

# Dispute Settlement on Pig Products:

## Case study of European and Russian trade

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**Abstract**—This article attempts to discuss how WTO dispute settlement system address the case number DS475 - Measures on the Importation of Live Pigs, Pork and Other Pig Products from the European Union. Adopting the content analysis method, the authors stand for the European Union where it is thought that the policy of Russia applying the import ban on pork products of EU is such a blunder and might not bring benefit at all for both parties. The findings indicate that the embargo policy to Russia could generate a negative impact on the EU countries, especially for those who become key players in the industry.

**Keywords**—dispute settlement; banned import; live pigs; pig products

### I. INTRODUCTION

When a country seek to protect a sector of economy by non-tariff barrier, it may use cost-increasing measures, which include both as standards and technical regulations (STRs) and technical barriers to trade (TBTs), sanitary and phytosanitary (SPS) requirements, prior import deposits, customs procedures, and reference or minimum import prices. The case occurs at the WTO dispute settlement case number DS475 - Measures on the Importation of Live Pigs, Pork and Other Pig Products from the European Union is still currently on-going [1].

It is one area where there are clear cases in which increasing protection can improve welfare in instances such as consumer health and safety. However, it is also an area where barriers are put in place simply for their protective effect. A large set of measures including certification guidelines, performance mandates, testing procedures, and labeling requirements designed to contribute to consumer safety, environmental protection, national security, product interoperability, and other goals. Technical barriers to trade in the agricultural arena designed to protect plant, animal, and human health [2].

The increasing coordination through trade agreements a catalyst for the interconnectedness between economies has brought the indigenous firms need to be competitive, while the government attempt to ensure economic growth. However, some countries are engaging in tax competition, which may affect the sustainability of economic growth models. Many multinational enterprises have undue influence on developing economies in the negotiations between countries as

government attempts to protect the indigenous firms in specific sector [3]. The small businesses, which typically represent the indigenous firms still have to deal with technological turbulence, which may bring them into vulnerable [4].

Since succeeding the General Agreement on Tariffs and Trade (GATT) system in 1995, the WTO has established as an indispensable multilateral institution with authorized commercial countermeasures as sanctions. Dispute settlement unit was introduced substantial reform by providing defined, bidding rules and procedures [5]. The dispute began on January 2014 when there were at least four cases of wild boar infected by African Swine Fever happening in Lithuania and Poland, resulting to the import ban policy implemented by the Russian Federation on any kinds of imports from European Union related to livestock, fresh pork and pig products. Of course, this bilateral problem only made it worse for their already-strained trade relationship.

### II. RESEARCH METHOD

This study used content analysis to examine the phenomenon. Content analysis is the most popular research techniques, which does not view data as representations of physical events but of texts, images, and expressions that need to be interpreted for their meaning [6]. Traditionally, the process of message production has not concerned on the content analysis. However, the information technological turbulence has brought the interactive age with the creation of mediated messages. Hence, the content creation today depends on the choice made by a user while interacting with or within a medium [7].

This study draws on data collected from various sources. The first key sources including the World Trade Organization for dispute settlement. While details of the arbitration may remain private, this study attempts to explore a considerable process. Codes created inductively may drive the study progresses, which involves a process of condensation [8]. Categories are themes that are directly expressed in the text in which the research use to develop a coding scheme to guide the coders to make decision in the analysis of context [9].

### III. FINDINGS

#### A. *The Dispute Settlement*

On 24 January 2014, two cases of ASF (Africa Swine Fever) was found in wild-boar in the south-eastern part of Lithuania which was one of many exporters of live pigs, pork, and other pig products to Russia. Russia acted fast by ceased accepting certain of the products at issue from entire EU as of 27 January 2014. The notification to the WTO was made on 10 February 2014. Furthermore, prior to ASF cases found in Lithuania, Ukraine also reported similar cases on 8 January 2014 [10].

