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EU requests WTO Panel against Australian Quarantine restrictions

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Report Highlights:

The EU has requested a WTO Panel against Australian quarantine restrictions. The EU argues that it respects Australia's right to establish an appropriate level of protection, but that Australian rules are not based on scientific risk assessment principles and are acting to block imports without scientific justification.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E2]

In a press release today, the European Commission announced that it had requested a WTO Panel to establish the legality of Australian quarantine rules in relation to WTO rules.

Using rhetoric that echoes that of the U.S. over the U.S., Canadian and Argentine request for a panel over the EU's blocking of imports of biotech crops, the EU argues that Australian quarantine measures are not based on scientific risk assessment and block imports without scientific justification.

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Summary of GAIN Report E23161 "EU Scientific Steering Committee: move away from science based risk management":

In April 2003, the Scientific Steering Committee (SSC), under the umbrella of the European Commission's Health and Consumer Directorate General adopted its "Second Report on the Harmonization of Risk Assessment Procedures". The report includes a section which advocates the inclusion of "quality of life" factors in scientific risk assessments. According to the report, "quality of life" factors are of a multidimensional nature and cover such aspects as human functional and psychological health. These factors could "cover the physical impact of the risk factors as well as the perceived impact wherever it is possible."

Full text of the Commission Press Release follows:

EU brings WTO challenge against Australia's quarantine measures

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IP/03/1184

Brussels, 29 August 2003

EU brings WTO challenge against Australia's quarantine measures

The European Union has today asked the WTO to rule on the legality of the Australian quarantine regime applied to imports of a large number of food products of EU interest. Consultations between Australia and the EU, held in May 2003, failed to solve problems of access to the Australian market. The EU has therefore been left with no alternative other than to challenge this restrictive trade practices through the WTO dispute settlement system. EU Trade Commissioner Pascal Lamy said: "Despite Australia's constant claims to be the leading force of free agricultural trade, its own quarantine system continues to block unjustifiably the import of a number of agricultural products into Australia. Contrary to WTO rules, these import prohibitions are not based on a scientific risk assessment. The EU will continue to use WTO procedures to ensure that Australia lives up to its legal obligations, and to its own rhetoric on open trade in agriculture."

The EU request follows formal WTO consultations (which is the first stage in the WTO dispute settlement process) held with Australia in May 2003. The dispute was not resolved in the consultations. The EU has therefore decided to ask for a WTO Panel to be established to rule on the legality of the Australian measures.

The WTO panel will rule on the legality of Australia's treatment of certain agricultural products of European interest under its quarantine system. The EU considers that the restrictions applied to those agricultural products breach WTO rules, set out in the WTO Agreement on Sanitary and Phytosanitary Measures (SPS), which covers regimes dealing with human, animal and plant health.

Australia believes that as it is free from many animal and plant diseases prevalent in the rest of the world, its conservative approach to quarantine risks is justified. The EU does not dispute Australia's right to set an appropriate level of protection. The EU does however consider that Australia should not unfairly protect its own market and producers by imposing quarantine rules which block imports without scientific justification, often for many years.

Some of the market access problems faced by EU exporters include:

- An outright ban on imports of a range of agricultural products such as fruit and vegetables, animal and meat products without a scientific risk assessment.
- The products concerned range from tomatoes to fresh citrus fruit, apples, peaches, nectarines, cucumbers, lettuce, carrots, apricots, eggs, pigmeat and poultry meat.
- Extremely restrictive conditions are applied to imports of pigmeat. In particular, Australia only allows imports of deboned pigmeat from Denmark, which must be heat treated in Australia.

Without any apparent justification, Australia refuses to allow heat treatment in the country of origin or imports of bone in meat.

Australia is a leading member of the Cairns group of agricultural exporters which pushes for free trade in agricultural products. Unfortunately, Australia seems to consider that this freedom only applies to its exporters, and not to those wishing to import perfectly safe products into the Australian market.

Analysing potential lost trade is difficult, but some of the trade effects of the Australian measures can be illustrated. For example, trade statistics show that EU exports of fresh vegetables to Australia in 2002 were 8,000 tonnes, whereas exports to Canada a comparable market in size and wealth were over 300% greater at 35,000 tonnes. Total fruit and vegetable exports to Australia (plus New Zealand) in 2001 were only €16 mio of total EU fruit and vegetable exports of €3,369 mio.

The EU is not the sole country to have expressed concerns on the Australian quarantine system. The Philippines have recently requested the establishment of a WTO panel to rule on the legality of Australia's quarantine regime for imports of fresh fruits and vegetables and the WTO Dispute Settlement Body has decided today to establish this panel. In 1998 the WTO ruled that the Australian quarantine system for salmon violated WTO rules following a complaint by Canada and the US.

For more information:

http://europa.eu.int/comm/trade/issues/bilateral/countries/australia/index_en.htm