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Committee on Sanitary and Phytosanitary Measures

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**PANAMA'S RESTRICTIONS REGARDING THE PROCEDURE TO REGAIN ACCESS
FOR PERUVIAN POTATOES AND ONIONS**

COMMUNICATION FROM PERU

The following communication, received on 25 March 2021, is being circulated at the request of the delegation of Peru.

1. Peru would like to express before WTO Members its trade concern regarding the suspension by Panama of imports of onions and potatoes for consumption from Peru and the undue delays in the phytosanitary efforts to restore trade in these products.
2. With regard to the trade in Peruvian onions, Panama suspended the importation of this product in 2016 following a pest risk analysis (PRA) aimed at updating the phytosanitary import requirements. In this respect, Peru noted that this update did not justify the suspension of the importation of this product, the trade in which has amounted to over 19,000 metric tonnes since 2003, without any reports of pest interceptions by the Panamanian authority. However, in 2016, Peru submitted comments on the PRA carried out by Panama which, to date, have not been addressed.
3. Moreover, turning to the trade in potatoes for consumption, the importation of this product was suspended by Panama in 2009 following the interception at the destination of a pest within a consignment. In May 2010, following the exchanging of comments with its counterpart, Peru's phytosanitary authority sent to Panama a proposed phytosanitary protocol for the exportation of potatoes. However, no official response has been received to date.
4. In these cases, Peru considers that Panama has breached Articles 2.2 and 5 of the WTO SPS Agreement, since Members must establish sanitary and phytosanitary measures only where applicable to, *inter alia*, protect plants and these measures must be based on a risk assessment. Likewise, Article 5.4 provides that Members should take into account the objective of minimizing negative trade effects, which has not been taken into account in either of the above-mentioned cases.
5. Similarly, in accordance with Article 8 and Annex C, sanitary and phytosanitary procedures, *inter alia*, must be undertaken and completed without undue delay, with information being provided to the interested party and requirements limited to what is reasonable and necessary. Unfortunately, Peru has consistently provided technical information relating to the PRA in order to secure the reopening of the Panamanian market for potatoes and onions, without receiving any response from Panama's health authority concerning the results of its risk analysis. In this connection, it should be highlighted that Panama has continually requested the same information that was sent in good time by our health authority, which has led to the process being unnecessarily and unjustifiably prolonged.
6. In the light of the foregoing, Peru considers that Panama has caused undue delays in the establishment of phytosanitary import requirements that allow for the importation of Peruvian potatoes and onions to resume.

7. The measures applied by Panama have caused damage to exports of Peruvian potatoes and onions. 2009 was the last year for which export figures for potatoes to Panama, both in terms of volume and value, were recorded. 2008 was the best year for the exportation of Peruvian potatoes to Panama due to the fact that over 604 tonnes were sent, with a value of USD 249,000. However, exports of Peruvian potatoes to Panama decreased by around 69% in 2009.

8. Furthermore, in 2017, Peruvian fresh onion exports to Panama fell substantially both in terms of value and volume. At the end of that year, it was recorded that exports of this product fell by around 98.04% in relation to 2016 and, as a result, the annual average growth for the period 2012-2017 decreased by 53.17%, despite the fact that the export potential of this sector is USD 2.3 million.¹

9. In the light of the foregoing, and in order to prevent a violation of Articles 2, 5, 8 and Annex C of the SPS Agreement, Peru asks Panama to reopen the market to Peruvian potato and onion exports and to avoid any other action that may unnecessarily prolong this process, thereby creating unnecessary and unjustified barriers to trade.

¹ According to the ITC's Export Potential Map for tariff heading 070310.