Shortly after two cases in Lithuania, other two cases were also found in Poland and the notification was made on 4 March 2014. Russia immediately banned import activity of both infected and non-infected products and similar products from all EU started from 30 January 2013. Immediately after, EU introduced several SPS measures, which designed to prevent any spread of ASF from infected areas. The measures were taken under to control the disease was collaboration with the World Organization for Animal Health (OIE) and the result of measures were reported continually to Russia [11].

In contrast, Russia accepted lifting certain import restriction from Belarus despite the fact that the same disease also found in two regions of Belarus since June 2013. Shortly after Belarus, Russia also allowed pork import from Ukraine despite the same cases was reported in the area. Furthermore, despite similar cases found inside the country itself, there was no restriction made. Although intensive effort by the EU to get the ban lifted, as of the writing of this paper, the ban is still on and effective [11].

Therefore, by Russia only banning all pork and similar products only from EU, Russia would seem to be applying double standards by treating EU products differently from other trading partners (Ukraine and Belarus) and from those produced domestically. The effect of the unfair banned had resulted in major financial loss for EU in which why EU had to take this case up to the WTO [11]. African Swine Fever is a highly infectious disease that found in pigs and usually highly lethal. The disease can spread very rapidly and can transmit the virus through both direct and indirect contact among pigs. Although highly lethal, this disease does not affect human nor any other animals' species other than pigs and wild boars (swine) [12].

The disease in EU was reported in Georgia on 5 June 2007 with the suspicion that the disease was brought into Europe and entered the pig population through pigs fed from the ship waste. Even though the disease began in Georgia, EU commission suspected the major spread to the EU was from Russian Federation via Belarus [2]. Since major ASF cases in Russia in 2007, the virus had been spreading across EU rapidly [9].

In 2013, the value of all EU pork and pig products exports to Russia reached a staggering amount of €1.4 billion which accounted for around 25% of the whole EU export value. This ban imposed by Russia, had a very significant negative effects toward the economy of EU especially decreasing the overall

price point for pig products because of oversupply in the EU market. Furthermore, two parties have been engaging in very strong trading partner relation for years, Russia is the EU's largest trading partner and EU is Russia's biggest export market [11].

Russia has been having quite a history in banning of pig products over years including pork and pig products from United States, Canada, Australia, Norway, and the 28 members of the European Union. Russia did not blindly ban all imports from those countries, if there was a slaughter plant that met the requirements set by Russia, then it would be given temporary approval to export. Russia suspended imports from U.S. due to its policy regarding the use of beta agonists in livestock productions but there were only two pork slaughter plants had regained the temporary approval to export to Russia.

The economic impact toward this suspension was very limited and relatively small. In contrast to U.S., Canada was the most impacted suppliers because Russia was Canada's third-largest pork export market and accounted for about 15% of Canada's total export value. Although Russia has been banning pork and pig products for all over the world with many reasons and one of the reasons is ASF, Russian domestic condition itself is not free of the disease, in fact, the disease had been around since 2007 but there has been no ban for domestically produced products.

Cutting itself from import of pork from many countries was not an easy decision for Russia, but through extensive programs applied by the government through subsidies for portion of interest of payments of loans for farmers, the country finally has a stability in pork commodities and started producing their own pork to meet their domestic needs. Although table above shows that the total imports from three countries are increasing, the total sums are decreasing every year.

Furthermore, the way Russia has been seeing this ban on pork as well as other food products from U.S., EU, and several other countries as a positive condition to force Russia to be self-sufficient in agriculture. The Russia president, Vladimir Putin said that Russia has the potential to be the world-leader in food as well as become self-sufficient in agriculture by 2020. Other global-wide effect includes decline in global prices of pork and pig products due to oversupply and decreasing demand [13].

The main producers of pork and pig products in EU are Germany, Spain, and France. They altogether already represent half of the EU's total slaughter. With total amount of pork and pig products export account for 25% of all EU export value, the suspension really impacted EU heavily. Other effects of the ban include (1) financial loss for farmers, the pig farmers in EU are already under financial pressure to meet environmental and welfare standards in growing the pigs, now after the pigs are ready to be slaughtered and imported, the demand is not high enough and causing financial loss. Although the EU had initiated €500 million financial aid, this could only work as a temporary solution and (2) increased customer's expectation, after a disease spread, customers usually become more critical toward buying the products and this could influence the

growing and production process to be better which require more investment for farmers [14].

