

**Committee on Sanitary and Phytosanitary Measures**

**SUMMARY OF THE MEETING HELD ON 14-15 MARCH 2001**

Note by the Secretariat

**I. ADOPTION OF THE AGENDA**

1. The Committee on Sanitary and Phytosanitary Measures (the "Committee") held its twentieth meeting on 14-15 March 2001. The meeting was chaired by Mr. S.I.M. Nayyar (Pakistan). The agenda proposed in WTO/AIR/1499 was adopted with amendments.

**II. IMPLEMENTATION OF THE AGREEMENT**

(a) Information from Members

(i) *Activities of Members*

*Canadian BSE Policy and related information: Statement from Canada (G/SPS/GEN/245)*

2. The representative of Canada outlined his government's policy on BSE, first notified to the WTO on 16 April 1998 (G/SPS/NCAN/39), and informed Members of recent actions taken regarding the application of this policy. He said that Canada had adopted effective and appropriate policies based on sound scientific rationale to mitigate the risks of BSE. He also reminded the Committee of Canada's notification of 7 December 2000 (G/SPS/CAN/N/94), advising of additional BSE measures to further mitigate the risk arising from incomplete or ineffective segregation of ruminant-derived protein during rendering or animal feed production which could result in cross-contamination. Members were invited to provide the Chief Veterinary Officer of Canada assurances that, for certain non-ruminant products, cross contamination was not possible based on their individual production circumstances.

3. The representative of Canada maintained that the recent suspension of imports from Brazil had occurred because Brazil had not complied with the Canadian authorities request for information to allow for a risk assessment to be carried out. A major concern for Canadian authorities was the traceability of cattle imported from BSE-infected countries. On 23 February 2001, Canada had lifted its suspension after the receipt and analysis of documentation from Brazil, followed by an on-site validation visit by scientists from Canada, United States and Mexico. Canadian regulatory officials were satisfied that Brazil had taken sound measures to prevent BSE. In order to resume shipments of Brazilian beef products to Canada, Brazilian authorities agreed to satisfy three conditions for certification. Firstly, shipments must be certified as containing beef products from cattle that were born and raised in Brazil, and not from any imported sources of beef. Secondly, the beef must come from cattle born after Brazil enacted its 1996 ruminant-to-ruminant feed ban. Lastly, shipments must be accompanied by a statement certifying that the cattle used in the products were exclusively grass-fed, and not fed any animal proteins.

4. The representative of Brazil expressed regret that Canada had not handled this matter in a more transparent manner, maintaining that the suspension was imposed without prior notification or consultation. Canada chose to apply the embargo first and ask questions later. Brazil refuted Canada's claim that the suspension had occurred because Brazil had failed to provide information; in fact, the Brazilian sanitary authorities provided the information requested on 1 February 2001, but Canada nonetheless went ahead with its trade embargo on 2 February. Furthermore, Brazil had provided Canada the opportunity to go to Brazil to do a BSE risk assessment. Alternatively, Canadian authorities could have, for example, expressed to their counterparts in Brazil their concern as to the possible importation of live animals. The representative of Brazil recalled that Brazil had BSE-free status according to the OIE classification and that the feeding of ruminant material to cattle was not permitted in Brazil since 1996. Regarding the traceability of animals imported from BSE-infected countries, he maintained that these animals were used solely for propagation and that they were fully traceable.

5. The representative of Brazil maintained that his country had suffered many side effects and trade effects from Canada's hasty embargo. This had, for example, raised awareness in Brazil and in the WTO as to the shortcomings of the multilateral system as a whole to provide solutions for cases like this one. There were no clauses in the WTO agreements that allowed Members to pursue a proper compensation for the financial losses incurred by the Brazilian business community. This should not preclude the interested parties to seek compensation elsewhere. This incident had also further compromised the reputation of the WTO as an organization that was able to prevent arbitrary measures. Brazil would present to the SPS Committee and the General Council, in the context of the implementation exercise, specific language to clarify the limits of the flexibility implied in the SPS Agreement, particularly with regard to obligations concerning the adoption of a measure that was not phased in. Brazil was also considering asking for ad hoc consultations or negotiations among Members, under Article 12 of the SPS Agreement, to address specific sanitary issues, in an effort to avoid a recurrence of such a situation in the future.

*European Communities statement on BSE*

6. The representative of the European Communities informed the Committee of three recently introduced additional measures to protect consumers and animals against BSE. The first related to the suspension from 1 January 2001, of the use, marketing and trading of processed animal proteins in feed for farm animals destined for human consumption. The second measure dealt with compulsory testing from 1 January 2001, of all bovine animals over three months old subjected to emergency slaughtering or showing symptoms of disease. This testing would be applied to all cattle over thirty months destined for human consumption from 1 July 2001. The third measure referred to the amendment of the list of specified risk material (SRM) which may not be used in feed or food, to also include the entire intestine and the vertebral column of bovine animals and mechanically recovered meat from all bones of bovine, ovine and caprine species. He believed that implementation of measures in EC member States was having the desired impact and the situation regarding BSE in the European Communities was now regarded as stable.

7. In the interest of transparency, the representative of the European Communities encouraged Members imposing BSE-related measures to notify such measures to the Committee and to provide the European Communities with a copy of the legal text of such measures. He stated that a global approach needed to be adopted in combating BSE and compliance with international obligations, in particular those of the OIE as laid out in G/SPS/GEN/230, was essential to this approach.

*OIE information on BSE (G/SPS/GEN/230)*

8. The representative of the OIE reminded the Committee that the international standard on BSE was contained in the OIE International Animal Health Code (Chapter 2.3.13). No new scientific

information had emerged to throw doubt on the validity of this standard. In light of the available scientific knowledge, the OIE recommended that, whatever the health status of an exporting country with regard to BSE, importing countries should not apply any trade restrictions on certain products, identified in G/SPS/GEN/230, which posed no risk of BSE infection. Concerning the possibility of BSE being transmitted through fish-meal, the representative of the OIE recalled that this subject had been debated at length during WHO/OIE meetings in December 1999, and it was agreed that there was no scientific evidence to support the view that fish or fish-meal could host the prions or could ever transmit or disseminate the disease.

*WHO Information on BSE (G/SPS/GEN/221 and 222)*

9. The representative of the WHO drew attention to information on BSE contained in G/SPS/GEN/221, and information relating to VCJD contained in G/SPS/GEN/222. He informed Members of a forthcoming joint WHO/FAO/OIE technical consultation on BSE, public health and trade to be held at the OIE headquarters 11-14 June 2001. The June consultation aimed to develop clear and workable guidelines for countries, and in particular, developing countries, to protect their human and livestock populations from vCJD and BSE, and to prevent global spread of BSE and vCJD through appropriate national, international and regional actions. The European Communities acknowledged the importance of the two communications and welcomed the opportunity to participate in the forthcoming consultation to establish a common base for scientific knowledge concerning the problem.

*European Communities – Foot-and-Mouth Disease (FMD) situation*

10. The representative of the European Communities reported that since 20 February 2001 approximately 200 cases of FMD had been declared in the United Kingdom. The European Communities had adopted protective measures to prohibit the movement of live susceptible animals of bovine, ovine, caprine and porcine species, as well as other bi-ungulates and products derived from such animals from the United Kingdom until 27 March 2001. Milk and milk products must be appropriately treated before export from the United Kingdom was allowed. On an EC-wide level, markets and assembly points for all susceptible species had been prohibited, as well as their movement except for direct movement from farm-to-farm or directly to slaughter, and only then when subject to specific authorization from the competent authority. Measures were also in place to disinfect the tires of vehicles leaving the United Kingdom for other EC member States. All such measures would be reviewed on a regular basis. The European Commission and the member States believed that recourse to vaccination would not be an appropriate response at this stage of the outbreak.

