WORLD TRADE

ORGANIZATION

G/SPS/GEN/347 23 October 2002

(02-5796)

Committee on Sanitary and Phytosanitary Measures

Original: Spanish

HONDURAS – RESTRICTION IN ABSOLUTE TERMS ON THE ENTRY OF POULTRY MEAT FROM COSTA RICA

Questions Posed by Costa Rica

- 1. The Government of Costa Rica is requesting the Government of Honduras to explain how the measure notified in document G/SPS/N/HND/3 is consistent with the provisions of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and international standards recognized by the Organization for the sanitary control of animal products.
- 2. The Government of Costa Rica is requesting the Government of Honduras to provide scientific evidence showing that the measure, which is restricting poultry meat imports from Costa Rica, is the least trade-restrictive measure necessary to ensure the protection of avian health in Honduras and therefore does not constitute an unnecessary and disguised barrier to trade, in accordance with WTO disciplines.
- 3. In particular, the scientific evidence which the Government of Honduras is requested to provide must include evidence showing that the diseases avian infectious laryngotracheitis and avian salmonellosis can be introduced through the trade in poultry meat from Costa Rica, in as much as the International Office of Epizootics (IOE) does not require these diseases to be subject to sanitary control for the purpose of authorizing international trade in poultry meat.
- 4. The Government of Costa Rica is requesting the Government of Honduras to show that the restriction imposed on the entry of its products has been applied on the same terms to imports from other trading partners with similar sanitary conditions, in accordance with the principles of non-discrimination and most-favoured-nation treatment established by the WTO in the SPS Agreement. This implies that the Government Honduras has authorized imports of poultry meat only from countries that have been declared free of the four axian diseases.

HONDURAS -- RESTRICTION IN ABSOLUTE TERMS ON THE ENTRY OF POULTRY MEAT FROM COSTA RICA

Communication by Costa Rica

A. BACKGROUND

In 1999, Costa Rica exported poultry meat worth a total of US\$ 2.4 million and of these exports 53 per cent went to Honduras; in 2000, exports amounted to US\$ 2.5 million and 66 per cent went to Honduras, while in 2001 exports totaled US\$2.8 million, Honduras taking 86.1 per cent (see Annex 1).

In March of this year, Honduras applied a measure restrictive in absolute terms on the entry of poultry meat from Costa Rica, arguing that it would only admit imports of poultry meat from countries whose avian health status was equivalent to its own, that is to say, countries that were free from avian influenza, avian infectious laryngotracheitis, Newcastle disease and avian salmonellosis.¹

This measure, especially as regards the diseases avian salmonellosis and avian infectious laryngotracheitis, has no basis in the international standards recognized by the WTO via the International Animal Health Code of the International Office of Epizootics (IOE), which for trade in poultry meat requires only that the exporting country be free of avian influenza and Newcastle disease.

Costa Rica is free of these two diseases, so that its avian health status fits within the parameters recognized by the WTO. Consequently, Costa Rican poultry meat exports do not constitute a risk for the avian health status of Honduras.

Considering that the restriction imposed by Honduras is unjustified, unnecessary and unsupported by the international standards in the field of sanitary and phytosanitary measures recognized by the WTO, the authorities of the Ministry of Foreign Trade, in coordination with the authorities of the Ministry of Agriculture and Livestock, have initiated a coordinated effort to show, on the basis of scientific evidence, that Costa Rica is in compliance with the sanitary standards required by the WTO for international trade in poultry meat.

Between March and August 2002, the two countries held technical-level meetings in the course of which Costa Rica submitted reports providing evidence of the situation with respect to avian health status, in accordance with international standards.

According to Article 12 of the WTO Agreement on Sanitary and Phytosanitary Measures (hereinafter SPS Agreement), the Committee on Sanitary and Phytosanitary Measures is the regular forum for consultations between Members in this field and, in particular, is required to encourage and facilitate them.

B. THE QUESTIONS

1. The Government of Costa Rica is requesting the Government of Honduras to explain how the measure notified in document G/SPS/N/HND/3 is consistent with the provisions of the WTO

¹ On 12 October 2000, Honduras notified, in document G/SPS/N/HND/3 (see Annex 2) that it would only admit poultry imports from countries whose avian health status was equivalent to its own and was therefore requiring exporting countries to guarantee that they were free of avian influenza and avian infectious laryngotracheitis and that their farms were free of Newcastle disease and avian salmonellosis.

Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and international standards recognized by the Organization for the sanitary control of animal products.

- 2. The Government of Costa Rica is requesting the Government of Honduras to provide scientific evidence showing that the measure, which is restricting poultry meat imports from Costa Rica, is the least trade-restrictive measure necessary to ensure the protection of avian health in Honduras and therefore does not constitute an unnecessary and disguised barrier to trade, in accordance with WTO disciplines.
- 3. In particular, the scientific evidence which the Government of Honduras is requested to provide must include evidence showing that the diseases avian infectious laryngotracheitis and avian salmonellosis can be introduced through the trade in poultry meat from Costa Rica, in as much as the International Office of Epizootics (IOE) does not require these diseases to be subject to sanitary control for the purpose of authorizing international trade in poultry meat.
- 4. The Government of Costa Rica is requesting the Government of Honduras to show that the restriction imposed on the entry of its products has been applied on the same terms to imports from other trading partners with similar sanitary conditions, in accordance with the principles of non-discrimination and most-favoured-nation treatment established by the WTO in the SPS Agreement. This implies that the Government Honduras has authorized imports of poultry meat only from countries that have been declared free of the four avian diseases.

C. THE GROUNDS

Honduras has unilaterally declared itself free of four avian diseases: avian influenza, Newcastle disease, avian infectious laryngotracheitis and avian salmonellosis.

The International Office of Epizootics (IOE), the only international entity recognized in the SPS Agreement (Annex A, paragraph 3) as an issuer of international standards, guidelines and recommendations in the field of sanitary measures relating to animal health, has a mandate to establish lists of member countries or zones officially recognized as free from certain diseases. In order to be declared a country free of a disease the veterinary administration of the interested country must complete a procedure previously defined by the IOE, on the basis of specially designed, scientifically based questionnaires.

The IOE is currently publishing lists of countries recognized by that organization as being free from foot and mouth disease, rinderpest and contagious bovine pleuropneumonia; the conditions for bovine spongiform encephalitis are in process of adoption. The preparation of lists of countries recognized as free of these diseases has been given priority because of their impact on international trade.

At present, the IOE does not have a list of countries recognized by that organization as being free of the four avian diseases of which Honduras has declared itself to be free. Honduras has declared itself to be a country free of these four diseases by availing itself of the opportunity afforded by the IOE for countries to declare themselves free of diseases for which there is still no specific IOE procedure for the official recognition of the status of member countries with respect to the diseases in question.

Although the IOE affords member countries the opportunity to declare themselves free of a disease, in such an eventuality it is indispensable that the importing countries receive the epidemiological data necessary to convince them of the fact, in accordance with the requirements of the IOE's International Animal Health Code relating to the diseases concerned.

As regards international trade in poultry meat, the International Animal Health Code establishes the right of the importing country to require that the exporting country be free only of avian influenza and Newcastle disease, both classified in the IOE's List A of diseases.²

However, the International Animal Health Code does not require the country exporting the poultry meat to have been declared free of avian infectious laryngotracheitis or avian salmonellosis, both of which are included in List B,³ as a prerequisite for the authorization of international trade in that product. Neither does the Code mention an obligation on the part of the exporting country to produce certificates showing that its establishments are free of these diseases, as they are not considered to be transmissible via poultry meat.

Under the International Animal Health Code, avian infectious laryngotracheitis and avian salmonellosis must be subjected to sanitary controls for international trade in domestic birds, day-old birds and hatching eggs, but not for trade in poultry meat.

Consequently, the restriction imposed by Honduras in requiring Costa Rica to guarantee that it is free of the four above-mentioned avian diseases before it will authorize trade in poultry meat is not supported by any international standard and is contrary to the requirements laid down by the IOE.

Below, with a view to defining the terms of the consultation more precisely, we examine the measure applied by Honduras as a sanitary requirement for authorizing the importation of poultry meat from Costa Rica and its specific relationship with the rules of the International Animal Health Code.

