

Conference - Global Britain: Exploring Agricultural Export Opportunities

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Outline of intervention

- Trading under the WTO: Basic Rules and Principles
(Goods, Services, Trade-related aspects of intellectual property rights)
- UK agricultural exports and market access, some figures
- How to deal with trade related concerns in the WTO? SPS example

WTO: Trade Rules and Disciplines

1A

Multilateral trade
agreement on trade
in goods

Goods

GATT 1994 (General Agreement on Tariffs and Trade)

Understandings

Marrakech Protocol

Agreements on:

Agriculture

Antidumping

Sanitary and phytosanitary
measures

Customs valuation

Preshipment inspection

Textiles and clothing

Rules of origin

Technical barriers to trade

Import licensing

Trade-related investment
measures (TRIMS)

Subsidies and countervailing
measures

Safeguards



Basic Principles: Obligations

- **Trade without discrimination**
 - Most favoured Nation Principle (MFN)
 - National Treatment Principle
- **Predictability**
 - Respect of **Bindings** (Goods and Services)
 - **Transparency** (Notifications, Trade Policy Review)
- **Freer trade** (elimination of trade barriers through negotiations)
 - Tariff reductions
 - **Prohibition** of quantitative restrictions (quotas \neq Tariff Rate Quota)

Basic Principles: Exceptions

☐ Exceptions

- General exception
- Security exception

☐ Safeguards

- Safeguards, Balance of Payment, Infant Industry, Sector Specific Safeguards

☐ Regional integration

☐ S&D treatment

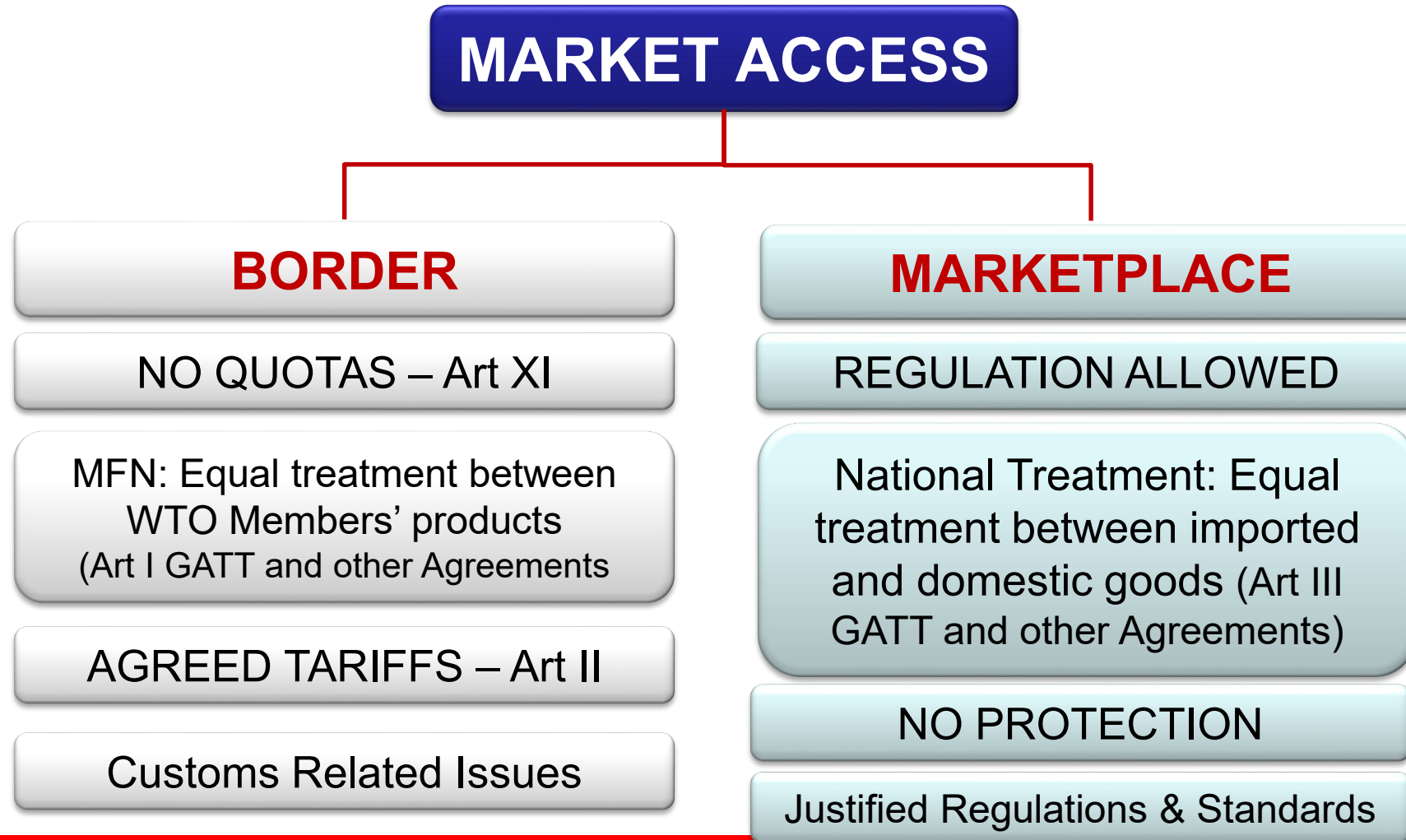
- Preferences
- Other S&D provisions

☐ Fair Trade

- Antidumping Measures
- Subsidies and Countervailing Duties

☐ Derogations (Waivers)

Obligations related to Market Access



UK agricultural and food exports, figures and examples

Total UK agricultural and food exports: 57 Billions US\$

To the EU 17 Billions US\$

To the RoW 40 Billions US\$

UK 10 first agricultural and food exports (Million US\$)

Code	Product label	Exported value in 2017
'2208	Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous ...	7283
'2106	Food preparations, n.e.s.	1613
'2309	Preparations of a kind used in animal feeding	1528
'1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion ...	1176
'1806	Chocolate and other food preparations containing cocoa	895
'0406	Cheese and curd	793
'2204	Wine of fresh grapes, incl. fortified wines; grape must, partly fermented and of an actual ...	723
'2203	Beer made from malt	677
'2202	Waters, incl. mineral waters and aerated waters, containing added sugar or other sweetening ...	555
'1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products, e.g. corn ...	553

UK main exports – Meat, dairy, grains, fruits and vegetables (HS02, 04, 07, 08, 09, 10 & 11) (Million US\$)



Code	Product label	Exported value in 2017
'0406	Cheese and curd	793
'0204	Meat of sheep or goats, fresh, chilled or frozen	497
'0201	Meat of bovine animals, fresh or chilled	441
'0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	416
'0203	Meat of swine, fresh, chilled or frozen	378
'0207	Meat and edible offal of fowls of the species Gallus domesticus, ducks, geese, turkeys and ...	362
'0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ...	317
'0402	Milk and cream, concentrated or containing added sugar or other sweetening matter	317
'0405	Butter, incl. dehydrated butter and ghee, and other fats and oils derived from milk; dairy ...	288
'1003	Barley	204

UK exports destinations Undenatured ethyl alcohol of an alcoholic strength of < 80%... (HS 2208) - Million US\$



Partner Description	2017	%
World	7283.1	100%
EU 28	2492.1	34%
USA	1771.4	24%
Singapore	390.9	5%
Chinese Taipei	211.5	2.9%
United Arab Emirates	189.1	2.6%

Main world importers		
World	31,285	100%
USA	7,987	26%
Germany	1,771	6%
Singapore	1,521	5%
France	1,337	4%
Viet Nam	1,253	4%

UK exports destinations

Cheese and curd (HS 0406) - Million US\$

Partner Description	2017	%
World	792.9	100%
EU 28	598.1	75%
USA	61.6	8%
United Arab Emirates	19.9	3%
Canada	11.3	1%
Lebanon	10.9	1%

i Main world importers		
World	30,287	100%
Germany	4,235	14%
United Kingdom	2,017	7%
Italy	1,963	6%
France	1,730	6%
Netherlands	1,433	5%

