

EU statement at the Trade Policy Review – Annual Overview of Developments in the international trading environment, 17/02/14

Statement by Ambassador Angelos Pangratis

Thank you Chair,

I first join others to thank the DG and the secretariat for their annual report which is an extremely useful tool raising important questions which merit attention and further debate among members.

Overall, Chair, we widely support the thoughtful comments presented by the DG.

However, as an expression of a very special preoccupation, we decided to concentrate most of our comments today on one specific case that currently affects the 28 EU Member States. It is a striking example of protectionism recently applied by one member, Russia, against the whole of the EU. It is a serious issue which for the EU constitutes an alarming signal of much wider relevance for 2014 perspectives on protectionism trends. It is noticeable that it originates from the host of the last G20 summit. The measure at stake de facto bans all EU exports of live pigs and pork meat.

It is not the first time that the EU is faced with Russian barriers to trade that are not consistent with WTO fundamental principles. The EU has raised its concerns several times in the relevant Committees. The repeated restrictions witnessed by the EU in the short time since



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Russia has joined the WTO, would appear – even to the most casual of observers – to be part of a wider effort to protect Russian producers.

The report of the Secretariat strongly underlines the importance of reversing the trend of protectionist measures. Against this background, it is extremely disappointing to see that Russia does not reverse the trend. On the contrary, Russia has recently stopped accepting imports of all live pigs and pig meat from the entire EU on the basis of two cases of wild boars infected with African swine fever found in Lithuania. This extreme measure runs counter to all international norms which recognise the possibility for an infected area to be contained and for trade to continue unabated from non-infected areas (so-called regionalisation). Russia's measure therefore comes not only as a surprise – it also appears to be clearly inconsistent with the relevant WTO obligations and international norms.

Let me recall that African swine fever (ASF) first arrived in that part of the world in Georgia in 2007. From there it spread to Russia, Belarus and Ukraine. Russia has reported close to 400 outbreaks since then with 6 cases already this year. The OIE – the World Organisation of Animal Health – adds a further 500 cases of outbreaks in wild boar to that figure. Belarus and Ukraine have also recently reported a few cases.

Given the constant threat to the EU since then, the EU took strict preventive measures and established increased surveillance. It is thanks to these measures that Lithuania was able to identify the two wild boars on 24 January. Lithuania has immediately taken very strict measures to combat the possible spread of the disease in close cooperation with the European Commission. Lithuania's measures go far beyond EU law and the international standards set by the World Organisation on Animal Health (the OIE). Needless to say that the EU informed Russia and all trading partners concerned immediately. Russian experts have been invited to witness the situation on the spot, which they have done, together with OIE experts. As a result of the EU's stringent control measures, no new cases of ASF have been found.

In spite of all these precautions applied by Lithuania and the EU, Russia de facto bans the import of all live pigs and pig meat originating from the entire EU. This creates significant economic damage. These EU exports to Russia amount to 4 million euros a day, 1.4 bn euros a year, and Russia represents one quarter of all EU exports.

The report of the secretariat underlined the importance of transparency. In this specific case and considering the grave economic implications and the extent of the damage caused by Russian measure, the EU tried to get into contact with Russian SPS authorities immediately. But it is only now, after 3 full weeks, that the first high level meeting has taken place last Friday with no result.

The ban against the entire EU is clearly unfounded, disproportionate and not in line with Russian obligations under the WTO Agreement, in particular with Article 6 of the SPS Agreement dealing with regionalisation, and with Article 2 which outlaws discriminatory and excessive SPS measures. I do hope that, in the light of these facts, Russia will finally take prompt action in line with its WTO obligations.

The EU is committed to the multilateral trading system and the EU has resisted protectionism. These are not my words. This is the Chair's conclusion of the EU TPR last July. The EU is not to change direction and asks other Members to implement their commitments and reverse protectionism measures.

Chair, I raised specific concerns I felt it was prudent to share with all of you, because, although specific, they appear to me of wider interest regarding the perspectives for the year ahead.

Chair, as you suggested, I would like to request that the full EU Statement which also addresses several important points raised in the Secretariat report be inserted in the minutes of this meeting.