

PRIVATE STANDARDS

Statement by Uruguay at the Meeting of 2-3 April 2008

The following communication, received on 15 May 2008, is being circulated at the request of the delegation of Uruguay.

1. Uruguay firmly believes that the Committee on Sanitary and Phytosanitary Measures should tackle the problem of "private standards" and their impact on international trade as a top priority.
2. Uruguay is an agricultural country and a net exporter of agricultural products, and its economy is essentially based on the production and export of those products. Its economic growth and national development, and hence the welfare of its people, are largely fuelled by the increase in its agricultural exports.
3. Our export sectors have been successful in gaining access to the demanding import markets of many developed countries. This has been made possible over the years by the tireless and persistent joint efforts of the competent national authorities and the private actors concerned. But since the requirements of importers and the sanitary and phytosanitary situations in the different countries tend to evolve extremely rapidly, remaining in the markets is a full-time job for exporters. And so far, we are referring only to official sanitary and phytosanitary import requirements.
4. However, the situation has become even more complex with the appearance in recent years of so-called "private standards", which impose additional requirements. So that in practice, to enter an importing country where there are companies that impose private standards, many export products have to meet both official and private requirements. Otherwise, there simply is no trade.
5. Private standards usually consist of sanitary and phytosanitary requirements, and they always go beyond the official regulations of the importing country, sometimes introducing new or additional requirements. This means higher production, processing and marketing costs, and hence, inevitably, barriers to trade. Above all, there are the high private certification costs involved in having to comply with private standards.
6. But for us, private standards pose another problem that is every bit as important. Because these requirements are so stringent and costly, they threaten the access of our small farmers to potential markets. Eighty per cent of farmers in Uruguay are family farmers. The Government is making enormous efforts to assist in their training and development so that ultimately, they too can benefit from the international market. However, this will be very difficult to achieve if the introduction of private standards makes international market requirements unreasonable. Moreover, private standards act as a factor exogenous to the market, causing an imbalance which favours economies of scale and displacing family farming.

7. The Committee on Sanitary and Phytosanitary Measures should take whatever steps are necessary to avoid the application and proliferation of private standards which, as stated by the OIE in its document, could "undermine the hard won improvements in market access arrangements that followed the establishment of the SPS Agreement" at the end of the Uruguay Round.

8. Uruguay fully agrees with the Members that pointed out that private standards failed to comply with the required demonstration of scientific justification and with the sound principles of transparency, and that they circumvented the useful and necessary process of harmonization of standards, so that their consistency with the principles and disciplines of the SPS Agreement is questionable.

9. Uruguay is firmly in favour of a constructive discussion of this issue in the WTO, and feels that it should be approached from a broad and pragmatic standpoint in order to ensure that private standards do not constitute unjustified restrictions to international trade, undermining the harmonization work of the three sisters and the work of the SPS Committee.
