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WTO, Quality & Quality Improvements:
Pros & Cons and Actions Needed in Pakistan

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Abstract:
Two of the WTO agreements, SPS & TBT, deal with sanitary and phytosanitary (S&P) measures, which authorize member countries to protect human, animal and plant life and health from risks arising from additives/contaminants/toxins, disease-causing organisms in foods/feeds; from diseases carried by animals, plants or products thereof; and from risks and damages arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms. These agreements also make it obligatory on WTO member countries to ensure that such S&P measures are based on scientific principles and applied only to the extent necessary to protect human, animal or plant life/health. The agreements further suggest that, to harmonize S&P measures on international level, member countries base such measures on international standards, guidelines or recommendations, established by international organizations.

Since the inception of WTO regime in January 1995, a number of WTO member countries have adopted S&P measures based on SPS & TBT agreements and, as a consequence, the countries who have lagged behind in implementation of such measures are increasingly facing problems for their exports; Pakistan, being a country belonging to the latter category, has faced threats of rejection of her exports on several occasions during the recent past.

To remedy the situation, Pakistani experts responsible for quality need to consult United Nation's Codex Alimentarious Commision (CAC), International Plant Protection Convention (IPPC) and International Office of Epizootics (OIE), which establish standards, guidelines and recommendations for plant and animal health. These international organizations are there to assist in provision of information on food products' standards, pesticides and veterinary drugs MRLs, ADIs prescribed for food additives, methods of analysis and sampling, codes and guidelines of hygienic practices and packaging & labeling requirements. For quality concerns other than ones covered by the above stated organizations, other international organizations, which are open to all WTO member countries, may be approached. Similarly, the US, EU, Japan and a number of other developed OECD member countries have developed and adopted some more sophisticated measures to deal with quality concerns; such measure will have to be taken care of while adopting and improving quality standards in Pakistan. Packing and labelling also need special attention, and individual developed countries may have their own packaging and labelling requirements, which need to be studied and adopted while doing trade with such countries.

Key words: WTO Agreements, SPS, TBT, food standards, food safety, Pakistan.

Introduction

The World Trade Organization (WTO) was though established with effect from the 1st January 1995, its origin dates back to the 1st January 1948, when General Agreement on Tariffs & Trade (GATT) became in to being along with the International Monetary Fund (IMF) and World Bank (WB). Whereas the purpose of establishing the IMF and WB was to improve monetary situation and provide funds for reconstruction and development at international level, the aim of the GATT was to
supplement the working of the former institutions in the area of international trade. The GATT's scope was kept limited to the reduction of tariffs on import of industrial goods. This limitation gave rise a number of problems. Domestic support and export subsidies on industrial and agricultural products coupled with protection of domestic agriculture sector through import quotas and imposition of tariffs resulted in undue production surpluses in developed countries and its dumping on developing world. Both developed and developing countries were suffering; the developed world was producing surpluses on heavy costs in the form of domestic support and export subsidies and the developing countries domestic producers were hurting due to dumping of low-priced heavily subsidized developed world's exports. This realization helped persuaded 118 countries to sit in Uruguay in 1986 and think over the problem. The Uruguay Rounds of talks on trade continued for 8 years (1986-94) and resulted in creating the World Trade Organization, with 123 signatories, with effect from 1st January 1995. The present WTO provides platform for the implementation of the revised GATT 1994 along with a number of other agreements covering various fields and sectors of production and trade WTO (2004).

Amongst WTO agreements, the two major agreements, which have important bearing on production of quality products and its trade are Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and Agreement on Technical Barriers to Trade (TBT). The purpose of this paper is to study the basic themes of these two WTO agreements and understand how these agreements affect quality in production and trade the world over (FAO, 2000).

The SPS and TBT Agreements

The SPS agreement contains 14 Articles and 3 Annexes (SPS, 1994). Its Annex A defines Sanitary or Phytosanitary (S&P) measure as any measure, which applies:

(a) "to protect animal or plant life or health within the territory of the Member (country) from risks arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms;

(b) to protect human or animal life or health within the territory of the Member from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs;,

(c) to protect human life or health within the territory of the Member from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or

(d) to prevent or limit other damage within the territory of the Member from the entry, establishment or spread of pests”.

