



Regionalization in trade: The experience of the EU with HPAI

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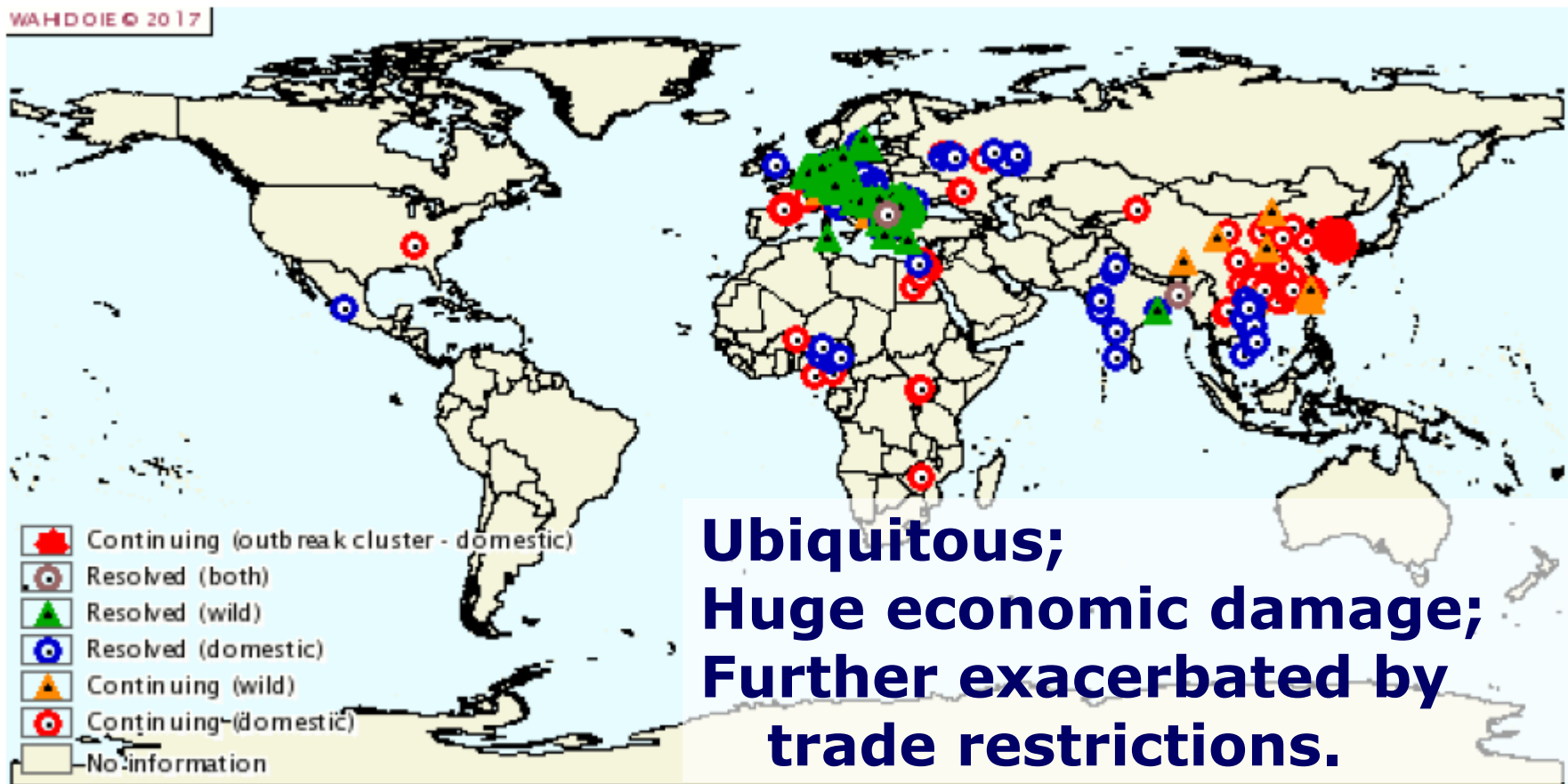
Global Trade in food

