

Committee on Sanitary and Phytosanitary Measures

**REPORT TO THE COUNCIL FOR TRADE IN GOODS ON THE TRANSITIONAL
REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION
OF THE PEOPLE'S REPUBLIC OF CHINA**

The present report is submitted under the responsibility of the Chairperson, as agreed by the Committee at its meeting of 28-29 October 2009.

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1. The Committee held its eighth 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 28 October 2009.
 2. Prior to the meeting, the United States and the European Communities submitted questions to China in writing, which can be found in documents G/SPS/GEN/963 and G/SPS/GEN/968, respectively.
 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/56 and are attached.
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EXCERPT FROM G/SPS/R/56

XII. TRANSITIONAL REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

1. The Chairperson 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. The United States and the European Communities had submitted documents on this subject, G/SPS/GEN/963 and G/SPS/GEN/968, respectively.

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 and complying with the WTO agreements. She raised several issues relating to restrictions on agricultural trade, noting that in most cases the details of the US concerns had been raised under previous agenda items at this meeting. The concerns were: (1) restrictions on pork imposed due to H1N1 outbreak among humans in the United States, and whether China had any scientific evidence to justify these restrictions; (2) BSE-related restrictions on imports of beef and beef products, with a request that China provide additional information on the risk assessment that supported the measures applied to US-origin beef and beef products; (3) BSE-related import restrictions on protein-free tallow; and (4) restrictions related to avian influenza, in particular bans affecting the states of Virginia, Kentucky, Idaho and Arkansas. The representative recalled that several of these issues had already been raised during the 2008 transitional review, however China had provided only limited responses to date.

3. The representative of the United States further requested information on the status of revisions to China's sampling plans and microbiological criteria for food-borne pathogens, as well as the procedures it used to revise national standards. Moreover, the United States was also concerned that China had banned ractopamine without conducting an appropriate risk assessment.

4. The representative of the European Communities shared the concerns of the United States on a number of issues, including: (1) H1N1 related trade requirements on pigs and pig products from several EC members States; and (2) BSE-related trade restrictions, reiterating that OIE standards should be respected. The European Communities also had specific concerns regarding the plant health standards implemented by China. In addition, the European Communities expressed concern for the lack of a notification before the application of the new Chinese food safety legislation and its implementing regulation, and provided comments on a number of chapters of the new legislation. Finally the representative of the European Communities expressed concern on the slow progress of bilateral negotiations of SPS protocols and inspections that limited market access of EC products to China, especially for meat, fruits and vegetables.

5. The representative of China offered some clarifications and responses to the questions and comments raised by the United States and the European Communities. However, China had received the EC questions only on 24 October and had not had time to prepare the corresponding answers. Nonetheless these issues were being discussed under the bilateral cooperation mechanism and China would continue to work with the European Communities to resolve the issues in an appropriate manner.

6. Regarding United States concerns on BSE-related issues on beef, the representative stated that China had conducted many bilateral talks with the United States between senior level politicians as well as technical experts. Based on a risk assessment, China had agreed to import US de-boned beef from animals aged under 30 months. China was willing to address the US beef import concerns through a step-by-step approach. China's beef industry had visited the United States at the invitation of the US beef industry, to purchase eligible beef products. However, the USDA had refused to issue

sanitary certificates for those beef products and had thus stopped the purchase. China had made efforts to address the US demands, and the issue could not be furthered without US cooperation.

7. With regard to the BSE-related issues on other products, the representative of China reported that in March 2008, the quarantine and inspection authorities of China and the United States held a bilateral technical meeting on animal quarantine and inspection. During the meeting, the two sides had in-depth discussions and reached an agreement on the working procedures to move the tallow issue forward. In order to further clarify the definition of protein-free tallow by the OIE, in March 2008 the United States proposed to the OIE that the definition of protein-free tallow be modified; the proposal was approved in August of this year. Chinese experts were now carrying out a risk assessment according to the newly revised OIE standards and they would try to resolve the issue soon.

