egypt. The new measure could result in a certification process that is overly burdensome, costly, and more trade restrictive than necessary to achieve Egypt's stated objective. Canada invites Egypt to consider a Halal certification system that would allow multiple, well-established certification entities, in accordance with international best practices.

35.6. Canada is open to meeting with Egypt bilaterally to have an open and transparent discussion, further clarify the requirements under this new measure, and consider the impact it may have on trade. Until then, we respectfully request that Egypt suspend the implementation of the measure.

35.7. The delegate of the United States indicated the following:

35.8. While the United States acknowledges that Egypt has delayed implementation of its new Halal requirements for dairy products multiple times, with the most recent delay in effect until 1 April 2023, the United States continues to share concerns expressed by multiple Members in regard to Egypt's implementation of the Halal certification requirements.

35.9. One specific concern is the lack of choice of a Halal certifier. Egypt has mentioned that it is considering approving other overseas certification bodies. The United States is supportive of this trade facilitating effort and is waiting for Egypt to provide further information on the process as well as a specific timeline. Approving more than one certifier would help keep certification costs low, and certification services competitive.

35.10. The United States is also waiting for a draft decree or regulation for Halal certification of dairy products that would provide further guidance and information for trading partners. Egypt has mentioned that such a draft is under consideration, but Egypt has not indicated when it will be ready to share the draft.

35.11. The United States seeks clarification of the scope of the products in question, as the ES 4249/2022 seems to contradict the scope outlined in Egypt's notification to the WTO. We request that Egypt provide written clarification of the scope of products covered by this measure.

35.12. Finally, the United States requests that Egypt formally suspend any new Halal requirements until the requested information has been made available and certifier issues have been resolved. These efforts will provide the assurance that the US and other exporters need in order to confidently ship Halal-compliant dairy products to Egypt.

35.13. The delegate of Paraguay indicated the following:

35.14. Paraguay continues to support this trade concern, and in the interests of time we make reference to our previous interventions in this Council[15], and in the Committee on Technical Barriers to Trade, the most recent of which took place last month.

35.15. The delegate of the European Union indicated the following:

35.16. The European Union would like to ask Egypt to consider keeping the Halal certification and labelling voluntary for dairy products, in order to pursue the legitimate objective of ensuring reliable information without unduly hindering trade flows. Consumers should be able to decide whether to buy Halal-certified food or not, based on clear labelling.

35.17. The EU would appreciate if Egypt would consider further trade facilitating measures, such as requiring Halal certification for the product and not per container, as well as proportional costs of Halal certification that take into account the international practice and correspond to the service rendered.

35.18. The EU would like to ask Egypt about the concrete steps envisaged to provide comprehensive information about the new measures, and clear written and publicly available guidance to stakeholders, including a detailed description of the certification procedure, its duration, costs, and required documents, as well as the process for registration of suppliers.

35.19. The EU is ready to work with Egypt on solutions that would avoid this measure having a negative impact on food and beverages imports to Egypt. Moreover, the EU would like to invite Egypt to reconsider the decision to grant the right to certify compliance with Halal requirements to a single company, IS EG Halal. We urge Egypt to provide for a Halal certification system that would allow multiple, well-established certification entities, in accordance with international best practices. Recertification by IS EG Halal of products from establishments already certified by other companies is an unnecessary duplication, and would lead to longer time to market and higher costs for consumers.

[15] Document G/C/M/144, paragraphs 22.14-22.17.

35.20. The delegate of New Zealand indicated the following:

35.21. New Zealand notes that a final Halal standard has not yet been published or made available. New Zealand requests that Egypt provide a reasonable implementation period, of at least 6-12 months, once this has been consulted and notified to the WTO as a final standard, to allow exporters time to understand and comply with the new standard and ensure compliance for any additional products covered, including dairy products with animal product additives. We also register our expectation that any fees, and any new requirements including for registration, auditing, and labelling that accompany Egypt's new Halal standard be promulgated by the relevant Government Ministry, and request that these are also notified to the WTO with sufficient time to enable Members to provide feedback, and for business to implement the new requirements. We invite Egypt to clarify the process for new Halal certification bodies to be approved for certification of exports to the Egyptian market, in accordance with international best practice. Allowing multiple, well-established, certification bodies to certify products as Halal will make Egypt's Halal regulations less trade restrictive, reduce the impact of duplication and other unnecessary costs on consumers, help resolve supply chain issues, and promote Egypt's overall food security.

35.22. The delegate of the United Kingdom indicated the following:

35.23. The United Kingdom understands Egypt's objective to ensure Egyptian consumers' confidence when purchasing Halal-certified products. Alongside others, the United Kingdom encourages Egypt to have transparent discussions with its trading partners, to share information, and to provide clarity on the requirements under this new measure. We want to also take this opportunity to thank Egypt for their cooperation to date, and we hope that will continue so that our concerns can be addressed.

35.24. The delegate of Egypt indicated the following:

35.25. Egypt would like to thank Canada, the United States, the United Kingdom, New Zealand, Paraguay, and the European Union for their interest, and for raising this issue. Egypt welcomes and appreciates its continued engagement with all Members on this topic, both at the bilateral and multilateral levels. We have engaged bilaterally with a number of delegates on the margin of the TBT Committee meetings, and we have had discussions on the matter with our trade partners.

35.26. Since the introduction of this requirement, Egypt has notified a number of addenda to its initial notification, contained in document G/TBT/N/EGY/313, clarifying a number of matters relating to scope, the certification process, and the labelling requirements. Furthermore, with respect to milk and dairy products, via the General Authority for Veterinary Services, Egypt has introduced a number of facilitating measures, extending the timeline for abiding by the requirement for over a year. This has provided to business operators an appropriate period of time to adapt to the said requirements. It is also important to note that, since its initial notification, Egypt has been clear that the certification body currently recognized by the General Authority for Veterinary Services, is IS EG Halal. In fact, a lot of exporters have indeed approached IS EG Halal, and issued the Halal certification. In our bilateral meetings, we requested our trade partners to provide any clear case where there was a complaint or delayed process. To date, no imports of milk and dairy products not accompanied by a Halal certificate have been denied entry. The Capital is also carefully examining the comments and requests made by all Members regarding implementation issues, and is in the process of preparing a document that will clearly respond to those matters raised by our partners.

35.27. The Council took note of the statements made.

36 INDIA – ORDER RELATED TO REQUIREMENT OF NON-GM CUM GM FREE CERTIFICATE ACCOMPANIED WITH IMPORTED FOOD CONSIGNMENT – REQUEST FROM THE UNITED STATES

36.1. The Chairperson recalled that this item had been included on the agenda at the request of the United States.

36.2. The delegate of the United States indicated the following:

36.3. As we noted most recently at the March 2023 meetings of the TBT and SPS Committees, the United States once again reiterates its serious concerns with India's measure mandating "non-GM (genetically modified) origin and GM free certificates" for certain agricultural imports into India, notified on 2 September 2020, as document G/TBT/N/IND/168, and a later notified entry-into-force date of 1 March 2021. To date, India has not responded to our questions regarding its rationale for requiring a non-GM certificate on a consignment basis. India has previously referenced its Environment Protection Act (1986), Rules 1989, and the absence of Genetic Engineering Approval Committee (GEAC) approvals for genetically engineered varieties of the 24 crops listed in the Order as evidence that the non-GM requirement is neither new nor trade restrictive.

36.4. The United States must stress that, while India's authority to regulate "GM" foods is neither new nor in question, the requirement of a non-GM certificate for import of all varieties of the 24 crops from a competent authority on a consignment basis was first ordered in 2020, and caused trade disruptions to US apple and rice shipments in 2021. The absence of approvals from GEAC highlights the lack of transparency and inefficiency in the approval process, compounding the burden India is placing on its trading partners. We again want to encourage India to accept our offer for technical cooperation to explore alternatives to this measure.