UK exports destinations - Meat of sheep or goats, fresh, chilled or frozen (HS 0204) - Million US\$

Partner Description	2017	%
World	497.2	100%
EU 28	479.1	96%
China, Hong Kong SAR	10.0	2%
Switzerland	5.0	1%
Viet Nam	0.6	0.1%
Ghana	0.6	0.1%

Main world importers		
World	6,909	100%
USA	978	14%
China	878	13%
France	538	8%
United Kingdom	478	7%
Germany	402	6%

UK exports destinations - Meat of bovine animals, fresh or chilled (HS 0201) - Million US\$

Partner Description	2017	%
World	440.7	100%
EU 28	418.5	95%
Switzerland	10.2	2%
China, Hong Kong SAR	7.7	2%
USA	1.9	0.4%
Viet Nam	0.6	0.1%

Main world importers		
World	21,937	100%
USA	2,803	13%
Japan	1,929	9%
Germany	1,897	9%
Italy	1,884	9%
Netherlands	1,630	7%

UK exports destinations

Barley (HS 1003)

Partner Description	2017	%
World	203.5	100%
EU 28	194.2	95%
Tunisia	4.6	2%
Algeria	4.3	2%
Iceland	0.2	0.1%

Main world importers		
World	6,838	100%
China	1,816	27%
Saudi Arabia	800	12%
Iran, Rep islamic of	519	8%
Netherlands	383	6%
Belgium	351	5%

UK exports destinations

Potatoes, fresh or chilled (HS 0701)

Partner Description	2017	%
World	126.6	100%
EU 28	82.3	65%
Egypt	27.0	21%
Morocco	4.7	4%
Thailand	2.5	2%
Saudi Arabia	2.1	2%



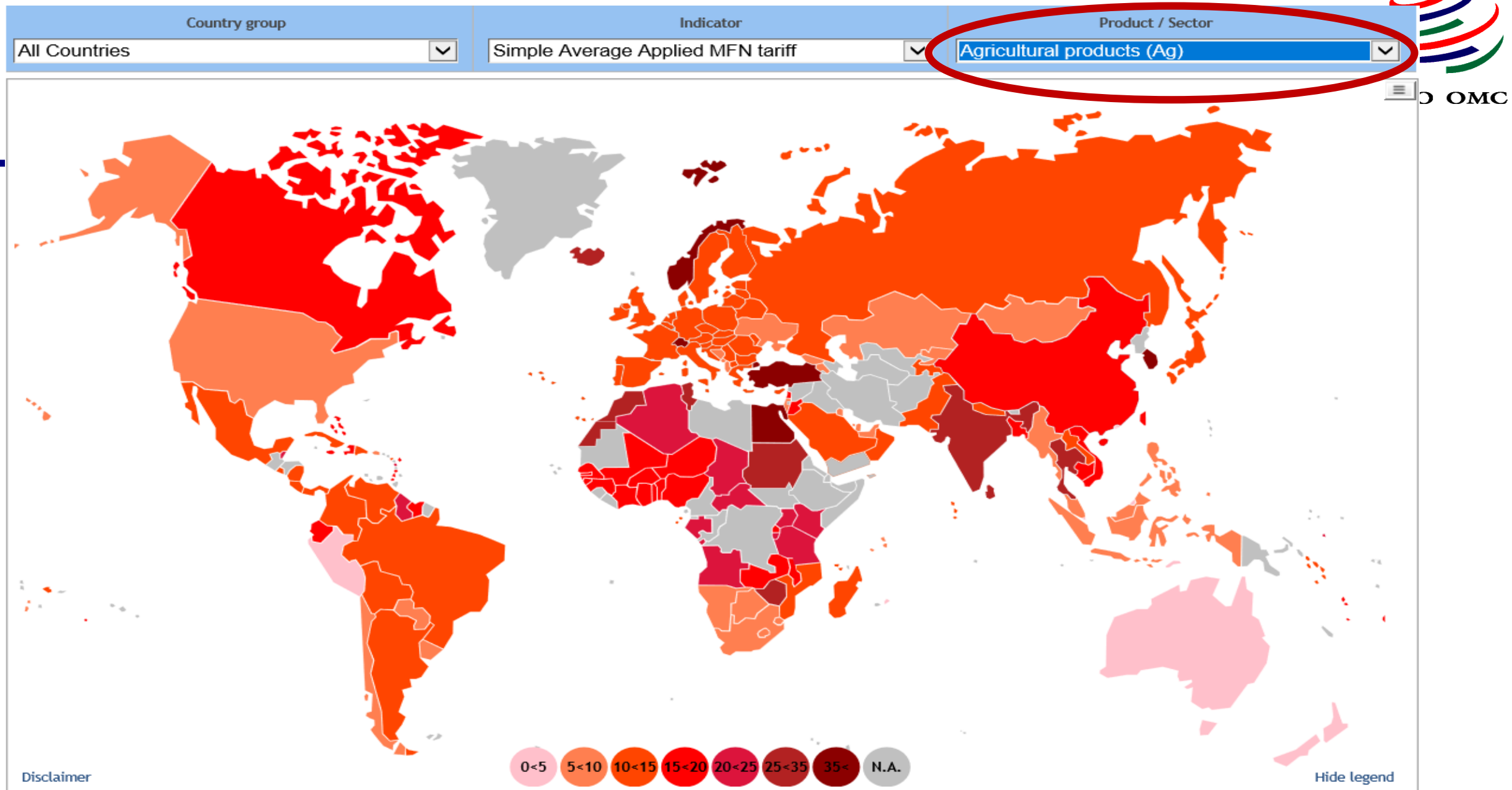
Main world importers		
World	4,602	100%
Belgium	506	11%
Netherlands	354	8%
Spain	250	5%
Germany	243	5%
USA	232	5%

Main market related issues depend on the country and type of products

- **Tariffs**
- **Access to Tariff Rates Quotas**
- **Trade defence measures**
- **Customs procedures**
- **SPS regulations**
- **Human Health related regulations**
- **Other technical regulations**
- **Intellectual property related issues (GIs...)**
- **National versus regional regulations**

Evolution of Tariff Market Access conditions

Exports to		Today	Post Brexit
European Union		Single Market	?
Third country	WTO Member without regional agreement with the EU	Applied MFN duties MFN erga omnes TRQs MFN country allocated TRQs	- - ?
	Non WTO Member without regional agreement with the EU	Applied duties Erga omnes TRQs Country allocated TRQs	- - ?
	with regional trade agreement with the EU	RTA duties RTA TRQ	Successor RTA (TRQ?) Or back to MFN ?

