

Public Consultation on a future trade policy

About you

a. Please enter the name of your organisation

Humane Society International - UK

b. What type of organisation is it?

NGO

c. In which country are you based?

United Kingdom

d. What is your organisations main area of activity?

Animal Protection

1. Introduction

1. Now that the new Lisbon Treaty has entered into force, how can we best ensure that our future trade policy is coherent with the EU's external action as a whole and notably in relation to the EU's neighbouring countries?

The principal focus of EU trade policy is stimulating growth, creating jobs and increasing prosperity for EU citizens. On 3 March 2010, the European Commission launched the [Europe 2020 strategy](#) which sets out a blueprint for achieving and securing smart, sustainable and inclusive growth. The Europe 2020 strategy acknowledges the important role that trade has to play in ensuring these ambitious objectives. Over recent decades, the EU's prosperity has to a large extent been built on the internal market, economic integration between the Member States and open markets at home and abroad for trade and investment. However, Europe's prosperity is not only linked to its (open) internal market but also to the markets of other countries and regions, many of which enjoy much faster economic growth. Current forecasts suggest that by 2025, the volume of trade could double compared with 2005, with a bigger share of exports coming from emerging market economies (more than 30 % as against 20 % in 2005). The EU may no longer be the world's largest exporter. In today's global economy, production will increasingly be organised along global supply chains. They have become an important factor in ensuring competitiveness on domestic as well as global markets. Around two thirds of the EU's imports are inputs to other products. As a result, open trade helps embed local companies in global production chains, makes them more competitive and creates more jobs. Trade and investment flows are complementary, create jobs and promote transfer of technology. While people may be wary about the impact of all this on their job security and income, the crisis has clearly shown that protectionism is not an option. People are equally wary about the environmental impacts of the way we do business, for instance in terms of resource use and climate change. All major economies are today in the same boat; if one of them closes its markets or pursues unsustainable policies, all will suffer. The global financial crisis and its effects on the real economy have underscored the importance of sound regulation and the need to avoid major global imbalances. Trade flows were dramatically affected, although protectionism did not spread as widely as feared thanks to coordinated international efforts in G20 and WTO. The current initiatives (both at EU level and as part of the G20 mechanism) envisage a number of solutions to prevent similar crises from happening in the future. They should be part of an integrated coordinated approach: *2. Given the importance of boosting growth, creating more jobs and ensuring a more resource efficient and greener economy, how can EU trade policy help? What should the new trade priorities be in the light of the Europe 2020 Strategy?*

2. Multilateral trade negotiations

3. In addition to continuing to push for a successful conclusion to the Doha Round, how can the EU best pursue overall EU trade policy objectives in the WTO?

The EU can continue to be a leader in the negotiations to conclude a fisheries subsidies agreement. The EU should also support efforts to conclude an Environmental Goods and Services Agreement (EGSA). HSI also urges the EU to support efforts to make the WTO more transparent (e.g., allowing civil society to attend dispute settlement hearings). The EU can also vigorously defend its own laws and regulations in WTO disputes involving animal or environmental protection, such as the dispute involving Canada's challenge to the EU Regulation on Seal Products (DS400). The EU should also intervene to see that disputes involving animal or environmental protection, such as the dispute involving the U.S. Measures on Tuna and Tuna Products (DS381), are properly decided with input from leaders in these areas, such as the EU.

3. Bilateral trade negotiations

4. Do our current FTA negotiations provide the right geographic and substantive focus for our bilateral trade relationships in the context of the Europe 2020 strategy?

Enforceable Environmental Obligations With increased global emphasis on environmental issues such as climate change, loss of habitat, species extinction, illegal wildlife trade and deforestation (to name a few), HSI urges the EU to include hard obligations in its trade agreements with respect to environmental protection. This would include the requirement for all parties to effectively enforce their environmental laws, including national laws to implement international treaties, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). HSI believes it is important for the EU to take this next step in order to ensure that environmental protection is not diminished as a result of freer trade. In our view, environmental obligations should be on par with commercial obligations, and subject to dispute settlement. HSI also believes that two further issues should be explicitly included and/or strengthened in future trade agreements: wildlife protection and enforcement and farm animal welfare issues.

