



Non-Tariff Measures

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What are Non-Tariff Measures (NTM)?

- Other than duties:
 - Standards and procedures
 - SPS
 - TBT
 - Customs procedures
 - Security measures (9/11)
 - Etc.

Non-tariff measures more and more important as tariff barriers fall



Standards in the EFTA States

Technical Barriers to Trade (TBT)

Sanitary and Phytosanitary Standards (SPS)

- Standards in EFTA based on WTO and EU regulations
- Adherence is mandatory to enter EFTA/European markets



Specific WTO-GATT Agreements

Two specific WTO Agreements dealing with:
food safety, animal and plant health and safety, and
with products standards in general:

- SPS (sanitary and phytosanitary) agreement
- TBT (technical barriers to trade) agreement



What is WTO?

- The World Trade Organization (WTO) sets out the rules of international trade and sort out the trade problems
- The WTO agreements provide the legal ground-rules for international commerce:
 - to help producers of goods, exporters and importers conduct their business, while allowing governments to meet social and environmental objectives.



Principles of the WTO

- **Trade without discrimination**
 1. **Most-favoured-nation (MFN):** treating products originating in all countries equally
 2. **National treatment:** Treating foreigners and locals equally
- **Gradual liberalisation of trade through periodical negotiation**
- **Predictability:** through binding and **transparency**
- Promoting fair competition
- Encouraging development and economic reform



Why the WTO TBT Agreement?

- Technical regulations and standards are necessary
- But technical regulations and standards vary a lot
- Different regulations or standards makes life difficult for producers and exporters
- Standards as obstacles to trade

How can we ensure that standards are really useful, and not arbitrary or an excuse for protectionism?



EFTA Agreements with the EU

EEA

- Requires Norway's and Iceland's application of EU's legislation.
<http://secretariat.efta.int/Web/EuropeanEconomicArea/EEAAgreement/annexes/annex2a.pdf>

Bilateral agreements

- Switzerland has bilateral EU agreements (also applied by Liechtenstein).
- **These standards must be followed by all importers to the EFTA/EU markets**



TBT

Technical barriers to trade



Principles of the WTO TBT Agreement

- Regulations and certification procedures shall not create unnecessary obstacles
- Adoption of appropriate standards for interests of overriding importance
- Applying of international standards
- No discrimination: between countries or between domestic and external products
- Recognition of conformity assessments procedures
- Notification of all new or changed regulations



Technical regulations and standards

Technical regulations and standards are dealing with :

- product characteristics
- process or production method
- terminology
- packaging
- marking or labelling requirements

Technical regulations must be mandatory!

Sometimes stricter market standards apply!



TBT Agreement

- Legitimate objectives listed
- Non-listed objectives can be challenged
- Aims to ensure that regulations, standards and testing and certification procedures do not create unnecessary obstacles to international trade
- Notification procedure



Technical regulation

- Three elements that a document must meet in order to fall within the definition of “technical regulation” in the WTO Agreement:
 - Apply to an identifiable product or group of products
 - Lay down one or more characteristics of the product
 - Compliance with the product characteristics must be mandatory
- Technical regulations must be mandatory



EFTA-SACU FTA ARTICLE 13

Technical Regulations, Standards and Conformity Assessment

- WTO Agreement on Technical Barriers to Trade
- Co-operation
- Consultations



Product labelling and packaging

- <http://europa.eu/scadplus/leg/en/s16600.htm>



Technical requirements

- Labelling
- Quality requirements
Labelling
- Packaging requirements
- Electrical appliances
- Testing vehicles and accessories
- Safety requirements



CAP → MRA

(conformity assessment procedures ->
mutual recognition agreements)

Bilateral recognition of a CAP → Mutual recognition agreement (MRA)

- EU – EEA MRA (Prot. 12 of the EEA agreement)
- EU – CH MRA (June 2002)



Norway, Iceland and the EU

- Most of Norwegian and Icelandic technical regulations and standards are the same as the EU
- There are only a few remaining substances where Norway has stricter provisions than the EU
- As Mutual Recognition Agreements (MRAs) extend the EU Internal Market the EEA/EFTA States may not conclude MRAs with countries outside the EU which do not already have an agreement with the EU
- <http://www.standard.no/>
- <http://www.stadlar.is>



Switzerland

- Mutual Recognition Agreement between EU and Switzerland
- Federal Law on Technical Barriers to Trade
- Its article 4 states that technical legislation has to be drafted in such a way that it does not create trade barriers
- However, exceptions...

<http://europa.eu.int/comm/enterprise/international/indexb1.htm>

- Liechtenstein for the most part applies Swiss technical regulations and standards deriving from its customs union with Switzerland.