36.5. The delegate of Uruguay indicated the following:

36.6. Uruguay recognizes India's right to take measures to guarantee food safety and the health of its population. However, there should be a logical connection between the proposed measure and the objective pursued, and in this case, beyond the answers provided by India so far, there appears to be no technical justification for the implementation of the proposed certification measure, taking into account the cited legitimate objective of ensuring the safety and wholesomeness of imported foods. In view of this objective, we would like to reiterate the call for the delegation of India to notify the measure to the SPS Committee.

36.7. We consider it fitting to recall, once again, the existing international consensus that GM products, approved by exporting countries on the basis of Codex recommendations in relation to the risk assessment methodology, are equivalent to their conventional counterparts. Furthermore, Uruguay would like to stress how important it is for Members to establish measures based on scientific principles, and, in particular, for these measures to be implemented with the objective of minimizing negative trade effects, in line with the provisions of the SPS and TBT Agreements.

36.8. Lastly, we wish to reiterate the questions posed by Uruguay in the March 2023 meetings of the SPS and TBT Committees with respect to the relationship between the measure referred to in this specific trade concern and the measure notified by India to the TBT and SPS Committees on 5 January 2023, in document G/TBT/N/IND/240-G/SPS/N/IND/290, regarding the Draft Food Safety and Standards (Genetically Modified Foods) Regulations, 2022. We remain attentive to any comments and replies of the delegation of India in relation to the concerns of Members, as have been expressed for almost two years by numerous delegations in both Geneva and New Delhi.

36.9. The delegate of Argentina indicated the following:

36.10. We would like to thank the United States for once again placing this specific trade concern on the Committee's agenda, and request that Argentina's support be recorded. Argentina regrets having to reiterate its concern once again over India's measure and wishes to re-emphasize that the measure has no scientific explanation that supports it. Argentina fears that this requirement would set a precedent for other products or even their derivatives to be included in the future, and that this requirement would constitute a barrier to trade.

36.11. The delegate of Paraguay indicated the following:

36.12. My delegation would like to thank the delegation of the United States for including this trade concern on today's agenda. It is worrying that this measure may create an unjustified assumption that GM food products evaluated and authorized on the basis of sound regulatory processes are less safe than non-GM food products. GM products have undergone rigorous scientific safety assessments in accordance with international standards, guidelines and recommendations, in order

to ensure that they are considered equally as safe as their conventional counterparts and, as we heard in the presentations yesterday, they have enormous potential to contribute to global food security and the transformation of agri-food systems to use practices that produce not only more, but better, thus ensuring their sustainability. We wish to draw attention to notifications G/TBT/N/IND/240 and G/SPS/N/IND/290, which refer to draft regulations whose recitals refer in turn to the Order of 21 August 2020, and request India to clarify the relationship between these new drafts and the existing Orders.

36.13. The delegate of Canada indicated the following:

36.14. Canada thanks the United States for placing this item on the agenda. Canada wishes to reiterate its concerns raised at previous meetings of the Council for Trade in Goods, as well as the recent SPS and TBT Committees, regarding India's non-GM Order, which mandates that a non-genetically modified (non-GM) or GM free certificate accompany imported consignments of 24 imported food products. We are concerned with the lack of scientific support for India's measure given the broad scientific consensus that GM products are as safe as their conventional counterparts. It remains unclear to Canada how India's non-GM certification requirement will fulfil its intended objective. We are equally concerned with the undue burden and negative commercial impact the measure creates on exporting countries through unjustified certification requirements.

36.15. Canada requests once again that India suspend the implementation of this measure and permit trade to continue without a GM-free certificate requirement. This would enable India to engage with Members to discuss and consider alternate, less trade-restrictive approaches that would meet India's objectives and minimize impacts on trade.

36.16. The delegate of Japan indicated the following:

36.17. Japan expresses its concern that there might be a possibility that this would constitute a trade-restrictive measure that is not based on scientific evidence. We request that agricultural products exported from exporting countries that exercise proper control of their GM agricultural products be excluded from this requirement.

36.18. The delegate of India indicated the following:

36.19. This issue was most recently discussed in the previous meeting of the Committee on Technical Barriers to Trade, where we have provided a detailed response to the various concerns raised by interested Members. We also thank the delegation of the United States for the constructive bilateral discussions that took place on the sidelines of the TBT Committee.

36.20. To date, exporters from several of India's trade partners, like the United States, the United Kingdom, Australia, Canada, Türkiye, Iran, China, Thailand, and the European Union, including Italy, Germany, and France, are already providing requisite certificates. Hence, in our assessment, this order is not trade-restrictive. On similar lines, India also issues such certificates for its own exports to other countries. The Government of India has authorized the Export Inspection Council (EIC) as the nodal agency for issuing Non-GMO certificates for export consignments. The EIC has issued more than 9,000 Non-GMO certificates for the export of primary food crops, as well as processed food products, for export to several countries.

36.21. Against this background, we would request the interested delegations to share specific issues being faced with respect to this order.

36.22. The delegate of Canada indicated the following:

36.23. Canada welcomes India's recent decision to accept Canada's non-GM attestation for exports of beans. However, this is only one of the 24 commodities impacted by the Order. We continue to have concerns with the potential trade impact on other crops covered by the Order. We would reiterate our concern that India's Order could disproportionately impact the ability of GM-producing countries to export to India and unnecessarily restrict trade. Canada looks forward to working collaboratively with India and continuing our bilateral discussions on this matter.

36.24. The Council took note of the statements made.

37 MEXICO – CONFORMITY ASSESSMENT PROCEDURE UNDER MEXICAN OFFICIAL STANDARD NOM-223-SCFI/SAGARPA-2018, "CHEESE NAMES, SPECIFICATIONS, COMMERCIAL INFORMATION, AND TEST METHODS," PUBLISHED ON 31 JANUARY 2019 – REQUEST FROM THE UNITED STATES

37.1. The Chairperson recalled that this item had been included on the agenda at the request of the United States.

37.2. The delegate of the United States indicated the following:

37.3. The United States remains highly concerned with the revised measure. Could Mexico provide a timeline for when it will respond to WTO Member comments? Could Mexico please provide an update on the status of this measure and an estimated time-frame of when the revised measure will be notified to the WTO?

37.4. The United States reiterates its request that Mexico consider allowing fatty acid analysis to be voluntary rather than mandatory. Currently, there are no internationally well-accepted biomarkers to differentiate milk fat from vegetable fat. Additionally, there are no relevant Codex or other international standards available for this type of analysis.

37.5. The United States is concerned this measure may conflict with the ongoing redrafting of the corresponding cheese standard. How will Mexico harmonize its update to the NOM-223 cheese standard with the NOM-223 cheese conformity assessment procedure (CAP) notified to the WTO on 8 February 2022? Once finalized, will implementation of the measure move forward based on Mexico's Quality Infrastructure Law, or the law it replaced, the Federal Law on Metrology and Standardization? Could Mexico provide clarification on the different roles that each Ministry will play in the monitoring, compliance, and verification activities listed in the draft measure? Has Mexico considered extending its eventual timeline for implementation of the measure to a period of 12 months or more? If Mexico proceeds with implementation of the current measure, the United States (Government and industry) would need at least one year to launch systems to comply.

37.6. The United States urges Mexico to indefinitely delay implementation of the measure and consider less trade-restrictive alternatives, as previously proposed by the US Government, other WTO Members, and industry stakeholders.

