

PRESS RELEASE

PRESS/124
11 March 1999

WTO COMMITTEE COMPLETES REVIEW OF HEALTH-RELATED AGREEMENT Says almost four years of 'SPS' implementation has clarified trade issues

The WTO agreement on food safety and animal and plant health issues has helped to defuse potential disputes, to improve trading relations between countries, and to help countries be better informed about each others' food safety concerns, a WTO committee concluded today.

In a report on the agreement's implementation, the Sanitary and Phytosanitary (SPS) Measures Committee emphasized that the agreement is still a new framework for dealing with regulations and actions related to food safety and animal and plant health.

Although some of the WTO's 134 member governments remain concerned about some aspects of its implementation, the agreement's contribution to improved trading relations includes the resolution of several issues through discussions in the committee, the report says.

The report is the outcome of a review of the first three and half years of the WTO Agreement on Sanitary and Phytosanitary Measures. It was approved at today's meeting of the SPS Committee. Sanitary measures deal with animal health and food safety issues. Phytosanitary measures do the same for plants.

The SPS Agreement came into being on 1 January 1995 with the creation of the WTO. It was an innovation of the 1986-94 Uruguay Round of trade negotiations.

The agreement strikes a balance between consumer protection and avoiding the use of food safety and animal and plant health as disguised trade protectionism.

It says governments' measures should be based on science and should not discriminate among foreign sources of supply. It encourages the use of international standards.

A few SPS issues have become high-profile disputes in the WTO. But the report points out that formal disputes have been avoided in several other cases because of discussions under the agreement.

“Extensive discussions on particular implementation problems at its formal meetings had helped to draw attention to specific trade concerns and related issues and to avoid potential trade conflict,” it says.

The report does not go into details, but among recent subjects the committee has discussed are new EU limits for aflatoxin (a cancer-causing poison associated with a fungus) in a number of products, a US restriction on certain solid wood packaging materials designed to combat infestation of Asian longhorn beetles, and various countries’ measures in response to bovine spongiform encephalopathy (BSE, or “mad cow disease”).

In some cases, the measures have been modified after countries discussed them in the SPS Committee and through other channels.

Transparency

Among the most important achievements is the way governments are keeping each other better informed about the application of sanitary and phytosanitary measures, the report said.

The report’s assessment of improved transparency is based on work that is an unglamorous, nuts-and-bolts activity in many WTO committees — notification and review. In the SPS Committee, members have to inform each other about new measures related to food safety that they have introduced or are proposing to introduce.

This helps countries be informed about new regulations that could affect their exports. They have an opportunity to discuss the measures.

The report observed that WTO member governments were increasingly “and in a more comprehensive manner” fulfilling their obligations to notify fellow-members. This, it said, “had significantly improved transparency in the application of sanitary or phytosanitary measures”.

It also welcomed the progress governments had made in setting up specific points of contact which fellow-members can use to enquire about SPS measures, and in clarifying which of their authorities are responsible for submitting notifications to the WTO.

“As of 11 March 1999, over 1,100 notifications had been submitted by 59 members; 91 members had established National Notification Authorities; and 100 members had established National Enquiry Points to respond to requests for information,” the report said.

The increased transparency and other opportunities for discussing SPS measures has helped countries avoid trade conflict in this area, the committee said. It “welcomed the fact that a substantial number of SPS-related trade matters had been resolved following their discussion at formal meetings of the committee or bilaterally”.

However, the committee recognized there is room for improvement in transparency. It agreed on a new format for increasing the relevant information supplied in notifications, and it urged member governments to use the Internet to publish their regulations and improve transparency.

Developing countries, etc

Some of the concerns raised came, in particular, from developing countries. They said they lack the money and the people to deal with the complex and scientific SPS issues such as adopting international standards. They also have difficulties in participating in the development of these standards.

MORE

Although the SPS Agreement says developing countries are to be given more time to adjust so that they can continue to export, the committee said it had no information how this provision was being implemented.

The committee also looked at some highly technical but important issues such as equivalence (the possibility of accepting another country's different measures as equivalent to one's own) and risk assessment. It said that although considerable progress has been achieved, further work may be needed.

Snapshot of a review

The review was conducted under Article 12.7 of the SPS Agreement which says a review has to take place three years after the agreement came into force — 1 January 1995 — and after that when necessary. The report approved today is a snapshot of discussions in the committee during the review.

Article 12.7 says the committee can recommend changes to the agreement, but no such recommendation was made in this report.

FURTHER INFORMATION

From WTO Publications

- ◆ *Sanitary and Phytosanitary Measures*. WTO Agreements Series.
- ◆ *Trading into the Future*. An introduction to the WTO and its agreements.

On the WTO website: www.wto.org

- ◆ About the WTO: <http://www.wto.org/wto/about/about.htm>,
and the page explaining SPS <http://www.wto.org/wto/about/agmnts3.htm>
- ◆ Website section on SPS: <http://www.wto.org/wto/goods/sps.htm>

END