11. On 13 March 2001, France reported an outbreak of FMD on a cattle farm located in the Department of Mayenne, which borders the Department of Orne. The slaughter of all the cattle on the farm had been completed. This particular outbreak was detected in a herd located in close proximity to a farm where sheep had been introduced from a UK farm where subsequent outbreaks of FMD were confirmed. The European Communities immediately applied measures similar to those applied in the United Kingdom to the region affected.

12. The representative of the European Communities expressed his concern that many countries had adopted disproportionate measures which were not in accordance with the provisions of the OIE Code. He emphasized that the concept of regionalization was a transparent and efficient way to handle the situation. The representative of the OIE confirmed the events as described by the representative of the European Communities.

13. The representative of Canada clarified that measures imposed by Canada in the wake of the FMD outbreaks were interim measures for a duration of two weeks, in order to allow for a full

assessment of the situation. He indicated that Canada would officially notify the European Communities of the measures taken.

*New Zealand – Biosecurity risk analysis policy statement: Information paper (G/SPS/GEN233)*

14. The representative of New Zealand presented an information paper outlining a new policy statement on conducting and implementing import risk analyses (G/SPS/GEN233). The policy statement set out the principles to which the Bio-security Authority (MAF Biosecurity) would adhere when conducting risk analyses and employing them to effectively manage risks associated with the importation of "risk goods". The bio-security policy had been operational since 9 February 2001. The representative of Australia encouraged other Members to share information on the practical operation of import risk assessments.

15. The representative of the Codex Alimentarius Commission informed the Committee that the FAO had prepared a paper on the subject of Biosecurity in Food and Agriculture which would be considered at the Sixteenth Session of the FAO Committee on Agriculture (COAG) meeting in Rome on 26-30 March 2001 (G/SPS/GEN/239).

(b) Specific trade concerns

(i) *New issues*

*Canada – Hungarian restrictions on bovine products*

16. The representative of Canada indicated that Hungary had suspended imports of all bovine products from Canada due to fears over BSE as of 1 January 2001. He indicated that there was no scientific justification for such a measure as not only was Canada BSE free, but as confirmed earlier by the representative of the OIE, BSE could not be transmitted by bovine semen. Discussions had previously taken place at a bilateral level and Canada was willing to continue working with the Hungarian authorities to resolve this matter as quickly as possible. The representative of the United States drew attention to the OIE document (G/SPS/GEN/230) outlining products which were safe from BSE and encouraged all Members to review measures they had in place in the light of the OIE guidelines.

17. The representative of Hungary reported that the recent imposition of import bans by several Members on certain countries free of BSE led the Hungarian consumers to question the safety of live animals and meat products originating from countries with such an epidemiological status. The Hungarian Government, as a result, decided to provide a similar degree of protection from BSE as that provided by several of its trading partners. The Hungarian authorities had made the application of prion tests a mandatory condition for the issuing of veterinary import licences for live cattle, fresh meat and non-heat-treated meat products of bovine origin. Bovine semen was not subject to the Hungarian import restrictions.

*Import restrictions affecting BSE-free countries - Common statement by Bulgaria, Croatia, Czech Republic, Estonia, Latvia, Poland, Romania, Slovak Republic and Slovenia*

18. The representative of Romania speaking on behalf of Bulgaria, Croatia, Czech Republic, Estonia, Latvia, Poland, Romania, Slovak Republic and Slovenia, drew attention to the notifications of emergency measures banning imports of certain animal products from countries that were BSE-free and not included in the OIE list of countries with reported cases of BSE (notifications G/SPS/N/AUS/125, G/SPS/N/ARG/59, G/SPS/N/CAN/94, G/SPS/N/KOR/83, G/SPS/N/NZL/77, G/SPS/N/USA/379). She stated that the measures were in violation of Articles 3.1 and 3.3 of the SPS Agreement, as they were not based on a proper risk assessment. The affected countries were ready to

provide those Members imposing restrictions with the necessary documentation warranting their status as being BSE-free. The full joint statement is contained in G/SPS/GEN/247. The representatives of Poland, Bulgaria and the Czech Republic added further details on specific measures in place to stop the spread of the disease to their territories.

19. The representative of the European Communities welcomed the positive attitude adopted by certain countries with regard to testing and verification. He reminded the Committee that the testing of milk, dairy products, collagen and gelatine for BSE did not form part of OIE guidelines on BSE, nor did the suspension of imports of these products due to BSE. Members imposing such measures should adapt their requirements to the international standard.

20. The representative of the United States stated that although all WTO Members had the right to take measures necessary to protect the life and health of their citizens and animal populations from the risks associated with BSE, these measures must be based on science and should reflect the determinations of international standard-setting bodies. The United States was free of BSE, yet it had also been the subject of import restrictions based on BSE, including some restrictions imposed by those countries participating in the common statement presented by Romania. The United States had supplied evidence of its freedom from BSE to interested trade partners as well as information on its disease control measures and its extensive surveillance system for the disease. The United States required that countries that may pose a risk of BSE transmission provide similar data, in order to allow the US Department of Agriculture to assess the risks of imports relative to BSE. Many of the countries currently facing restrictions on exports of ruminants and certain ruminant products to the United States had been exposed to the disease through imports of live animals, animal products and animal feeds from countries where BSE was known to occur. It was also not clear what risk management measures had been taken in these countries. Therefore, in the absence of evidence to the contrary, the United States was unable to determine that exports from such countries posed no risk of BSE transmission. In its interim rule of December 1997, the United States informed countries about the information it required in order to conduct an assessment of BSE risk. It was noted that the United States had not received all the necessary information requested from several countries participating in the common statement, and looked forward to receiving information so the necessary reviews could be conducted.

21. The representatives of New Zealand and Australia expressed their concern over the increase in known incidence of the disease in Europe as a result of more intensive testing. New Zealand and Australia had issued emergency food standards to protect public health from BSE. The authorities of New Zealand and Australia were working closely to develop permanent measures to address BSE risks, and the resulting draft measures would be announced in the near future. The permanent measures would be implemented separately in each country. It was New Zealand's intention to notify the new measures to Members at least 60 days before they were put in place, to allow for interested Members to comment. New Zealand's present measure would normally expire on 5 July 2001. Australia's temporary measure would remain in place until the new permanent measures were operational.

22. The representative of Canada recalled that in January 2001, it had notified the extension of its previous policy to a broader range of products. Although Canada had not recognized any of the countries of the joint declaration as being BSE free, it would assess individual countries based on a risk assessment and looked forward to receiving the necessary information from the countries concerned to allow this process to begin. Regarding imports of non-bovine products from Hungary, the representative of Canada stated that the issue of concern was that of cross-contamination. Trade in such products could resume once Canada had received the necessary guarantees.

23. The representative Korea indicated that his authorities had found it necessary to introduce a temporary measure due to the increased prevalence of BSE in the European region. The measure was

provisional and Korea would continue to seek the additional information necessary for a more objective assessment of the risks involved. Korea would take into account the criteria detailed in the OIE guidelines regarding BSE.

24. The representative of Argentina indicated that the emergency measure applied by his country as of 12 February 2001 was based on the available scientific information at the time, taking into account the increase in cases of BSE in European countries. He stressed that it was a transitional emergency measure and that the concerned scientific committee would consider any new information it received and recommend changes accordingly.