According to the measure notified by Honduras in document G/SPS/HND/3 of 12 October 2000, imports of live poultry, that is to say, fowls of the species *Gallus domesticus*, chicks, fertile eggs, ducks, geese, turkeys, and guinea fowl, as well as meat and edible offal of such poultry, eggs, feathers and other poultry parts, and fat and foods (sausages) made with meat of such poultry, will be authorized only if:

1. The exporting country can guarantee that its farms are free of Newcastle disease and avian salmonellosis

Newcastle disease

Article 2.1.15.4 of the International Animal Health Code specifies that the veterinary administrations of Newcastle disease-free countries may prohibit importation of domestic and wild birds, day-old birds, hatching eggs, semen of domestic and wild birds, fresh meat of domestic and wild birds, meat products of domestic and wild birds which have not been processed to ensure the destruction of the Newcastle disease virus, and products of animal origin intended for use in animal feeding or for agricultural use from countries that have not been declared free of the disease.

² The diseases included in the IOE's List A are transmissible diseases which have the potential for very serious and rapid spread, irrespective of national borders, which are of serious socio-economic or public health consequence and which are of major importance in the international trade of animals and animal products.

Reports on these diseases are submitted to the IOE with the frequency indicated in Articles 1.1.3.2 and 1.1.3.3 of the International Animal Health Code. Because of the seriousness of these diseases and the severity of their repercussions on international trade, States are under strict obligations to notify the first occurrence of a disease and any event relating thereto, in accordance with Article 1.1.3.3 of the International Animal Health Code

³ List B diseases are transmissible diseases which are considered to be of socio-economic and/or public health importance within countries and which are significant in the international trade of animals and animal products. Reports are normally submitted once a year, although more frequent reporting may in some cases be necessary to comply with Articles 1.1.3.2 and 1.1.3.3 of the International Animal Health Code.

Costa Rica is a country free of Newcastle disease and accordingly is in compliance with the above-mentioned international standard for authorizing international trade in poultry meat.

Honduras has recognized Costa Rica as a country free of this disease.

Avian salmonellosis

Chapter 2.7.5 of the International Animal Health Code makes this disease subject to sanitary controls for international trade in domestic birds (article 2.7.5.2), day-old birds (Article 2.7.5.3) and hatching eggs of domestic birds (Article 2.7.5.4).

The chapter does not establish any sanitary requirement with respect to trade in poultry meat with which the exporting country must comply in relation to this disease, in as much as the disease in question is understood not to be transmissible through trade in this product.

Thus, as the restriction imposed by Honduras on poultry meat from Costa Rica is based on it not having been declared a country free of salmonellosis and/or not having provided a guarantee that its establishments are free of this disease, the measure has no basis in any international standard and may therefore be presumed to be an unnecessary restriction on trade, under article 3.2 of the SPS Agreement.

Accordingly, Costa Rica is requesting Honduras to prove that this restriction is justified, by producing scientific evidence showing that the disease can be transmitted through trade in poultry meat.

2. The exporting country has been declared free of avian influenza and avian infectious laryngotracheitis

Avian influenza

In accordance with Article 2.1.14.4 of the International Animal Health Code, the veterinary administrations of importing countries should require the exporting country to have been declared free of this disease before admitting domestic and wild birds, day-old birds, hatching eggs, semen of domestic and wild birds, fresh meat of domestic and wild birds, products of animal origin (from birds) intended for use in animal feeding or for agricultural or industrial use, and pathological material and biological products (from birds) which have not been processed to ensure the destruction of the highly pathogenic avian influenza virus.

In this respect, the measure imposed by Honduras is consistent with the international standards. Costa Rica has been declared free of this disease and is therefore in a position to export poultry meat to international markets.

Avian infectious laryngotracheitis

Chapter 2.7.7 of the International Animal Health Code establishes sanitary regulations relating to this disease for international trade in the following products: chickens (Article 2.7.7.2), day-old birds (Article 2.7.7.3) and hatching eggs (Article 2.7.7.4).

