

JOINT COMMITTEE EU-CAN

Brussels, 21 January 2005

**Report to the Joint Committee on the outcome of the Subcommittee on Trade held on 20
January 2005**

The parties exchanged information about the recent development on trade flows and underlined the important increase of exports from most countries of the Andean Community to the EU market over the last decade. Nevertheless, they noted the need to continue enhancing the export diversification, productivity and competitiveness of the Andean countries. They reviewed in detail the state of bilateral trade relations and addressed various bilateral trade matters with a view to improving mutual understanding of the specific issues of concern to each of the parties.

The meeting continued with a comprehensive exchange of views on GSP. Both parties agreed on the importance of taking full advantage of export opportunities in all the economic sectors. Regarding the new GSP Regulation for the period 2006-2015, currently under discussion in the Council, the EC recalled the main principles, including the GSP+ and its advantages in terms of simplification and stability. The parties agreed to have a meeting as soon as possible in order to exchange views about the SGP +.

Both parties had an exchange on views on the current developments in the Doha round of WTO negotiations and expressed confidence that some progress could be achieved at the Hong Kong Ministerial meeting on all issues of interest for the Parties.

The AC identified the following market access problems in the EU related to Sanitary and Phytosanitary measures:

1. Regulation 178/2002 – General Food Law
2. Impact on third countries of the new hygiene legislation (Regulations 882/2004, 852/2004, 853/2004, 854/2004)
3. Approval of new crops as Novel Food (Regulation 258/97)
4. Import controls/ veterinary controls- Implementation of Directive 97/78
5. Lack of harmonisation of microbiological controls and fixation of harmonised allowed microbiological levels
6. Sardines: Regulation 1181/2003
7. Fishmeal
8. Listing of establishments – fishery products

The EC took note of the requests presented by the AC, gave some specific clarifications and agreed to continue working on these issues.

Furthermore, the Andean Community proposed to initiate as soon as possible regular contacts on sanitary and phytosanitary elements and suggested to hold a meeting of sanitary experts in Colombia in the course of 2005. The EC recognised the need for further discussion on those issues and agreed to examine how to respond positively to the request presented by the Andean side.

The EC identified the following market access problems related to Sanitary and Phytosanitary measures in the Andean Countries:

1. Import restrictions for EU exports of some products of animal origin on the basis of avian influenza, classical swine fever and BSE.

2. Other import restrictions due to administrative procedures for sanitary register of products.

Moreover the EU identified other market access obstacles :

- Obligatory pre-shipment inspections in Venezuela, Ecuador, Bolivia and Peru
- Variable customs duties for imports of agricultural and agroindustrial products in Colombia
- Customs over-duties (sobretasas arancelarias) in Peru
- Problems with customs valuation and lack of transparency as concerns customs procedures for de-customization in Ecuador
- System of import licensing and “certificado de no producción nacional” on dairy products in Venezuela
- Discriminatory consumption taxation on cars in Peru
- Discriminatory Common Automotive Policy offering VAT advantages to locally produced cars in Colombia, Ecuador and Venezuela
- Discriminatory practice of the Colombian authorities regarding the imports of portuguese fabrics
- Deficiencies in the IP regime and practice of certain Member States of the Andean Community (lack of effective protection for research data against unfair commercial use by local generic companies in Colombia and copyright piracy, in particular in Colombia and Peru)
- Exchange controls in Venezuela
- TBT case on toys in Venezuela

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On all issues considered, the parties agreed to give an operational follow-up to this discussion through a meeting between Commission trade experts in Brussels and the trade experts of the five Missions of the Andean Community. This meeting should be held by September 2005.
