

# **A Background Paper for the Strategic Plan of Action on ASEAN Cooperation in Food and Agriculture (2005 – 2010)**

REPSF Project No. 03/004

Authors:

International Trade Strategies Pty Ltd

Center for Food and Agribusiness, University of Asia and the Pacific

## **Final Report**

July 2004

The views expressed in this report are those of the authors, and not necessarily those of the ASEAN Secretariat and/or the Australian Government.

### **...5. TRENDS IN TECHNICAL STANDARDS GOVERNING TRADE**

#### **a) Summary**

In the recent past there has been a marked trend for increased regulation of trade in agriculture to enhance the safety of food and to support environmental goals. This has had an impact on the trade of ASEAN economies. In the period under review, this trend is likely to increase. New restrictions on ASEAN agricultural trade are likely.

#### **b) New regulation of trade**

There have always been rights to restrict trade to protect human health and safety and animal and plant health. These are the basis for quarantine rules. Environmental pressures have given renewed focus to these regulations, and generally have resulted in pressure for new rules to restrict trade. Environment regulations are being strengthened, particularly in the EU, and this is leading to pressure from the EU for new trade restrictions. There is a separate, but related concern about increasing the safety of food. Outbreaks of disease, particularly where viruses appear to be crossing over from animal to human species, are heightening this concern.

#### **c) The rise of environmental regulation**

A major push to regulate trade to serve environmental policies is underway. The EU is the driver. It is formal EU policy that "sustainability" should be a goal of all public policy. Several specific policies are the tools being utilized to meet this goal.

It is EU policy to apply "the precautionary principle" in regulation; to regulate to require recycling; to establish "stewardship" programs (where producers are responsible for the environmental impacts of their products); and to base environmental assessments on "life cycle analysis" (which seeks to assess the environmental impact of a product throughout its entire life- from the time it is produced and processed through to its final disposal). The EU is also setting residue

levels for hazardous products and chemicals that go beyond what appears reasonably defensible on health and safety grounds.

These philosophies behind the policies described above are being progressively enacted in environmental directives in the EU and in national policies of EU member states, particularly Germany, the Netherlands and Austria. Recent research<sup>18</sup> reveals that nearly 40 new barriers to trade to promote environmental policy have been introduced over the last decade, mostly by the EU. The measures are principally national environmental regulations which restrict imports unless they comply. Another twenty regulations are in the EU policy “pipeline”.

<sup>18</sup> By the Australian APEC Study Centre at Monash University and the National Foreign Trade Council in Washington...