This chapter does not contain any provision concerning sanitary controls for this disease as a precondition for authorizing international trade in poultry meat nor does it mention the right of the importing country to require the exporting country to have been declared free of the disease. Including

for the products mentioned above, the Code requires a certificate attesting that the establishments are disease-free, but makes no mention of the country being free of the disease.

Therefore in relation to this disease the Honduran measure is unsupported by any international standard. Consequently, it may be presumed to be an unnecessary obstacle to international trade, under Article 3.2 of the SPS Agreement.

We are requesting the Honduran Government to provide scientific evidence showing that the requirement that a country must be free from avian infectious laryngotracheitis is necessary to guarantee the avian health status of that country, in as much as the disease can be introduced through the importation of poultry meat.

D. LEGAL BASIS OF CONFORMITY WITH THE WTO AGREEMENTS

These consultations are being held in conformity with the rights and obligations assumed by Honduras and Costa Rica under WTO trade rules.

In particular, they are being held in conformity with the SPS Agreement, according to which:

- The Agreement applies to all sanitary and phytosanitary measures which may, directly or indirectly, affect international trade (Article 1); Members have the right to take sanitary measures provided that they are consistent with the provisions of the Agreement, are based on scientific principles, are not maintained without sufficient scientific evidence, do not arbitrarily or unjustifiably discriminate between Members where similar conditions prevail, do not constitute a disguised restriction on international trade and are based on international standards issued by the organizations recognized in the SPS Agreement (Article 2);
- Members may introduce a sanitary measure which results in a higher level of protection than would be achieved by measures based on the relevant international standard if there is a scientific justification, or as a consequence of a risk assessment for the purpose of determining the appropriate level of protection, carried out in accordance with Article 5 of the SPS Agreement;
- Members must ensure that the measures adopted are not more trade-restrictive than required to achieve their appropriate level of sanitary protection (Article 5);
- When a Member has reason to believe that a specific sanitary measure introduced by another Member is constraining its exports and the measure is not based on an international standard, it may request an explanation of the reasons for that measure and the Member maintaining the measure must provide one (Article 5);
- Members are fully responsible for the implementation and observance of all obligations set forth in the SPS Agreement (Article 13);
- The Committee on Sanitary and Phytosanitary Measures is the regular and appropriate forum for consultations on sanitary matters (Article 12).

E. CONCLUSION

In view of these considerations, the Government of Costa Rica formally requests the Honduran authorities to withdraw the restriction in absolute terms on the entry of poultry meat from Costa Rica and to reply in due course to the questions posed in this communication.

ANNEX 1

Costa Rica

Honduras's Share of Poultry Meat Exports 1999-2001, in US\$

Country of destination	1999	2000	2001
Honduras	1,306,833	1,653,404	2,481,891
% share of total	53.6%	66.0%	86.1%
Rest of world	1,129,532	853,608	402,027
Total exports	2,436,364	2,507,012	2,883,917

Source: PROCOMER.

ANNEX 2

WORLD TRADE ORGANIZATION

G/SPS/N/HND/3 12 October 2000

(00-4191)

Committee on Sanitary and Phytosanitary Measures

Original: Spanish

NOTIFICATION

- 1. Member to Agreement notifying: <u>HONDURAS</u>
 If applicable, name of local government involved:
- **2. Agency responsible:** Ministry of Agriculture and Livestock, National Agricultural Health Service (SENASA)
- 3. Products covered (provide tariff item number(s) as specified in national schedules deposited with the WTO; ICS numbers may be provided in addition, where applicable). Regions or countries likely to be affected, to the extent relevant or practicable: 0105.11.00; 0105.12.00; 0105.19.00; 0105.92.00; 0105.93.00; 0105.99.00; 0207.11.00; 0207.12.00; 0207.13.10; 0207.13.91; 0207.13.99; 0207.14.10; 0207.14.91; 0207.14.99; 0207.24.00; 0207.25.00; 0207.26.10; 0207.26.90; 0207.27.10; 0207.27.90; 0207.32.00; 0207.33.00; 0207.34.00; 0207.35.10; 0207.35.90; 0207.36.10; 0207.36.90; 0210.90.10; 0210.90.20; 0210.90.30; 0210.90.90; 0407.00.10; 0407.00.20; 0407.00.90; 0408.11.00; 0408.19.00; 0408.91.00; 0408.99.00; 0505.10.00; 0505.90.00; 1501.00.00 (poultry only); 1601.00.20; 1601.00.90; 1602.10.20 (poultry only); 1602.10.90; 1602.31.00; 1602.32.00; 0602.39.00