37.7. The delegate of New Zealand indicated the following:

37.8. New Zealand welcomes the opportunity to again speak in support of this specific trade concern raised by the United States, and notes we have also done so in the TBT Committee. New Zealand considers that the conformity assessment procedures that Mexico has set out for cheese under NOM-223 are more trade restrictive than necessary, with some aspects of the conformity assessment procedure creating unnecessary obstacles to international trade, and likely to cause difficulties for New Zealand exporters. We support the request for Mexico to consider less trade-restrictive alternatives to the measures. We look forward to receiving a response from Mexico to the concerns raised, and an update on the status of any revised version of the Conformity Assessment Procedure.

37.9. The Council took note of the statements made.

38 PANAMA – ONIONS AND POTATOES HARVEST LIFE AND SPROUTING REQUIREMENTS – REQUEST FROM CANADA AND THE UNITED STATES

38.1. The Chairperson recalled that this item had been included on the agenda at the request of Canada and the United States.

38.2. The delegate of the United States indicated the following:

38.3. The United States continues to raise its concerns on Panama's newly implemented technical regulations for onions and potatoes. Since the last meeting of the CTG, the US has continued its attempts to constructively engage with Panama on this issue. Panama continues to be unresponsive to these requests, and has still not provided the scientific justification for these measures. The US maintains its availability and commitment to work with Panama to refine the measures so that they

meet Panama's legitimate objectives while not being unnecessarily restrictive. In the interim, the US reiterates its request that Panama provide the scientific justification for its measures or suspend implementation of both the potato and onion regulations until technical discussions have concluded.

38.4. The delegate of Canada indicated the following:

38.5. Canada continues to be concerned with Panama's quality requirements for fresh potatoes, implemented in February 2020, which are having a direct impact on Canada's ability to export potatoes to Panama. Canada would like to refer to its previous intervention at the February and November 2022 CTG meetings on this item and ask it to be included in the meeting record as the situation has not changed.[16] Canada respectfully requests again that Panama pause the enforcement of these requirements to allow for additional technical dialogue to occur and ensure that Panama's quality standards do not continue to create unintended barriers to our mutually beneficial bilateral trade in agriculture.

38.6. The delegate of Panama indicated the following:

38.7. We take note of the concerns raised. Panama continues to study in detail the questions received on our technical regulation, and remains open to listening to the concerns of our trading partners, as evidenced by last year's extension. Panama reaffirms its commitments in the area of transparency and notes that Panama's authorities continue to address this issue in Capital, among all relevant governmental bodies. We reiterate that any update will be duly shared and notified to this Council.

38.8. The Council took note of the statements made.

39 KINGDOM OF SAUDI ARABIA, KINGDOM OF BAHRAIN, UNITED ARAB EMIRATES, THE STATE OF KUWAIT, OMAN, AND QATAR – SELECTIVE TAX ON CERTAIN IMPORTED PRODUCTS – REQUEST FROM SWITZERLAND AND THE UNITED STATES

39.1. The Chairperson recalled that this item had been included on the agenda at the request of Switzerland and the United States.

39.2. The delegate of Switzerland indicated the following:

39.3. Switzerland has raised this issue for many years now, together with other interested Members. We would like to underline that the selective tax entered into force in June 2017 in the first Gulf Cooperation Council (GCC) member State. Since 2022, the information we receive regarding the status of the selective tax reform is that this is a very complex process that requires more time. Last year, the GCC members confirmed that the current *ad valorem* tax will be replaced by a tiered volumetric tax, which is good news. Since then, however, we were not provided with any update on the state of play of the reform, and on its content. We therefore reiterate our request to our GCC colleagues for more information on the reform. Switzerland is open to hold a meeting together with the GCC authorities in charge of the reform, together with other interested Members. We hope that this would enable an exchange with the GCC on the content of the reform and its timeline. Switzerland hopes that this trade irritant will be solved in the near future.

39.4. The delegate of the United States indicated the following:

39.5. The United States, along with Switzerland, the European Union, and Japan, circulated questions in March 2021 to GCC member state Governments regarding the status of the selective tax on beverages. While the US appreciates the information provided at the Council's previous meeting, as well as in separate discussions with member State officials since then, the US notes that it has still to receive written responses to the questions from March 2021. The US requests the GCC member States to update the Council as to when such responses to those questions will be provided. As the US has conveyed before, it requests a substantive update on revisions to the GCC excise tax model and its implementation plan under the GCC Unified Excise Tax Agreement, and notes the importance of timely engagement with interested parties regarding this issue.

[16] Document G/C/M/144, paragraphs 36.4-36.7, and document G/C/M/143, paragraphs 31.2-31.5.

39.6. The delegate of the European Union indicated the following:

39.7. With regard to the GCC "Treaty on Excise Tax" of December 2016, the EU would like to reiterate the importance of harmonizing the implementation of the Excise Tax law and the need for a close engagement with private industry stakeholders on the process for revising the tax. The EU welcomes the information that the present GCC excise tax system is under review, and that a volumetric tax model based on international best practice is being considered based on the "Tax Reform Study". We also consider it important that the reform will equalize the tax rates for energy drinks with the tax rates applied on other soft drinks. The EU understands that the "Tax Reform Study" commissioned by the GCC countries on the future GCC excise tax reform is expected to be finalized very soon. The EU would ask if the finalized study report will be made public. The EU is ready to continue working with the GCC on this important issue.

39.8. The delegate of Oman indicated the following:

39.9. On behalf of the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the State of Qatar, the State of Kuwait, and Oman, I would like to thank the delegations of the United States, Switzerland, and the European Union for the interest in the GCC excise tax regime, and for their communication on the application of the excise tax on carbonated soft drinks, malt beverages, energy drinks, sport drinks, and other sweetened beverages.

39.10. Regarding the timeline of the ongoing process of the new GCC excise tax model and its implementation, I would like to reiterate that the revision of the excise tax on beverages is still under way as it is a complex exercise that requires significant efforts, extensive coordination between multiple entities, and comprehensive evaluation. The GCC Working Group on Tax Issues is dedicated to completing this exercise in order to provide the GCC member States with appropriate results and high standards excise tax models. In conclusion, GCC member States have adopted appropriate procedures and timelines for the revision of their excise tax regime. Once the process is completed, the relevant information will be immediately shared with WTO Members.

39.11. The Council took note of the statements made.

40 CHINA – IMPLEMENTATION OF TRADE DISRUPTIVE AND RESTRICTIVE MEASURES – REQUEST FROM AUSTRALIA

40.1. The Chairperson recalled that this item had been included on the agenda at the request of Australia.

40.2. The delegate of Australia indicated the following:

40.3. Australia would like to acknowledge the positive developments in its bilateral and trade relationship with China in recent months, including agreement to enhance dialogue on the path to resumption of normal trade. Australia values our mutually beneficial trade relationship with China. We are free trade partners through the China--Australia Free Trade Agreement and the Regional Comprehensive Economic Partnership. We share the benefits, as do others, of a stable, predictable, and open global trading system. That is why we wish to see all the trade disruptive and restrictive measures Australia has raised in recent years removed.

40.4. Australia's concerns are well-known. Measures, applied without adequate transparency or justification, have affected and continue to affect trade in a wide range of Australian products. Some products (barley, timber logs, rock lobsters, bottled wine, hay and meat) have been impacted for well over two years. Consistent with steps both sides have taken to stabilize the relationship, we have seen some trade in certain Australian products begin again (coal, copper ores and concentrates, and cotton). This is a welcome development and is in both Australia's and China's interests. At the same time, measures impeding trade in other products remain. While these measures remain in place on Australian products, we will continue to raise our concerns here and in other committees.

40.5. We look forward to working constructively with China, in the WTO and under our Comprehensive Strategic Partnership, to build on the progress to date, and to address outstanding trade concerns in a timely way.