25. The representative of Bulgaria pointed out that according to Article 5.7 of the SPS Agreement, Members were obliged to request additional information when temporary measures were implemented. The representative of Brazil reaffirmed a Members right to go beyond international guidelines based on a risk assessment, and stressed that this may only take place once the necessary information was provided.

*Argentina – Venezuela's phytosanitary requirements for garlic and potato imports*

26. The representative of Argentina reported that until 1996, Argentina had exported garlic without any problems to Venezuela, but in 1997 the Venezuelan authorities detected *Lurocystis cepulae* in garlic coming from Argentina and suspended imports. This garlic was not seed garlic but was intended for consumption. Argentina had not been able to confirm the incidence of *Lurocystis cepulae* and had requested that a Venezuelan inspection team visit the production zone to carry out the necessary verification and certification, as well as explain the issues of concern. The Venezuelan authorities failed to conduct such a visit in 1998, and in 1999 the phytosanitary service of Venezuela suggested that Argentina sign a protocol setting out the conditions for the visit. Argentina had commented on the proposed protocol and reaffirmed their interest in accommodating the visit, however, the visit was subsequently suspended. In 2000, Venezuela asked for a similar protocol to be signed before a visit by their authorities could take place. Argentina duly responded in 2001. Argentine authorities were concerned that there seemed to be a lack of will on the part of Venezuela to move forward on this issue. Furthermore, under the terms of the Andean Pact that there was no reason to restrict exports as no quarantine measures had been adopted against Argentina.

27. With respect to potatoes, Argentina had started its efforts to open the Venezuelan market in 1996, by sending the necessary information for a risk assessment to be carried out. In 1998, this information was forwarded once again to the Venezuelan authorities. Venezuela responded in 1999 that it would be necessary to carry out a pest risk assessment, despite the fact that with the information that had been previously sent, Venezuela had adequate opportunity to begin carrying out the necessary assessment. The representative of Argentina regretted the apparent lack of will on the part of the Venezuelan authorities to open this market to Argentinian producers. With regard to the mandatory sanitary and phytosanitary standards of the Andean Community, the representative of Argentina stated that there was a lack of coherence in the way Resolution 431 was being applied and Argentina would raise this matter with the Andean Community.

28. The representative of Venezuela explained that there was no lack of will to move forward on these issues on the part of the Venezuelan authorities. In relation to trade in garlic, the administrative process to set up the necessary protocols was ongoing. With respect to exports of potatoes, Venezuela believed that there was a problem of compatibility between Argentinian phytosanitary standards and those of the Andean Community. The representative of Venezuela emphasized that their sanitary norms were in complete compatibility with those of the Andean Community and the WTO. The representative of Colombia requested that Argentina submit for consideration by the Andean Community any concerns it had regarding inconsistencies in the application of phytosanitary standards amongst the members of the Andean Pact.

*Argentina – EC maximum levels of contaminants in food products and sampling methods for aflatoxins in peanuts, other nuts, dried fruits and cereals*

29. The representative of Argentina raised concerns over EC maximum levels of contaminants in food products and sampling methods for aflatoxins in peanuts, other nuts, dried fruits and cereals. Argentina was preparing a document outlining its technical position with regard to peanuts and other dried fruits. This paper would be addressed to the European Communities but would be circulated to Members for information before the next meeting of the Committee, when Argentina planned to raise this issue once again. The representatives of Bolivia and India stated that they shared the concerns of Argentina regarding sampling methods for aflatoxins and expressed their interest in following any further debate on this matter.

30. The representative of the European Communities welcomed the preparation of a technical document which would be carefully considered by its authorities. As regards cereals, the representative reminded Members that the relevant legislation adopted last year and which had been discussed in the SPS Committee would come into effect as of 1 July 2001. The European Communities would also consider technical documents deemed of relevance for cereals.

*Canada – Hungarian restrictions on pork products*

31. The representative of Canada reported that as of early January 2001, Hungarian importers of pork products from Canada had been unable to obtain import certificates from the state veterinary services of Hungary. A similar disruption of trade occurred last year, and was subsequently resolved through bilateral discussion. He asked the Hungarian authorities to resume issuing import permits for pork, or alternatively to provide some legitimate scientific justification for the measure.

32. The representative of Hungary referred to previous statements by Members concerning fears over BSE transmission and the problem of cross contamination of feedingstuffs. Hungary was willing to enter into discussions with the Canadian authorities on this matter. The representative of Canada asked for clarification on the relevance of cross contamination of feeds *vis-à-vis* BSE and the importation of frozen pork meat.

*Chile – Bolivian restrictions on imports of poultry products*

33. The representative of Chile indicated that in December 1999, Bolivia changed its importation conditions for poultry and other agricultural products. Chile complied with all the requisites of the new conditions. With respect to Bolivia's requirements for Inclusion body hepatitis, Chile observed that this was an endemic disease present in the agricultural population world-wide, and did not appear in lists A or B of the OIE Animal Health Code. Chile had held bilateral consultations with the Bolivian authorities to seek clarification of the scientific justification for the import restriction, in accordance with Article 5.8 of the SPS Agreement. The representative of Chile also noted that Bolivia had failed to notify the measure in accordance with Article 7 and Annex B. Chile affirmed its desire to have risk assessment carried out on a scientific basis as quickly as possible. Bilateral discussions on the issue had ceased since August 2000.

34. The representative of Bolivia recalled the right of all Members to apply measures necessary to protect the health and well-being of their human, animal and plant populations. Bolivia had decided to change the conditions for the importation of poultry and other agricultural products because of the problems which Inclusion body hepatitis caused to the bird population and the associated negative economic impact. In the last five years, Bolivia's state veterinary diagnostic laboratories had determined the clinical absence of Inclusion body hepatitis in Bolivia. The disease had however been diagnosed in Chile.

35. With respect to the use of vaccination with inactive viruses as a preventative measure, the representative of Bolivia stated that the use of a vaccination was justifiable only if the virus was present on a farm. Secondly, total protection against the disease was only possible if the serotype present in the vaccination was the same as those present in farm strains. Thirdly, the success of protection depended on the absence and/or monitoring of other immuno-suppressant factors, and in the case of Chile there was the risk of Avian infectious anaemia, a disease with immuno-suppressant effects on the bird population. The National Food and Agricultural Health Service of Bolivia was in the process of revising this standard, the results of which would be forwarded to the Chilean authorities. The representative of Bolivia expressed the desire that the matter be solved expediently and to the benefit of both parties taking into account the traditional good trade ties existing between the two countries.

*Thailand on behalf of ASEAN – EC import restrictions on soy sauce*

36. The representative of Thailand, on behalf of ASEAN, drew Members' attention to the notification of the European Communities (G/SPS/EEC/100) concerning maximum levels of certain contaminants in foodstuffs. Under this regulation new levels of lead, cadmium, mercury and 3-MCPD contained in a wide range of foodstuffs had been set. ASEAN did not agree with the EC's maximum level of 3-MCPD contained in soy sauce, as the level of 0.01 mg/kg was too low to be practicable. This substance was a by-product in the acid hydrolysis treatment of the production process and the permitted maximum level of this substance varied among countries. The lowest level was that set by the European Communities, which ASEAN believed to be an unnecessary barrier to trade. ASEAN asked the European Communities to share with them the technical know-how on this matter in order to reach a mutually satisfactory solution. The representative of Korea affirmed their interest in this matter and registered their interest to be informed of the outcome of bilateral consultations between the European Communities and Thailand.