These restrictions apply to the following: live poultry, that is to say, fowls of the species *Gallus domesticus*, chicks, fertile eggs, ducks, geese, turkeys, and guinea fowl. They also apply to meat and edible offal of such poultry, eggs, feathers and other poultry parts; as well as to the fat and foods (sausages) made with meat of such poultry.

4. Title and number of pages of the notified document:

- Plant and Animal Health Law. Decree No. 157-94, published in *La Gaceta* (Official Journal) of 13 January 1995.
- Regulations for the Campaign for the Prevention, Control and Eradication of Velogenic Newcastle Disease. Executive Resolution No. 998-99, published in *La Gaceta* of 29 September 1999.
- Regulations for the Campaign for the Control and Eradication of Avian Salmonellosis. Executive Resolution No. 997-99, published in *La Gaceta* of 28 September 1999.
- International Office of Epizootics (IOE) procedures to prove the non-existence (absence) in Honduras of infectious laryngotracheitis and avian influenza.

Description of content: These Standards contain the legal, administrative, technical and scientific instruments for the prevention, control and eradication of the avian diseases mentioned, the aim of which is to declare Honduras free of these diseases.

Only poultry, products and by-products thereof, from countries with equivalent legally-established animal health programmes for the prevention, control and eradication of avian diseases may be imported. The exporting country must be able to guarantee that its farms are free of Newcastle disease and avian salmonellosis (S. gallinarum and S. pollorum) and that the country is free of avian influenza and avian infectious laryngotracheitis.

- 6. Objective and rationale: [X] food safety, [X] animal health, [] plant protection, [X] protect humans from animal/plant pest or disease, [] protect territory from other damage from pests: Honduras is currently affected by avian salmonellosis, and in March 2000 six cases of Newcastle disease, velogenic, viscerotropic form, were detected in chicken-fattening farms and commercial egg farms. Consequently, Honduras' current status is that of a country affected by sporadic outbreaks of Newcastle disease, with an animal health campaign at the control stage. The aim of these health campaigns is therefore to eradicate and declare areas free of or with a low prevalence of Newcastle disease and avian salmonellosis, while at the same time, following the procedures established by the IOE, to show that Honduras is free of avian influenza and infectious laryngotracheitis.
- 7. An international standard, guideline or recommendation does not exist []. If an international standard, guideline or recommendation exists, give the appropriate reference and briefly identify deviations:
 - Animal Health Code of the International Office of Epizootics (IOE).
 - Programmes for the Control and Eradication of Avian Diseases in the United States, Mexico, Chile and Costa Rica, adapted to the circumstances of the animal health status of Honduras.
- 8. Relevant documents and language(s) in which these are available:
 - (a) Plant and Animal Health Law. Decree No. 157-94, published in *La Gaceta* of 13 January 1995 (available in Spanish).
 - (b) Regulations for the Campaign for the Prevention, Control and Eradication of Velogenic Newcastle Disease. Executive Resolution No. 998-99, published in *La Gaceta* of 29 September 1999 (available in Spanish).
 - (c) Regulations for the Campaign for the Control and Eradication of Avian Salmonellosis. Executive Resolution No. 997-99, published in *La Gaceta* of 28 September 1999 (available in Spanish).
 - (d) International Office of Epizootics (IOE) instructions to prove the non-existence (absence) of infectious laryngotracheitis and avian influenza (available in Spanish).
- **Proposed date of adoption:** Entry into force upon publication in *La Gaceta*.
- **10. Proposed date of entry into force:** 1 November 1999

11. Final date for comments:

Agency or authority designated to handle comments: [] National notification authority, [X] National enquiry point, or address, fax number and E-mail address (if available) of other body: National Agricultural Health Service (SENASA)

12. Texts available from: [] National notification authority, [X] National enquiry point or address, fax number and E-mail address (if available) of other body:

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