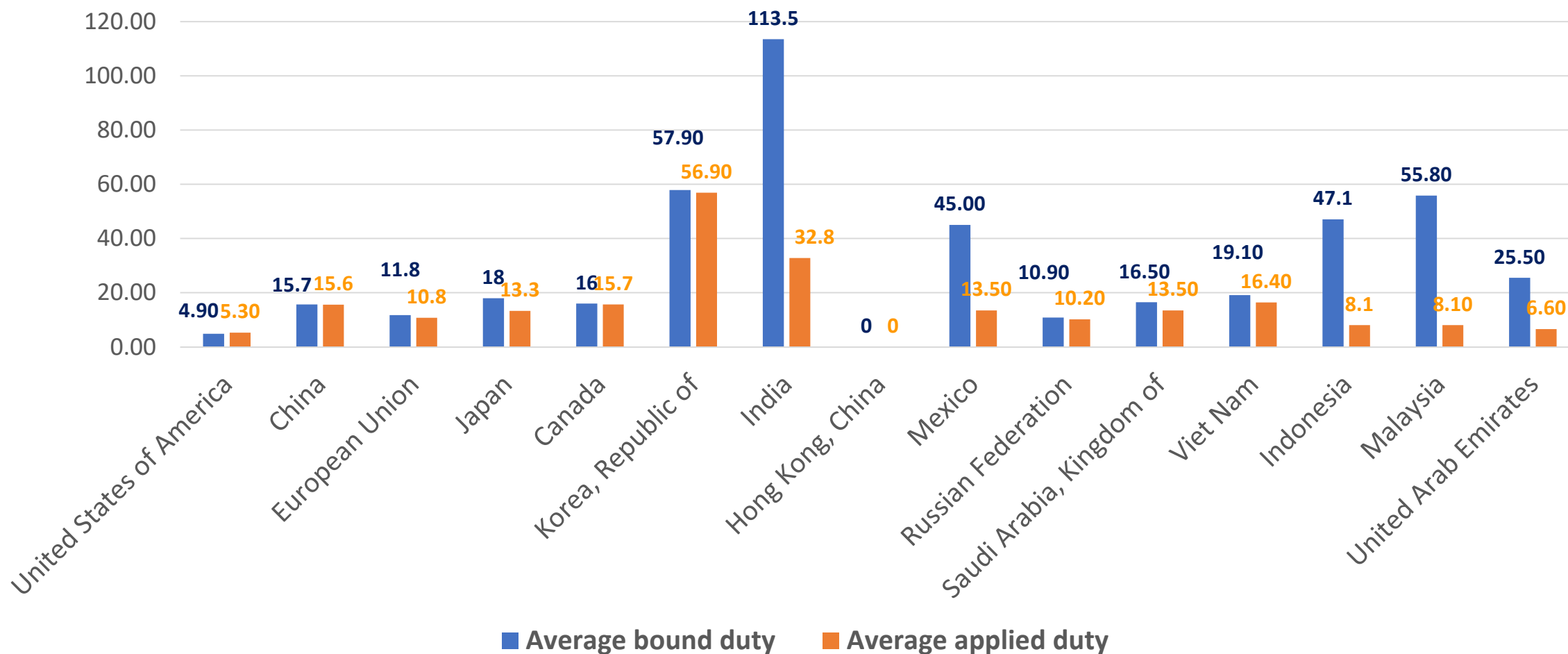


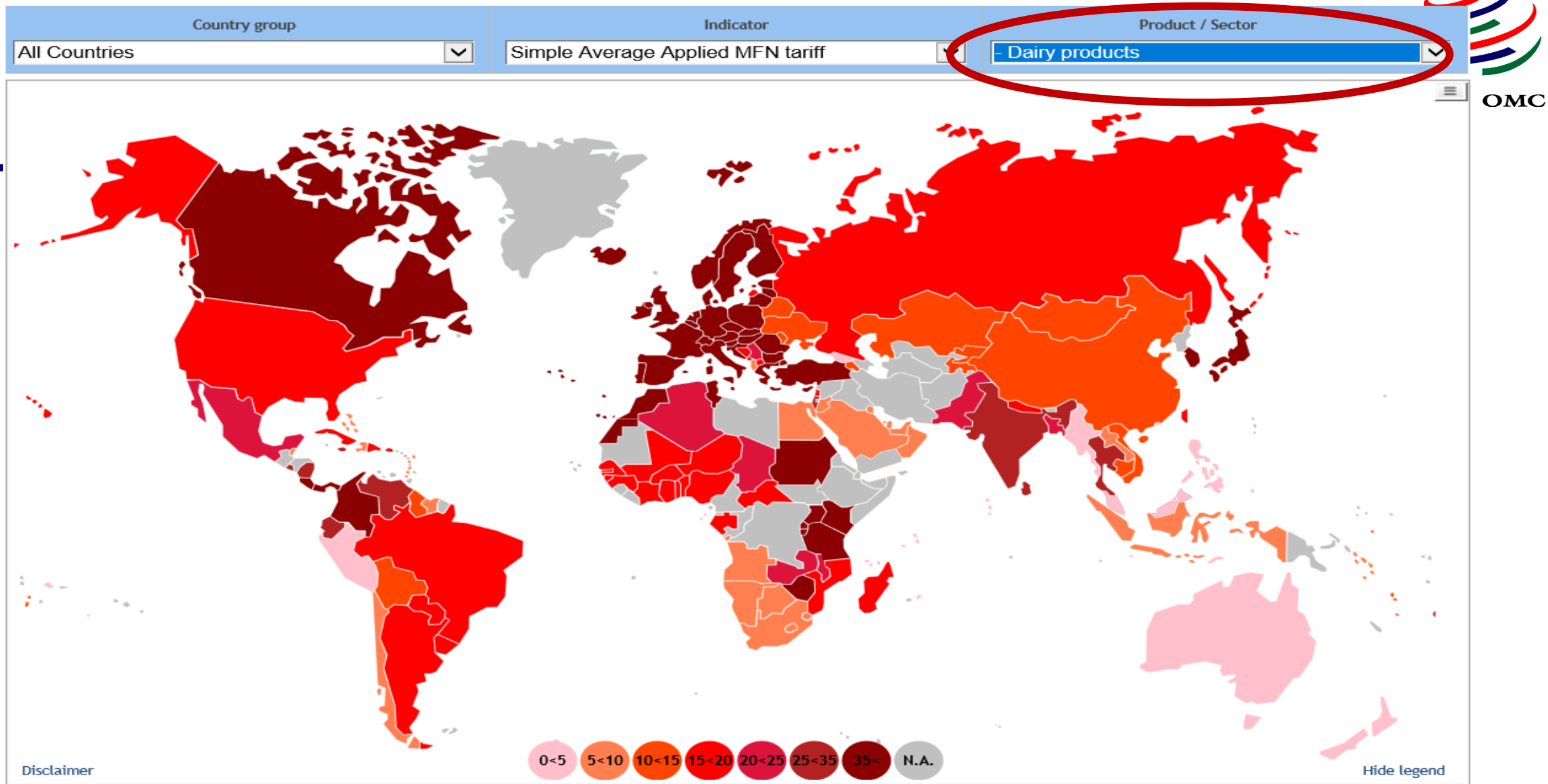
Different forms of tariffs

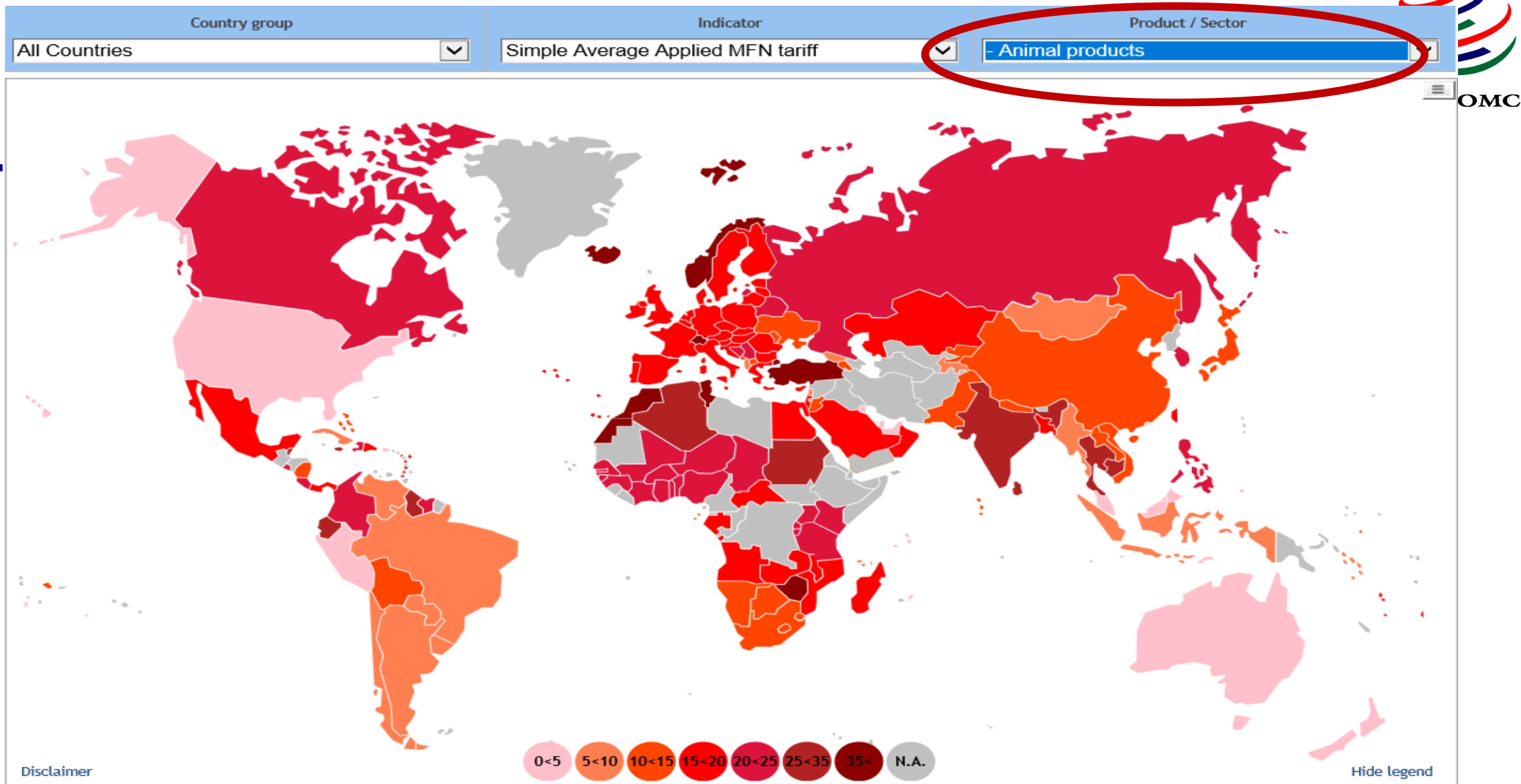
Formulation	Examples (bound duties)
Specific: specific units of currency are levied per unit of quantity (e.g., weight, surface, piece, head, etc.)	9.3 €/100 kg/net European Union (barley other)
Mixed: a conditional choice between an <i>ad valorem</i> duty and a specific duty, subject to an upper and/or a lower limit	204% or SDR 1.92/kg whichever is higher, Iceland (tomatoes, fresh or chilled)
Compound: a duty comprising an <i>ad valorem</i> duty to which a specific duty is either added or subtracted	12.8 + 171.3 €/100 kg/net European Union (carcasses and half carcasses of lamb, fresh or chilled)
Other (residual category): duties are determined by complex technical factors. For example, the percentage content of the agricultural component (sugar, milk, alcohol content, etc.) determines the amount of the duty	1.4606¢/kg less 0.020668¢/kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 0.943854¢/kg United States (Raw cane sugar)