37. The representative of the European Communities stated that several of its member States had reported high levels of 3-MCPD in samples of soy sauce imported from third countries. The EC Scientific Committee for Food advised on 16 December 1994, and confirmed in June 1997, that 3-MCPD should be regarded as a genotoxic carcinogen, and that residues of 3-MCPD in food products should be undetectable. However, recently performed toxicological studies indicated that the substance acted as a non-genotoxic carcinogen *in vivo*. The representative of the European Communities believed that in order to encourage good manufacturing practices and to protect the health of consumers, maximum levels of 3-MCPD should be set. Such limits were set under a proposed Commission Regulation, presently under examination, based on the Scientific Committee for Food Opinion in which a maximum level of 0.02 mg/kg in hydrolysed vegetable protein and soy sauce was proposed. The proposed maximum limits should apply 12 months after adoption by the Commission, in the meantime the Scientific Committee for Food would re-evaluate the toxicity of 3-MCPD in the light of the results of the recently conducted scientific tests. The adequacy of the maximum levels should be reconsidered as soon as the new Scientific Committee for Food Opinion was available. Studies on the occurrence of 3-MCPD in other foodstuffs were also underway and data would be evaluated in considering the need to set maximum levels in additional foodstuffs.

38. The representative of the European Communities emphasized that several member States had detected, through the EC's rapid alert system for food, several incidences of the presence of 3-MCPD in soy sauce coming from the same manufacturer. The European Communities had alerted the Ambassador of Thailand of the situation and of the need for Thailand to identify action to avoid a recurrence of this situation. No response had yet been received to this letter.

39. The representative of Thailand, on behalf of ASEAN, thanked the European Communities for their explanation regarding the regulation setting maximum levels of certain contaminants in food



stuffs. Thailand also confirmed that it would ask the relevant authorities to respond to the letter of the European Communities.

(ii) *Issues previously raised*

*Canada - India's ban on bovine semen imports*

40. The representative of Canada announced that both delegations had agreed to undertake informal discussions under the SPS Agreement and hoped that this matter would be resolved in the near future, recalling the statement of the OIE (G/SPS/GEN/230) which confirmed that BSE could not be transmitted by semen.

41. The representative of India reaffirmed that bilateral discussions were taking place to resolve the matter. India was not trying to give an unfair advantage to domestic producers at the expense of Canadian exporters. India would raise questions of a technical nature, at the OIE, as to the manner in which the OIE international standard was developed. The representative of India also noted that socio-religious conditions and traditional practices in respect of the treatment of cows in India were such that India had to be extremely cautious in taking a decision concerning this issue. He asked Canada to cooperate in the risk assessment that India would be carrying out, the first time that a risk assessment of this nature had been undertaken by India. Information on how to carry out the assessment had already been obtained and the questionnaire for obtaining information from Canada on the substantive issues involved was under preparation. However, it would take at least another six months before India could complete the risk assessment.

42. The representative of Canada queried the need to carry out the risk assessment as there was, according to the OIE, no risk of the disease being transmitted through semen. Canada viewed the coming meetings at OIE as the best forum to discuss this matter further in the hope of resolving the technical issues at hand.

43. The representative of OIE indicated that several issues had been being raised during this meeting which could be discussed at the OIE. For example, the ban on pork products due to fears over BSE was unfounded. In relation to hepatitis and poultry meat, this was not an OIE list A or B disease, nor had any country requested it to be placed on either of these lists. Any country wishing to do so should make their desire known to the OIE, so that the issue could be discussed and consideration given to placing it on a list and subsequently an international standard developed for the disease.

*New Zealand – Indonesia's restrictions on the importation of fresh fruit (G/SPS/GEN/219)*

44. The representative of New Zealand observed that this was the second time that New Zealand had expressed their concern at Indonesia's failure to recognize New Zealand's freedom from Mediterranean Fruit Fly. At the previous SPS meeting, he had outlined, in detail, New Zealand's concerns as regards this issue (G/SPS/GEN/219). Renewed bilateral consultations had taken place during this SPS Committee meeting and Indonesia had indicated its willingness to send an inspection team to New Zealand to study the situation of fruit fly surveillance and phytosanitary export assurance systems. New Zealand declared their interest in hosting this visit at the earliest opportunity and encouraged Indonesia to finalize the arrangements whilst looking forward to a prompt resolution of the problem. New Zealand would keep Members informed of developments in this area.

45. The representative of Indonesia acknowledged that officials were planning to visit New Zealand in the very near future. He thanked New Zealand for their cooperation and readiness in offering their assistance in accommodating the proposed visit. Indonesia hoped that the visit would result in an expeditious and satisfactory outcome to the problem.

*Thailand – Mexico's prohibition of Thai milled rice (G/SPS/GEN/216)*

46. The representative of Thailand stressed that this issue had been raised repeatedly since October 1997. On 14 March 2001, Thailand had held bilateral consultations with the Mexican delegation regarding the current status of Mexico's prohibition. Mexico had reported that it had removed the prohibition on Thai milled rice and that Thailand was no longer listed as a country under quarantine against Khapra beetle as indicated in NOM-005-FITO-1995. Thailand requested that Mexico notify this amendment to the SPS Committee. Thailand was satisfied with the interim measure introduced on 13 March 2001, which allowed for the importation of Thai milled rice upon request by importers. However, it was concerned that the final publication of the phytosanitary requirements in NOM-028-FITO-1999 had not yet been adopted, meaning that the lifting of the import ban on Thai rice, notified by Mexico to the SPS Committee in March 2000, could not be implemented on a permanent basis. Thailand would further pursue the issue bilaterally with Mexico and hoped that this matter could be finally resolved before the next meeting.

47. The representative of Mexico read a statement from the National Agricultural and Rural Services, dated 13 March 2001. The amendment to NOM-005-FITO-1995 had been sent to the Official Journal of Mexico for publication and would result in the lifting of the quarantine against Khapra beetle to which Thailand was subject. The definitive publication of the phytosanitary measure in the Official Journal had not yet been possible, due to a number of administrative procedures requiring legislation. However, in compliance with the risk assessment, the General Direction would issue phytosanitary certificates to companies who asked to import rice until the publication of the requirements in the Mexican Official Journal. This measure had been taken in cooperation with the judicial services and allowed for imports fulfilling certain criteria including international phytosanitary certificates, inspection at the entry point to Mexico, sampling for analysis in laboratories and fumigation with methyl bromide at the doses specified in NOM-005-FITO-1995. Fumigation would be accepted at the place of origin only when the product had been sent in plastic bags.

*Summary of specific trade concerns (G/SPS/GEN/204/Rev.1)*

48. The Chairman reminded Members that at the last meeting the Secretariat had prepared a document (G/SPS/GEN/204) summarizing all issues that had been raised to date at the SPS Committee. The Secretariat had revised the document based on information from Members, especially about issues which had been resolved in the meantime. The document will be updated annually based on information provided to the Committee.

(c) Consideration of specific notifications received

49. The Chairman recalled that the joint statement by Romania on behalf of a number of countries regarding import restrictions affecting BSE-free countries had been dealt with under sub-item 2(b)(i) upon the request of Romania.

