SPS Measures: What they are and why they matter

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Trade barriers: Tariff vs. non-tariff

Tariff measures:
• Taxes on imports

Non-tariff measures:
• Customs forms;
• Technical Barriers to Trade;
• Sanitary and Phytosanitary Measures (SPS)
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- Food safety measures;
- Measures to Protect Food-producing animal and plant health
What SPS measures help do:

• Prevent food-borne illnesses such as salmonella and e-coli
• Prevent the health-related costs of food-borne illnesses: estimated at $93.2 billion annually in U.S.¹
• Prevent the introduction of invasive species and plant diseases
• Protect normal hormonal development from endocrine disrupting pesticides and other chemicals
• Protect efficacy of human anti-biotics by banning their non-therapeutic use in animal production
SPS measures are considered

Trade barriers **unless** they conform to:

- A standard set by a WTO recognized organization (Codex, World Animal Health Organization, IPPC);
- Are “science-based”: a risk assessment for each measure

“Least trade restrictive” **unless**:

- A WTO member government proves “objectively” that the SPS measure is necessary to achieve an “appropriate level of sanitary or phytosanitary protection;”
- Each “appropriate level” is defined by the government, e.g. a Maximum Residue Level for consuming a single pesticide ingredient);
- The “appropriate level” is applied equally to imported and domestic food
Avian flu
A relatively simple trade-related SPS problem
TPP: A WTO + SPS agreement

Examples of proposals:

• Food and agriculture companies want to maximize both exports and imports
• WTO trade dispute settlement too slow and legally uncertain for global agri-business
• Replace product inspection with facilities’ audits
• Regulatory “cooperation” to prevent SPS differences at every phase of regulation and to expedite trade
• Private SPS lawsuits with no public law due process
• Place trade in GMOs/SMOs outside the SPS chapter to expedite market entry
Conclusions

• Trade maximization demands put huge pressure on SPS regulators in all jurisdictions
• Budget cuts to SPS agencies help promote SPS privatization in fact or by law
• Trade policy increases that pressure and weakens public sector capacity to regulate
• Longer supply chains and scientifically more complex food technologies
Resources

- *The TPP SPS chapter: not a “model for the rest of the world”*
- *Food Import ReInspection and the “High Standards” of 21st Century Trade Agreements*

Endnotes