For channeling its excess amount of pork supply, EU decided to export more to Asian countries such as Japan, South Korea, Philippines, and Taiwan. But exporting to these countries do not present without obstacles, EU have to fight a fierce competition with existing pork exporters countries. Only in South Korea where EU has little advantage for lower tariffs imposed compared to Canada.

Other countries including United States, Canada, Australia, and Norway are forced to channel their excess products to countries in Asia and South America. But still, the new flow of export products would not be directly absorbed without any effects, one of the effects is cheaper price. Cheaper price should not always conclude as negative effect, according to USDA, cheaper pork price may boost international meat trading in 2016. USDA sees cheaper pork price could cause a domino effect where people in would rather consume pork because it is cheaper than other meat type and force the price of other meat to be lower in order to compete with pork. There is actually two ways of seeing this phenomenon, but for USDA is seeing this as a positive, then it could actually become a positive effect in the future.

On 24 January 2014, two cases of ASF (Africa Swine Fever) were found in wild-boar in the south-eastern part of Lithuania. Russia immediately ceased accepting certain of the products at issue from entire EU as of 27 January 2014. The notification to the WTO was made on 10 February 2014. Shortly after Lithuania, Ukraine also reported similar cases on 8 January 2014. After Lithuania, other two cases were also found in Poland and the notification was made on 4 March 2014. Russia immediately banned import activity of both infected and non- infected products and similar products from all EU started from 30 January 2013.

EU reacted to Russia's measure with two communications to all WTO Members in 19 February 2014 on Lithuania and 11 March 2014 on Poland. The notification was followed by Russia on 14 March 2014. Immediately after, EU introduced measures to prevent any spread of ASF from those areas which in line with EU law and international standards made by World Organization for Animal Health (OIE) and the result of measures were reported continually to Russia.

Even only two countries in EU are affected; Russian authorities also apply universal restriction for all EU Members countries saying that the veterinary export certificates for the export of products at issue are no longer applicable even for non-affected areas. Even through extensive efforts of EU authorities to convince Russia by providing requested information as well as additional self-initiative information and series of bilateral meetings during February and March 2014 at which further information and explanations were provided, Russian authorities has refused to acknowledge the efforts EU has taken to separate the affected areas and lift the restriction for non-affected areas.

On the other hand, when ASF was notified in Ukraine specifically in hunting ground in Luhansk region, Russia only put restriction on 8 January 2014 from this region only. The

same condition also applied in two regions of Belarus where since 2013 the case of ASF has been reported but there was no restriction made at all. On 2 April 2014, Russian authorities announced that starting from 7 April 2014, temporary restriction will be introduced, and the ban will be extended to include processed pig products.

The measures of restriction applied by Russia to ban imports of pork and pig products from all EU Members despite ASF cases only occurred in several regions as well as being discriminative by comparison with Ukraine and Belarus appeared to be inconsistent with Russia's obligation under SPS Agreement.

Referring to Article 2.2, it appears that Russia cannot ensure the necessity of universal restriction toward non-affected EU areas and that the restriction was not based on scientific principles.

Referring to Article 3.1, 3.2, and 3.3, it appears that Russia's restriction was not based on relevant international standards and the measures taken by Russia are inconsistent.

Referring to Article 5.1, 5.2 and 5.7, it appears that the measures taken were not based on an assessment. Furthermore, Russia's measures did not take available scientific evidence and reports provided into account and that the measures are unnecessary and unjustified.

Referring to Article 6.1, 6.2, and 6.3, it appears that Russia has failed to take sanitary characteristic applied by EU into account.

Referring to Article 5.3, 5.4, and 5.6, it appears that Russia has failed to recognize all relevant economic factors as well as negative trade effects regarding its measures.

Referring to Article 2.3, and 5.5, it appears that Russia has put unjustified discriminative measures where non-affected EU areas are banned while affected neighbor countries are not banned.

