

**WORLD TRADE
ORGANIZATION**

G/SPS/GEN/147
1 December 1999

(99-5180)

Committee on Sanitary and Phytosanitary Measures

Original: English

**TRANSPARENCY ISSUES AFTER 5 YEARS OF IMPLEMENTATION
OF THE SPS AGREEMENT**

Presentation made by the United States at the Special Meeting
of the SPS Committee on Transparency Provisions
held on 9 November 1999

Transparency Issues After Five Years of Implementation of the SPS Agreement

Donna Roberts

USDA/US Mission to the WTO

Research supported by the World Bank's *Agriculture and the
WTO 2000 Negotiations Project*

Outline of presentation

- **Why were SPS transparency provisions adopted? Why are these provisions important to DCs?**
- **Compliance with transparency obligations: two indicators**
- **Impacts of transparency in the past five years: examples of “compliance” and “policing” effects**
- **Why universal compliance is important**
- **Concluding remarks**

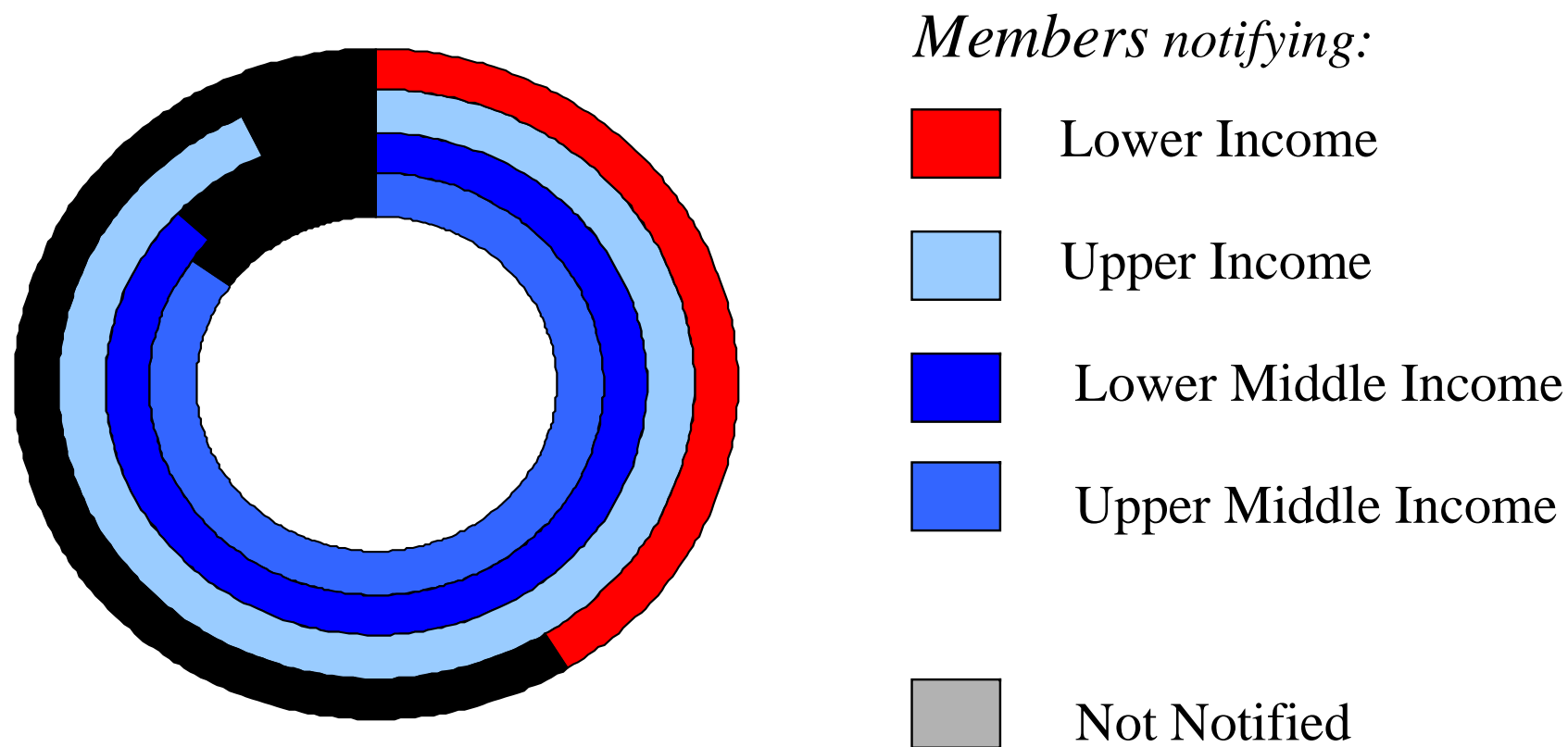
Why transparency provisions?

