

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

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## EEC - REGULATIONS AFFECTING THE SALE OF IMPORTED BOVINE SEMEN IN ITALY

### Request for consultations under Article XXIII:1 by Canada

The following communication, dated 8 July 1993, sent by the Permanent Mission of Canada to the Permanent Delegation of the Commission of the European Communities, is circulated in accordance with paragraph C.3 of the CONTRACTING PARTIES' Decision on Improvements to the GATT Dispute Settlement Rules and Procedures (BISD 36S/62).

This letter is to request bilateral consultations under Article XXIII:1 of the General Agreement on Tariffs and Trade. My Government is concerned that some Italian regulations on the import of bovine semen affect their internal sale in a manner which may not be consistent with the obligations under the General Agreement, including Article III. Canada has made sincere and multiple efforts since January 1992 to resolve the issue bilaterally with the Government of Italy. Such efforts have not met with success.

The relevant Italian breeding organization authorized by the Ministry of Agriculture for setting the requirements for imported semen is ANAFI (Associazione Nazionale Allevatori Frisone Italiana). Semen is judged by the characteristics of the progeny of the individual bull.

ANAFI uses a number of characteristics of third country bulls to evaluate their semen. Inter alia, ANAFI requires that the genetic index for milk protein of the progeny of imported bulls be equal to or greater than the genetic index for milk protein of the top five Italian bulls (when ranked milk protein index) assessed every six months.

It is with respect to this requirement that Canadian exporters have complained of difficulties.

With respect to standards to be met for the sale of semen from Italian bulls, ANAFI rates Italian bulls using an Italian milk index, the ILQ (Indice Latte Qualita), which appears to allow most bulls in Italy to qualify as a source of bovine semen for artificial insemination. Semen from domestic bulls is not required to meet the same standards required of foreign bulls; and as well, the standard applied to semen from foreign bulls is demonstrably more restrictive than that applied to domestic bulls.

As a result of the application of different and higher standards to govern the sale of imported semen with respect to domestic semen in Italy, Canadian exporters have complained that their exports of semen to Italy are unreasonably restricted. Canadian exports of bovine semen have stagnated at about \$1.8 million annually for the past 3 years.

Furthermore, Canadian exporters have complained that it takes approximately 4 months from the time Canadian exporters submit evidence of the genetic "proofs" of the bulls to ANAFI until the import permit is issued by the Italian Ministry of Health. As proofs are updated semi-annually, the Italian governmental administrative requirements effectively limit the possibility of exports to two months out of every six.

In conclusion, my Government has instructed me to request a meeting with the appropriate authorities in a timely fashion to discuss this matter with a view of reaching a mutually satisfactory result and for the purposes satisfying the requirements of Article XXIII:1