

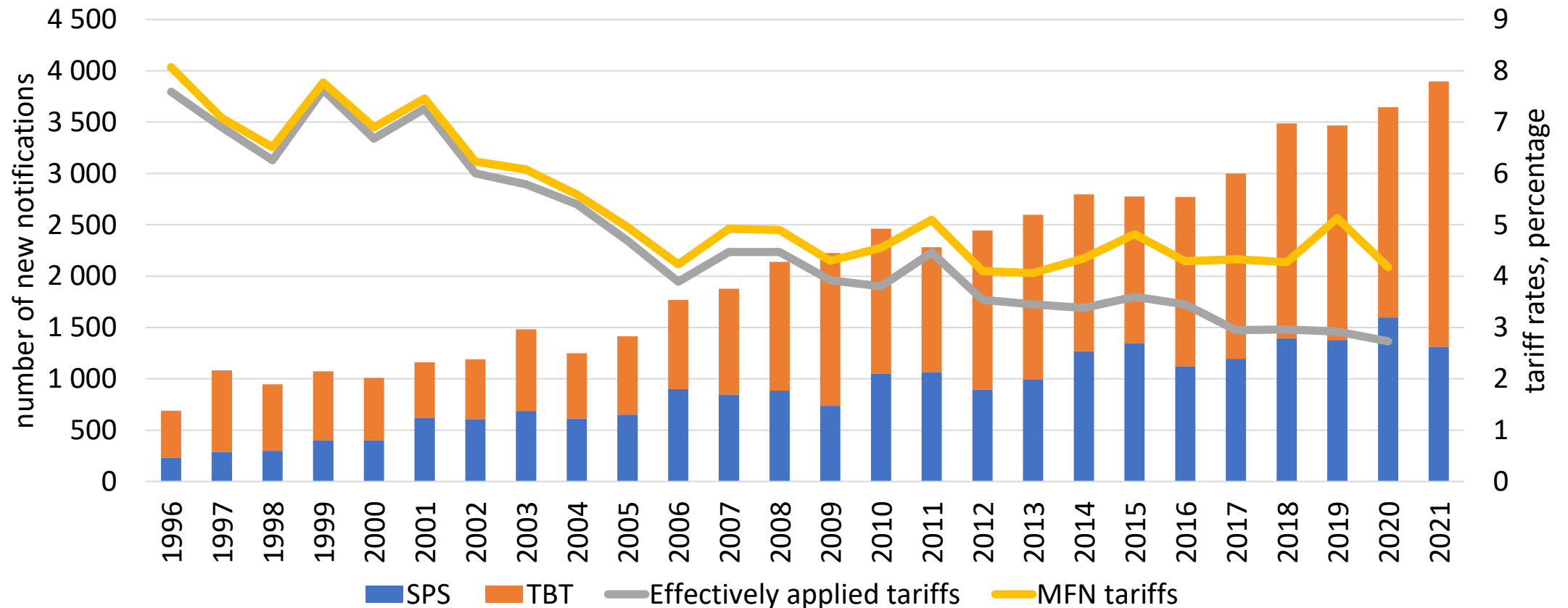


Session 3: Trade Facilitation, NTM, SPS

Alexey Kravchenko

Economic Affairs Officer, Trade Policy and Facilitation Section
of the Trade, Investment and Innovation Division, UNESCAP