Wildlife Protection and Enforcement Increased trade as a result of trade agreements as new trade routes and markets emerge for legal and illegally traded wildlife. Further, increased demand for forest or agricultural products will likely lead to loss of habitat for thousands of animals that will then be vulnerable to poaching and illegal wildlife trade. This will put additional pressure on species populations that are already suffering due to climate change. Finally, illegal wildlife trade is linked to global organized crime in narcotics and arms trafficking and the spread of disease. These harmful effects can be mitigated if they are identified early and specific commitments are incorporated into trade agreements committing the parties to taking action. To this end, we recommend that future trade agreements require all parties to bring their national laws into compliance with CITES, commit to biodiversity conservation, and combat illegal wildlife trade in particular. In HSI's experience, trade agreements can be a useful vehicle for the development and implementation of a CITES compliance program, which would focus on all aspects of wildlife protection and enforcement, including wildlife rescue and rehabilitation, support for rescue centers, ecotourism as an alternative income source to poaching and illegal wildlife trade, and public awareness. Such a program should incorporate all sectors of society - government, academics, private industry, and non-governmental organizations. Farm Animal Welfare Future trade agreements are likely to increase trade (or, at a minimum, increase trade opportunities) in agricultural products, such as beef. While this could provide opportunities to improve animal welfare practices and food quality, and lead to increased incomes for local communities, it is critical that any future trade agreement does not encourage the growth of intensive farming systems in that region, particularly since these systems are being phased out or banned in the EU. To ensure this does not result, the EU should invest in studies and impact assessments looking at how to prevent the spread of intensive farming systems while simultaneously improving animal welfare practices through trade agreements. HSI further recommends that trade agreements include animal welfare as a key cooperation/trade capacity building program, and explicitly address it in the Sanitary and Phytosanitary Chapter (SPS Chapter). In terms of cooperation/trade capacity building, HSI supports the prioritization of environmental cooperation programs aimed at promoting higher animal welfare standards and practices, such as those HSI is engaged in through the Central America-United States-Dominican Republic Free Trade Agreement (CAFTA-DR). For example, HSI developed and implemented a Farm Animal Welfare program under CAFTA-DR that includes establishing animal welfare as a relevant issue to the animal agriculture industry and introducing basic humane handling practices that address growing concerns for improved animal welfare and food quality. Additionally, HSI assisted with the development of lesion studies to measure

evident economic losses due to poor practices during handling, a direct result of deficient animal welfare policies. This first-hand evidence is a great tool for directly establishing the benefits of higher animal welfare in the beef industry. Several members of the industry work alongside HSI to improve animal welfare practices, in recognition and preparation of possible market access in the future. With regard to the language of trade agreements, HSI recognizes that animal welfare is of great importance to the EU, and we were pleased to see that the SPS chapter of the EU-Chile Agreement includes provisions governing animal welfare with respect to stunning and slaughter. We believe that future agreements can go even further to promote animal welfare and protection. Specifically, we support inclusion of higher animal welfare practices during transport, which includes loading, off-loading, and lairage, as well as handling in the SPS chapter to complement the provisions on stunning and slaughter in the EU-Chile Agreement. Clearly, the EU recognizes the importance of higher animal welfare during transport and handling, as reflected in its regulations and regional research and outreach efforts with members of the production chain both within its Member Countries and abroad.

Over the last decade, the EU has also consistently engaged with its major strategic trading partners (such as the US, Japan, China and Russia) in regulatory dialogue and other forms of economic and trade cooperation. Our economic weight, notwithstanding current conditions, makes the EU an attractive partner for many countries, but this has not always translated into real progress in terms of a level playing field for EU companies, or new opportunities to do business and invest in these important markets: **5. Should the EU now try for closer economic integration and cooperation with such partners? What is the best way to further facilitate trade and investment, overcoming regulatory differences that may have the effect of barriers to trade and deepening our trade relationships with these important economies?**

Regulatory differences are nowadays often a more important source of trade hindrances than tariffs, especially between developed countries, with low tariffs but sophisticated regulatory systems resulting in additional compliance costs for cross-border activities. Reducing these costs can generate significant trade and economic benefits. In today's world of global production chains, increased regulatory convergence at global level, for instance through the promotion of international standards or by other means such as the development of mutual recognition/equivalence of regulatory systems may help EU companies do business successfully abroad. The precise nature of the model to advance towards regulatory convergence will, however, depend on the specifics of the economic sector concerned: **6. How can the EU improve the effectiveness of regulatory dialogues? How can the EU promote the establishment of and greater recourse to international standards without compromising legitimate public policy choices?**

