

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Surveillance Body

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STANDSTILL

Notification

1. Participant notifying: Canada

2. Participant maintaining the measure: EEC

3. Description of the measure (including date of entry into force and reference to any relevant legislation or other document):

On 31 December 1985, the Council of the European Communities prohibited the administration to farm animals of any substance having a hormonal action from 1 January 1988 onward (Council Directive 85/649/EEC); the placing on the market and slaughter of farm animals to which substances had been so administered was likewise prohibited, as was also the placing on the market of the meat of such animals, the processing of that meat and the placing on the market of the resulting meat products. There was a complementary import prohibition. The only exception was for certain therapeutic purposes listed in Article 4 of Council Directive 81/602/EEC of 31 July 1981. This prohibition was duly applied to domestic production on 1 January 1988; it was subsequently disallowed by the Court of Justice of the European Communities, and readopted on 7 March 1988, despite repeated representations against such a move by Canada and other trade partners (Council Directive 88/146/EEC). In both cases a transition period of one year was allowed (by Council decision 87/561/EEC of 18 November 1987) for imports and for meat or animals legally treated before the effective date of the ban. During the transition period national measures concerning the prohibited substances remain in force; they may cover guarantees of hormone-free status for the animals, the meat and the meat products. Canadian exports of the affected products to the EC came to over Can\$8 million in 1987.

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4. Products covered, including tariff headings (CCCN where applicable, otherwise national tariff lines):

The measure is chiefly but not exclusively directed at products covered by the following HS headings:

01.02 Live animals of the bovine species.
02.01 Meat of bovine animals, fresh or chilled.
02.02 Meat of bovine animals, frozen.
02.06 Edible offals of bovine animals, swine, sheep, goats, etc.
16.01 Sausages and similar products of meat, meat offal or blood;
16.01 food preparations based on these products.
16.02 Other prepared or preserved meat, meat offal or blood.

5. Country or countries to which the measure applies:

All meat suppliers to the EC will be affected by the prohibition.

6. Relevance of the measure to the standstill commitment:

The Government of Canada considers that the unilateral introduction of a prohibition of the non-therapeutic use of substances having a hormonal action on farm animals is inconsistent with GATT provisions and with the Agreement on Technical Barriers to Trade. The Government of Canada further considers that, regardless of the consistency or otherwise of this measure with GATT provisions and with the Agreement on Technical Barriers to Trade, this prohibition goes beyond that which is necessary to address a specific situation, viz. the reported desire of EC consumers for meat free of hormonal residues. In implementing the prohibition the EC is ignoring scientific evidence to the effect that these substances, where correctly administered, do not pose a threat to human health and do not leave harmful residues, and is choosing a restrictive approach which constitutes an unnecessary obstacle to trade.

7. Comments by the participant maintaining the measure:

The European Community considers that the prohibition of the administration of hormonal substances for animal fattening is consistent with the relevant provisions of the General Agreement and of the Agreement on Technical Barriers to Trade, and therefore is not covered by the standstill commitment. Furthermore, the Community stresses that the unrestricted administration of hormonal substances should be considered dangerous for human health. It points out that the Canadian Government's comments, for which the latter is alone responsible, are in any event conditional upon the substances having been correctly administered.