Annex A further defines that “sanitary or phytosanitary measures include all relevant laws, decrees, regulations, requirements and procedures including, inter alia, end product criteria; processes and production methods; testing, inspection, certification and approval procedures; quarantine treatments including relevant requirements associated with the transport of animals or plants, or with the materials necessary for their survival during transport; provisions on relevant statistical methods, sampling procedures and methods of risk assessment; and packaging and labelling requirements directly related to food safety”.

Article 2 of the SPS Agreement explains the Basic Rights and Obligations of Member countries and says that:
1. Members have the right to take sanitary and phytosanitary measures necessary for the protection of human, animal or plant life or health, provided that such measures are not inconsistent with the provisions of this Agreement.

2. Members shall ensure that any sanitary or phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient scientific evidence, ………”.

Article 3 emphasises on harmonization of S&P measures on international level and suggests that: “(1) To harmonize sanitary and phytosanitary measures on as wide a basis as possible, Members shall base their sanitary or phytosanitary measures on international standards, guidelines or recommendations, where they exist, (2). Sanitary or phytosanitary measures which conform to international standards, guidelines or recommendations shall be deemed to be necessary to protect human, animal or plant life or health, and presumed to be consistent with the relevant provisions of this Agreement and of GATT 1994. (3). Members may introduce or maintain sanitary or phytosanitary measures which result in a higher level of sanitary or phytosanitary protection than would be achieved by measures based on the relevant international standards, guidelines or recommendations, if there is a scientific justification, or as a consequence of the level of sanitary or phytosanitary protection a Member determines to be appropriate ………”.

Annex A of the SPS Agreement defines the process of Harmonization as the “establishment, recognition and application of common sanitary and phytosanitary measures by different Members” and elaborates International standards, guidelines and recommendations, as follows. “(a) For food safety, the standards, guidelines and recommendations established by the Codex Alimentarius Commission relating to food additives, veterinary drug and pesticide residues, contaminants, methods of analysis and sampling, and codes and guidelines of hygienic practice: (b) For animal health and zoonoses, the standards, guidelines and recommendations developed under the auspices of the International Office of Epizootics; (c) For plant health, the international standards, guidelines and recommendations developed under the auspices of the Secretariat of the International Plant Protection Convention in cooperation with regional organizations operating within the framework of the International Plant Protection Convention; and (d) For matters not covered by the above organizations, appropriate standards, guidelines and recommendations promulgated by other relevant international organizations open for membership to all Members….”.

The TBT is a supplementary WTO Agreement on quality. It contains 15 Articles and 3 Annexes (TBT, 1994). This Agreement recognizes the important contribution that international standards and existence of conformity assessment systems make by improving efficiency of production and facilitating the conduct of international trade. It desires to encourage the development of international standards and conformity assessment systems, with the provision that technical regulations and standards, including packaging, marking and labelling requirements, and procedures for assessment of conformity with technical regulations and standards do not create unnecessary obstacles to international trade. Article 1 of this Agreement clarifies that “general terms for standardization and procedures for assessment of conformity shall normally have the meaning given to them by definitions adopted within the United Nations system and by international standardizing bodies…..”.

Article 2, elaborating on the preparation, adoption and application of technical regulations, explains that:

- “Members shall ensure that in respect of technical regulations, products imported from the territory of any Member shall be accorded treatment no less favourable than that accorded to like products of national origin and to like products originating in any other country.
- Members shall ensure that technical regulations are not prepared, adopted or applied with
a view to or with the effect of creating unnecessary obstacles to international trade. For this purpose, technical regulations shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfilment would create. Such legitimate objectives are, inter alia: national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment. In assessing such risks, relevant elements of consideration are, inter alia: available scientific and technical information, related processing technology or intended end-uses of products.

Technical regulations shall not be maintained if the circumstances or objectives giving rise to their adoption no longer exist or if the changed circumstances or objectives can be addressed in a less trade-restrictive manner.

A Member preparing, adopting or applying a technical regulation which may have a significant effect on trade of other Members shall, upon the request of another Member, explain the justification for that technical regulation.

With a view to harmonizing technical regulations on as wide a basis as possible, Members shall play a full part, within the limits of their resources, in the preparation by appropriate international standardizing bodies of international standards for products for which they either have adopted, or expect to adopt, technical regulations.