40.6. The delegate of the European Union indicated the following:

40.7. As stated in previous meetings, the European Union shares Australia's concerns with regard to the matters Australia is once again raising in this Council on China's implementation of trade disruptive and restrictive measures. Australia has reported about some progress on a number of products and measures, while others, however, have remain unresolved now for a very long period of time. In this respect, the EU wishes to reiterate the points it made before. The form, number, and wide-ranging effects which China's measures seem to have is in itself a cause for concern. Informal, unpublished, and non-transparent trade restrictions are not in line with the WTO's rules and spirit.

40.8. A separate problem is the alleged purpose of the measures in question, which seems coercive, placing those measures into incompatibility with general international law. Within the European Union, an anti-coercion instrument will come into force in due course. On 28 March 2023, the European Union's legislature has reached a political agreement on the main features of this legislation. Also, the European Union pursues a WTO dispute with China in relation to a range of measures negatively affecting its trade with China, where the facts indicate that there has been such a coercive intention as well.

40.9. The delegate of the United States indicated the following:

40.10. The United States shares Australia's concerns, and remains deeply troubled by the information provided by Australia, and that we have heard from other, credible sources. As noted previously, China's actions are not isolated to Australia. There are many instances of China using these harmful non-market practices against WTO Members in apparent retaliation for unconnected bilateral issues.

40.11. It is important to identify similarly coercive actions taken by China against other Members, as they demonstrate a broader pattern of behaviour, specifically when China uses, or threatens to use, arbitrary or unjustifiable trade actions to pressure or influence the legitimate decision-making of sovereign governments.

40.12. China claims to uphold the "rules-based multilateral trading system", but its actions speak for themselves. China continues to exploit the rules-based system to its advantage, ignoring or breaking rules in order to inflict harm on others to advance its geopolitical and economic ends. China's failure to adhere to global trade norms and WTO principles threatens and undermines the rules-based multilateral trading system, and harms relations between its Members.

40.13. The delegate of the United Kingdom indicated the following:

40.14. The United Kingdom continues to support Australia's concerns about trade restrictive measures taken by China. We appreciate that some measures have been lifted by China. This is a welcome step in the right direction, and we hope that full resolution will follow.

40.15. The delegate of Chinese Taipei indicated the following:

40.16. My delegation wishes to echo the concerns raised by Australia regarding China's implementation of trade disruptive and restrictive measures targeting a broad range of Australian goods. China's trade measures, which appear to hamper certain Members' trade interests, and which seem to be based on unrelated bilateral issues, whether imposed formally or taken by the direction or instruction of its authorities, have systemically undermined the rules-based multilateral trading system, and created a negative trade impact, not only on Australia's exports but also on exports from all other Members. Consequently, we urge China to engage in dialogue, in good faith and in a constructive manner, with the relevant Members, aiming to address Members' legitimate trade concerns, and to uphold China's commitments to the principles and obligations of the WTO rules.

40.17. The delegate of Japan indicated the following:

40.18. As we mentioned at the previous CTG meeting, Japan shares the concerns expressed by Australia regarding China's trade measures, including its trade remedies. If China implements trade measures in an arbitrary manner, as reported, it conflicts with the free, fair, and rules-based

international trading system. We hope that China will respond to Australia's concerns in good faith and in a timely manner.

40.19. The delegate of Canada indicated the following:

40.20. Canada thanks Australia for raising this issue again, and we are happy to hear that there are positive developments. Nevertheless, Canada is concerned with the long-term challenges posed by disruptive trade restrictive measures applied for political purposes. China's discriminatory application of its measures and unwillingness to engage at a technical level is indicative of a wider problem. We encourage all WTO Members, including China, to support the rules-based trading system by abiding by their WTO commitments and applying measures in a non-discriminatory and transparent manner.

40.21. The delegate of New Zealand indicated the following:

40.22. New Zealand continues to hold a systemic interest in the concerns expressed on this topic by Australia and other Members. We note and welcome the update that has been provided by Australia on the issue of the lifting of some measures. Nevertheless, New Zealand has noted in a number of forums that the multilateral rules-based trading system provides that all Members, regardless of their size or trading capacity, are subject to the same rights and obligations, and this provides the predictability and certainty necessary to ensure that trade can take place efficiently and with the least friction possible. If Members step away from their commitments, or adopt remedies provided for under the WTO Agreements in an arbitrary manner, this will undermine the predictability and certainty on which the system rests, and it also reflects on perceptions of Members undertaking such actions. The adoption of measures by WTO Members that cause widespread disruption to trade, and lack transparency, have caused various concerns to New Zealand, including the actions taken by China against a range of exports from Australia, some of which still remain in place.

40.23. The delegate of China indicated the following:

40.24. We would like to reiterate that the relevant measures taken by China against some Australian products aim to protect the legitimate rights and interests of domestic industries and the health and safety of consumers. The business decisions made by Chinese companies are based on market and demand conditions. All these measures are in line with Chinese laws and regulations, international practices, and the China-Australia Free Trade Agreement. In 2022, bilateral trade exceeded USD 220 billion, bringing real benefits to Chinese and Australian businesses and peoples. We look forward to working together with Australia to strengthen our economic and trade cooperation.

40.25. The Council took note of the statements made.

41 CHINA – EXPORT CONTROL LAW – REQUEST FROM JAPAN

41.1. The Chairperson recalled that this item had been included on the agenda at the request of Japan.

41.2. The delegate of Japan indicated the following:

41.3. Japan continues to have concerns over China's Export Control Law, which entered into force in December 2020. The details of export-controlled items, and the details of regulations and operations, are still unclear. As we have stated in past CTG meetings, taking into consideration the objective of the law to safeguard national interests, we would like to reiterate our concerns on the following three points in particular.

41.4. First, we are concerned there might be a possibility that the scope of products subject to export control is excessive. Second, we are concerned there might be cases that require unnecessary disclosure of technical information during classification and end-user or usage investigations. And third, we are also concerned that the provisions on countermeasures against discriminatory export regulations by other countries have been maintained in the law. We are concerned that the aforementioned export restrictions stipulated in this law may constitute an overly stringent export regulation or be unnecessary in light of the international export control regime. They may therefore

fall under the export restrictions prohibited in Article XI of the GATT, and consequently be inconsistent with the WTO Agreement.

41.5. In April 2022, a draft ordinance for the Dual-Use Item Export Control (draft of public consultations) was published regarding the operation of the law concerning dual-use products. The opacity of the legal operation has not been resolved at all in relation to the scope of items subject to regulation and disclosure requirements of techniques, and we will continue to request explanations on the details of the regulations related to the law.

41.6. In this regard, China stated in the last CTG that "we are currently conducting a comprehensive review based on the said comments and will continue to work with Japan and interested countries." We would like to know the schedule for future enactment and specific details based on the comments.

41.7. In relation to this, we would like to reiterate the following two points that we have pointed out in previous meetings of the CTG. First, we have concerns with regard to the fact that the draft regulations on rare earth, published in January 2021, mentioned a plan to set out strategic reserves. We believe that this plan could mean that there is a possibility that China might introduce controls on exports of rare earth-related products in accordance with the aforementioned Export Control Law. Second, regarding the "Unreliable Entity List" and export prohibition list based on the external trade law, we are concerned by the lack of clarity in the relationship between the entity list in the Export Control Law and the items covered in the law and the technology list. In particular, with regard to the "Unreliable Entity List" measures, we are concerned about whether the fairness and transparency in terms of the recognition of foreign entities and the content of measures taken against foreign entities would be ensured. We note that, because it can be said that the predictability of operations is remarkably low, there might be a possibility that this measure would be inconsistent with Article X of the GATT, among others.

41.8. We will continue to closely monitor the details of the regulations on implementing the law and do hope that our concerns will be addressed accordingly in the final draft of the regulations. In addition, we are of the view that countermeasure provisions should be removed from the law. Finally, we would like to request that China provide information on the detailed regulations and the timeline for them with full transparency, while providing ample time for consideration.