Declining (ordinary) tariffs & increasing notifications of new NTMs

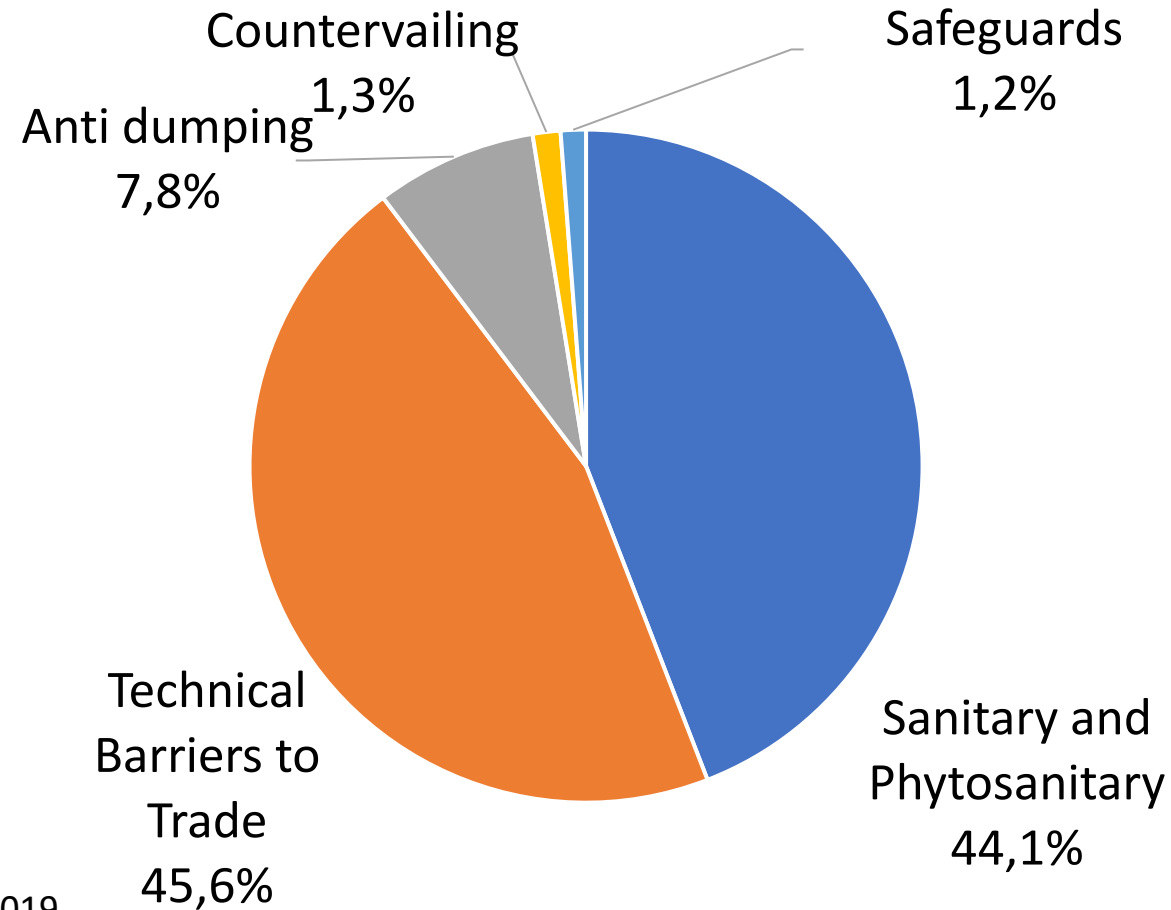


www.unescap.org/publications/APTIR2019

What are non-tariff measures (NTMs)?

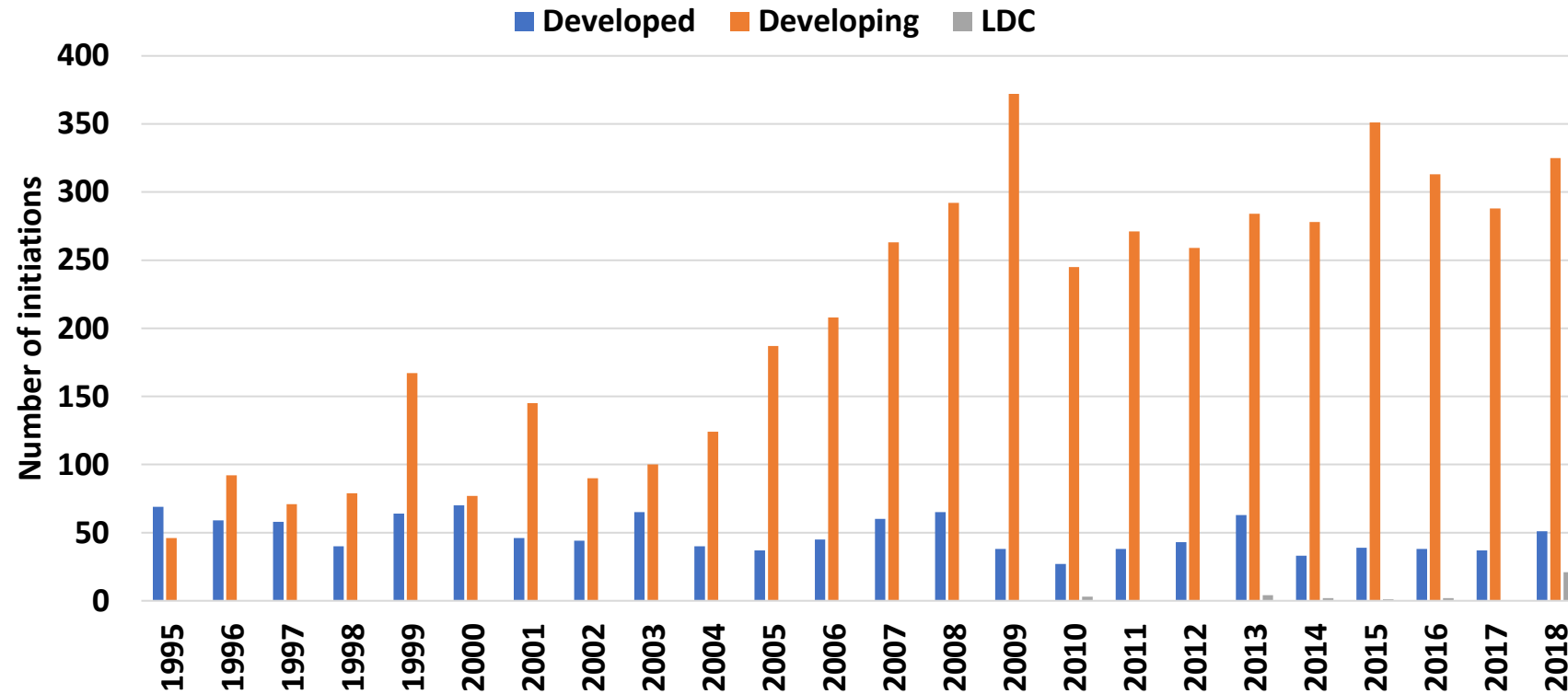
- NTMs are policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both. They include:
 - Sanitary and Phytosanitary Measures (SPS)
 - Technical Barriers to Trade (TBTs)
 - Import/export trade restrictions, quotas, licensing, subsidies, prohibitions, excise taxes, etc.

