

EU Commission and Canada reach provisional solution in beef dispute

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EIN Presswire

The EU Commission and Canada today signed a Memorandum of Understanding on the long-running dispute over hormone-treated beef. The Memorandum sets out a road-map that, if confirmed, will provide a temporary solution to the dispute. Under this roadmap, Canada would suspend all its sanctions on European products, while the EU would increase market access opportunities for beef imports.

"Today's memorandum is an important step in solving this long-running dispute", said John Clancy, EU trade spokesperson. "It will relieve EU exporters from the cost of paying sanctions on the Canadian market."

Since 1999, Canada has imposed sanctions on the importation of a number of EU products to a value of over 11 million Canadian dollars. The sanctions apply to a range of meat products and mostly take the form of 100% duties.

The Memorandum foresees that Canada suspends these sanctions and the EU would extend its duty-free tariff-rate quota of high quality beef by an additional 1,500 tons until August 2012. This quantity could be increased to 3,200 tons for the following year.

Canada and the EU would then assess the situation and decide whether to reach a permanent settlement of the case.

Both the suspension of sanctions and the increase to the EU tariff-rate quota remain subject to the domestic decision-making procedures.

Background

The EU ban on hormone treated beef has been in place since the early 1980s. Canada and the US challenged the EU's non-discriminatory ban at the WTO in 1996. The WTO Appellate Body found in 1998 that the rules were not consistent with one provision of the WTO Agreement on Sanitary and Phytosanitary Measures and in 1999 Canada and the US were given permission to impose sanctions in the form of tariffs to the value of CDN\$11.3 million and US\$ 116.8 million.

In October 2003 a new EC Hormones Directive was issued, based on thorough

scientific grounding. One hormone (oestradiol 17) had been found to cause and promote cancer and harm genes and was subject to a permanent ban. The EU has invoked the precautionary principle in relation to five further hormones and these remain under review. In 2007 the European Food Safety Authority (EFSA) said there were no grounds to call for a revision of earlier risk assessments which found risks to human health from residues in hormones treated meat.

Canada and the US rejected the evidence underpinning the 2003 Hormones directive and maintained their sanctions. In 2004 the EU challenged these sanctions. In November 2008, the Appellate Body ruled that it was unable to complete the analysis of the WTO-compatibility of the EU legislation due to mistakes made by the Panel in gathering factual information, and consequently did not give a definitive view on the legality of the Canadian and US sanctions. It did however clarify certain aspects of the SPS agreement. Furthermore, it recommended that the EU, Canada and US start compliance proceedings to see if the current EU legislation remedied the breaches that the WTO had identified in 1998, and as a result Canada and US should end their sanctions.

Following that recommendation, on 22 December 2008 the EU asked for consultations at the WTO in order to examine the legality of the EU restrictions on hormone treated beef.