41.9. The delegate of the European Union indicated the following:

41.10. The European Union reiterates the concerns it previously expressed in previous meetings of this Council over China's export control regime, notably as regards its extra-territorial application, its rules on deemed exports and re-exports, its objectives and scope of controls, and its risk assessment with regard to destination countries or regions and control lists. The EU would like to invite China to consider amending the relevant legal provisions, to provide more legal clarity, and to address these concerns in upcoming implementing measures. The EU would also like to underline its concerns with regard to China's plan for revision of the catalogue of technologies restricted or prohibited for export, as recently stated in the comments submitted by the EU to China. The EU will continue to closely monitor new developments relating to China's export control regime.

41.11. The delegate of the United Kingdom indicated the following:

41.12. The United Kingdom thanks Japan and the European Union for their statements just delivered; likewise, the UK today again wishes to register our concerns regarding China's Export Control Law measure. Previously, the UK requested clarifications regarding what China would define as its "national interest" for the purposes of this law. We also asked how this law would relate to any export restrictions arising from it. And we also asked for further information on how China would decide which "other goods, technologies, services" come within the scope of this law, and what are the limitations. So the UK would continue to welcome any further possible clarifications from China. Furthermore, we note that China's Ministry of Commerce's consultation on their technology import and export regulations has recently concluded, with – we understand – a proposal to place restrictions on rare earth element technology. So, let us underline that export restrictions on goods inevitably disrupt global supply chains. As WTO Members, we have all committed to avoiding these types of protectionist measures. The UK joins the calls for further transparency from China around their Export Control Law's implementation.

41.13. The delegate of Australia indicated the following:

41.14. We note the statement by Japan in relation to China's Export Control Law. As we set out in Australia's submissions to China's consultations on these then proposed laws and regulations, we welcomed efforts to codify the regulatory framework for defence export controls. Australia still has concerns about the broad scope of the Export Control Law. We encourage China to continue to provide greater clarity in relation to key elements, including jurisdiction, the scope of administrator powers, and confirmation that the law is consistent with China's international commitments, including the WTO rules and the China-Australia Free Trade Agreement (ChAFTA). We continue to urge China to take account of the concerns of foreign businesses and Members in the implementation of this law and development of future measures.

41.15. The delegate of China indicated the following:

41.16. We would like to thank Members for their interest on this issue and refer to China's statements at previous meetings. China is still working on the supporting complementary laws and regulations on the Export Control Law. Last year, in May, China's Ministry of Commerce publicly solicited public comments on the "Daft Regulation on the Export Control of Dual-Use Items". We welcome the comments submitted by the Japanese government, and other Members, as well as relevant industry representatives. We are still conducting a comprehensive review of these comments. China will continue to engage with Japan and other interested Members on this issue.

41.17. The Council took note of the statements made.

42 CHINA – DRAFT OF CHINESE RECOMMENDED NATIONAL STANDARD FOR OFFICE DEVICES – REQUEST FROM JAPAN

42.1. The Chairperson recalled that this item had been included on the agenda at the request of Japan.

42.2. The delegate of Japan indicated the following:

42.3. As Japan expressed our concerns during the relevant committees, with regard to the amendment of the Recommended National Standards of China (GB/T) for office devices such as multifunction peripherals and printers that are procured by the operators of critical information infrastructure. It has been suggested that the standard would compulsory require that: (i) office devices, such as multifunction peripherals and printers, including their components, are required to be developed, designed, and produced in China; and (ii) to disclose information to prove that office devices and/or their components are developed, designed, and produced in China. These national standards raise concerns that foreign products, including Japanese products, will be discriminated against by other Members, that trade will be restricted more than necessary, and that technology transfer will be forced. Furthermore, there would be the possibility that this would be inconsistent with various WTO Agreements, including Article 2.1 of the TRIMs Agreement, Articles 2.1, 2.3, and 5.1.2 of the TBT Agreement, Article III:4 of the GATT, and also Article 7.3 of China's Accession Protocol.

42.4. We understand that a study is being conducted under the direction of the National Information Security Standardization Technical Committee (TC260), and we would like to know the status of the study of this draft National Standard and its contents. We would appreciate it if China could share the facts, including: (i) the schedule up to the establishment of this National Standard, including when it will be open for public comment; (ii) the contents of the draft National Standard, in particular the scope of application of this National Standard, including the definition of critical information infrastructure operators, the provisions requiring the development and production of office equipment and its components in China; and (iii) the provisions requiring information proving that the equipment was developed and produced in China. We would like China to share the facts with us, including the provisions.

42.5. Furthermore, China pointed out at the TRIMs Committee meeting in February that "these are issues related to standards and should be discussed in the TBT Committee", but the subsequent explanation at the TBT Committee meeting was only that "interested Members may express their opinions at the opportunity for public comments". No convincing explanation has been obtained

regarding the specific concerns raised by Japan and other Members concerned. If these concerns are put forward for public comment in a manner that does not resolve them, we believe that this is an issue that could raise doubts about China's commitment to the authority of the WTO, which is the core of the multilateral trading system. From the perspective of avoiding such doubts, we hope that the concerns raised here by the Members concerned will be well taken care of before being submitted for public comment.

42.6. We strongly hope that revisions to the National Standards, as well as systems and guidelines related to the National Standards, will not be realized in the form of the above-mentioned concerns. Japan also hopes that measures incorporating similar requirements will not be formulated and introduced, not only in the field of multifunction peripherals and printers but also in other fields.

42.7. The delegate of the European Union indicated the following:

42.8. Based on the information available for this new measure, the revised requirements, if enacted, would rule out the possibility for overseas office device providers to participate in government procurement in China, as most of their products rely heavily on overseas components. The EU would like to emphasize that all office equipment cannot be classified as critical information infrastructure and underline once again the importance of providing clarity on terms such as "critical information infrastructure". The EU also urges China not to take similar measures in other sectors or products.

42.9. The delegate of China indicated the following:

42.10. The recommended standard is currently under application for revision, and the notice for its revision application was published on 22 December 2022. So far, no objections have been received. The revision of this recommended national standard is still waiting for the approval of the Standardization Administration of China. The formulation and revision of China's national standards are always based on the principle of openness and transparency. After the standard revision plan is officially approved, relevant information will be released to the public. All parties can obtain this information through the official website of the Standardization Administration of China and relevant other channels.

42.11. The Council took note of the statements made.

43 CHINA – DRAFT REVISION OF CHINESE GOVERNMENT PROCUREMENT LAW – REQUEST FROM JAPAN

43.1. The Chairperson recalled that this item had been included on the agenda at the request of Japan.

43.2. The delegate of Japan indicated the following:

43.3. In July of last year, China published a draft for revision of the Government Procurement Law. With regard to the scope of the revised law, in addition to "state agencies, business units and organizations" in the current Article 2, "other procurement entities" has been added in Article 2 and Article 12. With consideration to "other procurement entities", Article 12 of the revised bill refers to "public interest state-owned enterprises that engage in public works and operate public infrastructure or public service networks to realize public purposes", and adds "other procurement entities to which this Law applies and their specific scope of procurement shall be determined by the State Council."

43.4. If the scope of application of the Government Procurement Law expands to include even procurement beyond "procurement by governmental agencies", as stipulated in Article III:8(a) of the GATT, and Local Content Requirement (LCR) is made based on Article 23 of the revised law, foreign products, including those from Japan, may be treated in a discriminatory manner, thereby violating Article III:4 of the GATT. In light of this, Japan requests of China that the State Council's definition of "other procurement entities" under Article 12 of the revised bill should not be expanded without limit.

