

SPS Agreement under the WTO: The Indian Experience

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Introduction

A largely agrarian economy like India can gain substantially from its high value food exports. A recent study of the industry shows that the total turnover of this sector is approximately INR 250,000 crores (USD 69.4 billion). Out of this INR 80,000 crores (USD 22.2 billion) was on account of value-added exports². Efforts at increasing the export potential of these sectors would not only increase the exports from the country, but would also have multiplier effects on the overall growth of the economy.

Unlike most manufactured products, agricultural output requires additional care. In the case of agricultural output, apart from the productivity and quality considerations at the production level, there are some necessary precautions that need to be taken when the product is stored and transported. Absence of such cautious measures would have adverse effects on the quality of the product, resulting in increased wastages and decreasing the market value. Further, this holds true for both raw and processed food products. Thus it is in the self interest of the producers as well as the exporters to ensure that certain hygienic and other safety conditions are met. With an increase in the levels of health-safety awareness among the citizens of both developing and developed countries, this practice becomes imperative for the suppliers of these products.

Recognizing the importance of the issue, each country has specified certain norms of processing, packaging and testing, and certain standards of quality that must be maintained. At the international level, WTO has specified some Sanitary and Phyto-Sanitary measures that need to be followed for international trade of food products. The SPS Agreement under the WTO seeks to lay down the minimum sanitary and phyto-sanitary standards that the member countries must achieve. This is to ensure the safety of life and health of humans, animals and plants.

Specification of certain minimum standard in the agreement implies that the countries have the freedom to set a higher standard if they can justify it. The only requirement is that the set standard should not be trade distortionary and should be scientifically achievable. The agreement also defines the process of imposition and the factors that must be taken into account before imposing any standard.³

Though it may be difficult to deny the need of such standards, yet complaints are made regularly against the imposition of high standards. Sometimes the compliance requirements are perceived as a trade barrier by the exporting countries, especially if they

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² Source: Website of the Ministry of Food Processing Industry.

³ As given in Article 2 of the SPS Agreement.

belong to the developing world. Attention is also drawn to the fact that many of the developing countries may not have the institutional capacity to meet the set standards. Another issue of conflict arises due to the multiplicity of standards, and the fact that different countries may impose different standards. This would require generating information and awareness about these issues so that both the suppliers and the buyers can comply with these.

Historical Perspective

The issue of Technical Barriers to Trade (TBT) came to forefront during the Tokyo Round (1973 to 1979) of multilateral negotiations; during which time the WTO members signed the TBT Agreement. The SPS Agreement came as the following step to the TBT agreement, with a more focused attention on food trade. This was signed during the Uruguay Round of WTO. The primary objective of the agreement was to safeguard plant and animal health via ensuring food safety. The methodology adopted for this was to regulate the technical requirements of production, inspection mechanisms and labeling of the food products. 'Harmonization' and 'Transparency' were to be the guiding principle of the agreement.

Some incidents in the following years caused a concern among the nations of the developed world, regarding the health of its residents. The sudden outburst of diseases like mad cow, plague etc. in certain parts of world, and accidents like the Bhopal gas tragedy in India, created an impression that the food imports coming from these countries may be infected by certain disease-causing agents. All these resulted in signing of the SPS Agreement by the member countries.

At the Mid-term review of the Uruguay Round, in December 1988, the priority areas of SPS were recognized as:

- International harmonization on the basis of the standards developed by the international organizations.
- Development of an effective notification process for national regulations.
- Setting up of a system for the bilateral resolution of disputes.
- Improvement of the dispute settlement process.
- Provision of the necessary input of scientific expertise and judgment, relying on relevant international organizations.

The agreement recognizes the need of member nations to impose sanitary and phytosanitary measures. At the same time it aims at ensuring "that these are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between members where the same conditions prevail, or a disguised restriction on international trade"⁴.

⁴ Quote from the Introduction to SPS Agreement, Provisions in general.

SPS as a Trade Barrier

Developing countries have for long maintained that these standards can be and are being used as trade barriers against them. This practice has an adverse impact on their exports. The most common complaint is that the standards are set very high, and often unreasonably so. It is in fact contended that the standards are strategically kept at high levels so that exports from the developing countries can be banned. For example many countries have very strict restrictions for presence of Alfatoxins⁵ in spices. In Belgium tolerance level is as low as zero. In Switzerland it is 1ppb⁶ and in Germany and Denmark it is 4ppb. The problem arises due to the fact that the climatic conditions in most spice growing countries are such that make spices vulnerable to the attack of fungus. These are mostly tropical countries where high temperature and humidity make it difficult for the producers to meet the specified conditions.

