

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Agriculture Committee

Working Group 4

OTHER RELEVANT MEASURES

Report on Meeting of 22 to 26 June 1970

1. The Agriculture Committee has directed Working Group 4, dealing with health and sanitary regulations, marketing standards, packing and labelling regulations, customs and administrative procedures, miscellaneous charges and taxes and prior deposits, to seek mutually acceptable solutions to the principal problems affecting international trade in agricultural products, and for this purpose to complete such further identification of these problems as is necessary (L/3320, paragraph 5). It was understood that this work would be essentially of an exploratory nature and that the definition of a range of possible solutions did not imply a commitment to conform to any of these solutions (L/3320, paragraph 6). In the Conclusions adopted at their last session the CONTRACTING PARTIES further directed that conclusions be formulated on possibilities for concrete action that might appropriately be taken to deal with the problems that arise and that this task should be completed during 1970 (L/3366, paragraph 4).
2. The Working Group met from 22 to 26 June 1970 under the chairmanship of Mr. B.F. Meere (Australia). This report sets out the proposals or suggestions as to how the principal problems might be dealt with and the main points raised in the discussion. It is emphasized that the discussion at the first meeting was not exhaustive, that in many cases the views recorded were only tentative and that delegations would have full latitude to supplement them both within the Agriculture Committee and in other meetings of working groups.
3. The Working Group conducted a first reading of COM.AG/W/49 and Add.1 reproducing relevant non-tariff barrier notifications either made in response to the request contained in COM.AG/14, paragraph 3(d), or transferred from the Committee on Trade in Industrial Products. The points made in the examination of the individual notifications will be reflected in a revision of the document. A delegation considered that data for each item in the document should include: (a) a reasonably full discussion of the measure; (b) authority and justification supplied by the country maintaining the measure; and (c) comments by notifying countries.
4. Some delegations pointed out that the practices followed by delegations in making notifications had varied and this had led to an imbalance in the present information. They said that their authorities might therefore wish to notify all relevant measures applied by other countries. It was recognized that this would create an enormous amount of work. Some delegations were of the opinion that this work would be largely unnecessary since the fact that health and sanitary requirements

in particular existed for most agricultural products in most countries could be stated in a general note. Some delegations said that measures should only be notified when they constituted a real barrier to trade. The Working Group noted that contracting parties reserved the right to make further notifications relating to agricultural products whether or not these fell into the eight sectors in which the work of the Agriculture Committee had concentrated initially and agreed that such notifications should be made by 31 October 1970.

5. Some delegations recalled that Working Group 2 had agreed that the secretariat should prepare a document for submission to the Agriculture Committee which would summarize information on (a) tariffs, (b) quantitative restrictions including centralized trading, and (c) variable levies and other special charges (COM.AG/W/60, paragraph 4). These delegations stated that in order to give the Agriculture Committee a general and objective picture of import measures it would be necessary to complete the document by the addition of a fourth column which would indicate those four-figure Brussels Nomenclature headings in respect of which notifications had been made of health and sanitary regulations (and of the other notifications before the Group if this was the wish of other delegations) and refer the reader to these notifications. Some delegations were of the view that the addition of a fourth column as described would be misleading since these regulations are not import restrictions in the same way as tariffs, quantitative restrictions and variable levies. Some of these delegations added that their effects could only be assessed on a bilateral basis. Other delegations were of the opinion that in any case, the effects of these regulations on international trade would have to be taken into consideration in the framework of the Agriculture Committee. It was agreed that this matter should be referred to the Agriculture Committee for consideration at its next meeting.

6. There was general recognition of the fact that differences in national practices, each of which may be perfectly justifiable in itself, can cause difficulties for trade. Some delegations having duly noted the work being done in other international bodies, such as FAO, the FAO/WHO Codex Alimentarius Commission, OECD and ECE, and having taken into account that these bodies were well equipped to deal with problems of a technical nature, considered that the functions of the GATT would be:

- (a) to bring to the attention of these bodies the restrictive trade effects of such problems in order to assist them in developing international standards; and
- (b) to establish general guidelines regarding the trade effects arising from the application of existing standards and regulations.