- **Dynamic nature of scientific discovery and technological innovations routinely spawn regulatory changes which create compliance uncertainty for exporters**
- **Transparency aids ‘decentralized policing’ of measures, possibly leading to subsequent challenge or proposed modifications**

SPS transparency is important to DC's because . . .

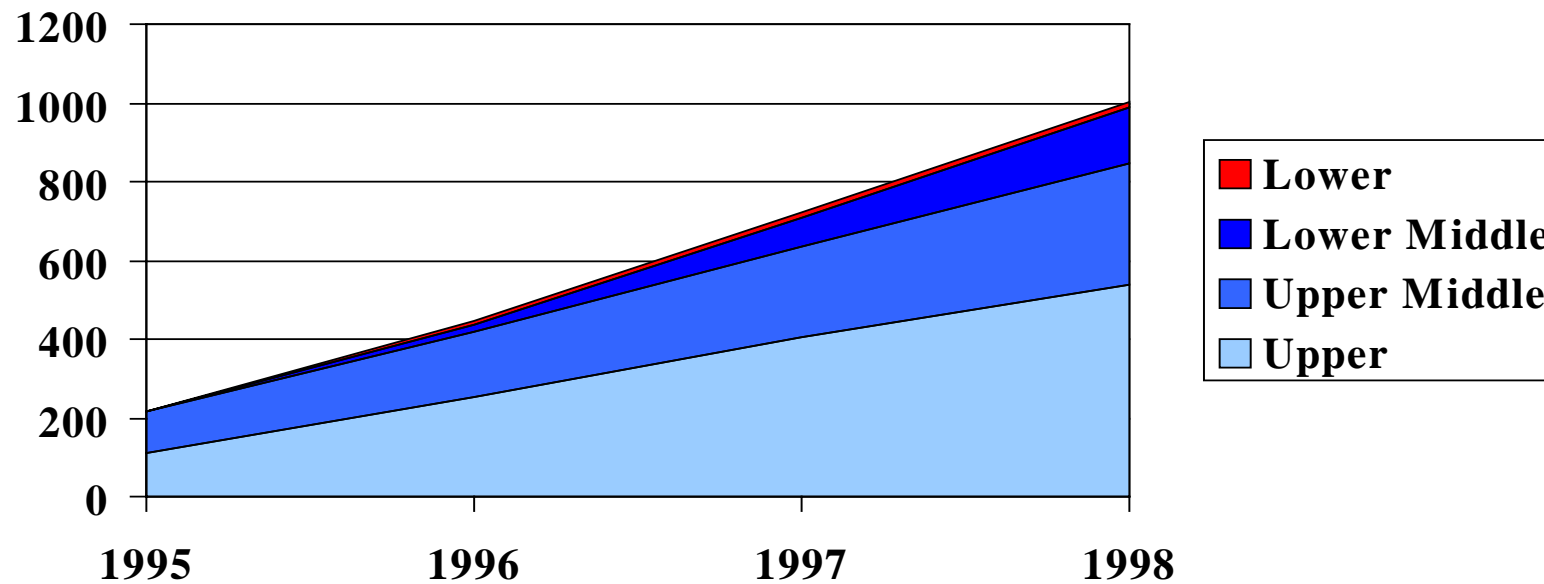
- **expansion of agricultural exports is key to growth in many DCs**
- **SPS measures affects market access for all agricultural products, *and always will***

Most WTO Members have notified enquiry points and NNAs



The number of notifications is increasing each year

Cumulative total of SPS notifications



First effect: facilitating exporters' compliance efforts

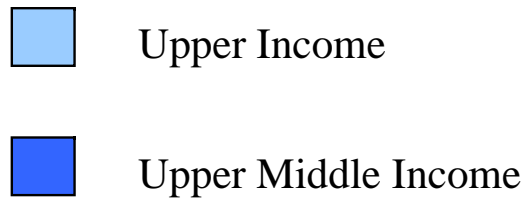
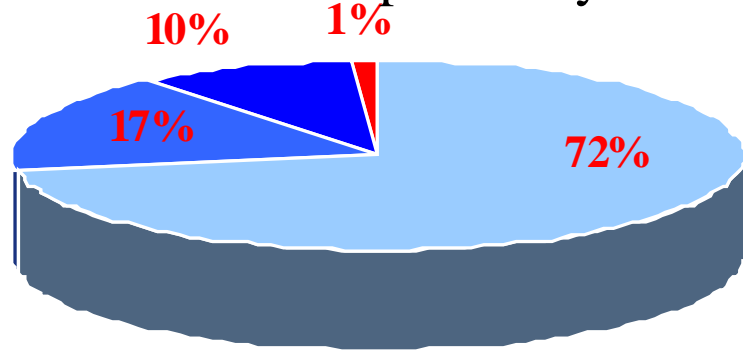
- **Example:**
 - **HACCP regulations**

Second effect: fostering 'decentralized policing'