Notifications to WTO by Asia-Pacific economies, 2018



www.unescap.org/publications/APTIR2019

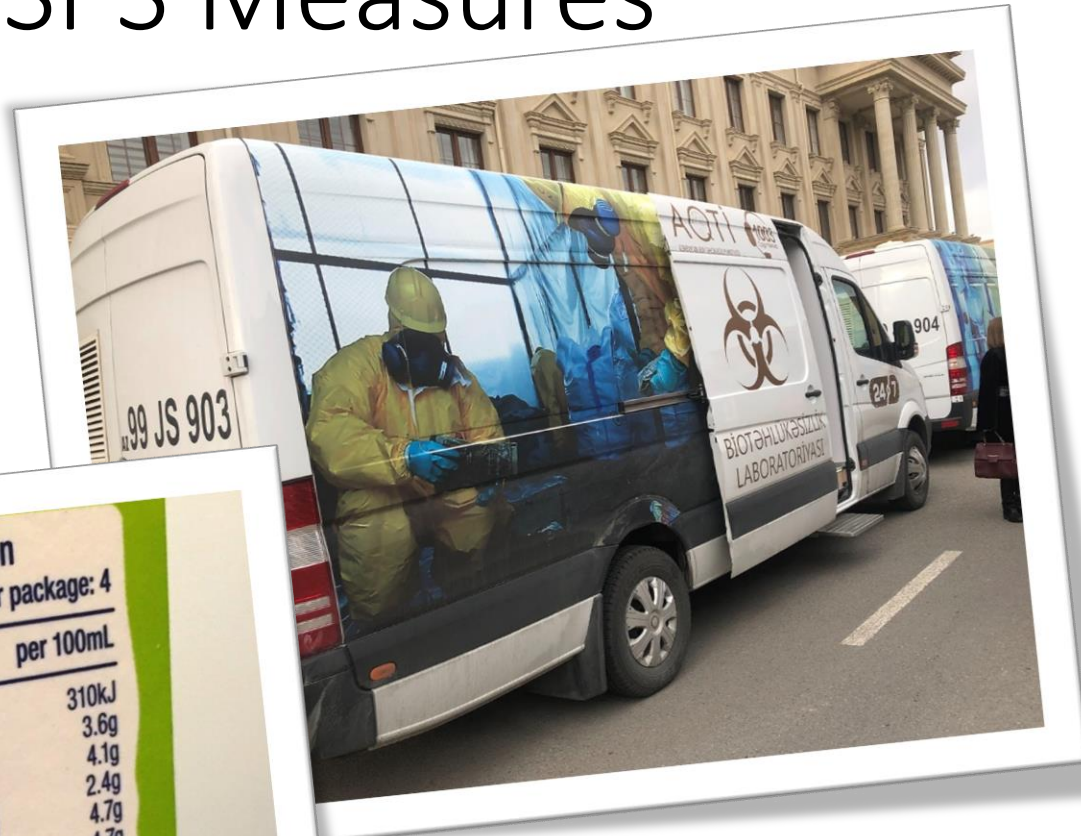
Notifications of SPS initiations to the WTO by Asia-Pacific economies



What are SPS Measures?

