

**PRIVATE AND COMMERCIAL STANDARDS**

Statement by Ecuador at the Meeting of 27-28 June 2007

The following communication, received on 2 July 2007, is being circulated at the request of the delegation of Ecuador.

1. The delegation of Ecuador wishes to initiate a discussion rather than to question any of the proposals for so-called private or commercial standards. The aim of such a discussion would be to invite the Member countries, especially the developing countries like Ecuador, to examine the real value or risk involved in the proposal and application of such standards. The idea came to us in the wake of the information workshop on private and commercial standards held jointly with UNCTAD on 25 June, and once we had listened to the relevant report in this room. We were surprised at the information received from each of the representatives of those international organizations and other similar unofficial groups which provide services or which apply such commercial standards and which, in some cases, have formed separate associations.

2. The questions to be discussed are the following. Do we not already have adequate health and food safety standards provided by the three reference organizations that are associated with and recognized by the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, i.e. the Codex Alimentarius, the IPPC and the OIE? Is there perhaps no recognition of the fact that some of our countries still have serious problems of a technical and economic nature and difficulties arising from the lack of specialized staff in applying and monitoring such official standards? And yet there now appears a series of commercial standards which we must take into account in order to be able to sell our products.

3. There are further questions which need to be answered. What added value would the developing countries obtain from the existence and application of private or commercial standards if some of these private standards become prerequisites for the facilitation of trade? Furthermore, we have observed that private standards are not harmonized with the official standards laid down in the international agreements, but on the contrary, in some cases, exceed the official standards, for example in the case of tolerances. Will this not, therefore, be a way of imposing restrictions on trade?

4. On the other hand, in their statements some of the representatives of these organizations that are promoting private standards have said that the aim of applying such standards is to reduce poverty and facilitate the exports of the systems of small producers in the developing countries. We believe this to be a deliberate exaggeration.

5. We firmly believe on the basis of the evidence available to us that the application of such private and commercial standards damages the competitiveness of our small producers, which already

bear a heavy burden on account of the unfair competition they have to face from other production systems which not only have more investment capital and advanced technology, but are also, as we all know, subsidized systems. And now, on top of that, are we going to have to pass the tests of the private standards in order to be able to sell our goods? That is not the way to reduce poverty. We shall only mention one example that will help to back up our concern. Many systems of small producers in Ecuador have been organic systems by tradition and by default. Thus, on account of the lack of investment capital they have been systems that have never used agrochemicals. Traditionally they have been and are organic systems, but now they will have to pay costs of around US\$3,000 per year on average, so that a private certifier may certify that such traditionally organic produce is really organic. For a small producer such costs may exceed the profit for the whole year, which shows once again that this is not the way to reduce poverty.

6. In conclusion, my delegation calls on the representatives of the developed countries to show sensitivity in considering the following questions. Are we willing to accept that the official standards laid down in the WTO SPS Agreement are not sufficient to admit the exports of agricultural produce from our countries? Do we want to or will we have to revise the SPS Agreement so as to open the way for the proposed private standards? Is there any article in the Agreement which indicates that private standards have a role to play? The risk, for us, is that we would be opening the door to a system that does not suit us. In future, each country that is able to do so will propose and impose its own private standards and so the final question is: where does that leave the official international standards that have required so much effort to reach the point where we are now?

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