(d) Any other matters related to the operation of transparency provisions

50. The Chairman pointed out that notifications received since the last Committee meeting were summarized, on a monthly basis, in G/SPS/GEN/223, G/SPS/GEN/224, G/SPS/GEN/226, and G/SPS/GEN/234. The most recent list of Enquiry Points had been circulated as G/SPS/ENQ/11 and Addendum 1. The latest list of National Notification Authorities had been circulated as G/SPS/NNA/1 and Addendum 1. The Secretariat had also updated the list of Members which had identified National Notification Authorities and National Enquiry Points in document G/SPS/GEN/27/Rev.8. The Chairman encouraged any Members which had not yet identified a National Notification Authority and/or an Enquiry Point to do so as quickly as possible. The

Secretariat had also prepared a compilation of all SPS documents issued in 2000, by country or observer organization (G/SPS/GEN/228).

*European Communities – Information to Members about the functioning of the EC SPS contact point*

51. The representative of the European Communities indicated that the SPS notification system was one of the most important contributions of the SPS Agreement thus far and was essential in facilitating the degree of transparency needed between Members. He pointed out that the rate of increase in notifications was so great that the European Communities was finding it difficult to ensure its smooth functioning, although coping with the increase was facilitated by an electronic system. From 1995 to date, the EC enquiry point had produced 113 notifications, 32 of which were issued last year alone. He believed that other Members were experiencing a similar level of increase and that the overall increased precedence in notifications should be interpreted in a positive manner. The European Communities questioned its ability to ensure the continuance of the present system whereby notifications and legal texts were forwarded to national contact points in three languages whilst maintaining as rapid a system of notification as possible. Greater cooperation was called for in the manner in which the national enquiry points interacted, especially considering that some countries have more than one enquiry point which lead to a duplication of effort on the part of the Member issuing the notification.

52. The representative of Israel reported that Israel's policy relating to BSE was now available on the internet. This included the official figures on numbers and origin of imported bovines and bovine products since the 1980s. Details on the relevant web site would be distributed to Members through WTO.

### **III. THE SPS AGREEMENT AND DEVELOPING COUNTRIES**

(a) Implementation of the provisions for special differential treatment (G/SPS/W/105)

53. The Chairman reminded Members that at its meeting in March 2000, the Committee agreed to focus discussion on issues of concern to developing countries by identifying specific issues for consideration at each meeting of the Committee. The first issue identified was the implementation of the provisions for special and differential treatment. This issue was discussed by the Committee at its June and November 2000 meetings, and the Secretariat had prepared a background paper (G/SPS/W/105). The Chairman recalled that although he had invited Members to submit papers or non-papers on the subject of special and differential treatment, no such papers had been submitted since the November meeting. At the last meeting, however, several Members asked for information regarding the participation of developing countries in the relevant standard-setting activities. This issue has been identified as one of the concerns regarding implementation of the SPS Agreement and the General Council had requested that the Director-General consults with the OIE, FAO and WHO on this matter.

54. The Secretariat recalled that the Director-General was charged by the General Council to explore means, in conjunction with the international standard-setting organizations, to seek financial and technical mechanisms to assist in particular the participation of developing countries in the Codex Alimentarius, OIE and IPPC (WT/GC/42). The Director-General was also requested to coordinate efforts with relevant international standard-setting bodies to identify SPS-related technical assistance needs and how best to address these needs. Following this request, the Director-General had initiated contact with the international standard-setting bodies and the World Health Organization. On 7 February 2001, the Deputy Director-General hosted a meeting with the international standard-setting bodies who reported that there was substantial current and growing levels of participation and understanding of developing countries in their work (WTG/C/45). One of the main problems encountered by the organizations in this area was the perception of developing countries that some of

the standards developed were not relevant to their needs. There was also a need to increase the capacity of developing countries to better use and implement international standards. The Secretariat also underlined its report to the Committee in November concerning meetings, held in September 2000 at FAO, with the standard-setting bodies, the World Bank, FAO and the WHO to investigate capacity building problems with regard to international food standards related to the SPS Agreement.

55. The Secretariat indicated that the workshop on this subject which preceded the SPS meeting was one immediate outcome of the meeting of the Deputy Director-General. The report of the workshop will be circulated as G/SPS/GEN/250.

56. The representatives of the Codex Alimentarius (G/SPS/GEN/236), IPPC (G/SPS/GEN/227) and WHO (G/SPS/GEN/231) each introduced papers on developing country participation in their activities. The representatives of Codex and IPPC highlighted the fact that participation by LDCs had grown in recent years. However, although the statistical analysis of participation showed that developing countries had a relatively high rate of participation, the numbers did not reflect the quality of participation or the degree to which developing countries benefitted from participation in standard-setting. The representative of Codex indicated that the participation of developing countries in the committees responsible for drafting proposed standards had been increasing in recent years, but was still below the level of participation in the Codex Commission, or the level that would be considered as being representative of the Commission as a whole. The participation of Eastern European and former CIS countries remained a particular problem.

57. The representative of Egypt suggested that developing countries should present proposals relevant to their needs and which respond to specific problems they face in implementing the SPS Agreement. In turn, the international organizations and financing agencies should respond to the needs elaborated. This "twin track" approach had already been used successfully at the TBT Committee's workshop on technical assistance. The representative of Canada welcomed Egypt's suggestion and encouraged the international organizations to look at ways to increase their level of funding to tackle the precise concerns of developing countries.

58. The representative of Malaysia indicated that his country was quite active in the standard-setting meetings of the Codex and pointed out that most of these meetings take place in Europe. Malaysia hoped that the Codex would seek to increase the number of its meetings in developing countries in order to increase participation levels of developing countries. Malaysia pointed out that effective participation of developing countries in standard setting would be greatly enhanced if they were involved in every aspect of the standard-setting process and especially through the selection of experts from developing countries.

59. The Chairman invited the Committee to consider how it should move forward with this issue. The representative of Argentina suggested that the Committee adopt a similar approach to that which it adopted in respect of equivalence, encouraging Members to provide specific information on their experiences.

60. The representative of the European Communities pointed out that a lot of technical assistance already took place and proposed that the Committee try and assess the effectiveness of this cooperation in an effort to evaluate if Members were addressing the right issues. He believed that this would be a positive experience for Members to learn how to improve the efficiency of already established cooperation projects. The representative of Venezuela recalled that the Secretariat had already presented a detailed document on technical assistance, and suggested to focus on identifying assistance by the international organizations which was seen to function most effectively so that capacity building at an institutional level could be strengthened.

61. The Chairman suggested that this issue be kept on the agenda for the next meeting in order to allow Members to discuss further how they might develop the suggestions of the European Communities and Venezuela regarding the identification of best practice as regards institution building. He emphasized that Members were expected to contribute to the discussion through written suggestions, comments and proposals for the next meeting.

(b) Equivalence – Article 4

62. The Chairman reminded the Committee that this topic had also been discussed in the General Council, in the framework of its discussion on implementation. The General Council requested the SPS Committee "... to examine the concerns of developing countries regarding the equivalence of SPS measures and to come up with concrete options as to how to deal with them ...". In December, the Chairman had reported to the General Council on the discussions held in November (G/L/423) and he informed Members that he was expected to give an oral report to the informal session of the General Council to be held on 16 March 2001. On 13 March 2001, an informal discussion of this topic had been held and the Chairman expressed his appreciation for the contributions in writing from New Zealand (G/SPS/GEN/232) and from Argentina (a non-paper), which added to what the Committee had received from the European Communities, United States and Codex. The Chairman's report to the General Council on these further discussions is contained in G/L/445.