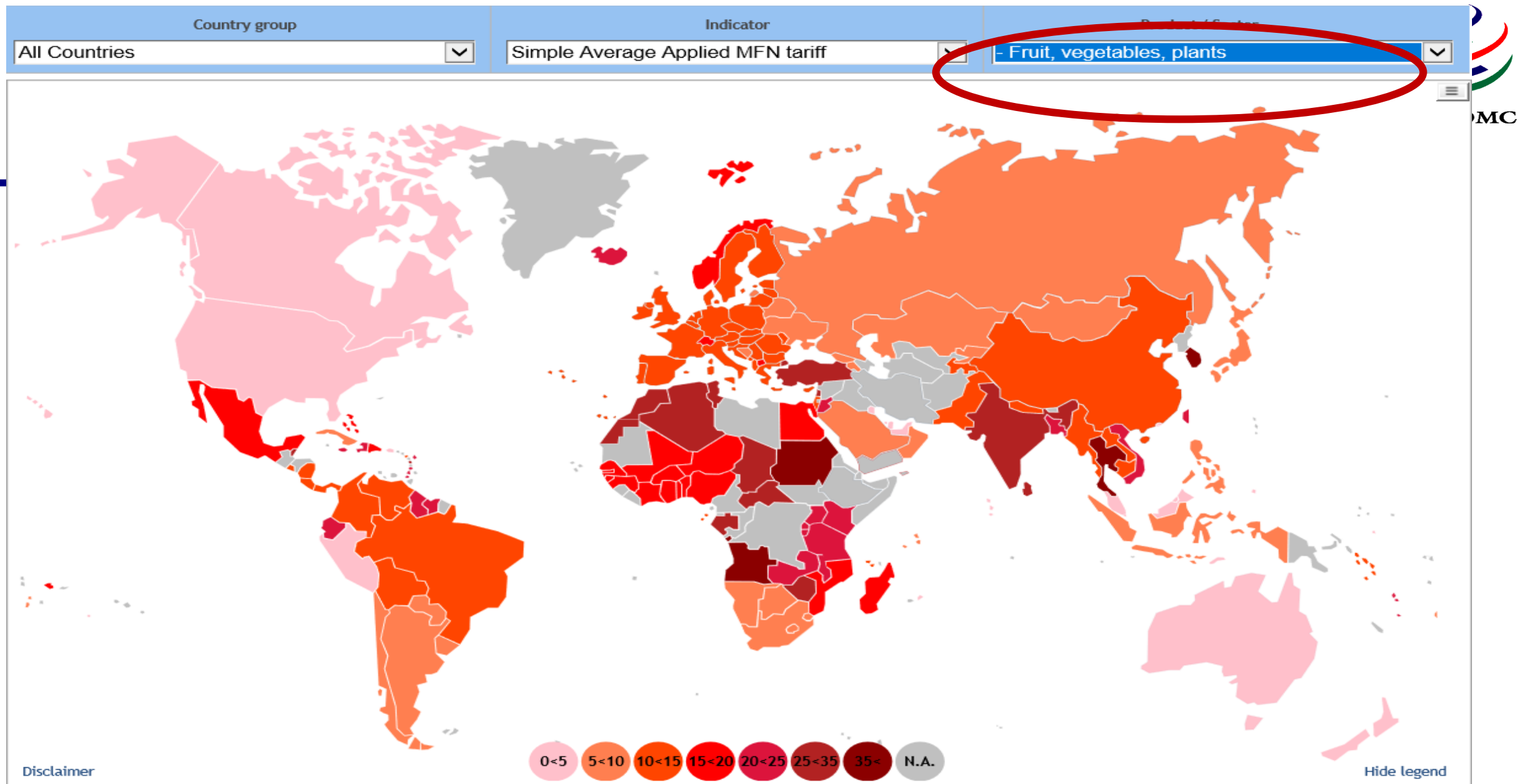
Average tariffs - agricultural products

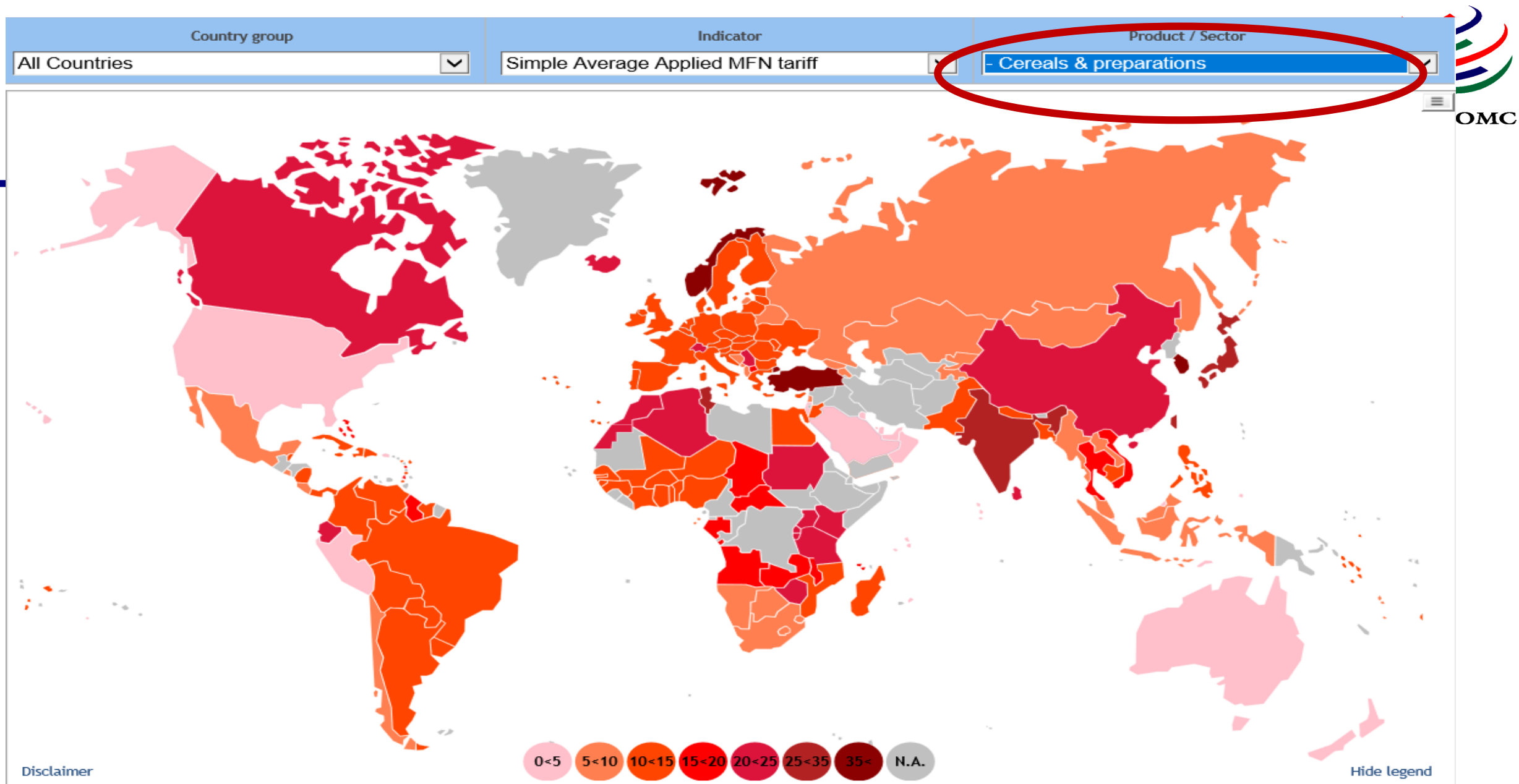
Main agricultural importers (%)