Referring to Article 8, it appears that Russia has failed to modify the measures even through extensive approach by EU as well as information and explanations provided.

Referring to Article 7 paragraphs 1, 5, and 6, it appears that Russia has failed to ensure the sanitary measures are published promptly.

On 13 October 2014, the EU requested the Director-General to compose a panel which later composed on 23 October 2014. On 22 April 2015, the Chair of the panel informed that the final report was expected to be issued by February 2016, but in 7 January 2016, the Chair set back the date to early April 2016 because of the scale and complexity of the dispute. As the final report is not issued yet, there are no real outcomes or solutions from WTO regarding this dispute.

Russia as a major importing country does make world-wide effect from imposing the ban, the effect does not only in macroeconomic scale but also in microeconomic scale. But on the other hand, as years goes by, the restriction effect started to somehow show a positive sign after all. Russia has been

becoming more self-sustainable in agriculture and the global cheaper pork prices could eventually lead to increasing amount of international meat trading in 2016.

### *B. The Economic Context*

European Union countries, especially the suppliers of the pork products for Russia, have suffered the most lost because of the implementation of import ban policy. For instance, on average, the meat producing industry in EU countries has been suffering from losses with an estimated worth of €4million each day since Russia is the one of the most significant business partners of EU, especially in the export sector. This would get even worse as day passes, to the point the economy of those countries can no longer support those losses. Furthermore, this dispute is believed to be contagious, to the extent that China, South Korea, Taiwan and Japan also implemented similar ban policy to the EU pork products, resulting to even further loss for the EU countries. As a result, EU is being pressured to do something in order to solve this particular problem in order to sustain the whole regional economy, in which dispute settlement process is being prioritized as the plausible solution.

Related to the dispute settlement process, this report will highlight the pork industry and market limited to the scope of Russia and EU. According to the data collected by FAO, during the recent years, the rise of agriculture sectors combined with higher consumer demand, incomes and government support, have influenced the increasing production and consumption of meat in Russian Federation.

Although there is an improving self-sufficiency in the meat producing sector, Russia will still remain as one of the global meat importers, particularly for pork. The consumption of pork in Russia increased by 38% between the year 2005 and 2010 into 21kg per capita, and still is predicted to increase in the foreseeable future.

In order to compensate the growing consumption, the production of pork in Russia has also increased from 1.6 million tons to 2.3 million tons during the year 2005 to 2010, yet it is still needed for the country to import pork from overseas. Overall, the meat industry has a quite stable contribution to GDP amounting to 1.3% over the years. This was indicated by the production, processing and supply structure of the meat industry has shown a much clear trend towards vertical integration, where the inefficient firms went bankrupt, thus leaving the most competitive ones.

On the other hand, in European Union, pork is still known as the most favorite meat. However, during the last few years, the consumption per capita has been declining, as well as the supply part of the industry. The EU meat sector is expected to be supported by strong demand on the world market driven by favorable economic conditions. In Europe, prospects of improved economic growth should leave consumers with more disposable income allowing for a higher consumption of meat products. However, during the recent years, the consumption pattern in EU indicated that the consumer has a change of lifestyle to eat more of fish and less meat for their diets, leaving the consumption of pork at the amount of 31.8kg per capita.

During the year of 2006 to 2013, the pig herd in EU has been decreasing by the amount of 10% in the 7 years' period. This phenomenon was due several reasons: restructuring process in some producers, increased productivity, higher feeding costs, lower profitability in the pork meat sector, and also new welfare rules forcing out less competitive farms [11].

The dispute between Russia and EU regarding to the import ban on pork products started from January 2014, when there were at least four cases of wild boar infected by African Swine Fever happening in Lithuania and Poland. After receiving such news, Russia decided to react immediately by banning all kinds of imports related to livestock, fresh pork and pig products that came from 28 countries of European Union [12].

At first, it was seen as a local disaster in Lithuania and Poland. However, no one has expected that this case would grow into a major bilateral issue having the possibility to jeopardize the trade relation between EU and Russia. This issue is believed to have significant adverse impact on both countries in terms of their international trade agreements, since EU is Russia's largest trading partner, and on the other side, Russia is EU's third largest partner [13].