43.5. In addition to the existing local content requirements regulation, Article 23 of the revised bill, which clearly includes "support for domestic industries", adds a new local content requirement that

gives preferential treatment in government procurement for products with a high added value ratio within China. Japan would like to point out that this cannot be permitted either under the government procurement exception of Article III:8(a) of the GATT unless it truly falls under government procurement. This local content requirement may also violate Article 2.1 of the TRIMs Agreement, and Article III:4 of the GATT. In this regard, Japan intends to keep an eye on the scope of this Article.

43.6. Although China stated at the last CTG meeting that it treats foreign and domestic Chinese companies equally in government procurement, except with respect to security matters, we are of the view that these new provisions in the proposed amendment are not yet meeting the standards required by the WTO Government Procurement Agreement (GPA), which China has already been negotiating to join for many years, and in relation to which China is now, rather, moving in the opposite direction. This raises the question of whether China is willing to meet those standards, even though it has applied to join the GPA and other high-standard agreements.

43.7. The delegate of China indicated the following:

43.8. China would like to thank Japan for their interest on this issue and refer to past statements on the issue. Supporting domestic products through government procurement is a common international practice. In drafting the amendment of China's Government Procurement Law, we have taken into account other Members' relevant practices and experience. We are willing to discuss this issue with Japan under the framework of China's accession negotiation to the GPA. China is willing to strengthen the engagement with relevant Members to accelerate China's GPA accession process.

43.9. The Council took note of the statements made.

44 UNITED STATES – DISCRIMINATORY ARRANGEMENTS ON STEEL AND/OR ALUMINUM – REQUEST FROM CHINA

44.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

44.2. The delegate of China indicated the following:

44.3. As this Council is aware, in 2018, the United States imposed additional tariffs on steel and aluminium imports in the name of "national security". Since then, the US has selected a number of Members from whom to lift the additional tariff. These discriminatory arrangements create a dangerous precedent and violate WTO rules.

44.4. Members may also have noted that, in 2021, the US started a negotiation with the EU on a Global Arrangement on Sustainable Steel and Aluminium. Recently it has been reported that, as part of the Global Arrangement negotiations, the US seeks to be exempted from the EU's Carbon Border Adjustment Mechanism.

44.5. China expresses its concern over all these discriminatory arrangements. Such discriminatory arrangements provide specific treatment to selected Members and result in the exclusion of other Members. We call on the WTO to strengthen the monitoring of these discriminatory arrangements to ensure that these protectionist measures would not be implemented in the name of addressing national security or climate change.

44.6. The delegate of Türkiye indicated the following:

44.7. As expressed at previous meetings of the CTG and the Committee on Market Access, and lastly at the Dispute Settlement Body, we would like to take this opportunity to reiterate our concerns with regard to the Section 232 tariffs that have been imposed by the United States on imports of steel and aluminium products since 2018. Taking this opportunity, Türkiye once again notes our concerns over the compatibility of the measures with the core WTO rules and principles as enshrined in the Agreement on Safeguards, as well as the GATT 1994.

44.8. As is known, these concerns have in fact been validated as accurate by the Report of the Panel in DS564, where the Panel correctly found that any alleged global excess capacity in steel and

aluminium, and the United States' wish to protect its steel and aluminium producers, cannot constitute an "emergency in international relations" within the meaning of Article XXI of the GATT, and thus cannot be justified as national security measures.

44.9. As noted previously, we are also of the view that the developments towards exclusion of some Members as opposed to others from Section 232 tariffs on a selective basis further exacerbates the problem. We continue to believe that there exists no convincing reason for lifting the so-called measures for some Members, while excluding others. With the way they have been applied, these are quantitative restrictions that go against Article XI of the GATT, and the letter and spirit of the core WTO principles, by favouring some as opposed to others. In fact, the same Panel Report in DS564 has also found these measures to constitute quantitative restrictions inconsistent with Article XI:1 of the GATT 1994. This Panel Report has unfortunately been appealed into the void created by the failure to launch the selection processes for the vacancies of the Appellate Body members.

44.10. On the basis of the foregoing, Türkiye would like to seize this opportunity to recall our request for the total elimination of all additional duties and quantitative restrictions, without further loss of time, in order to ensure that the multilateral trading system operates in an effective manner.

44.11. The delegate of the United States indicated the following:

44.12. The United States and partners have issued joint statements concerning arrangements reached to address imports of steel and aluminum into the United States. In implementing changes to Section 232 duties, the President stated that, in his judgement, the arrangements reached with various trading partners will provide an effective, long term, alternative means to address any contribution by steel and aluminum articles imports from these partners to the threatened impairments to the national security of the United States. In October 2021, the United States and the European Union agreed to negotiate a global arrangement to restore market-oriented conditions and support the reduction of carbon intensity of steel and aluminum across modes of production. According to the joint statement, each participant in the global arrangement would undertake several actions compatible with international obligations and multilateral rules, including potential rules to be jointly developed. The United States and the European Union are seeking to conclude the negotiations on the global arrangement by October 2023.

44.13. The Council took note of the statements made.

45 UNITED STATES – DISRUPTIVE AND RESTRICTIVE MEASURES IN THE NAME OF NATIONAL SECURITY – REQUEST FROM CHINA

45.1. The Chairperson recalled that this item had been included on the agenda at the request of China.

45.2. The delegate of China indicated the following:

45.3. China raised a couple of trade concerns in this Council, on multiple occasions, to express its concerns over some measures taken by the United States in the name of national security. As we are discussing how to improve the functioning of this Council, and the increasing number of agenda items is one of the issues that Members are concerned with, we have taken a concrete step to shorten the list of trade concerns of this Council by combining our relevant trade concerns into one item. And as this is first time that we make a statement under this reorganized item, I may take a little more time to deliver my statement.

45.4. Unilateral economic sanctions, in the name of "national security", have become a major trade policy tool of certain WTO Members in recent years, and their wide areas of application, broad scope of ramifications, and severe harm to the multilateral trading system have given rise to the concerns of many Members. Some of the trade disruptive and discriminatory measures have been subject to the WTO Dispute Settlement Mechanism, and the dispute settlement panels have made consistent rulings in this regard. In short, most of the trade restrictive measures in the name of "national security" deviated from the circumstance stimulated in the WTO's " security exemption" provisions, and constituted an abuse of "national security".

45.5. This growing trend of abusing national security exemptions started with the United States. Since the implementation of the Article 232 Steel and Aluminum tariffs in 2018, the United States has taken a number of trade restrictive measures in the name of national security, including the following eight categories: (i) tariff measures: 232 tariff measures and tariff quotas initiated against imported steel and aluminium products; (ii) rule of origin measures: discriminatory application of origin marking; (iii) direct export restrictions: extensive export controls on commercial products exported to China and on Chinese commercial entities; (iv) extra-territorial application of export restrictions: restricting the exports of specific products of third countries that do not contain any "US content" to China, through the so-called "foreign direct product rules"; (v) procurement prohibition: prohibit federal government agencies from procuring or using telecommunications products and services from specific Chinese companies; federal government agencies will also be prohibited from purchasing or using electronic products containing semiconductors produced by specific Chinese companies; (vi) discriminatory subsidies policies: prohibit subsidized telecommunications carriers from using products from specific Chinese companies; require semiconductor companies receiving US government subsidies to abandon their expansion plans in China, and disqualify subsidies for electric vehicles with batteries containing components or minerals originated from China; (vii) market authorization prohibitions: prohibit the provision of authorization necessary for the marketing of telecommunications equipment to specific Chinese companies; and (viii) ICTS transaction reviews: review of commercial transactions for a very broad range of ICT products and services, including procurement, import, transfer, installation, deal-in, or use, with the possibility of imposing prohibitive measures.