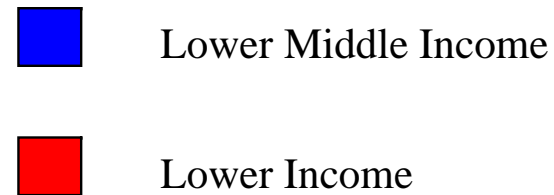
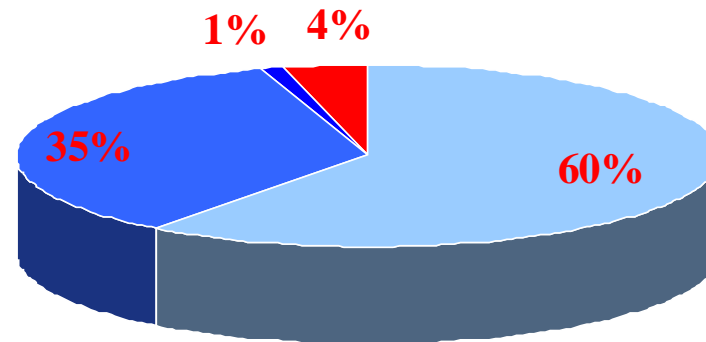
- **Examples of modifications**
 - **Modification of proposed ban on imports of fruit from countries with fire blight**
 - **Modification of proposed MRLs for aflatoxin in raw groundnuts**

Transparency underpins ‘cross notification’ in SPS Committee

Complaints by:

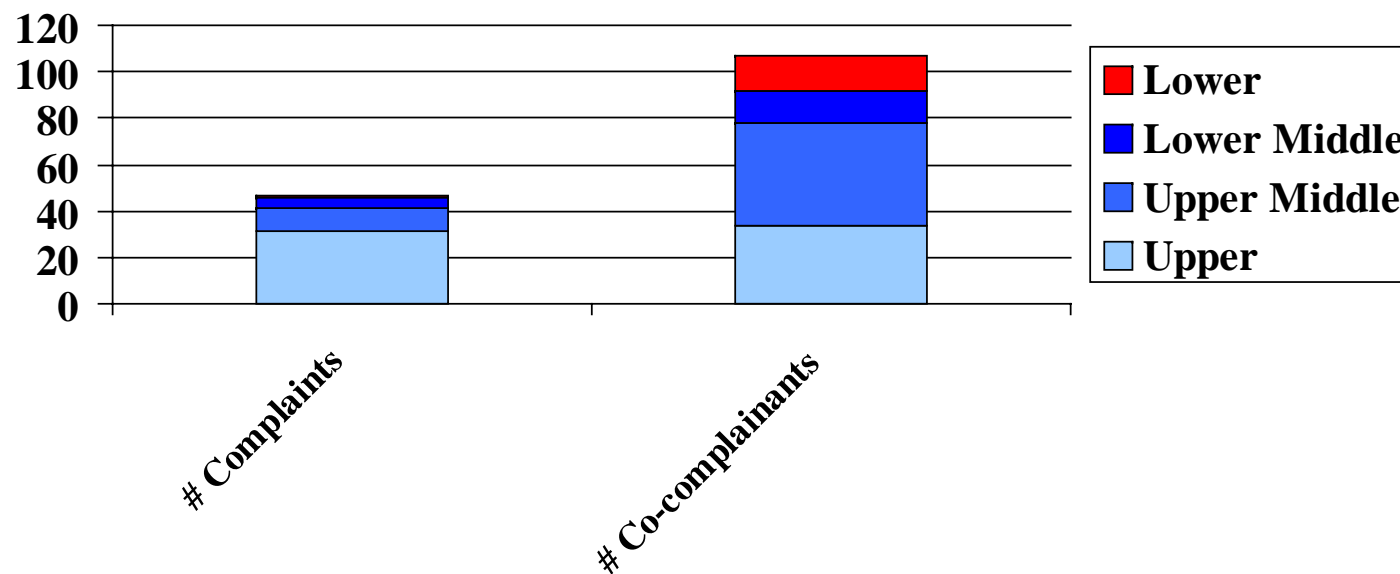


Complaints against:



Transparency improves DC's ability to exercise WTO rights

Complaints against upper income countries



Trade patterns show importance of universal compliance

Trade in agricultural, forestry and fishery products, 1997

	Developed Countries	Developing Countries
	<i>billions of \$US</i>	
Developed Exports To:	\$212	\$92
Developing Exports To:	\$159	\$128

Conclusions: benefits of transparency provisions for DCs

- **‘Compliance effect’ can minimize disruption & expedite technology transfer**
 - **‘Policing effect’ can *prevent* trade disputes for Members with few resources to pursue formal complaints**
 - **Beyond direct effects, transparency can also provide systemic information that aids regulatory reforms & improves targeting of technical assistance**
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