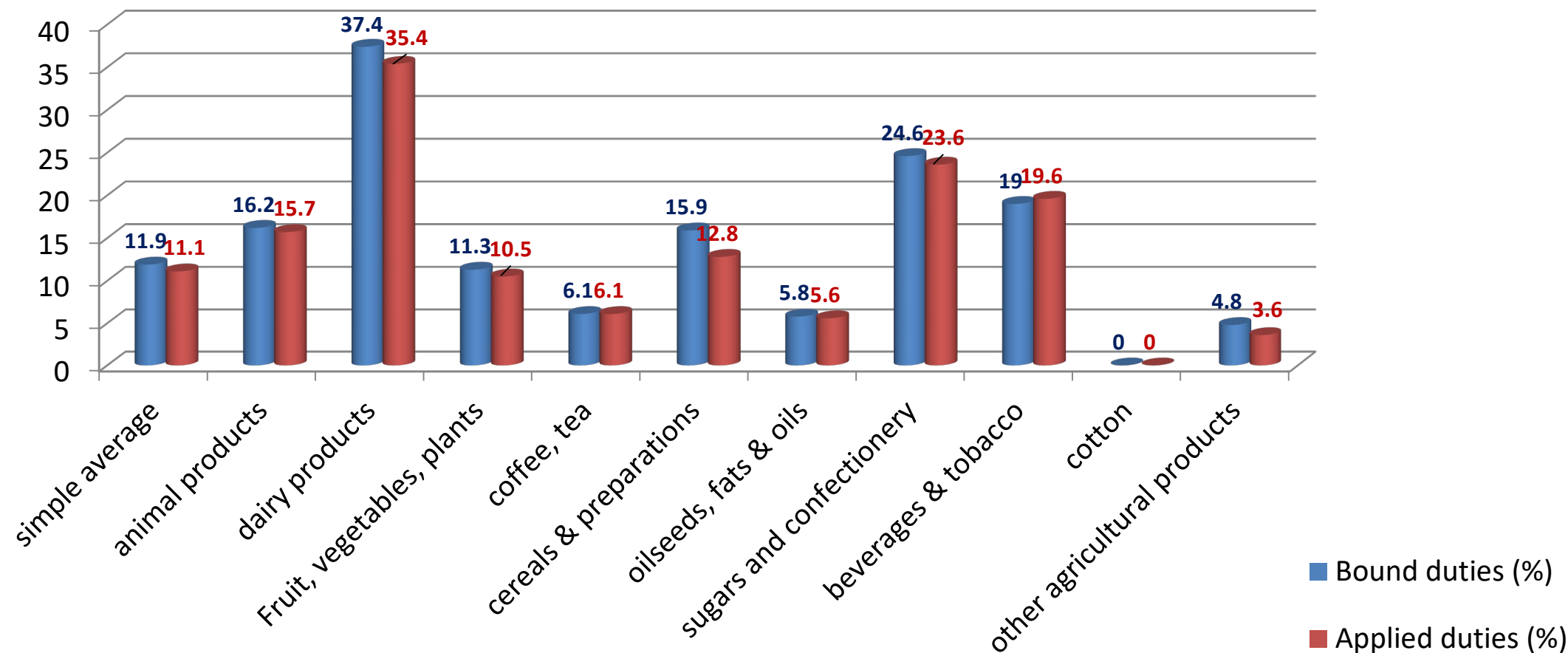




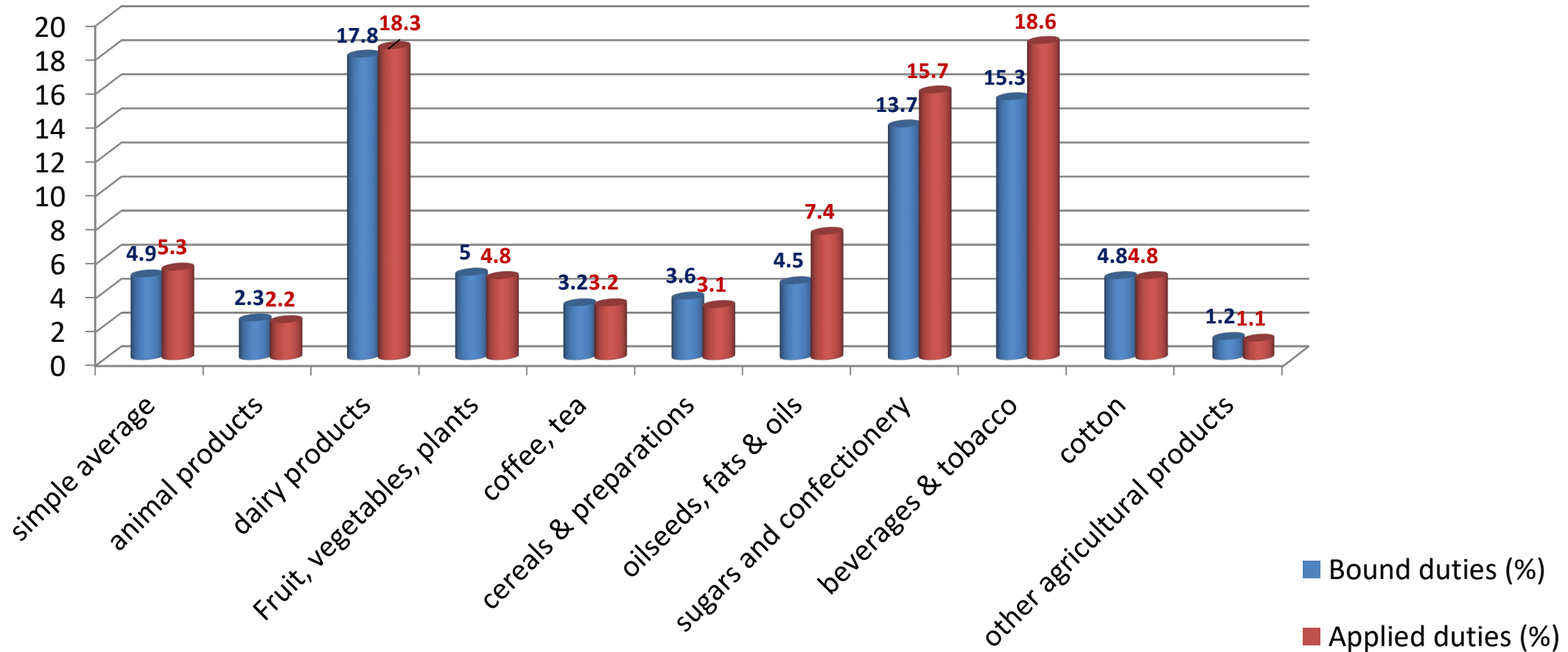