45.6. The US abuse of "national security" is reflected in the following aspects:

45.7. First, the US believes that the application of the "security exemption" provisions is solely "self-judging" and is not subject to review by WTO dispute settlement panels. However, as several dispute settlement panel decisions have shown, neither the negotiating history of the GATT, the text of the GATT, nor the interpretation of the relevant provisions by many other Members agree with the US claim. As many scholars have pointed out, a legal defence on a purely self-judging basis is tantamount to a "black hole"; it will make exceptions become the rule and seriously undermine the multilateral trading system.

45.8. Second, the scope of US export control measures is so broad that it exceeds internationally agreed practice; moreover, the unilateral nature of US export control measures is pushed to the extreme through its extraterritorial application. Under the Foreign-Direct Product Rules (FDPR), exports of items produced with US software or technology are subject to US controls, even if they do not contain any US content. The extreme unfairness of the measure can be compared to such a case where a European author wrote a fiction with a US-made pen, but needed US permission to publish a Chinese edition in China.

45.9. Third, the ban on market access for Chinese telecommunications equipment and the extensive scrutiny of ICTS transactions go well beyond the usual areas of applications such as government procurement and critical infrastructure, and include all sales and imports, including commercial sales.

45.10. Fourth, the discriminatory nature of subsidy policies is elevated to an unprecedented level. Granting US government subsidies contingent upon the prohibition from expanding capacity in China artificially fragments the market, and interferes with the autonomy of commercial businesses to make their own business decisions. Even battery components made in China are considered a potential threat to US national security and therefore require discriminatory treatment in its subsidies policy.

45.11. We took note of the US view that the integrity of the WTO was undermined by WTO dispute panels' decisions on national security cases, and the comments by USTR Ambassador Katherine Tai that "the WTO is getting itself on very, very thin ice". We beg to differ. In fact, what really puts the WTO on very, very thin ice is the abuse of the security exemptions by the United States. Such abuses have broken one window after another of the mansion of the multilateral trading regime, and would give rise to the "broken window theory", where exemptions become the rule and put the rules-based multilateral trading regime in grave danger.

45.12. China believes that, in order to strengthen the rules-based multilateral trading system, with the WTO at its core, it is necessary to strengthen the deliberative functions of the WTO on such abusive security exemptions, within the framework of the rules and procedures of the WTO.

45.13. The delegate of the United States indicated the following:

45.14. As stated previously, the United States does not believe that the WTO Council for Trade in Goods is the appropriate forum to discuss issues related to national security.

45.15. The Council took note of the statements made.

46 INDIA – IMPLEMENTATION OF CONFORMITY ASSESSMENT POLICY THROUGH QUALITY CONTROL ORDERS (QCOS) IN VARIOUS SECTORS – REQUEST FROM CANADA AND THE EUROPEAN UNION

46.1. The Chairperson recalled that this item had been included on the agenda at the request of Canada and the European Union.

46.2. The delegate of the European Union indicated the following:

46.3. The European Union is deeply concerned by the increasing number of Quality Control Orders (QCOs) that India has been issuing across many sectors, such as toys, automotive parts including tyres, chemical and petrochemical substances, and steel. The majority of QCOs introduced appear to have a protectionist orientation and raise questions regarding their compliance with the TBT Agreement. The EU is particularly concerned by the visible trend of QCOs prescribing India-specific standards where international standards already exist.

46.4. Furthermore, QCOs prescribe mandatory conformity assessment procedures that are more restrictive than necessary to fulfil their legitimate objective. They cause extra burden and economic cost to European stakeholders as a result of unnecessarily cumbersome procedures, including mandatory factory inspections, and sample testing in Indian laboratories to obtain necessary permissions or licences for products already tested and certified under established international standards and schemes. There is no provision for a streamlined process on the basis of existing certification from any international body.

46.5. The EU also would like to recall the importance of duly notifying all of these measures, as required. So, we hope to be able to work with India on these matters.

46.6. The delegate of Canada indicated the following:

46.7. Canada remains concerned by the QCOs issued by India across a variety of sectors. As expressed in other forums, such as the Committee on Technical Barriers to Trade, Canada is concerned by the QCO objectives, notification processes, and systemic issues in the framework. We hope that India meaningfully engages with these concerns, and answers questions posed by many Members, including Canada, and urge India to ensure that its QCO implementation is consistent with its WTO obligations.

46.8. The delegate of Japan indicated the following:

46.9. Japan supports the EU and Canada's comments on India's Quality Control Orders (QCOs). Although QCOs provide for overseas factory inspections by the BIS, Japan requests that QCOs not be more trade restrictive than necessary, in accordance with Articles 2.2 and 5.1.2 of the TBT Agreement. In addition, we request that QCOs be consistent with the TBT Agreement, for example, that international standards be used as the basis for QCOs, in accordance with Articles 2.4 and 5.4 of the TBT Agreement, and that an appropriate period be allowed before implementing QCOs, in accordance with Article 2.12 and 5.9 of the TBT Agreement.

46.10. The delegate of the United Kingdom indicated the following:

46.11. We thank the European Union and Canada for raising this item, and Japan for supporting. The United Kingdom also has concerns with the number of QCOs being introduced by India on a

number of goods which seem to be more trade restrictive than necessary to fulfil India's legitimate objectives. We would encourage India to ensure that existing and incoming regulations are in accordance with international standards where they exist in order to prevent adverse impacts for foreign businesses and trade. We look forward to continued engagement with India on this issue.

46.12. The delegate of India indicated the following:

46.13. We thank the delegations of the EU, Canada, Japan, and the UK for their interest in India's QCOs. The delegation of Canada had submitted a paper on this topic co-sponsored by other Members in the Committee on Technical Barriers to Trade. Capital is currently reviewing this paper and may consider submitting a response in due course.

46.14. We also thank the delegation of the European Union for outlining their views today in this meeting. We take good note of these comments and will also transmit them to Capital for careful consideration. We also acknowledge the productive bilateral discussion with the European Union on the sidelines of the TBT Committee on this and other trade issues.

46.15. The Council took note of the statements made.

47 EGYPT – MANDATORY USE OF LETTER OF CREDIT AS PAYMENT CONDITION FOR IMPORTS – REQUEST FROM THE EUROPEAN UNION

47.1. The Chairperson recalled that this item had been included on the agenda at the request of the European Union.

47.2. The delegate of the European Union indicated the following:

47.3. We are pleased to report progress. We welcome Egypt's decision to remove the mandatory requirement to use a Letter of Credit as prior condition for payments in the country and thank Egypt for the steps taken so far. We understand that, since 3 January 2023, other payment methods are available, which we see as a first important step towards restoring bilateral trade flows. While trade flows did not yet resume, we expect that the situation on the ground will soon normalize, and we are confident that Egypt will take all necessary steps in this direction.

47.4. The delegate of Norway indicated the following:

47.5. Norway thanks the EU for raising this item. We appreciate the positive developments in Egypt and, as also mentioned just now by the EU, we welcome Egypt's decision to remove the requirement to use Letters of Credit. We are hopeful that the situation will soon be normalized.

47.6. The delegate of Egypt indicated the following:

47.7. Egypt thanks the European Union and Norway for their continued interest in this matter. Egypt would simply like to brief the Membership today that, as highlighted in the Council's last meeting, in November 2022, the Central Bank of Egypt has taken a number of measures with respect to the EU requirement so to enable its complete phase-out in December 2022.

