

Committee on Sanitary and Phytosanitary Measures

**REPORT TO THE COUNCIL FOR TRADE IN GOODS ON
CHINA'S TRANSITIONAL REVIEW**

The present report is submitted under the responsibility of the Chairperson, as agreed by the Committee at its meeting of 8-9 October 2008.

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1. The Committee held its seventh Annual Transitional Review under Paragraph 18 of the Protocol of the Accession of the People's Republic of China at the regular meeting commencing on 8 October 2008.
 2. Prior to the meeting, the United States submitted questions to China in writing, which can be found in document G/SPS/W/229.
 3. Statements made at the Committee meeting in the context of this transitional review by China, the United States and the European Communities will be reflected in the summary report of the meeting, to be circulated as G/SPS/R/53 and are attached.
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ATTACHMENT – EXCERPT FROM G/SPS/R/53

AGENDA ITEM 12: TRANSITIONAL REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

1. The Chairman recalled that in accordance with Paragraph 18 of the Protocol of Accession of the People's Republic of China, the SPS Committee was to undertake an annual review for eight years of the implementation by China of the SPS Agreement. He first invited the United States to present the questions it had submitted in document G/SPS/W/229.

2. The representative of the United States observed that the Transitional Review Mechanism allowed Members to assess and understand the progress that China had made in implementing the WTO agreements. She raised several issues relating to restrictions on agricultural trade. The concerns were: (1) on how China conducted risk assessments on US origin beef and beef products; (2) BSE-related restrictions on protein free tallow; (3) pathogen residue standards; and (4) avian influenza. The representative signalled that several of these issues had been raised in 2007, however, China had provided only limited responses.

3. The representative of the United States requested information on the status of revision to China's sampling plans and microbiological criteria for food-borne pathogens. Moreover, the United States was also concerned that China had banned ractopamine without conducting a risk assessment. The other concern raised was regarding avian influenza related bans affecting the states of Arkansas and Virginia.

4. Finally, the United States was interested in the plans to boost food safety regulations in China, especially regarding the recent problems with melamine in milk, the changes that would be made and when they would be notified to the WTO.

5. The representative of the European Communities shared the concerns of the United States and reiterated that OIE standards should be respected. The European Communities had specific concerns regarding the animal health standards, the microbiological criteria and the plant health standards implemented by China. Imports of EC beef and other bovine products were still banned by China despite the fact that 25 EC member States were classified by the OIE as having "negligible" or "controlled risk" of BSE. Also, the European Communities was concerned regarding certain microbiological criteria such as *E. Sakazakii*, and the zero tolerance level applied for products not intended for infants. These standards were not in line with Codex. Finally, compliance with China's plant regulatory import system was unjustifiably difficult. The European Communities welcomed recent improvements in communication between the European Communities and China regarding the plant health issue.

6. The representative of China noted the questions raised by the United States and the European Communities. On BSE-related issues, the representative stated that China has conducted the necessary risk assessments on beef imported from the United States and there had been many technical communications on numerous occasions. The efforts made by the United States to prevent BSE contamination were appreciated, but there were still problems in the implementation of the cattle tracing system and the implementation of the feed ban. China hoped that the United States could address the loopholes and problems in the prevention and control systems of BSE on the basis of the related OIE standards. China was willing to continue working with the United States on this issue.

7. The representative of China reiterated that her officials had communicated with the US authorities on the issue of trade in protein-free tallow on several occasions. In March 2008, the United States had agreed to send relevant materials but China had not yet received these. China's measures on protein-free tallow were fully consistent with the regulations stipulated in the OIE

Terrestrial Animal Health Code that a product containing specified risk materials (SRM) was not tradable worldwide, and protein-free tallow (maximum level of insoluble impurities of 0.15 per cent in weight) should enjoy free trade. The representative stated that China's requirement had taken into account the risk assessment results and international standards. China was willing to hold bilateral talks at technical level on the interpretation of the relevant articles of the OIE Terrestrial Animal Health Code with the United States to share views and address issues of concern.

8. On pathogen standards, the representative of China stated that China had never set zero tolerance requirements for pathogens in raw meat and poultry products. China used sampling and testing to identify whether the quality of meat products met relevant standards and requirements. Such practices had been adopted by many other countries and were fully consistent with Codex Alimentarius standards which stipulated that pathogens should not be detected in meat products for human consumption. The same pathogen standards applied to both foreign and domestically produced products in China. China was following the latest progress in the Codex regarding the standards for microorganisms detected in food products and had started to formulate standards for maximum levels of animalcule detected in food products based on this progress and China's monitoring data on food-borne diseases.

9. On residue standards for ractopamine, China restricted the use of ractopamine in feedstuff to protect consumers' health and food safety. This restriction applied uniformly to import and domestic products. Similar regulations were adopted by many other countries. China was in the process of completing a risk assessment on ractopamine and was willing to communicate with other Members on this issue.

10. With regard to avian influenza (AI), China had lifted the ban on poultry and poultry products from six states of the United States including Pennsylvania, Rhode Island, Connecticut, New York, West Virginia and Nebraska, based on risk assessments of the AI situation in these states. However, with regard to the H5N1 strain of AI in Virginia, according to the technical information available to China, it appeared likely that this was the high pathogenic type of virus. Therefore, China requested that the United States provide the relevant viral strain for further study. The representative said that China had not yet received this. With regard to the state of Arkansas, China had received the application and the related technical materials from the United States at the end of September 2008 and was in the process of undertaking the risk assessment. China hoped that the United States could provide the technical materials and virus strain relating to avian influenza at an early point in time. China also wished to intensify communications with the United States to solve the technical issues appropriately.

11. About the food safety issues, the representative of China had become aware of the concern only at this time. However, the Chinese delegation had already briefed the Committee on the progress regarding the dairy products and the testing results, and on how the Chinese authorities were dealing with this issue. The Chinese Premier had clearly stated that in dealing with the incident of milk and milk products, China would be transparent. China would keep the Committee informed regarding this matter.