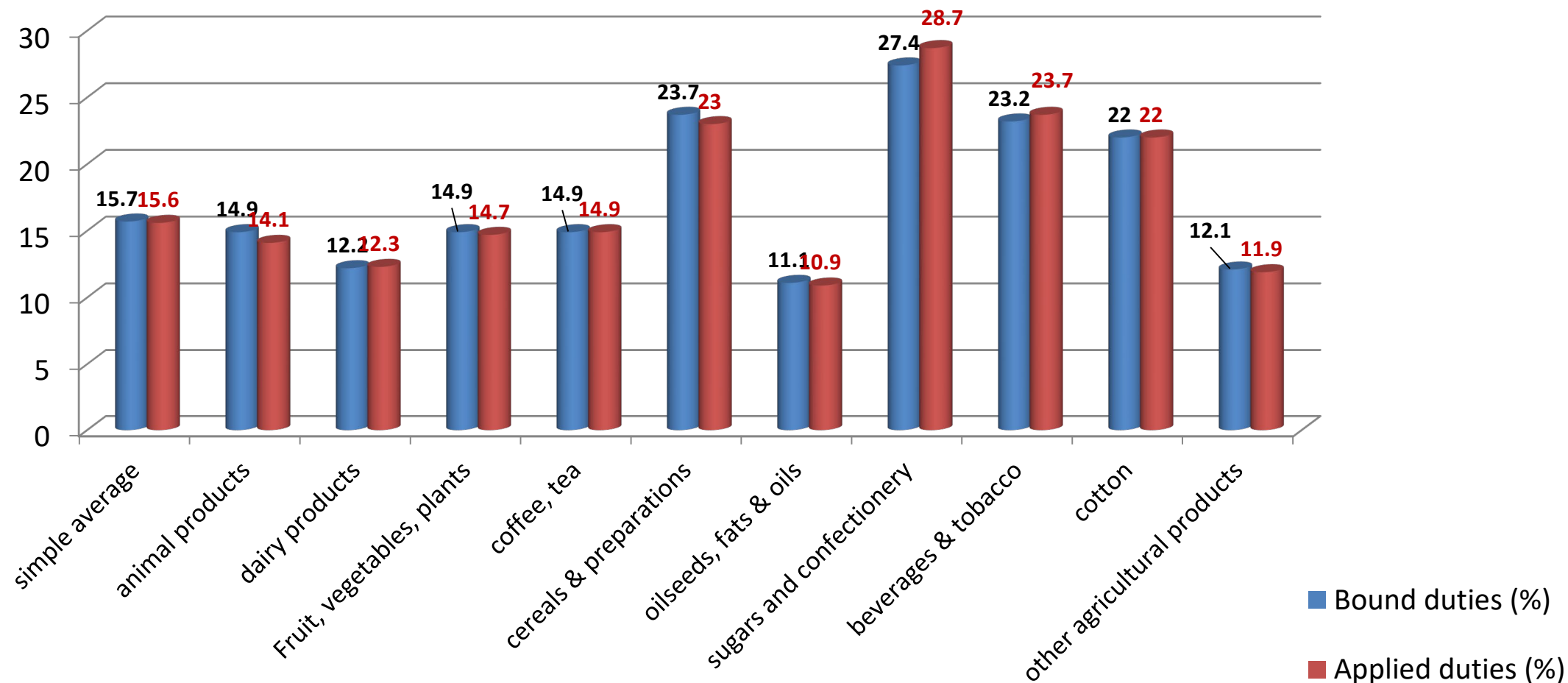
European Union (2016)



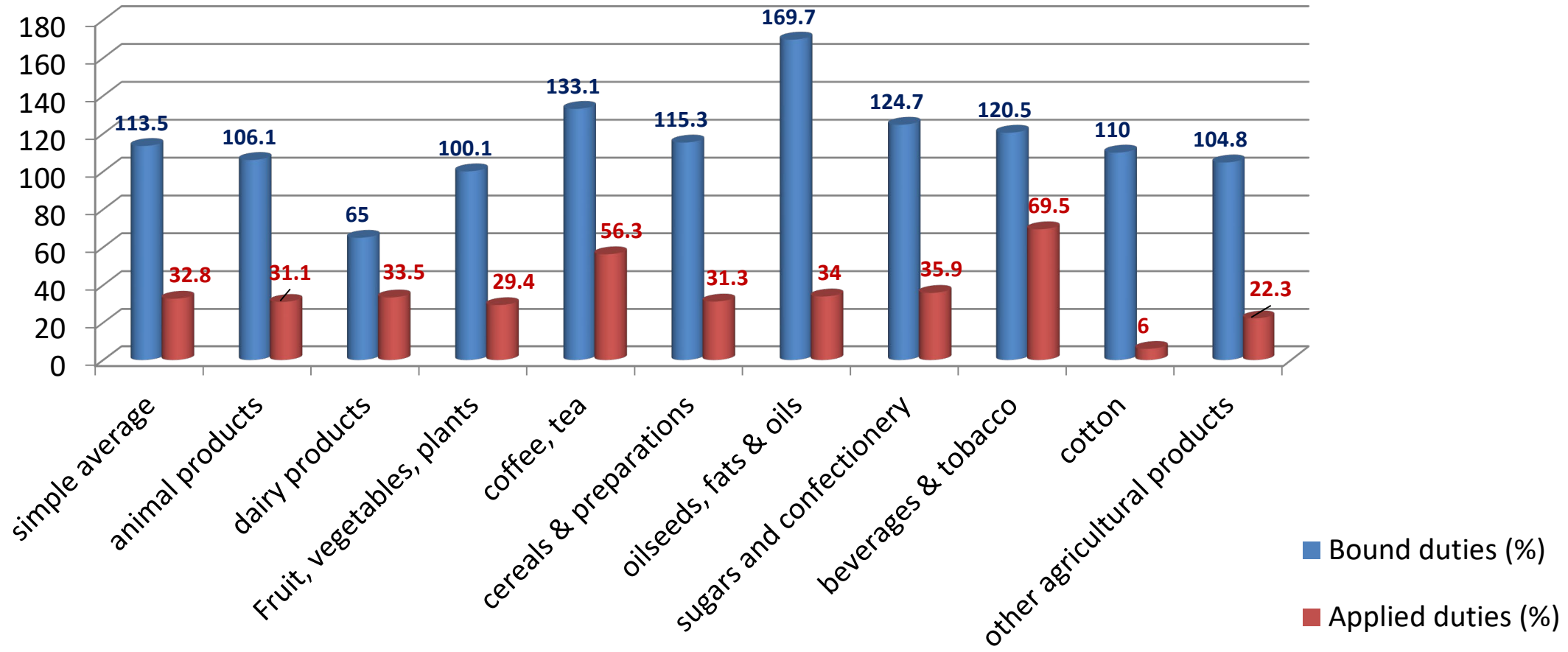
United States (2016)