Members shall give positive consideration to accepting as equivalent technical regulations of other Members, even if these regulations differ from their own, provided they are satisfied that these regulations adequately fulfil the objectives of their own regulations”.

Annex 1 of the TBT Agreement terms Technical regulation, Standards & Conformity assessment procedures, as follows.

**Technical regulation:** Document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

**Standard:** Document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

**Conformity assessment procedures:** Any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled. Conformity assessment procedures include, inter alia, procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; registration, accreditation and approval as well as their combinations.

Annex 1 further explains that “the terms presented in the sixth edition of the ISO/IEC Guide 2: 1991, General Terms and Their Definitions Concerning Standardization and Related Activities, shall, when used in this Agreement, have the same meaning...”.

Annex 3 of TBT Agreement provides for ‘Code of Good Practice for the Preparation, Adoption and Application of Standards’ and suggests that a Member’s Standardizing body/bodies, that have accepted or withdrawn from this Code, shall notify this fact to the ISO/IEC Information Centre in Geneva. The notification shall include the name and address of the body concerned and the scope of its current and expected standardization activities. The notification may be sent either directly to the ISO/IEC Information Centre, or through the national member body of ISO/IEC or, preferably, through the relevant national member or international affiliate...
of ISONET, as appropriate.

With a view to harmonizing standards on as wide a basis as possible, the standardizing body shall, in an appropriate way, play a full part, within the limits of its resources, in the preparation by relevant international standardizing bodies of international standards regarding subject matter for which it either has adopted, or expects to adopt, standards. The standardizing body within the territory of a Member shall make every effort to avoid duplication of, or overlap with, the work of other standardizing bodies in the national territory or with the work of relevant international or regional standardizing bodies. At least once every six months, the standardizing body shall publish a work programme containing its name and address, the standards it is currently preparing and the standards, which it has adopted in the preceding period. The work programme shall for each standard indicate, in accordance with any ISONET rules, the classification relevant to the subject matter, the stage attained in the standard's development, and the references of any international standards taken as a basis. The national member of ISO/IEC shall make every effort to become a member of ISONET or to appoint another body to become a member as well as to acquire the most advanced membership type possible for the ISONET member. Other standardizing bodies shall make every effort to associate themselves with the ISONET member. Before adopting a standard, the standardizing body shall allow a period of at least 60 days for the submission of comments on the draft standard by interested parties within the territory of a Member country. This period may, however, be shortened in cases where urgent problems of safety, health or environment arise or threaten to arise. On the request of any interested party within the territory of a Member of the WTO, the standardizing body shall promptly provide, or arrange to provide, a copy of a draft standard which it has submitted for comments. The standardizing body shall take into account, in the further processing of the standard, the comments received during the period for commenting. Comments received through standardizing bodies that have accepted this Code of Good Practice shall, if so requested, be replied to as promptly as possible. The reply shall include an explanation why a deviation from relevant international standards is necessary. Once the standard has been adopted, it shall be promptly published. On the request of any interested party within the territory of a Member of the WTO, the standardizing body shall promptly provide, or arrange to provide, a copy of its most recent work programme or of a standard, which it produced. The standardizing body shall afford sympathetic consideration to, and adequate opportunity for, consultation regarding representations with respect to the operation of this Code presented by standardizing bodies that have accepted this Code of Good Practice. It shall make an objective effort to solve any complaints.

Pros & Cons of WTO Agreements

Our discussion in previous section on WTO agreements on quality highlights three major areas, which appear to face serious consequences if quality concerns are not taken care of. These three major areas are:

- **Food safety**: For which the standards, guidelines and recommendations relating to food additives, veterinary drug and pesticide residues, contaminants, methods of analysis and sampling, and codes and guidelines of hygienic practices are established by the Codex Alimentarius Commission.
- **Animal health**: For which, the standards, guidelines and recommendations are developed under the auspices of the International Office of Epizootics.
- **Plant health**: For which the standards, guidelines and recommendations are framed by the Secretariat of the International Plant Protection Convention in cooperation with regional organizations operating within the framework of the International Plant Protection Convention.
The WTO agreements are already under implementation since January 1995, and the world and Pakistan both have since been facing some of the consequences of non-compliance (Chishti 2003 & 2004). For instance, the EU has already announced that they would impose a general ban on use of Antibiotics in animal feeds and would also maintain their present ban on use of 6 sex hormones used as growth promoters, w.e.f. 1st Jan. 2006. The US turned back an Indian shrimps consignment because it contained Antibiotic residues. The EU refused to accept shrimp consignments from Pakistan because these were infested with Antibiotic, known as Choloromphenical. The Chinese government suspended cattle imports from Australia after it received a cattle consignment infested with pneumonia-causing red-nose disease. Iraq refused to accept Pakistani wheat because of its high price and low protein contents. Importers refused Pakistani Kinoo consignments because of being packed in wooden crates instead of cartons.