#### **IV. TECHNICAL ASSISTANCE AND COOPERATION**

(a) European Communities – Information to Members about EC technical assistance (G/SPS/GEN/244)

63. The representative of the European Communities provided information on technical assistance to developing countries in the area of SPS. Projects under this scheme were managed by the European Aid Cooperation Office. The paper submitted by the European Communities outlined how this office functions and explained the intention of the Commission to decentralize the communication and decision operations on cooperation to the delegations of the European Communities in the different countries. The document referred to the financial criteria and the typology of actions covered by cooperation assistance and gave examples of cooperation projects.

(b) Identification of technical assistance needs (G/SPS/GEN/206)

64. The Chairman reminded Members that in November the Committee had begun to examine the typology for technical assistance prepared by the Secretariat (G/SPS/GEN/206).

65. The representative of Canada said the document was very helpful in pointing out different types of technical assistance and proposed that the Committee have a more focused informal discussion on the paper with a view to identifying types of activities which were particularly effective in responding to developing countries' specific demands. The Committee agreed to consider this issue at an informal meeting just prior to the next Committee meeting in July.

66. The representative of the United States reported that the US Department of Agriculture and the US Agency for International Development had sponsored a training workshop for participants from eleven southern African countries in Botswana from 5-9 March 2000. The focus of the workshop was on the WTO system and in particular the SPS Agreement. Two similar workshops were to be held in the coming weeks in Kenya and Senegal for representatives of other African regional organizations. In addition, follow-up training in the area of risk assessment would be provided for all of these groups later this year. A workshop on risk analysis with representatives from thirteen countries was also scheduled to take place in Tunisia. The workshop was designed to give an overview of the SPS and TBT Agreements and the five FAO/WHO consultations related to risk

analyses. In addition, the US Food and Drug Administration, the Department of Agriculture and the Center for Disease Control would hold a conference in South Africa, 27-29 March, for more than 40 countries of Sub-Saharan Africa on food safety initiatives influencing public health and trade.

67. The Secretariat called Members attention to the two coordinating meetings which had taken place in September 2000 and February 2001, with the standard-setting organizations, WHO and the financial institutions such as the World Bank. Coordination of efforts between the international and regional organizations was essential due to resource constraints. Consultations were ongoing.

68. The Secretariat reported on seminars which it organized or attended in the past months. The first of these was held in Congo and was a general workshop explaining the actions and functioning of WTO and including the SPS Agreement. A workshop was also held in Egypt on the SPS Agreement at the first meeting of the Codex Alimentarius Coordinating Committee for the Near East. The Secretariat, in cooperation with France and the French trust fund for SPS technical assistance, organized a regional seminar on SPS in Iran. In the coming months, the Secretariat would be participating in SPS-related workshops in Fiji, Pakistan, China, Cameroon and Kenya. The majority of these workshops would be held on a national rather than a regional basis. The Secretariat indicated that organizing the workshops at a national level allowed for a more detailed discussion to take place on the implementation aspects of the agreement.

(c) International organizations

69. The representative of IICA provided a summary (G/SPS/GEN/235) of some of their activities and actions aimed at implementing the SPS Agreement. The representative of the IPPC informed Members on behalf of FAO, including Codex and the IPPC, that five workshops would take place under the FAO's umbrella programme for follow-up training to the Uruguay Round Agreements. The representative of Codex reported that they had participated in a number of workshops with the WTO including the one recently held in Tehran and had also been working to provide information on risk analysis and assessment in relation to food safety.

## V. MONITORING THE USE OF INTERNATIONAL STANDARDS

(a) New issues

70. The Chairman reminded Members that they were invited to submit, at least 30 days in advance of each regular meeting, examples of what they consider to be problems with significant trade impact related to the use or non-use of relevant international standards, guidelines or recommendations. Since the adoption of the first annual report on monitoring by the Committee at its meeting of July 1999, no Member had submitted new examples for consideration by the Committee. He pointed out that by not identifying new concerns, Members were missing an opportunity to inform the standard-setting bodies of their needs.

71. The representative of Thailand, on behalf of ASEAN, recalled their concerns about the European Communities setting maximum levels for 3-MCPD contained in soy sauce. They considered that this was an example where a relevant international standard, if in existence, could help prevent what could become a trade barrier. In this regard, ASEAN urged the European Communities to delay implementing its maximum level for 3-MCPD until the outcome of the joint FAO/WHO Expert Committee on Food Additives (JECFA) evaluation in June 2001 and urged the Codex Committee on Food Additives and Contaminants (CCFAC) to accelerate the establishment of a standard based on the outcome of the JECFA evaluation. The representative of the European Communities noted that it participated in JECFA and CCFAC meetings.

- (b) OIE – Progress report on draft standard on IBDV for cooked chicken meat and frequency of controls to be carried out on bulls in collection centres (G/SPS/GEN/145/Add.3)

72. The representative of OIE pointed out that following a request from the Code Commission, the OIE Director-General met with an *ad-hoc* group in January 2001, entrusted with giving scientific opinion on five questions drawn up by the Code Commission. The second task of this Group was to determine in what areas additional scientific research would be necessary in order to improve the state of knowledge leading to harmonization. Experts also examined the existing chapters of the code on IBD and proposed several changes and additions concerning poultry meat which would soon be transmitted to member countries of OIE and considered at the next general session.

73. In respect of frequency of controls to be carried out on bulls in collection centres (brucellosis, tuberculosis, leukosis, IBR), the representative of OIE reported that a number of texts on the subject had been compiled into one single text in order to take into account comments made by various countries. The new revised annex on this subject would be submitted for adoption by the International Committee of the OIE in May 2001.

74. The representative of Thailand informed Members that he hoped that the finding of the studies as well as the scientific advice provided by the OIE experts and comments made in annexes 1 and 2 of document G/SPS/GEN/145/Add.3, will be taken into account when any Member reconsidered or reviewed its SPS measures for the importation of cooked chicken meat.

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

- (a) Codex

75. The representative of Codex stated that the Commission would be considering a number of draft standards prepared by its subsidiary Committees and task forces. Of particular interest was the one dealing with the judgement of equivalence of sanitary measures associated with food import inspection and certification systems. This standard was at a relatively advanced stage. The Commission would also receive interim reports from its task forces working on animal feeding and on foods derived from biotechnology. The Committee on Food Additives and Contaminants was expected to make considerable progress with the Codex general standard on food additives. The Codex representative, on behalf of WHO/FAO, stated that as a result of the Okinawa G8 summit, steps were under way to convene the first of what would be regular meetings of food safety regulators to discuss common problems related to science based decision-making. The preparatory meeting will be held in Rome in May 2001 and would bring together representatives of the G8, developing and other countries. The first official meeting should take place near the end of this year. The Committee would be informed of developments in this area in July.

- (b) IPPC

76. The representative of the IPPC indicated that the third session of the Interim Commission on Phytosanitary Measures would be held from 2-6 April at FAO headquarters in Rome. He noted that three new international standards for phytosanitary measures would be considered for adoption, notably guidelines for the notification of non-compliance and emergency actions, guidelines for phytosanitary certificates and pest risk analysis for quarantine pests. In addition, the Commission would be considering amendments to the Glossary of Phytosanitary Terms and a supplement to the Glossary providing a definition and explanation of "official control". The Commission meeting would also include the completion of non-binding dispute settlement procedures, the formulation of a strategic plan, and initiatives in information exchange and technical assistance. The IPPC had recently met with representatives of the Convention on Biological Diversity to discuss areas for future

cooperation. There had also been a meeting to elaborate proposals for information exchange initiatives and a third meeting of the expert working group developing a standard on wood packing. Regarding the latter, a draft standard should be ready for consultation by governments in June 2001.