China (2017)



India (2016)



Tariff rate quotas in the WTO – an overview

Number of Scheduled Tariff Quotas	2016
Total	1128
Norway	232
European Union	124
Iceland	90
Colombia	67
Korea, Republic of	67
Venezuela, Bolivarian Rep	61
United States of America	54
South Africa	53
Barbados	36
Switzerland	28

Number of active Tariff Quotas	2015
Total	503
European Union	123
Korea, Republic of	63
United States of America	43
Switzerland	28
Iceland	24
South Africa	24
Thailand	23
Canada	22
Norway	21
Japan	20

How to address trade related concerns in the WTO

SPS example

Conditions under which a SPS Measure can be taken:

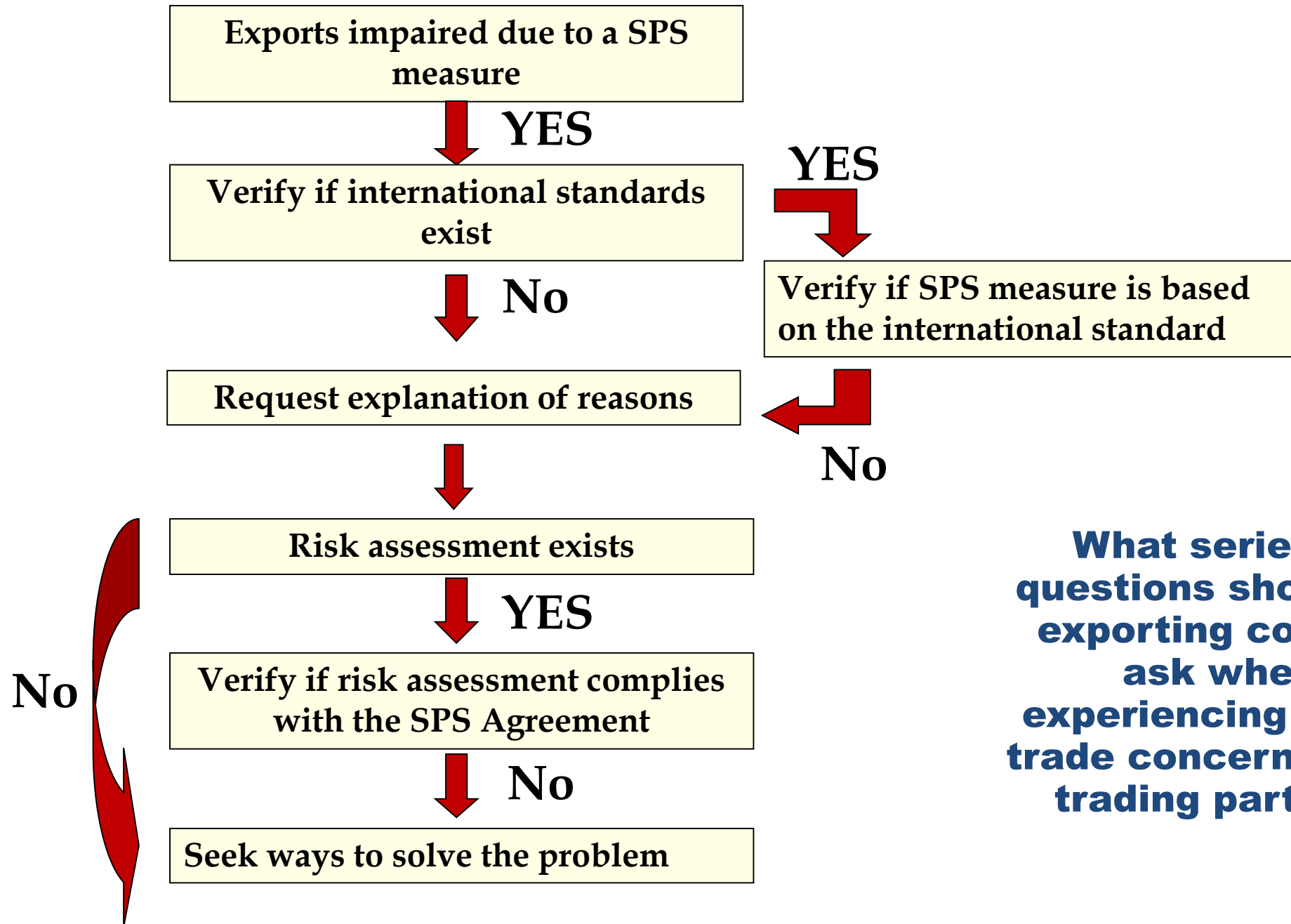
- Restrain trade to protect health
- Measures based on scientific principles
(*international standards or risk assessment*)
- Non-discriminatory
- No disguised restrictions

Transparency

- Notifications new of changed SPS regulations in draft form
- In case no international standard or different from the standard AND may have significant effect on trade
- **≈ 23,000 SPS notifications**

Evolution of Non Tariff Market Access conditions

Exports to	Today	After Brexit
European Union	Single Market	?
Third country without regional agreement with the EU	MFN treatment MFN treatment with mutual recognition...	- ?
Third country with regional trade agreement with the EU	De facto MFN treatment Specific rules, mutual recognition...	- ?



What series of questions should an exporting country ask when experiencing a SPS trade concern with a trading partner?

Addressing SPS Trade Concerns

- 1. Bilateral and/or Regional Efforts (especially if under RTA)**
 - a. Contact trading partner's enquiry point (article 5.8)**
 - b. Exchanges through diplomatic representations, in Geneva...**
- 2. SPS Committee - Specific Trade Concerns (raised by Members in the SPS Committee in relation to SPS measures maintained by other Member)**
 - 1. Good Offices of the SPS Committee Chair (article 12.2)**
 - 2. WTO Dispute Settlement System**

Specific Trade Concerns

1995-today

Top 10 Members Raising Specific Trade Concerns

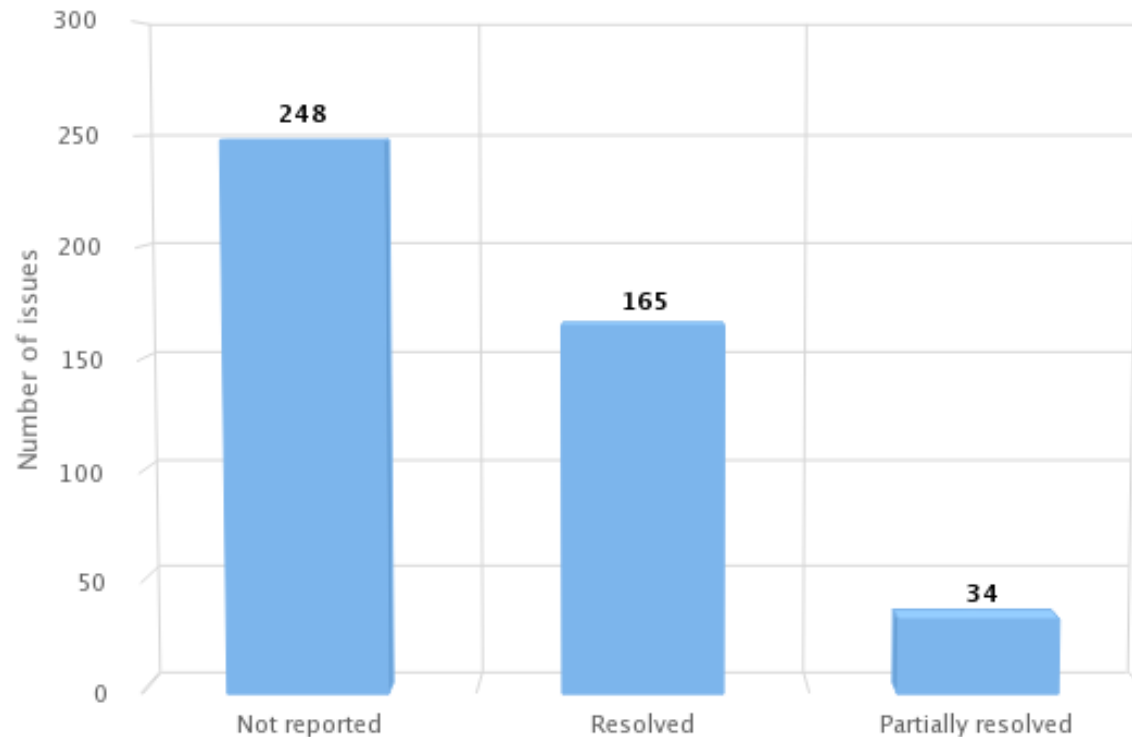
Member	Number of STCs
United States	92
European Union	89
Argentina	45
China	36
Brazil	35
Canada	24
India	23
Chile	15
Mexico	11
Ecuador	11

