The second Subcommittee meeting on Agriculture and SPS was held in Podgorica, Montenegro on 8 and 9 April 2009.

On day one, the meeting was organised in two parallel sessions addressing agriculture trade policy and SPS respectively. The Sub-committee meeting concluded with a plenary session on day two.

## I Agriculture Trade Policy

The Parties reported on increases in agricultural trade and exchanged information on agricultural and trade policies, stressing that no export subsidies for agricultural products were applied.

The exchange of information on the utilisation of quotas demonstrated again that quotas had only partially been used. There was a common understanding that this was one of the reasons promoting the further liberalisation in agriculture currently being undertaken by majority of the Parties.

The Parties agreed to report to the Joint Committee (as per CEFTA Article 10.3) on the results of the bilateral negotiations in agriculture by 1 of May 2009. A draft Additional Protocol to the Agreement was discussed as a legal option to introduce the results of the liberalisation into the CEFTA Agreement. The principle to apply a negative list of agricultural products as an amendment of the Annex 3 of CEFTA Agreement was agreed.

The Parties discussed potential problems regarding the Law on Protection of Domestic Production under the CEFTA Agreement, adopted in the House of Representatives of the Parliamentary Assembly of Bosnia and Herzegovina on 18 February 2009. The representatives of all Parties and in particular Croatia and Serbia expressed their serious concern regarding possible consequences if the Law is adopted by the BiH House of People of the Parliamentary Assembly.

## II Sanitary and Phytosanitary Measures

The Parties exchanged information on current sanitary, phytosanitary and veterinary legislation in the context of the approximation to the relevant EU legislation. While all the Parties reported an active approach to approximation, the pace varies and the state of play remains uneven.

The Parties discussed with an EC-funded international expert on SPS the possibilities for concluding agreements on harmonization or mutual recognition in SPS. The final study with recommendations is expected to be completed and presented by the EC expert by the end of April.

The potential advantages of joining the system TRACES (a European database on trade) were presented and discussed. The Parties agreed that the system could prove to be a useful tool to monitor the trade, origin of goods and facilitate the cooperation among the CEFTA Parties. The CEFTA Secretariat will assist the Parties in exploring the possibilities for their inclusion into the system in cooperation with DG Sanco.