- **Definition:** Technical non-tariff measures to protect human, animal, or plant life or health from specified risks.
- **Importance:** Link to agricultural trade and health.
- **Categories:**
 - Protect human/animal life from food risks.
 - Protect human life from plant/animal diseases.
 - Protect animal/plant life from pests and diseases.
 - Prevent damage from pests.

Example: SPS Measures



Nutrition Information
Serving size: 250mL Servings per package: 4

Average qty	per serving	per 100mL
Energy	775kJ	310kJ
Protein	9.0g	3.6g
Fat -Total	10.3g	4.1g
- Saturated	6.0g	2.4g
Carbohydrate	11.8g	4.7g
- Sugars	11.8g	4.7g
Sodium	145mg	58mg
Calcium	308mg (38% RDI*)	123mg

* RDI – Recommended Dietary Intake.
Organic full cream milk

ກົມລ້ຽງສັດ ແລະ ການປະມົງ
ກະຊວງກະສິກໍາ ແລະ ປ່າໄມ້

ປະກາດ

ຫ້າມນໍາເຂົ້າຊີ້ນໝູ.!!

ASF
ພະຍາດ
ອະຫິວາໝູອາຟຣິກາ

ຫ້າມນໍາເອົາ ຊີ້ນໝູ, ໄສ້ກອກ, ເບຄອນ ຫຼື ຜະລິດຕະພັນອື່ນໆ ທີ່ມີສ່ວນປະກອບຂອງຊີ້ນໝູ ເຂົ້າມາໃນ ສປປ ລາວ ໂດຍບໍ່ໄດ້ຮັບອະນຸຍາດ ຈາກ ກົມລ້ຽງສັດ ແລະ ການປະມົງ. ຜູ້ໃດຫາກ ຝ່າຝົນຈະຖືກລົງໂທດຕາມກົດໝາຍ

ຫ້າມນໍາເຂົ້າ ຢ່າງເດັດຂາດ

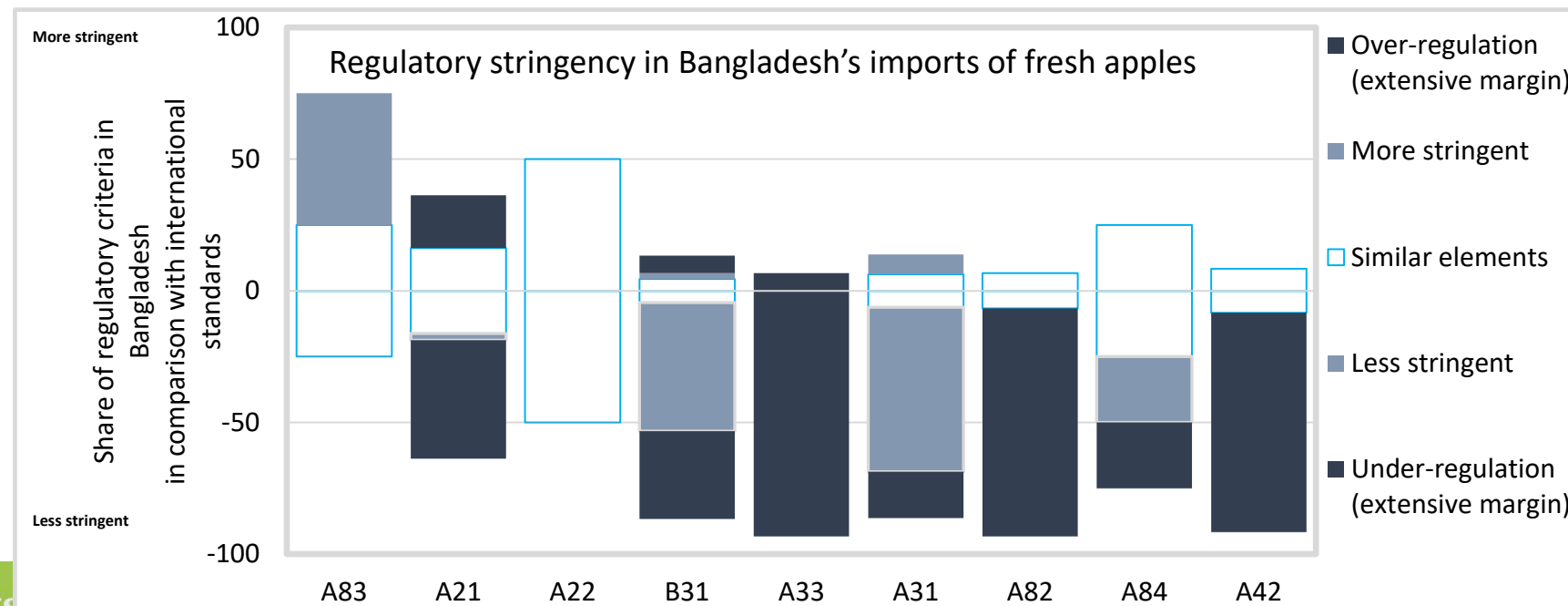
ຫາກມີຂໍສົງໄສສາມາດຕິດຕໍ່ໄດ້ທີ່:
ພະແນກສັດຕະວະແຜດ ກົມລ້ຽງສັດ ແລະ ການປະມົງ
ໂທ : 021 261 500