Specific regulations between Switzerland and the EU

- Machinery
- Personal Protective Equipment
- Toys
- Medical Devices
- Gas appliances and boilers (Hot water boilers)
- Pressure vessels
- Building products
- Electrical equipment
- Measuring instruments and pre-packages
- Motor Vehicles
- Agricultural and forestry tractors
- Good Laboratory Practice - GLP
- Medicinal products, Good Manufacturing Practice (GMP), inspection batch and certification



TBT Conclusions

- Find importers in the relevant country – they know the regulations and market requirements
- The EU/EFTA-Market has a high level of standards and is based on international criteria
- Quality and safety are the Key aspects of the adopted requirements
- Knowledge and science
- Influence and development through international cooperation
- A consumer's perspective



International Standardisation organisations

- www.iso.org
- www.IEC.ch
- www.itu.int

Corresponding European Standardisation organisations

- www.cenorm.be
- www.cenelec.org
- www.etsi.org



SPS



WTO SPS Agreement

- How do you ensure that consumers are supplied with safe food?
- And how can you ensure that safety regulations will not be used as an excuse for protecting domestic producers?

→ SPS (Sanitary and Phytosanitary) Agreement sets out the basic rules



Principles of the WTO SPS Agreement

- Countries are allowed to set their own standards but regulation must be based on **scientific justification**
- Regulations should be applied only to protect human, animal or plant life or health.
- **No discrimination** between countries and between domestic and external products
- Countries are encouraged to use international standards
- **Transparency:**
 - Notification of new or changed SPS-regulations
 - Enquiry point must provide Information
 - Legal framework



EFTA-SACU FTA

ARTICLE 14

Sanitary and Phytosanitary Measures

- WTO SPS Agreement
- Co-operation
- Expert consultations and contact points
- Domestic Legislation
- Support of the standards set by the international bodies



International regulations

International regulations as bases for national regulations

Standard setting bodies:

- CODEX (foodstuffs)
- OIE (animals)
- IPPC (plants)



What are SPS Measures?

- Certification requirements: food safety, animal or plant health
- Processing methods with implications for food safety
- Plant and animal quarantine
- Preventing disease or pests spreading
- Other sanitary requirements for imports



EU – Food Safety

- "Food scandals" (=feeding stuffs!) in Europe
- New orientation – safety and consumer protection first
- Rapid alert system
- Regulators left with no choice – high level of protection must be applied
- Food law (umbrella legislation) and Hygiene package
- Food chain approach – from "farm to fork"
- Producers are responsible for food safety
- Scepticism towards "artificial" techniques, such as growth promoters, radiation, antibiotics, GMO etc.
- New Animal Health Strategy and Animal Welfare Action Plan – important also to third countries



EU/EEA

- The general principle is that authorised third countries and third country establishments must comply with the EU rules
 - Information on legislation:
 - <http://europa.eu/scadplus/leg/en/s85000.htm>
 - http://europa.eu/pol/food/index_en.htm



SPS in EFTA

- EEA agreement, 1994
- WTO/SPS agreement, 1995
- Switzerland-EU bilateral agriculture Agreement, 2002

- From official controls towards private responsibility
 - Notification Point
 - Enquiry Point



An export oriented industry

- Cooperate with public sector in own country
- Cooperate with scientific institutions (provide information etc.)
- Comply with official requirements in the importing country
- Comply with the market requirements
 - health/hygiene
 - quality/consumer taste
 - private standards
- Advisable:
int. standards (CODEX, OIE, IPPC) = "quality stamp"



SPS – Conclusions

- A consumer's perspective
- Knowledge and Science
- Influence and development through international cooperation
- Export to EFTA?
 - Base Production on international standards
 - Follow EU regulations!
 - Find an Importer in the relevant country
 - Aim for products that are missing on the market



Safe food for Europe's consumers

- From farm to fork:
http://ec.europa.eu/publications/booklets/move/46/index_en.htm
- White Paper on food safety:
europa.eu.int/comm/dgs/health_consumer/library/pub/pub06_en.pdf
- Consumer Voice (magazine on EU consumer policy):
europa.eu.int/comm/dgs/health_consumer/library/pub/index_en.html
- The European Commission's food safety website:
europa.eu.int/comm/food/index_en.html
- The European Commission's agriculture and food website:
europa.eu.int/comm/agriculture/foodqual/index_en.htm
- The European Food Safety Authority website:
<efsa.eu.int/>
- The rapid alert system for food and feed website:
europa.eu.int/comm/food/food/rapidalert/index_en.htm



Questions ?

- Questions related to
SPS EFTA - SACU
FTA

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