Since the ban was implemented, the meat producing industry in EU has been rolling on losses with an estimated amount of €4million each day. The losses have been felt particularly by the EU's eastern members, near the Russian border. An example is that Lithuanian pork producing industry was forecasted to lose approximately €4 million each month, and Latvian meat industry would eventually experience the same outcome. As stated previously, Russia used to be a significant export market for meat producing sector; in 2013 the EU supplied Russia with pork worth € 1.4 billion, accounting for 25 % of its total exports of pigs, fresh pork and certain pig product [13].

In comparison to the import ban on the EU's pork products, China, South Korea Taiwan and Japan have also implemented similar policy of banning pork products, but only limited from Polish origin. Therefore, the ban on EU countries pork products by Russia will have significant negative impact towards EU economy as a whole. Because of the policy adopted by Russia was considered as unfair, EU seeks the assistance from WTO in order to start the dispute settlement process. EU has challenged Russia's ban on the imported pork products by filling up formal complaint at the WTO Headquarter [11].

It was stated by EU officials that the ban is unjustified and unfair since there have only been four African Swine Fever across those countries, which are considered not evident enough to become the main reason to justify the banning policy. Karel De Gucht, as the EU Trade Commissioner stated that "Russia's blanket ban on European pork is clearly disproportionate and goes against WTO rules,". Moreover, EU Health Commissioner Tonio Borg added that, Brussels, the country directly neighboring Russia, has already implemented various WTO-compliant control measures aimed at containing the swine fever virus, which then created a doubt that the ASF came from Russia itself. It was stated that that there have been over 600 cases of ASF in Russian wild boar since 2007,

suggesting it could have caused the infection to spread to neighboring Belarus, and then to Lithuania and Poland.<sup>17</sup> It should also be noted that before bringing the conflict to WTO dispute settlement process, EU has tried renegotiating with Russia, asking to allow the exports pig products from the bloc, with exception of the infected areas. However, it was directly rejected by Russia and they demand EU to show the products fully free from disease before the ban can be lifted [14].

Sources familiar with the EU's request for consultations - the first step in WTO dispute settlement proceedings - say that the specific agreements cited are the Sanitary and Phytosanitary (SPS) Agreement, which deals with measures taken to protect food safety and animal and plant health, and the non-discrimination provisions of the General Agreement on Tariffs and Trade (GATT). Under WTO rules, parties to a dispute must hold consultations with the representative of WTO for a minimum of 60 days in an effort to resolve the disagreement. Should a solution not be found within this time, the EU may then request the establishment of a panel to hear the complaint.

Consultations were held with Russia, but they did not resolve the matter, hence the EU's request for the establishment of a panel. Regarding the notifications of banning pig products, EU felt that Russia's measures were disproportionate, trade-restrictive and discriminatory. It was also stated that EU submitted report stating that Russia's notifications were actually misleading, and it had imposed a ban that de facto applied to imports from the entire territory of the EU, without any exception.

Reacting to this action, Russia stated that the measures of safety is related and in accordance to the international standards and requirements. Their defense also stated that the

measures were not actually discriminatory, since they were not applied on the goods from the entire EU, with exception on Poland and Lithuania. Therefore, Russia stated that they regretted the EU's request for the establishment of a panel and believed that the matter should and could be resolved through consultations. Russia, therefore, was not in a position to agree to the establishment of a panel.

As a result, the EU's request for the establishment of a WTO panel was discussed for the first time at a special meeting of the WTO Dispute Settlement Body (DSB) on 10 July 2014. At that meeting Russia could object to the establishment of the panel, under the dispute settlement rules of the WTO. If the EU tables, the issue again at the following DSB meeting on 22 July 2014, Russia would not be able to object and, consequently, the panel would be established. Therefore, until the end of 2014, the dispute settlement process was still going through, and an agreement has yet to be reached for both parties.