SPS Measures and International Standards

- **Conformance with Standards:** Measures aligned with international standards are presumed consistent with the WTO SPS Agreement.
- **Key Organizations:**
 - **Codex Alimentarius Commission:** Sets standards for food safety.
 - **World Organisation for Animal Health (OIE):** Focuses on animal health.
 - **International Plant Protection Convention (IPPC):** Protects plant health.
- **Examples:** Standards for food additives, pesticide residues, and veterinary drugs.

Sector case studies in Bangladesh, the Lao PDR and Viet Nam

- Looking at details of individual measures on certain products shows that in those cases NTMs are generally less stringent than those proscribed by the international standards.



SPS in Regional Trade Agreements (RTAs)

- **Common Provisions:**

- Scope, risk analysis, competent authorities, mutual recognition, equivalence, certification, transparency, emergency measures, cooperation, committees, and working groups.

Baseline Option: Article 2 of WTO SPS Agreement

1. Members have the right to take sanitary and phytosanitary measures necessary for the protection of human, animal or plant life or health, provided that such measures are not inconsistent with the provisions of this Agreement.
2. Members shall ensure that any sanitary or phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient scientific evidence, except as provided for in paragraph 7 of Article 5[...].

Trade-offs in SPS Measures

- **Policy Space vs. Obligations:** Balancing national policy flexibility with international obligations.
- **Risk Assessment vs. Capacity Differentiation:** Ensuring risk assessments are tailored to different countries' capacities.
- **Non-discrimination vs. Development-focused Measures:** Balancing fair trade with developmental needs.
- **Alignment and Equivalence:** Encouraging countries to recognize each other's SPS measures while maintaining high protection standards.

Key Sub-issues and Legal Provisions

- **Proportionality in SPS Measures:**
 - Conducting Risk Assessments
 - Proportional Response
- **Compatibility with RTA Partners:**
 - Harmonization
 - Equivalence
- **Transparency in SPS Measures**

Ensuring that SPS Measures are applied in a proportional manner

- **Conducting Risk Assessments:**
 - SPS measures should be based on scientific evidence and relevant factors (e.g., disease prevalence, ecological conditions).
 - Economic considerations include potential damage, control costs, and alternative approaches.
- **Proportional Response:**
 - Measures should be proportional to the risk, achieving protection without being overly trade-restrictive.

Ensuring that SPS Measures are applied compatibly with other RTA partners

- **Harmonization** for SPS measures would mean the recognition and establishment of common SPS measures by different countries. This could be SPS measures based on international standards developed by organization.
- **Equivalence** is the acceptance by the government of different SPS measures imposed by other party to provide the same level of protection for food, animals, and plants against any specific risk or threat. This will allow parties to retain their different domestic measures while limiting trade restrictiveness.

Ensuring that SPS Measures are applied in a transparency manner

- Transparency is key in imposing SPS measures under WTO Agreements as well as RTAs. This ensures that the measures are communicated to all the interested parties so that they can comply with these measures in a time manner.

Conclusion

- **Summary:** SPS measures are essential for protecting health and facilitating safe trade. They must balance scientific rigor with trade facilitation.
- **Future Considerations:** Ongoing efforts to harmonize, recognize equivalence, and ensure transparency are key to effective SPS measures in trade agreements.

For more information on SPS in RTAs:

<https://legal.tina.trade>

-> **Trade in Goods“**

-> **“Sanitary and Phytosanitary Measures”**