

WRITTEN QUESTION E-0213/04
by Sir Robert Atkins (PPE-DE)
to the Commission

Subject: The Pharmaceutical Tariff Elimination Agreement (Zero for Zero)

The Pharmaceutical Tariff Elimination Agreement was agreed by 22 countries¹ during the Uruguay Trade Round and entered into force on 1 January 1995. It has meant the elimination of tariffs on thousands of pharmaceutical entities and includes a commitment not to replace tariff barriers with non-tariff barriers and even extends to cover products imported from states not signatory to the Agreement. All finished pharmaceutical products² are automatically covered by the Agreement, however, active ingredients and intermediates (used in the manufacture of finished pharmaceuticals) do not automatically qualify for zero tariffs and must be formally added to the list of eligible products.

During Uruguay, signatories to this Agreement undertook to update the list of products covered by the Agreement at least once every three years in order to include new active ingredients and intermediates that have been developed since the Agreement was signed. The second update entered into force in July 1999³, meaning that the third update (Update III), should have been completed 18 months ago. Since the 1999 update, thousands of new products have been developed which are waiting to be recognised as eligible for zero tariffs.

In parallel, WTO negotiators could consider simplifying the methodology to ensure that future updates are no longer necessary and to encourage more WTO member states to join the Agreement. Such an initiative would fall under the new trade round and, while welcome, should not prevent or further delay the speedy conclusion of the already long overdue update committed to during the Uruguay Round.

Could you explain what stage the EC has reached with the third update to the Pharmaceutical Tariff Elimination Agreement, due to be completed 18 months ago under the timetable agreed during the Uruguay Round? Could you detail when the update process is due to be completed?

¹ Australia, Canada, Czech Republic, European Communities, Japan, Norway, Slovak Republic, Sweden, Switzerland, United States.

² The Agreement refers to items classified in Chapter 30 of the Harmonised Tariff System (which includes all finished pharmaceutical products).

³ With the exception of Japan where it entered into force in June 2000.