7. Several possible guidelines were suggested in the course of the discussion. Several delegations suggested that imported goods should receive the same treatment as goods produced domestically. Other delegations pointed out that the applicability of this principle was limited by the fact that national practices are in many cases designed to keep out diseases which do not occur in the country. Several delegations suggested that health and sanitary regulations should be applied

on a most-favoured-nation basis. It was also suggested, however, that this concept would have to be carefully defined in this context. Some delegations suggested that it should be interpreted to mean equality of opportunity for exporting countries which could satisfy the health regulations of importing countries. Other delegations suggested that it might be necessary to go further and to deal with problems of discrimination against exports of particular countries in specific markets.

8. Some delegations expressed the view that health and sanitary regulations were not negotiable in the usual GATT sense, i.e. they were not removable in return for a concession, and were therefore of a different nature from the other types of measures before the Group. Several delegations said that the best way of dealing with difficulties which might exist would be through bilateral discussions between the technical people responsible.

9. Several delegations suggested as a basic principle that health and sanitary regulations should not be more rigid than necessary to achieve their essential purposes. Some delegations pointed out that regulations sometimes took the form of complete prohibitions of imports and suggested that this should not be necessary, even in a disease-free country, if there were other cast-iron ways of keeping out the disease. Some delegations said that certificates by authorities in exporting countries might be more frequently accepted by importing countries. Delegations of some developing countries said that they had experienced some difficulties in the implementation of regulations and suggested that there should be a greater degree of co-operation between exporting and importing countries with respect to inspection, testing and research facilities. Some delegations said that inspection and testing requirements should be simplified. Some delegations said, however, that the final decision on these matters must inevitably rest with the importing authorities which had a duty to protect the health and sanitary standards of their country.

10. Some delegations said that national authorities should endeavour to ensure that measures taken by State and local authorities were consistent with national and international regulations. Some delegations said that consultations should be held to ensure that changes proposed in legislation by each country were adequate to implement internationally agreed codes.

11. Some delegations said that the regulations and technical requirements of importing countries should be readily available in an intelligible form to the competent authorities in exporting countries.

12. Some delegations noted that some measures which had been included in the category of health and sanitary regulations were designed to maintain certain strains of plants which were considered desirable and pointed out that these might have an adverse effect on trade; as a general principle, farmers should be left free in such matters.

13. In connexion with general problems raised by the effect of health and sanitary regulations on trade, several delegations representing countries that both import and export agricultural products stressed the scope and stringency of those regulations in certain countries which were traditionally major exporters of agricultural products. Indeed, it appeared that the measures applied by the countries concerned, for reasons of quality and of sanitary controls, had effects which were particularly striking from the quantitative aspect. In practice, the result was a virtually total prohibition on imports of agricultural products or of a wide range of products from the agricultural sector. In the view of the delegations concerned, the attention of the Agriculture Committee should be drawn specifically to problems arising from the application of health and sanitary measures in certain cases that threatened to distort the appreciation of any concept of equilibrium in the field of trade.

14. Other delegations were of the view that it was no accident that countries free from most types of disease should have an appropriate coverage of veterinary and phyto-sanitary control measures to protect that disease-free condition. Furthermore, in a situation in which every country of the world maintained some form of veterinary or phyto-sanitary controls, it was a natural consequence that producing countries which are relatively free of pests would be best able to meet the requirements in other countries, and so export their products to a greater number of markets. Export capability would therefore be directly linked to relative freedom from disease in a particular country, which necessarily required a wider range of veterinary and phyto-sanitary controls to protect that freedom. This was of great importance for countries which relied heavily on exports of agricultural products.

15. Some delegations said that many of the points made on health and sanitary regulations also applied to marketing standards. They added that marketing standards should not be based on characteristics peculiar to national production and that the equivalence of internationally agreed standards and the standards of exporting countries should be recognized wherever possible.

16. The Working Group agreed that the Committee on Trade in Industrial Products should deal with measures of general application to the agricultural and industrial sectors in cases where work had already begun in that forum, on the understanding that delegations reserved the right to revert at any time to particular notifications made to the Agriculture Committee and, at a later stage, the right for the Agriculture Committee, to review the applicability to the agricultural sector of any solutions evolved in the Committee on Trade in Industrial Products. This applied for example to valuation for customs purposes, consular and customs formalities and prior deposits. Some delegations noted that any of the non-tariff barriers of the types examined which were contrary to GATT should be removed unilaterally as soon as possible.