

## PART I      INTRODUCTION

1. Canada's complaint arises out of measures taken by the European Communities ("EC") which bar the importation of Canadian beef produced with certain growth promoting hormones. These EC measures nullify or impair the benefits accruing to Canada pursuant to the *Agreement Establishing the World Trade Organization* ("WTO Agreement") respecting market access for beef.<sup>1</sup>

2. The EC prohibits the importation of livestock and meat from livestock that have been treated with certain substances having a hormonal action. This prohibition applies to several substances and species, but Canada's complaint is confined to the prohibition with respect to six hormones that are used for the purposes of growth promotion in cattle. The six growth promoting hormones in question are oestradiol 17 $\beta$ , progesterone, testosterone, trenbolone acetate ("trenbolone"), zeranol and melengestrol acetate ("MGA").<sup>2</sup>

3. The *Agreement on the Application of Sanitary and Phytosanitary Measures* ("SPS Agreement") allows WTO members, within prescribed limitations, to adopt measures to protect human, animal or plant life or health. The EC measures do not meet the prescribed limitations. The EC measures are not based on an appropriate risk assessment, and are more restrictive than required to meet their appropriate level of protection. Indeed these measures are far more restrictive than measures the EC has adopted to control the use of other substances used in animal husbandry that present a demonstrably greater risk to health than the six hormones at issue. The EC level of protection for growth promoting hormones is significantly higher than the EC level for antimicrobial growth promoters and other veterinary drugs, resulting in discrimination against Canadian beef imports and a disguised restriction on international trade.

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<sup>1</sup> *Uruguay Round Schedule LXXX - European Communities*, Part I Most Favoured-Nation Tariff, Section I - Agricultural Products, Section I A Tariffs and Section I B Tariff Quotas, as subsequently modified. Tariff items covered by the EC beef and veal regime are:

02011050; 02012015; 02012035; 02012055; 02012090; 02013000; 02021000; 02022010; 02022030; 02022050; 02022090; 02023010; 02023050; 02023090; 02061010; 02061091; 02061095; 02061099; 02062100; 02062210; 02062290; 02062910; 02062991; 02062999; 02102010; 02102090; 02109041; 02109049; 16025010; 16025090; 16029061; and 16029069.

<sup>2</sup> Oestradiol 17 $\beta$ , progesterone and testosterone are sex steroidal hormones produced by mammalian species, and hence will be referred to as the "natural hormones". Compounds that are chemically synthesized to mimic the effect of natural hormones are called xenobiotic hormones. Xenobiotic hormones include trenbolone and MGA. Zeranol is a non-steroidal xenobiotic compound that has a weak oestrogenic effect. For the purposes of this submission, these three compounds will be referred to as the "xenobiotic hormones". For a more complete discussion on hormones, see Part II, Section D below.