Regionalization in trade: The experience of the EU with HPAI

Wolf Maier
European Commission
DG TRADE
Global Trade in food

- Food is not only a necessity: it is also culture, diversity, lifestyle...
- Food sector has many jobs and many SMEs
- Fostering the Agri-Food Sector is important for all countries

Trade is not a zero sum game. There is opportunity.
The problem: Example HPAI in 2017

Ubiquitous;
Huge economic damage;
Further exacerbated by trade restrictions.
The EU is its own, most important, trade partner.
The EU role in trade

- ¾ of the trade in animals and animal products is between the Member States;
- The EU must manage risks of its own 'international' trade.
- At the same time, global trade links are also substantial;
- EU lives up to these responsibilities.
How does it work?

- **Political consensus:** High level of protection;
- **Comprehensive, integrated strategy;**
- **Constant scrutiny and peer review with clear accountability and strong enforcement;**
- **Transparency:** Immediate notification of OIE

The old concept of « country free » from diseases became to a large extent obsolete and was replaced by **regionalization**
Regionalization in the EU context

Regionalization is applied in the EU in line with OIE and as one integral element of the EU comprehensive strategy aimed at:

Minimising impacts of disease outbreaks on the EU single market (intra-EU trade) and on exports, without lowering the level of safety of the commodities that are traded/exported.

Reasonable, safe, rapid and transparent decisions
For the EU, regionalisation works!

Key factors:

- *Part of a Comprehensive Strategy covering Prevention, Detection, Control;*
- *Competent veterinary services with adequate resources and legal standing;*
- *Adherence to international standards;*
- *Transparency.*

*No EU Member State would like to go back to the old « country free » approach*
HPAI in the EU 2107: Consequences

External trade disruption is significant:

- 17 WTO Members apply regionalisation.
- 20 WTO Members restrict entire country. Regionalisation is under consideration in some cases
- One WTO Member transiently restricted entire EU.

Lifting of country-wide restrictions takes between three months and two years
Regionalisation on demand

- For HPAI, regionalisation applications must be processed quickly;
- If this is not possible, country freedom should be accepted swiftly;
- Obviously, for other diseases the time window for regionalization is broader.
- Acceptance of regionalization is an obligation. Resources must be mobilized.
Re-opening trade: Back to Square One.

**Is this necessary?**

- Veterinary systems of exporting country were already approved before the outbreak.
- Track record is available.
- Guidance exists (through SPS Committee and OIE).
- Streamlined, targeted process is possible, focusing on concrete control measures.
Prior agreed acceptance

- 'Peace-time' agreement on recognition of regionalisation measures is an alternative;
- Obviously the most trade-friendly solution;
- Transparency and track record create the trust that is necessary;
- EU has successfully implemented this approach with several WTO Members since many years.
Farmers and Traders need predictability

- Transparent, predictable trade conditions are a pre-requisite to justify investment.
- Trade creates opportunities.
- International rules and guidance provide predictability...
- ... if they are applied – which is an obligation ... but apparently easier said than done.
Regionalisation can be a highly efficient instrument to minimise economic damage of animal diseases. Regionalisation works, if it is part of a comprehensive veterinary control system.

Sources of Information:
Website DG Health and Food Safety:
https://ec.europa.eu/food/animals_en

Thank you