Finally, after quite few months of effort to settle the dispute, on 19 January 2015, French minister of agriculture Stephane Le Foll confirmed that there was an agreement reached on the resumption of French exports of live pigs, offal and pig fat to Russia. This statement indirectly stated that Russia is slowly lifting up the ban policy it created on importing pig livestock's and related products. European

Livestock and Meat Trades Union (UECBV) also commented that the meeting between European Commission and Russian officials on early January 2015 showed positive and prospective agreements on the import on pork products, indicating a way to recover the confidence between two regions.

On the other hand, UK National Pig Association spokesman Digby Scott warned the EU representative not to be overly joyed with the outcome since there is still much work to do in order to convince Russia to truly reach the agreement on the lifting up the ban.

### *C. The Players*

It appears that the major key players are basically Russian Federation and European Union. Instead of country, it is more of two major economic blocs who are actually dependent on each other in terms of international trade. As mentioned shortly before, EU is Russia's largest trading partner, and on the other side, Russia is EU's third largest partner. However, it does not mean that their relationship, particularly in international trade is smooth.

Before this case was uprising, the relation between those two countries was actually strained since the start of the crisis in Ukraine. Some disputes happen with the involvement of Russia include the case where Brussels challenged Moscow over the Russia's vehicle recycling fees as well as the case related to anti-dumping duties that EU has placed on imports of ammonium nitrate and certain steel products. In fact, production has lack of capability to adjust due to factor immobility [11].

With the existence of this case, it also jeopardized their overall international trade relationship, not only for meat sector, but also other industries were impacted. When EU tried to bring the issues to WTO dispute settlement process, Russia reacted by escalating the economic battle through setting up crisis in Ukraine with the ban of all food imports from the US and on fruits and vegetables from European Union.

One of the leading key players in this conflict is therefore, the Russian Federation. Since the issue is not just limited to certain companies, but the trade policy of a country, then throughout the process, the Russian Federation is represented by the government, specifically from Ministry of Commerce.

As the EU's third largest partner, Russia imported lots of things from European Union, not only just limited to meat only, but other things including both food and non-food products. Import dominates their international trade activities with EU in comparison to the exports. More than half of the Russian foreign trade turnover and also two thirds of the cumulative FDI in Russian economy belongs to EU.

With the relation of the dispute case, over the years, Russia was seen as one WTO member that is very sensitive towards the health issues related with the food products being imported. As an example, that in 2013, Russia also suspended all imports of US pork in February 2013 due to the findings the usage of beta agonists in livestock production. Although the suspension was lifted on 2014, or just in one year, but Russia still put some policies regarding to the import under certain conditions, such

as to include strict documentation that the animals the pork derived from were never fed with beta agonists.

It is not surprising that Russia makes the current dispute issue between the country and EU become such major bilateral issue that needs WTO to solve it. Russian tried to prove their point that banning the import for pork products from some parts of EU is the right thing to do, just as like what they did to the US during the previous year. Only this time, it is much worse since the pork imported from the Poland and Lithuania was infected by disease. Even though it is not harmful for human bodies, but African Swine Fever is considered as the most lethal disease for pigs.

According to the Russian representative, they believe what they do is the right thing. It was the health concerns and quality standardization that were being emphasized by them. Another party involved in the dispute is European Union which in this case tried to bring the case to WTO dispute settlement regarding on the ban on their exports of pork products. Generally speaking, EU consists of 28 members who are assisting each other in terms of the economic development. European pork sector is actually dominated by Denmark, Germany and Netherlands. However, this report instead will focus on the Poland, Brussels and Lithuania, where the issues of African Swine Fever started.

During the dispute settlement process, European Union representatives include the member from the countries impacted, particularly French, Poland and Lithuania. They worked together in order to achieve the same goal which is to convince Russia to lift up the ban since the policy had adverse impact to their trade activity.

As mentioned earlier, EU representatives stated that Russia's measure to contain the spread of disease were disproportionate, more trade-restrictive and discriminatory, as well as misleading, in which the policy is applied for all imports from the entire EU, without any exception. In order to request for WTO consultations, through written submission, the EU representatives pointed out that Russia appear to be inconsistent with the WTO SPS Agreement and also the GATT. They pointed out that the Russia should not maintain the policy without sufficient scientific evidence, and also need an appropriate risk assessment first, so that they would not be more trade-restrictive than necessary to achieve the best degree of protection.