(c) WHO

77. The representative of the WHO presented document G/SPS/GEN/237, describing the recent activities of WHO in the area of food safety. Following the Decision at the World Health Assembly (WHA), the governing body of WHO, in May 2000, recognized food safety as a priority area of WHO. WHO had been increasing its support to the member states and the Codex Alimentarius Commission in making science-based decisions, through convening independent expert meetings, such as the joint FAO/WHO Expert Committee on Foods Additives (JECFA) and the Joint Meeting on Pesticide Residues (JMPR). The WHO had also, in collaboration with the FAO, significantly increased its efforts relative to risk assessment of microbiological hazards in foods and the safety assessment of foods derived from biotechnology. The paper also provided information on the joint WHO/FAO/OIE Technical Consultation on BSE, Public Health and Trade to be held in June 2001. WHO had convened a Strategic Planning Meeting in February 2000, with the participation of food safety experts, to discuss WHO's future strategy on food safety. The *WHO Strategy on Food Safety*, would be presented to the WHA in May 2001. Furthermore, WHO was planning two expert consultations, one on methods and principles for the monitoring of antimicrobial usage in food animal production for the protection of animal health, in Norway, September 2001, and the second on pre-harvest food safety, to be held in Germany at the end of March.

## VII. OBSERVERS – REQUESTS FOR OBSERVER STATUS

(a) Criteria for observer status (G/SPS/GEN/229)

78. The ad hoc observers of the ACP Group, EFTA, IICA, OECD, OIRSA and SELA were invited, without objection, to return to the next Committee meeting.

79. The Chairman reported that the Committee had discussed criteria for observer organizations at an informal meeting on 14 March 2001, based on a background note prepared by the Secretariat (G/SPS/GEN/229). It was decided at this meeting that further discussion was needed on the role of observers, on the basis of a document to be prepared by the Secretariat. The United States and the European Communities requested that there be consultations with Members before the paper was finalized.

80. The Committee addressed the request from the Asian and Pacific Coconut Community (APCC) for observer status (G/SPS/GEN/178). The representative of Egypt pointed out that criteria was being developed by the General Council for the granting of observer status in general and questioned the right of the Committee to take decisions in the absence of such guidelines. The representative of Canada pointed out that the APCC was a regional commodity-specific organization. While Canada was not specifically opposed to the admittance of this organization, there were numerous organizations of this nature and any decision regarding the APCC would set a precedent for a countless number of other organizations to request observer status.

81. The representative of the European Communities said they remained favourable to granting observer status to both the APCC and the Office International de la Vigne et du Vin (OIV) on an ad hoc basis and noted that their acceptance was being blocked due to a systemic question raised by a single Member, Egypt. Egypt reaffirmed their view that there was a systemic issue to be resolved and stressed that it was not opposed to the admission of any international organization in particular. The representative of Uruguay pointed out that the present practice of issuing invitations on an ad hoc



basis had functioned very well, and suggested that Members admit the APCC to the next meeting on an *ad-hoc* basis.

82. The Chairman drew attention to the decision of the General Council (WT/L/161) that Committees could take decisions on a case-by-case basis. In the case of the APCC and OIV, he observed that there was still no consensus among Members and a need to reflect further on this issue.

### **VIII. ELECTION OF CHAIRPERSON**

83. The Chairman reported that the Chairman of the Council for Trade in Goods had carried out informal consultations on chairpersons of the subsidiary bodies in accordance with the established Guidelines for Appointment of Officers to WTO bodies (WT/L/31). On the basis of the understandings reached, the Committee elected Mr. William Ehlers, of Uruguay, as Chairperson of the Committee by acclamation.

### **IX. OTHER BUSINESS**

(a) ASEAN (Thailand) - Australia's import restrictions on prawn and prawn products (G/SPS/N/AUS/124, G/SPS/N/USA/126)

84. The representative of Thailand, on behalf of ASEAN, drew Members attention to the notifications of Australia (G/SPS/N/AUS/124 and 126), regarding its import risk analysis (IRA) and interim measure on prawn and prawn products. The draft analysis identified 15 agents as potential hazards and concluded that risk management measures were required for two agents, White Spot Syndrome Virus and Yellow Head Virus. The notification set 15 January 2000 as the deadline for submission of comments. Prior to this deadline, however, Australia imposed an interim condition on the importation of uncooked prawns and prawn products from ASEAN countries as an urgent measure until the IRA was finalized. This measure came into effect 15 December 2000. Thailand regretted that this measure was not notified until February 2001 and maintained that the Australian decisions were based on the fact that the imported prawns might illegally be used as fishing bait subsequently causing a white spot syndrome epidemic. ASEAN objected strongly to the inclusion of domestic illegal practices as a major element in the import risk analysis. Thailand urged Australia to lift the imposition of this interim measure, which was more restrictive than necessary and inconsistent with Article 5 of the SPS Agreement.

85. The representative of Australia explained that the measures put in place were the result of an outbreak of exotic White Spot Virus disease in facilities in Darwin, which required stamping out and depopulation of the facilities. Investigations revealed that far more imported prawns were being used for bait than was previously thought, and a 15 g cut off point was introduced in an effort to reduce the likelihood of the prawns being used for bait rather than for human consumption. The additional measures applied only to whole green and unpeeled headless green prawns from countries or zones not free from White Spot Disease; they did not apply to cooked, peeled or processed prawns. The risk analysis was progressing and comments from countries or any stakeholder regarding a better balance between domestic control measures and import restrictions would be taken into account, along with the survey results and any new information on the diseases of concern. Australia hoped to conclude the risk analysis as soon as possible

(b) Bolivia – European Communities levels for aflatoxin in Brazil nuts

86. The representative of Bolivia recalled her country's presentation to the SPS Committee in September 1998 (G/SPS/GEN/93), in which Bolivia gave information regarding the new maximum levels of aflatoxins that the European Communities wished to apply from 1999. It was noted in this document that there was no scientific proof that the reduction of aflatoxin levels in foodstuffs from

20 ppb to 4 ppb had a beneficial effect in protecting the health of individuals by diminishing the risk of cancer. The European Communities had not been able to demonstrate the scientific basis of the measure, nor had they provided a risk analysis. The representative of Bolivia outlined the socio-economic and ecological implications of the measure for the area of production, as well as the effects on the national economy.

87. The representative of the European Communities requested a copy of the Bolivian statement to permit for a comprehensive reply. He stated that their understanding did not coincide with that of Bolivia especially as regarded the scientific basis for the decisions, and recalled that the science involved had been explained in detail to the Committee as reflected in the reports of the Committee meetings in 1998 and 1999. The European Communities sent an expert to Bolivia in May 2000 to evaluate the situation of the Brazil nut sector. The Commission believed that the problems of Bolivia stemmed from needed improvements in the production chain and the equipment used. A project to address these issues had been included in the EU Aid Programme.

(c) Canada – Precaution (G/SPS/GEN/246)

88. The representative of Canada presented a paper on precaution and recalled that several Members intended to reflect on precaution in the wake of the papers submitted by the European Communities (G/SPS/GEN/168 AND G/SPS/GEN/225). He suggested that the Committee schedule an informal, practical discussion, focused on an exchange of individual Member's experience in managing risks in situations of limited scientific information. The aim of the discussion would be to arrive at a common understanding on how precaution was addressed in the context of the existing rights and obligations of the SPS Agreement.