8. Regarding restrictions related to H1N1, the representative of China, for the sake of time, advised Members to refer to the statement that had been made by the Chinese delegation under the agenda item on specific trade concerns, regarding the reasons for China's adoption of the relevant measure and the work plan for the next stage. China welcomed any input from its trading partners with regards to scientific research that would help it finalize the risk assessment. Based on the conclusions of the risk assessment, China would consider adjusting the temporary measure accordingly.

9. On avian influenza, the representative of China noted that according to OIE rules, all cases of H5 and H7 avian influenza should be communicated to the OIE. This was an indication of the special status of these two types of low pathogenic sub-type avian influenza. Due to this situation, China had applied the principle of regionalization, and had suspended the import of poultry and poultry products from certain states of the United States that had relevant outbreaks. The Chinese policy had taken into consideration both risks and the need for trade; and China believed the measures were rational and science-based.

10. The representative of China indicated that documents on the lifting of the ban with respect to avian influenza in the states of Idaho and Kentucky had been submitted to the Chinese expert panel and a risk analysis on the lifting of the ban was now underway. After the conclusion of the assessment, China would communicate the relevant information to the United States in a timely manner. Regarding the lifting of the ban with respect to avian influenza in Virginia, China requested the United States to provide virus strains as soon as possible, so that China could make accurate analysis on the pathological causes of avian influenza in Virginia and the impact of lifting the ban on China. The representative stated that according to the SPS Agreement, an exporting Member has the obligation to provide to the importing Member the evidence needed to complete the risk assessment. The representative expressed hope that the United States could cooperate with China in providing the virus strains as soon as possible. Regarding the lifting of the ban with respect to avian influenza in Arkansas, the representative reported that China and the United States had held two rounds of technical document exchanges. The Chinese Ministry of Agriculture had now received the supplementary documents provided by the United States and a risk assessment was in process. China would communicate the result to the United States once it was available.

11. With respect to pathogens in poultry products, the representative of China reported that in 2008 the Chinese Ministry of Health had organized, formulated and published, in connection with the Standardization Administration of the People's Republic of China, relevant standards on the inspection of microorganisms in foods, such as the *Inspection of Salmonella*, and *Microbiological Inspection in Food Hygiene*. The Ministry of Health undertook the formulation and promulgation of food safety standards as from 1 June 2009, in accordance with the new *Food Safety Law of the People's Republic of China*. This law required integrating the current standards in the areas of edible agricultural products, food hygiene and food quality, with the mandatory food standards in the current sectorial standards, and promulgating them as a unified national food safety standard. This task

involves many standards and a huge amount of work, therefore, the Ministry of Health would undertake the work with good planning and organization. At present, the Chinese Ministry of Health was working on a safety standard for dairy products in connection with relevant authorities. The revision of the standards on microbiological criteria in food, including fresh and frozen poultry, would be incorporated into the work plan for the next stage. Additionally, China pointed out that a seminar had been organized with the United States on best practices for controlling salmonella in poultry and poultry products. Experts from China and the United States would enhance communication and dialogue in the area of food safety assessment and relevant standards.

12. On the issue of residue standards for ractopamine, the representative of China stated that in October 2007 the Ministry of Agriculture had set up an expert group to conduct a risk assessment on ractopamine. During 2009, the expert group had carried out research work on residue elimination in various varieties and various modes of feeding. The results showed that with the recommended dose of usage, relatively high residue levels remained in edible tissues, especially in the viscera, therefore resulting in higher potential risks for Chinese consumers. The Ministry of Agriculture would continue to work on the risk assessment; however, due to the complexity of the task, no specific time line could be established. On the issue of when China could submit further data on risk assessment to the Codex Alimentarius Commission (CAC), the representative recalled that the 32nd session of the CAC did not adopt the maximum residue level on ractopamine in July 2009, but had decided to return the matter to JECFA for further assessment. China had almost finished analyzing the test data on residue elimination of ractopamine and the testing report would be submitted to JECFA soon.