The lack of international harmonisation of regulatory data requirements and assessment approaches in some product sectors (e.g., agrochemicals, biocides, chemicals, food additives and flavourings), coupled with inconsistent approaches to the application of the 3Rs tenet of Replacement, Reduction and Refinement of vertebrate animal testing, means that unnecessary testing is inevitably taking place. This could involve a vertebrate test being required in a third country where a non-animal method is accepted in the EU (i.e., redundant testing due to lack of mutual recognition), a hazard-driven testing requirement in the EU that could be waived according to a risk-based paradigm, testing requirements peculiar to emerging markets, and numerous other scenarios. At the very least, these scenarios represent wasteful duplication. They can also lead to protracted delays in market access, which can be enormously costly to industry. In the interests of minimising redundant testing and preventing undue costs, delays and animal use, increased effort to identify and promote global harmonisation of 3Rs best practices is recommended. This should be a transparent process (with opportunities for stakeholder involvement) in each of the aforementioned product sectors. Multilateral models such as the ICCR (International Cooperation on Cosmetics Regulation, <http://www.hc-sc.gc.ca/cps-spc/person/cosmet/info-ind-prof/iccr-eng.php>) and ICH/VICH (International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use, [http://www.ich.org/International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products](http://www.ich.org/International%20Cooperation%20on%20Harmonisation%20of%20Technical%20Requirements%20for%20Registration%20of%20Veterinary%20Medicinal%20Products), <http://www.vichsec.org>) have been successful in improving regulatory cooperation and in reducing divergences/redundancies in the cosmetics and pharmaceutical sectors. In light of current efforts to revise chemicals and pesticides legislation/regulations in the EU and elsewhere, comparable initiatives in these sectors are should be pursued without delay. As the range of approaches to addressing regulatory data requirements continues to increase and become more complex (i.e., the evolution from one or more OECD test guidelines for a particular toxicological endpoint to "integrated testing strategies", which can combine multiple sources of testing and non-testing information, to fundamental paradigm shifts, such as the proposal from the US National Research Council to transition to a "toxicity pathway"-based approach, <http://www8.nationalacademies.org/onpinews/newsitem.aspx?RecordID=11970>), efforts to achieve international agreement regarding 3Rs best practices will become increasingly important. These discussions of regulatory acceptability need to take place among national risk assessors and managers, and cannot be left in the hands of a validation review body alone (http://iccvam.niehs.nih.gov/docs/about_docs/ICATM-MOC.pdf). In the area of farm animal welfare, the EU should view international guidelines being developed by the OIE as the minimum level of protection, rather than a ceiling that cannot be exceeded. This is important to ensuring some level of harmonization but still allowing for countries to adopt guidelines and standards that are stricter than those set out by international organizations such as the OIE.

Securing a reliable and sustainable supply of raw materials is crucial for EU industry. Taking into account development policy and environmental sustainability concerns, securing this supply from third countries requires a coordinated approach regarding EU external relations and trade policy: **7. How can the EU, and in particular trade policy, help to secure a reliable and sustainable supply of raw materials by third countries?**

4. Services

8. Should the EU aim for more trade in services, and if so, how? Multilateral and bilateral negotiations have only partially succeeded in opening trade in services so far, so would a renewed focus on trade in services among key trading partners (plurilateral approach) offer a useful alternative avenue?

5. Investment

9. Given that the Lisbon Treaty gives the EU greater competences in international investment policy, how should we contribute to facilitating cross-border direct investment (both outward and inward)? What are the key issues to be addressed in agreements governing investment?

6. Sustainable trade

10. How can trade policy best support green and inclusive growth around the globe including through Sustainability Impact Assessments?

*See answer to question four on how the EU should strengthen the framework for environmental issues in trade agreements by creating "hard obligations", and specifically include pressing issues such as illegal wildlife trade and deforestation. See also the answer to question 11 discussing agricultural issues in relation to CAP Reform.