It is also stated that Russia was being discriminatory on its policy. It was stated that when there was outbreak of ASF in EU, Russia did not agree to the regionalization policy proposed in Lithuania and Poland (which is at least to contain it). However, when there were ASF outbreaks in Russian territory, they adopted it straight away. Therefore, based on some of those agreements, European Union representatives tried to uphold their case.

#### IV. DISCUSSION

As the part of discussion, the author as the proponent wanted to participate indirectly by providing information and opinion regarding to the dispute settlement case, as well as some recommendation to assist them in improving the situation

for those countries, in particular European Union. The authors stand for the European Union where it is thought that the policy of Russia applying the import ban on pork products of EU is such a blunder and might not bring benefit at all for both parties. It was described previously, and was clearly stated that in this case, European Union party was actually the one at a disadvantageous position. The embargo policy of their exports to Russia gave negative impact towards the EU countries, especially for those who are major key players in the pork products industry [4].

It is understandable that Russia does not want to compromise with the standard quality and health concerns on the products they imported, as well as the fact that some diseases might not be evaded. However, it does not mean that Russia can just cut the trade from EU directly, as depicted in this case. While not compromising with the quality, the financial tradeoff from this policy is also too severe for the EU countries to hold [5].

It was inferred that this policy was actually created by Russia since the agreement regarding safety measures of ASF in those EU countries have failed. There might be no other choice to make, but obviously banning any kinds of pork products from every territorial of EU was not a great idea either. It might still be considerable to only ban the products that came from troubled and infected areas, but not every country unexceptionally [11].

As a matter of fact, this decision made by Russia would not really bring benefits for either parties. It is obvious that EU countries have accumulated losses financially because of this judgement. On the other hand, in the long term, if there is no import of meat from EU, there would actually be shortages since the consumption of meat in Russia is getting higher each time. Thus, it is still questionable for Russia to still uphold the policy and also EU seeking help from WTO for mediation might be a good idea to address this issue.

From objective point of view, European Union has stronger case in the dispute settlement process. Firstly, of course it is because EU is the combination between 28 countries working together wanting to achieve same interests, in which there are some major players including in the global meat (pork) industry, such as Netherlands, Poland, Denmark, and Lithuania. They basically do have the leverage of getting the fair treatment [14].

Secondly, it is because the EU has strong foundation in terms of building their case. They refer specifically to Sanitary and Phytosanitary Measures as well as the GATT Agreement in order to support their terms. What was written inside those agreements indeed indicated that Russia was actually being disproportionate, more trade restrictive than required, and also discriminatory [5].

Even if there is an outbreak in one of EU company, then the best way is should only ban or quarantine products coming from that specific area, not the whole territory. Moreover, the banning policy adopted by Russia was actually considered as too hasty since it did not include appropriate risk assessment, and too trade-restrictive. What justifies Russia from calling the implementation of import ban policy is a right move is only

based on the potential harm that the disease can bring as well as other health concerns. However, there is still a flaw in this understanding, since there is no sufficient scientific base to justify restricting imports from non-affected areas in EU or all the products related [13].

Concerning with the case, while waiting and still pushing through the case to the WTO Dispute Settlement Process, European Union should begin analyzing the product-by-product as the impact of the Russian ban on EU Food imports. In this case, EU have given almost €400 million to the farmers as the compensation for not being able to export the products. However, it is still believed that EU farm sector will eventually find the new markets to export to Russia for compensating the losses they accumulated over the period of implementation. Furthermore, it can also be subsidized by making an increasing effort on other markets, especially in Asia, Middle East and North Africa [15].

## V. CONCLUSION

This article contributes to the international trade theory by examining the dispute settlement on technical barrier on trade. The results indicate that dispute settlement system allows the developing countries to transform the diplomatic resolution. The mechanism needs to be addressed for the future advancement.

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