Top 10 Members with Measures Complained Against

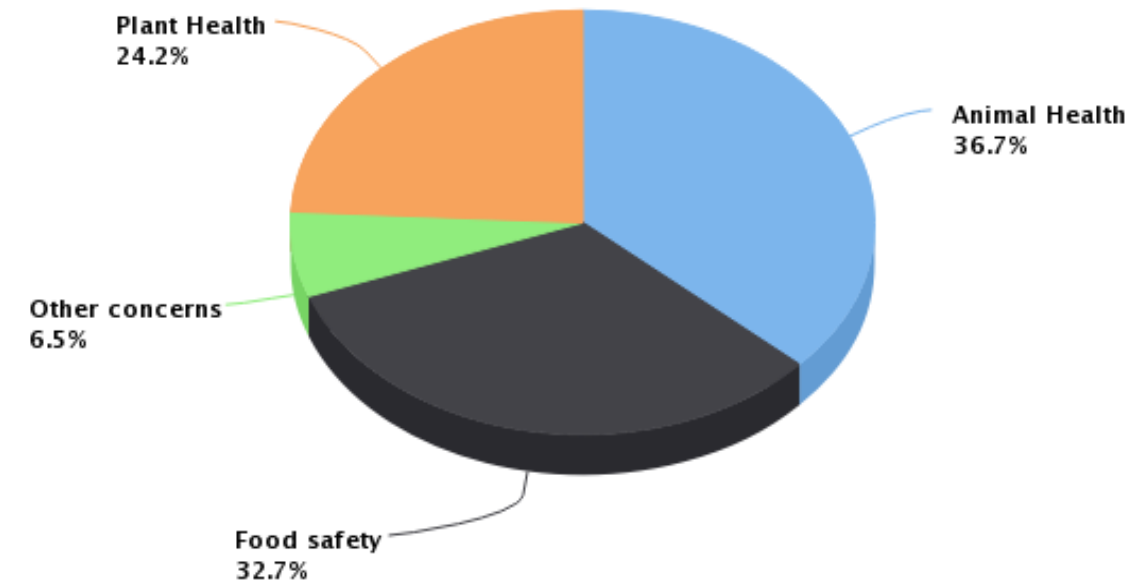
Member	Number of STCs
European Union	90
United States	49
China	31
Japan	29
Australia	19
Brazil	16
India	16
Indonesia	15
Korea, Republic of	14
Russian Federation	14

Specific Trade Concerns

Solved Trade Concerns



Trade concerns by subject



Dispute Settlement

- Arises when a Member believes another is violating an agreement or commitment made
- Only involves governments
- Not a WTO dispute until the Member country notifies WTO Secretariat that a dispute exists

Importantly for SPS Trade Problems: Dispute Settlement of OIE and IPPC

IPPC

Technical dispute settlement body

OIE

Technical mediation

➤ **Pros:**

- Technical evaluation only
- No involvement of lawyers
- Less costly

➤ **Cons:**

- Enforcement difficulties
- Not binding

Dispute Settlement - Main stages

I. Consultation phase

II. Panel review

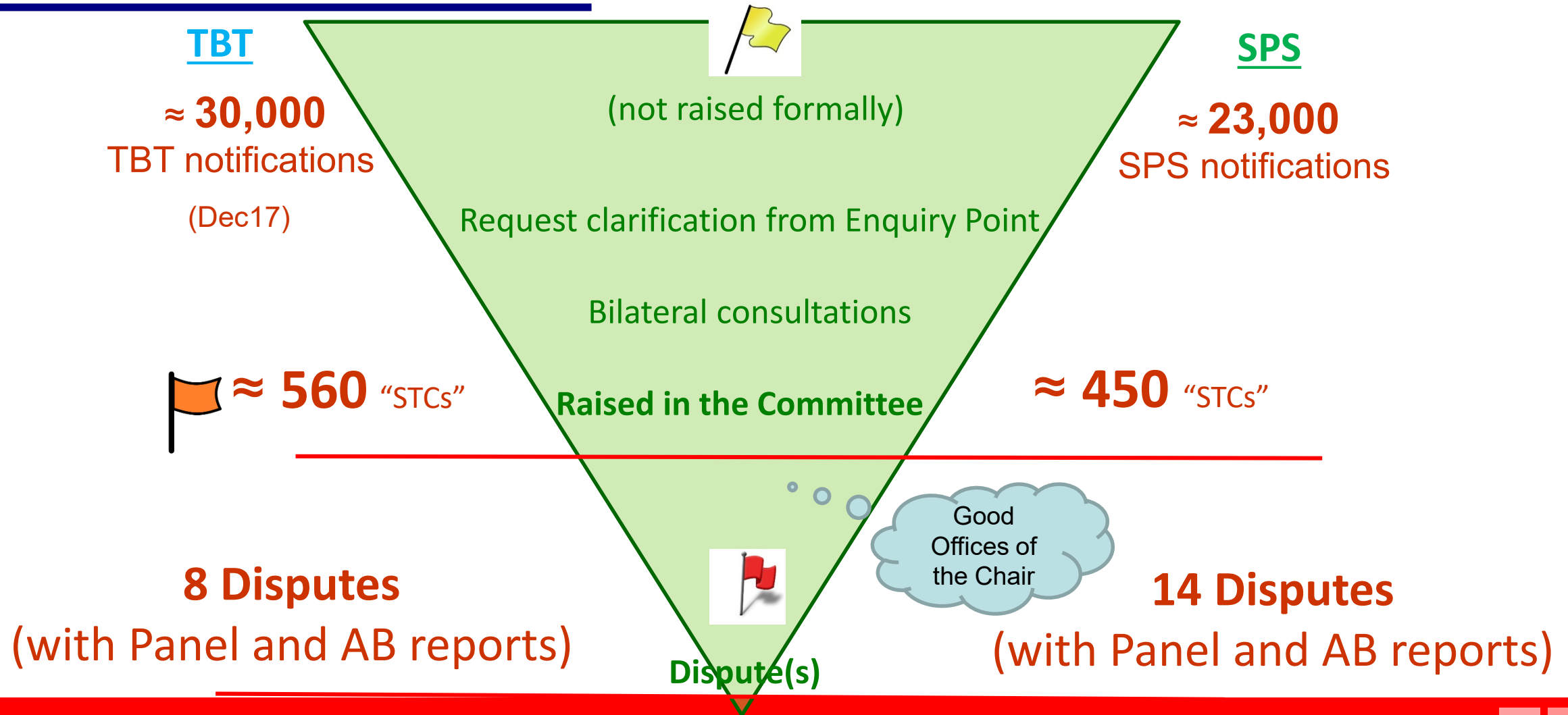
III. [AB review]

Good offices,
conciliation and mediation
possible at any moment

IV. Adoption of report(s) by the DSB

V. Implementation

Implementation & monitoring role of the **SPS** and **TBT** Committees since 1995



Thank you for your attention