The EU is a major market for agricultural imports from developed and developing countries. The EU is also a key producer and exporter of processed food and other high value agricultural products: **11. Given the forthcoming revision of the Common Agricultural Policy and the continuing need to foster a sustainable agricultural sector in Europe, how should EU trade policy develop in this area consistently with the overall objectives of the Lisbon Treaty?**

The CAP was originally designed to ensure food security and a single agricultural market, as well as to increase productivity. While food security and the guarantee of a fair income for EU farmers are still important, the focus of the CAP should today instead be shifted to the development of a sustainable agricultural industry that promotes food safety and environmental protection, and increases the economic and food security, of the EU for generations to come. It is also important that as the EU reforms the CAP, and implements other agriculture measures such as the phasing out of battery cages, it ensure that such measures are consistent with (or at a minimum, defensible under) WTO Agreements. With respect to animal agriculture in particular, recent Eurobarometer surveys provide irrefutable evidence of a high degree of concern for animal welfare among citizens throughout the Union. EU citizens not only want to see animal welfare improved, which contributes to food safety and mitigation of the spread of disease, but also broadly support the idea of farmers being compensated for costs involved in achieving improved animal welfare standards. The CAP played a major role in the massive intensification of animal production in Europe, which has had a negative impact on farm animal welfare & the environment. Previous reform, such as the single farm payment & cross-compliance mechanism, failed to effectuate sufficient change. The CAP must be radically transformed into a progressive policy promoting sustainability, high animal welfare standards and the extensification of animal production, rather than one that simply supports farmers' incomes or production status quo. Farmers should indeed receive a decent income and fair prices for their products, but not at the expense of good welfare and sustainable production methods. Thus, we recommend that: The CAP should provide farmers with non-trade distorting financial assistance to offset costs associated with improved animal welfare practices that will have benefits for human and animal health, as well as the

environment. Such funds should not be tied to production levels. This would be consistent with Green Box criteria under the WTO Agreement on Agriculture. We recommend that funds be specifically allocated for this purpose, and that direct aid not be given to intensive animal producers. Article 13 of the Lisbon Treaty stipulates that in formulating and implementing the Union's policies, full regard should be paid to the welfare requirements of animals. The requirement for cross-compliance should thus be retained, but also extended to all existing and future farm animal welfare legislation. To this end, we recommend: In addition to the funds mentioned above, rural developments funds should be specifically allocated and used by Member States more actively to promote animal welfare and the transition to more extensive and sustainable animal production methods with a lower environmental impact. To the extent permitted under EU legislation and international trade rules, funds should also be specifically allocated for the promotion and marketing of sustainably produced, animal-friendly products to EU consumers.

7. Inclusive trade

12. How can EU trade policy ensure that the benefits of global value chains are shared by European producers, consumers and jobholders?

The gains from trade are not evenly distributed, and adjustments can lead to short-term costs in the form of unemployment, retraining the workforce and converting production structures. The EU has a number of instruments available to address the problem of adjusting to new global trade patterns, such as EU Structural Funds, the European Social Fund (ESF), and the European Regional Development Fund. In addition, the EU launched the European Globalisation Adjustment Fund (EGAF) in 2007, which offers a general response in terms of managing the negative employment effects of globalisation. The EGAF is designed to provide one-off individual support for a limited period to workers who are 'severely and personally affected by trade-adjustment redundancies'. In the longer term, the aim is to help redundant workers find and hold on to jobs: *13. Are existing 'flanking' policies sufficient to ensure that the benefits of trade are shared among different people and across different regions and markets in the EU? And how can the EU best ensure, where necessary, that trade and other policies play their part in helping people, sectors and communities adjust?*

8. Trade and Development

14. How can the EU best strengthen the issue of trade and development in its trade policy? Should the EU pursue a more differentiated approach in its trade relations to reflect the level of development of particular partners? How should the EU approach the issue of trade preferences in relation to the generally low level of EU Most Favoured Nation (MFN) tariffs, which will further be eroded following the possible conclusion of the Doha Round?