These all are a few recent events occurred during years 2002 and 2003 (Chishti 2003 & 2004). These events must be seen as eye opening instances for those, who are responsible for food safety and plant & animal health. Prospects of improving quality and standards of Pakistan’s products become high if measures suggested in the relevant WTO agreements and discussed above, are adhered to. It will be in Pakistan’s interest that she adopts and follows WTO’s suggested quality standards, amending and improving her own standards in light of that of WTO. With this in view, an account of steps/actions needed is presented in the following section.

Quality Improvements: Actions Needed

1. First of all, the experts responsible for quality in Pakistan need to enhance their own understanding on the basic themes of WTO agreements, so that they make right plans to hit the target areas, with reasonable limited resources, in the shortest possible time; we have already spent 10 years of post-WTO era and did not come up with any solid policy or action, specifically in the areas of food safety and plant and animal health.

2. The United Nation’s Codex Alimentarious Commision (CAC) should be the first international body to contact for resolving a number of concerns regarding quality (CAC, 2004). This commission establishes standards, guidelines and recommendations relating to food additives & contaminants, veterinary drug & pesticide residues, methods of analysis & sampling, and codes & guidelines of hygienic practices. The Secretariat of the International Plant Protection Convention (IPPC) and the International Office of Epizootics (OIE) are the sister organizations, establishing standards, guidelines and recommendations, respectively, for plant health and animal health.

3. Those who are interested in products’ standards may consult CAC’s website www.codexalimentarius.net (CAC, 2004). This website presently provides a list of numerous current official FAO/WHO Food Standards. The website can be used to download the standard (s), one is interested in, and in case some standards are not included in the CAC’s database, the email address (codex@fao.org) may be used to know how and from where the desired standards can be obtained.

4. Those interested in pesticides and veterinary drugs MRLs (Maximum Residue Limits) may consult www.fao.org for having information on the stated ‘Limits’. The next major important step should be to search for ways and means to ensure that Pakistan’s farmers and livestock raisers adopt measures to maintain ‘Maximum Residue Limits’ while using pesticides and veterinary drugs.
5. For other quality concerns specific to plant and animal health, International Plant Protection Convention (IPPC) and International Office of Epizootics (OIE) may be approached through websites www.wto.org or www.fao.org.


7. For quality concerns other than ones covered by the above stated organizations, other international organizations, which are open to all WTO member countries, may be approached. Similarly, the US, EU, Japan and a number of other developed OECD member countries have developed and adopted some more sophisticated measures to deal with quality concerns; such measure will have to be taken care of while adopting and improving quality standards in Pakistan. Annex 1 provides a long list of websites on quality, standards, food safety, packaging and labelling.

8. Packing and labelling also need special attention. The international institutions already mentioned cover guidelines and recommendations regarding these two aspects. Some of individual developed countries may have their own packaging and labelling requirements, which need to be studied and adopted while doing trade with such countries.

References


Annexure - I

Websites on Quality, Standards, Food Safety, Labeling and Packaging

www.wto.org (World Trade Organization)
- Sanitary and Phytosanitary
- The FAO/WHO Codex
- OIE
- IPPC

www.fao.org (Food & Agriculture Organization)
- Economic & Nutrition
- Food Quality & Safety
- Codex Alimentarius
  - Official Codex Standards List
  - Search
- Pesticides MRLs
- Veterinary Drugs MRLs
- Food Additives Specification
- JECFA (Joint FAO/WHO Food Standards Programme)
- JMPR (The Joint FAO/WHO Meetings on Pesticide Residues)
- JEMRA (The Joint FAO/WHO Microbiological Risk Assessment)
- OIE (international Office of Epizootics; For Animal Health)
- IPPC (International Plant Protection Convention)
- Biotechnology
  - Biotechnology Safety at FAO
  - Biotechnology Safety at WHO
- Expert Consultation
  - Probiotics
  - Aerylamide in Foods
- Codex Alimentarius Commission
- Standard Adapted
- Risk Assessment
- Safety & Quality Assurance
- Food Control System
- Food & Food Products