47.8. The Council took note of the statements made.

48 EUROPEAN UNION – REGULATION (EU) 2017/2321 AND REGULATION (EU) 2018/825 – REQUEST FROM THE RUSSIAN FEDERATION

48.1. The Chairperson recalled that this item had been included on the agenda at the request of the Russian Federation.

48.2. The delegate of the Russian Federation indicated the following:

48.3. The Russian Federation reiterates its concerns regarding the amendments to the EU basic regulation on protection against dumped imports introduced by Regulation (EU) 2017/2321 and Regulation (EU) 2018/825. At previous CTG meetings, we pointed out the discriminatory nature of

the amendments, which can be illustrated by the following: (i) the European Commission may punish the exporters twice for the same situation labelled by the amendments as "significant distortions" and "raw material distortions"; and (ii) the European Commission has issued only two "reports" on so-called "significant distortions" in two particular exporting countries. It clearly shows the discriminatory nature of the EU's approach regarding the application of anti-dumping measures. Without going into further detail, we would like once again to reiterate our systemic concern about the WTO-inconsistency of the amendments. We urge the EU to abstain from their application and not to violate its WTO obligations.

48.4. The delegate of the European Union indicated the following:

48.5. We would just like to refer to the statement we delivered under Agenda Item 31, where we stressed our call that the rules-based international order be respected.

48.6. The Council took note of the statements made.

49 OTHER BUSINESS

49.1 Report of Event "Who Notices Notifications? A Conversation With the Private Sector at the WTO"

49.1. The Chairperson indicated the following:

49.2. As a first point, I recall that the United States wished to make a report on an event co-organized by the United States, "Who Notices Notifications? A Conversation with the Private Sector at the WTO".

49.3. The delegate of the United States indicated the following:

49.4. In association with the WTO Friends of Transparency, on 30 March several WTO Members sponsored panel discussion, "Who Notices Notifications? A Conversation with the Private Sector at the WTO", on the margins of the April 2023 CTG. The discussion provided insights from private sector panellists representing the International Chamber of Commerce; Manufacturers Association of Israel; US Soybean Export Council; Fonterra, a New Zealand dairy manufacture; and Loc Kim Chi Seafood Company, a Vietnamese seafood exporter. The panel also included Israel's TBT Enquiry Point.

49.5. Panellists noted that staying up to date with the tremendous volume of WTO notifications is a significant resource commitment, one that only large corporations and industry associations can possibly undertake. Micro, small, and medium-sized enterprises (MSMEs) are often unable to monitor WTO notifications due to resource constraints. MSMEs are challenged by the current notification system and doubt their ability to shape Member policies that affect their business. Panellists suggested that enquiry points, trade associations, and universities could be helpful in raising awareness, particularly among MSMEs, of WTO notifications. The panellist representing the Vietnamese seafood exporter shared their direct experience receiving training on WTO notifications through a university programme, and the difference this knowledge made to the company and their sense of engagement on policies affecting their operations.

49.6. One key takeaway from the session was that the private sector highly values coordination with government officials, foreign and domestic, on policy changes, especially during the early stages before a policy change is notified to the WTO. Private sector input can provide concrete examples of what the impact of a policy change may be. The event also highlighted that the global trading environment has become dramatically more complex since the WTO's notification system was created, and there is room for improvement. Panellists suggested that translating WTO notifications into more languages, making the ePing system more user-friendly for non-government users, and Members improving the specificity of notifications with regard to product coverage to allow for more targeted review by interested parties could be helpful improvements. The COVID-19 pandemic did not seem to have a significant impact on speakers' experiences with notifications.

49.7. Our delegations will continue to work with WTO Members to bring diverse and thoughtful perspectives to the WTO. These voices help us understand how WTO notifications provide

predictability for traders, help them make informed business decisions, and contribute to a more inclusive global trading system.

49.8. This summary of the event, along with a link to the event recording, is available in document RD/CTG/18.

49.9. The Chairperson thanked the United States and proposed that the Council take note of the statement made.

49.10. The Council so agreed.

49.2 Tentative Annual Plan of Meetings – Subsidiary Bodies of the Council for Trade in Goods (JOB/CTG/22) and Evolving Tentative Calendar of Formal Meetings of WTO Bodies for 2023 (WT/INF/231/Rev.1)

49.11. The Chairperson drew the Council's attention to the most recent iteration of the "Tentative Annual Plan of Meetings – Subsidiary Bodies of the Council for Trade in Goods (JOB/CTG/22)", which would be updated for each subsequent formal meeting of the CTG with a view to anticipating and, if possible, avoiding any scheduling issues, and the "Evolving Tentative Calendar of Formal Meetings of WTO Bodies for 2023 (WT/INF/231/Rev.1)", which now forms part of the interactive calendar on the Members' site. This document exists in part thanks to this Council. I had the opportunity to present the CTG calendar to the outgoing Chairperson of the General Council, mentioning that it had had proven its value during the two previous years, and the General Council team was directly inspired by this document, even if it is even harder for them to prepare their version, and it is less stable, given the increased number of bodies reflected in that calendar.

49.12. The delegate of the United States indicated the following:

49.13. I would like to note that having an annual plan of meetings is very important to the sequencing of events throughout the WTO, and that the Council should take great care to adhere to the schedule to the fullest extent possible.

49.14. The delegate of Paraguay indicated the following:

49.15. Paraguay would like to thank the Chair for both documents. We believe that having a schedule, even if tentative, at a larger scale, helps us all to better organize ourselves. We would also like to request that, should there be changes in dates of meetings of this Council or its subsidiary bodies, that Members be informed of the reasons for said changes. We are often told that there are changes, but without formally receiving a reason. We believe this also promotes accountability, because in general these changes have a disruptive effect in the functioning of this Council and its subsidiary bodies.

49.16. The Chairperson recalled that this had been a matter that had been raised at the Council's informal meeting, and on which he had undertaken to write to the Chairperson of the General Council.

49.17. The Council took note of the statements made.

49.3 E-Agenda

49.18. The Chairperson indicated the following:

49.19. You will recall that on 13 February the Council adopted, following a written procedure, the introduction of the eAgenda in the work of the Council for Trade in Goods on a trial basis. I have the pleasure to inform you today that the system has been developed based on the model used by the Market Access Committee. In the coming weeks, the Secretariat will circulate a communication describing how the training and testing phase will proceed, including the possibility to provide feedback concerning any eventual adjustment to the system that may prove necessary. If all goes well, the Council for Trade in Goods, could be in a position to use eAgenda, on an experimental basis, for its meeting of July 2023. Finally, I would like to note that the Council's Decision of

13 February has not yet been circulated. If you agree, and to facilitate the record of this Decision, the Secretariat will distribute it as a CTG document.

49.20. The Council took note of the statement made.

49.4 Date of Next Meeting

49.21. The Chairperson indicated that the Council's next formal meetings had been scheduled for the dates of 6-7 July 2023, with an informal meeting scheduled on the date of 31 May. These dates would be confirmed in due course.

50 ELECTION OF CHAIRPERSON OF THE COUNCIL FOR TRADE IN GOODS

50.1. The Chairperson recalled that the Chair of the General Council had carried out consultations on a slate of names for Chairpersons to the different WTO standing bodies in accordance with the established Guidelines for the Appointment of Officers. These proposed nominations had been approved by the General Council at its most recent meeting. In line with the nominations, he proposed that the CTG elect H.E. Dr. Adamu Mohammed Abdulhamid from Nigeria as Chairperson of the Council by acclamation.

50.2. The Council so agreed.

50.3. The outgoing Chairperson congratulated Ambassador Adamu Mohammed Abdulhamid for his election and expressed his appreciation to delegations, and to the Secretariat, for their unwavering efforts and dedication to carrying out the work of the CTG.

50.4. The incoming Chairperson recalled that, as agreed under Agenda Item 3, the election of officers of the subsidiary bodies of the Council had been suspended. Once there was an agreed slate of names, the CTG Chair would reconvene the CTG to deal exclusively with that agenda item.

50.5. The meeting was closed.