The EU should strengthen the issue of trade and development in its trade policy through increased focus on trade capacity building and environmental cooperation in developing country trading partners. These types of programs can be a powerful tool for promoting environmental and animal protection, while also contributing to economic development and the improvement of local livelihoods. Such programs are most effective if they involve public/private partnerships, including all sectors of society, such as NGOs, government, academic institutions and industry. Program priorities should be identified annually so that sufficient resources can be allocated to ensuring implementation of the programs. HSI's experience is instructive. HSI implements a number of trade capacity building and technical assistance programs in developing WTO Member countries to support sustainable economic development, including humane agricultural practices and habitat and wildlife protection policies. Many of the programs that HSI runs and supports in Latin America are trade capacity building and/or environmental cooperation programs born out of the Central America-United States-Dominican Republic Free Trade Agreement (CAFTA-DR). For example, HSI's programs include hands-on training on wildlife handling, rescue and rehabilitation, and workshops on compliance with national laws implementing the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). HSI helps small cacao farmers improve production, improve quality, and work towards organic certification for shade-grown cacao, which provides a habitat for migratory birds and other wildlife. HSI's ecotourism program provides communities that are reliant on income from activities that are harmful to local endangered species and their habitats with alternative, non-extractive methods for capitalizing on their natural resources while also increasing their earnings. HSI has also worked with the beef industry in Costa Rica to strengthen animal handling, transport and slaughter practices that improve the treatment of animals, result in higher yields of better quality meat products, and will eventually expand export opportunities for Costa Rican farmers and producers to niche markets in the United States and elsewhere that will pay a premium for humanely raised and slaughtered meat products.

9. 'Smart trade'

15. What initiatives could the EU take and which EU trade policy instruments could we mobilise to complement and reinforce the 'smart' dimension of the Europe 2020 strategy and facilitate trade in high-tech goods and services?

10. Enforcement and dealing with unfair practices

16. How can the EU best safeguard its firms or interests against trading partners who do not play by the rules? Are the existing tools and priorities sufficient to address unfair competition from third countries?

Many partner countries still give limited access to their markets, for example to their procurement markets by giving national preferences to their enterprises. The EU is also looking into new areas such as access to raw materials and energy (see question 7 above). Furthermore, the EU has developed a comprehensive [Market Access Strategy](#) which uses a variety of formal and informal tools to make sure that European companies can make use of the market access opportunities which have been negotiated in trade agreements. Following the recommendations of the Europe 2020 Communication, an annual trade and investment barriers report identifying ways to improve market access and regulatory environment for EU companies will be presented to the Spring European Council starting in 2011: *17. How can the EU best safeguard its firms or interests against major trading partners who maintain an asymmetric level of openness and resort to protectionist measures? Are the existing tools and priorities sufficient to address practices such as keeping EU suppliers out of government procurement markets, market access restrictions, restricted and insecure access to energy and raw materials?*

One important factor in promoting 'high-quality' growth is innovation, for which the Europe 2020 strategy also has a number of initiatives. Ideas and innovation need to be protected through effective protection of Intellectual Property Rights (IPR), including geographical indications (GIs). This is why the Commission in November 2004 put in place a strategy for enforcing IPR outside the EU. The strategy is currently being evaluated, and an Enhanced IPR Protection and Enforcement Strategy in third countries is due to be launched in 2011. Cooperation is also underway with major partners in order to promote better respect of IPR rules in third countries. Other issues such as access to medicines in developing countries need to be taken into account: *18. What else can EU trade policy do to further improve the protection of IPR in key markets?*

11. An open approach to shaping trade policy

19. What more should the Commission do to ensure that trade policy becomes more transparent and to ensure that a wide variety of views and opinions is heard in the policy-making process?

HSI commends the EU for their focus on transparency and for hosting public consultations and meetings that allow civil society to provide input on trade and environment policies. One way to further enhance transparency and civil society input would be to establish an advisory committee on trade and environment issues comprised of a wide cross section of the environmental community in the EU, including industry, academics, and NGOs as well as agriculture and/or consumer interests. The Committee would provide policy advice to the Commission on issues involving trade and the environment. This could be done through formal opinions, as well as less formal meetings. A similar model is used in the U.S. and in HSI's view, has greatly enhanced transparency in the policy making process.

Others

20. Are there additional priorities in relation to trade policy that the Commission should pursue?

21. Do you oppose publication of your contribution? If yes, please provide the specific reasons for which you consider that your interests would be harmed if it was put in the public domain

No

Meta Informations

Creation date

26-07-2010

Last update date

User name

null

Case Number

269579914231720710

Invitation Ref.

Status

N