www.cgiar.org (Consultative Group on International Agricultural Research)
- Post Harvest Technology
- Processing of Agricultural Products
- ASTI (Agricultural Science and Technology Indicator)

www.cimmyt.org (International Maize and Wheat Improvement Center)
- Maize
Wheat
Economics
Natural resources
Biotechnology

About the Biotechnology Center

www.who.int (World Health Organization)

Heath Topics
Food Safety
Food Safety
WHO Global Strategy for Food Safety
Food Safety European
Codex
Infoods
European Food Safety Authority
USA Food Safety Authority
Food Safety (south-East Asia Region)
Nutrition and Food Safety (East Mediterranean Region)
Food Safety (Region of the Americas-PAHO)

http://europa.eu.int/ (European Union)

The European on line
Activities
Food Safety
Commission on Food
Animal Health
Plant Health
Animal Feed Safety
Food Labeling
Safety of Food Products
European Food Safety Authority

www.oecd.org/ (Organization for Economic Cooperation & Development)

Agriculture, Food & Fisheries
International Product Standards
Forest Reproductive Material
Fruits and Vegetables
Seeds
Forest Reproductive Material
Fruit and Vegetables
Seeds
Biosafety
Harmonization of Regulatory Oversight in Biotechnology
Novel Foods and Feeds
Pesticides & Biocides:

www.worldbank.org
Search

www.foodsafety.gov
National Food Safety Programs
News and Safety Alerts
Food Borne Pathogens

www.foodsafetyforum.org
Building Effective Food Safety System
- FAO Food Control
- JECFA
- The Pan European Conference on Food Safety
Improvement of Efficiency and Transparency in Food Safety System.

http://foodsafety.ifs.ufl.edu/
(National Food Safety and Quality Programme, University of Florida)
- National Food safety Database
- Additives /Residues
  * Cooking Safety
    - Food Additives
    - Food Residues
- Food Recovery
- Food safety outside the home
- Labeling
- Canning, drying and Freezing
- Food Risk
- Industry Related Information

www.fda.gov/ (Food & Drug Administration)
- Food
- Animal Feed & Drugs
- FDA Activities
- Import
- International
  - Food
  - Animal Drugs & Feed

www.agf.bc.ca/fsg.htm (Ministry of Agriculture, Food & Fisheries, Govt. of British Columbia)
Food Safety and Quality
- Animal Health
- Pest Management

www.gov.mb.ca/agriculture/foodsafty (Manitoba Agriculture & Food)
- On Farm Safety
  - On Food Safety
  - Food Safety in Livestock
  - Farm Food Safety Progress News letter
  - Food Safety on the Farm
- Processor information

www.vegrains.org (Value Enhance Grains)
- Advantages
- Products

www.agbioworld.org (Value Addition)
- Bio Technology
UIC Organic Farming
Scientific General Articles on GM Crops

www.efsa.eu.int
(European Union Food safety Authority)

www.fsis.usda.gov
(United States Department of Agriculture Food Safety & Inspection Services)

(Institute for Food Quality & Certification of Organic Foods)

www.iso.ch/
(International Organization for Standardization)

www.iso.com
(International Organization for Standardization)

www.cfia-acia.agr.ca/
(The Canadian Food Inspection Agency)

www.nal.usda.gov/
(USDA National Agriculture Library)

www.foodfront.com/
(Private Commercial Site: The Internet Foodfront; a division of Foodfront Consulting)

http://vm.cfsan.fda.gov
(FDA/Center for Food Safety and Applied Nutrition)

www.mts.net
(Food Manufacturing Forum)

www.fpi-food.org
(The Food Processors Institute)

www.uark.edu/depts/fsc/
(Food Safety Consortium)

www.idexx.com
(IDEXX Food Safety Network)

www.okstate.edu/
(Food Safety Web, Oklahoma State University)

www.nfpa-food.org/
(International Food Information Council Foundation)