89. The representative of the European Communities welcomed Canada's paper and encouraged Members to consider both their initial paper and the new Resolution on precaution adopted by the Council of the European Union. He welcomed Canada's proposal for a serious debate on the subject. The representative of Switzerland welcomed the inputs of the European Communities and their efforts to formulate a definition on the precautionary principle and encouraged them to continue to work in this area. The representative of Mexico pointed out that there was a need to distinguish between the general principle of precaution and the precautionary principle.

(d) Hungary – Import restrictions due to Foot-and-Mouth disease

90. The Hungarian delegation expressed serious concern about reported United States and Canadian import bans on Hungarian meat products in reaction to incidences of foot-and-mouth disease in France. The representative of Canada clarified that Canada had not placed any restrictions on the importation of products from Hungary. A temporary measure was placed on imports of products from the European Communities and Argentina. The representative of the United States indicated that it had only placed a two week moratorium on imports from the European Communities.

91. The representative of the European Communities asked Members that had taken measures to reconsider their actions in light of the regionalization decisions of the European Communities. It was very important that Members respect the principles established in the SPS Agreement and that both international standards as well good regionalization practices were taken into account.

(e) United States – Access of California table grapes to Australia

92. The representative of the United States informed Members that for the last 10 years, the United States had experienced difficulties in exporting California table grapes to Australia, with requests for market access being met with continual delays. Even under Australia's new IRA process these delays and requests for additional information and documentation had continued, and nearly a

year had elapsed since the completion of the draft IRA and the release of the final IRA in January 2000. Following that, an additional study was conducted as part of the Australian appeals process, which was completed in March 2000, and stated that it found no evidence that any relevant technical or scientific information had been ignored. According to the Australian process, this should have opened the market to California table grapes, but Australia decided to initiate a new study separate from the IRA process focusing on the Glassy-winged sharpshooter and Pierce's Disease, even though Australia's own scientific risk analysis had reviewed these issues and concluded that table grapes could be safely imported into Australia under specific conditions. The representative of the United States maintained that the risk profile had not changed: there had been no changes in the situation in California concerning table grapes and the transmission of Pierce's Disease which would warrant additional investigation into this matter. The United States urged Australia to modify its import restrictions on California table grapes consistent with its completed IRA and with its obligations under Article 5.1 of the SPS Agreement.

93. The representative of Australia informed Members that the administrative process was not complete until the Director of Plant and Animal Quarantine takes a final decision. Australia was free of Pierce's Disease and its most mobile vector, the Glassy-winged sharpshooter. Referring to the California Department of Agriculture literature on the subject, Australia believed that there was a need for further scientific research, and had sent two scientists to the United States in 2000. The subsequent mission report raised questions about changes in the risk profile which required more information. Australian authorities were willing to cooperate with those of the United States to learn more about the disease and its vector.

94. The representative of the Philippines, on behalf of ASEAN, stated that they shared the concerns of the United States with regard to Australia's phytosanitary regulatory process. The opening of market access in Australia for ASEAN exports of fresh fruits and fresh cut flowers suffered considerable delays in view of the lengthy risk assessment procedure of Australia. ASEAN requested Australia to undertake risk assessment within a reasonable time frame as well as in a transparent and predictable manner. The representative of Australia insisted that the time-frame of their IRAs was similar to that of other Members.

(f) United States – exports of gelatine to the European Communities

95. The representative of the United States said that US authorities had been in discussions with the European Communities since May 2000 aimed at enabling US gelatine shipments to the European Communities to continue, based on the equivalence of US and EC safety systems relative to gelatine. Despite the continuing efforts of US regulatory authorities and the US gelatine industry to demonstrate that US-produced gelatine met the level of protection achieved by the EC's food safety measures, the European Communities had not agreed to accept equivalence based on export certificates issued by US regulatory authorities. As a result, there had been no export of US food grade gelatine to the European Communities since 1 June 2000. The United States said it appreciated the efforts that the European Communities were taking in reviewing the information provided relative to the safety of US-produced gelatine, and urged the Commission to accept the equivalency of the US certificates.

96. The representative of the European Communities stated that his services were in frequent and intensive negotiation with the US Food and Drug Administration on this matter and that both sides had clear ideas of the problems involved, which were primarily of a judicial nature. The European Communities was working very hard to propose "flexibilities" which both parties might find acceptable and could lead to a satisfactory outcome to this problem in the near future.

(g) Ecuador – Turkey's restriction on banana imports

97. The representative of Ecuador stated that the Turkish authorities were issuing phytosanitary control certificates for a specific and limited volume of bananas, a volume he believed to be small when compared to the tonnage of normal banana shipments. Ecuador believed that the control certificates were not only *de facto* quantitative restrictions but also imposed unnecessary and unjustified administrative burdens. Ecuador believed such measures were designed to restrict the entrance of bananas from Ecuador into the Turkish market. He asked the Turkish delegation to provide a written response to questions posed and maintained that his country would pursue the matter bilaterally, informing the Committee, if considered necessary, on the results of future discussions.

98. The representative of Turkey said that Turkey was import dependent on this product and encouraged an open market to benefit Turkish consumers. MARA, the Turkish agency with responsibility for inspection and control of food imports, had only 15 laboratories at its disposition to provide this facility. Due to such resource constraints, Turkey could not verify whole shipments of consignments at once as this would occupy a laboratory for a considerable time and Turkey would face complaints from other exporters on delays on the issuing of control certificates. The representative of Turkey claimed that her country was in full conformity with Annex B, paragraph 1, of the SPS Agreement, as it had published all the relevant regulations and their annexes covering standards, levels and limits of residues and other organisms, as well as testing and sampling methods. They were the same for both producers and importers and in full conformity with international standards. Turkey was willing to provide Ecuador with more detailed information.

(h) Brazil – Implementation of the provisions for special and differential treatment

99. The representative of Brazil explained to Members that Brazil would be proposing specific changes regarding implementation of Article 10.2 and Article 7, Annex B, in order to address concerns Brazil had due to recent problems with Canada over BSE.

## X. DATE AND AGENDA FOR NEXT MEETING

100. The next meeting of the Committee is scheduled for Tuesday and Wednesday, **10-11 July 2001**, immediately following the session of the Codex Alimentarius Commission, which will also be meeting in Geneva. This back-to-back scheduling had been deliberately done to facilitate participation of Member's national food safety experts, particularly those from developing countries, in both meetings. Members were reminded to ensure that the appropriate authorities were informed of the consecutive scheduling of these two meetings, so that they might benefit.

101. The Committee agreed on the following tentative agenda:

1. Proposed agenda
2. Implementation of the Agreement
  - (a) Information from Members  
Activities of Members
  - (b) Specific trade concerns
    - (i) New issues
    - (ii) Issues previously raised
  - (c) Consideration of specific notifications received
  - (d) Any other matters related to the operation of transparency provisions

3. SPS Agreement and developing countries
  - (a) Implementation of the provisions for special and differential treatment
  - (b) Equivalence – Article 4
4. Technical assistance and cooperation
5. Monitoring of the use of international standards
6. Matters of interest arising from the work of observer organizations
7. Observers - Requests for observer status
8. Other business
9. Date and agenda of next meeting

102. The Chairman reminded delegates of the following deadlines:

- for requesting that items be put on the agenda: **Thursday, 28 June 2001**
- for the distribution of the airgram: **Friday, 29 June 2001**
- for identifying new issues for consideration under the monitoring procedure: **Friday, 11 June 2001.**

103. The Committee expressed its appreciation to Mr. Nayyar for his work as Chairman during the past year.

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