- *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*

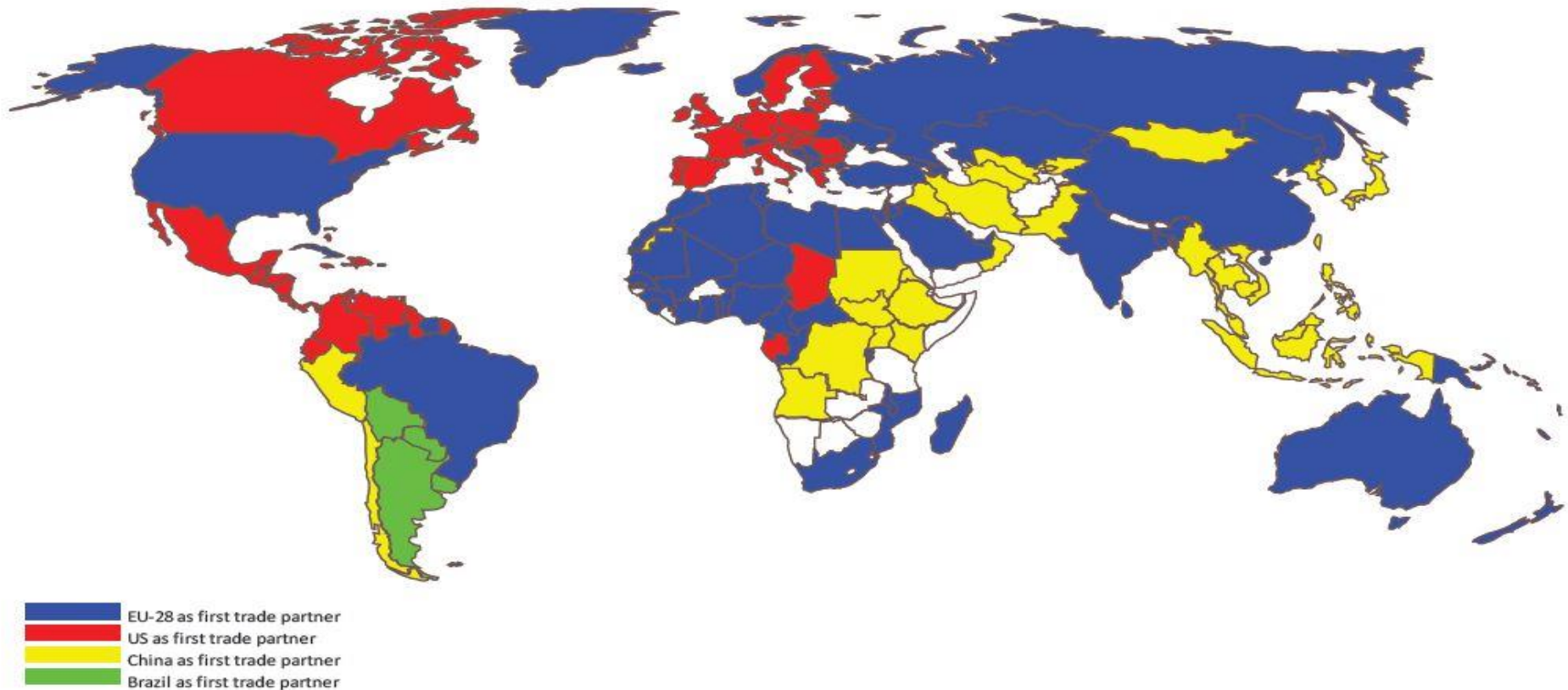
Trade is not a zero sum game.

There is opportunity.

The problem: Example HPAI in 2017



Merchandise trade 2016 - Main trade partner by reporter



Total trade i.e. exports + imports

Source : IMF DOTS.

The EU is its own, most important, trade partner 4

The EU role in trade

- *3/4 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.*

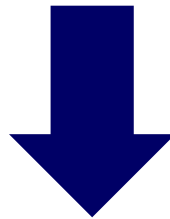
How does it work?

- *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, focussing 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