The fact that these countries lack the resources for implementing the set standards is another cause for concern. Setting up new technology for meeting the standards may require large investment and recurrent costs. In most cases the better technology required is not available domestically, and have to be imported from other countries. This is likely to have twin impact on the profitability of the firms. Firstly, their production costs may go up as process and product standards are compiled with, reducing the profitability of the firms. In addition, increased costs would have a detrimental effect on their competitiveness in the foreign markets. In fact, the latter impact could be larger as the increase in production costs would be common for all markets, even for those that don't require the specified high standards. Thus a firm trying to achieve higher standards set by one country may loose its markets in other countries due to reduced cost competitiveness.

On the other hand the countries imposing these standards maintain that they are necessary for the health of the residents and are technologically feasible. The spread of education and greater awareness level about health and hygiene in these countries has also resulted in public demand of better quality products. Even the governments in these countries contribute towards this awareness by making available the information on food-borne diseases and people infected by them. This in turn builds a pressure on the governments to implement stricter laws and tighter regulatory regimes. In fact, with an increase in the awareness and purchasing power, such demand for better quality products is on an increase even in the markets of the developing countries.

Some of the apprehensions of the developed world regarding the quality of food exports from the developing countries are not entirely ill founded. The fact remains that the supply chain is indeed longer in the case of latter countries. This makes supervision of hygiene and other safety measures difficult. It implies that food may get adulterated or infected by pathogens at any level of the supply chain. Further, many of the units engaged in this sector are small and unorganized. Thus it is more likely that they lack the

⁵ Alfatoxins are naturally occurring toxins that are metabolic byproducts of fungi, *Aspergillus flavus*, and *Aspergillus parasiticus*, which grow on many food crops under favorable conditions. It may have adverse impact on animal and human health with acute toxicological effects on such as liver damage and cancer.

⁶ Parts per billion.

facilities and other resources to maintain proper food safety conditions. Add to this the poor infrastructure of the country, which increases the risk factor. Wastage of food due to lack of proper storage and transportation facilities is a common problem in many of these countries.

Thus there are some conflicts between the developing and the developed countries regarding the authenticity of standards that have been set. One argument that has been constantly made is that the developing countries should make efforts to upgrade their technology and enhance their capacities in order to comply with these standards. A greater capacity to export would result in sustainable and profitable trade opportunities. This would not only increase their competitiveness and trade, but would also enhance the overall growth potential of the economy. The counter argument forwarded has been that there is nothing stopping the importing countries from imposing even stricter conditions as no upper limit can be specified. Since these standards are being used as trade barriers, a higher standard would serve the same purpose. Thus the exporting country may not gain even if they implement new and better technology.

An example of this is the loss shrimp industry of Bangladesh had to bear because of the ban imposed by EU. A comprehensive study by Cato and Lima (1998)⁷ showed that the economic loss due to the ban was about USD 65.1 million. The entrepreneurs along with the government had invested about USD 18 million for operation of HACCP⁸ system. An additional maintenance cost of USD 2.4 million was being spent. Under these circumstances, the ban on the shrimp imports from Bangladesh was a big blow on these efforts.

The two kinds of arguments have time and again resulted in conflicts between the two sides. In this section we take a look at different categories of standards imposed and the possibilities of conflicts arising in each case:

Product Related Standards: These are the restrictions imposed on the quality of a product. It includes the specific limits upto that the presence of microbes of other pathogens is allowed. The EU Commission in Brussels has specified the tolerance level and the testing procedures for Aflatoxin in Peanuts. The new procedures are more rigorous than the previous ones and have resulted in large-scale rejection of the peanut export to EU. These new standards have been termed unjustified. An expert committee of FAO and WHO found that the health risks to consumers due to Aflatoxins are extremely low or negligible.

Production Process Standards: EU countries lay a lot of emphasis on the production of the goods and not only on the end product. Thus many times they demand that proper conditions are maintained even when the goods are produced and not just during processing. These requirements have adverse impact on the exports of goods like mango pulp, milk products etc. An example of process standard is the restriction imposed by EU,

⁷ Cato, J. C. and C.A. Lima dos Santos. 1998. European Union 1997 Seafood Safety Ban: The Economic Impact of Bangladesh Shrimp Processing. *Marine Resource Economics*. 13(3):215-227.

⁸ Hazard Analysis and Critical Control Point.

under which only that milk can be imported that has been mechanically milked from cows. For such goods, unorganized small units undertake production. Thus it is very difficult to regulate them and to maintain the standards at their level. Instead care is taken at the 'entry-level' to ensure that contaminants are not present.

Testing Procedure Standards: Detailed and extensive tests are conducted on the food products before they are exported to other countries. The testing procedures as well as the kind of adulteration being tested for, vary from one agency to other. Problems arise when the domestic testing agencies declare the products fit for consumption, but those in other countries deny this claim. The fact that one of two reports is biased is a possibility, which can't be denied.

Certification: The developed countries often demand that certain international standards are complied with. For this they demand certification from an independent agency. Conflicts in this case arise when one country refuses to identify a certifying agency of the other country. For example, EU identified problems with the inspection and approval system followed by EIC in India. This resulted a ban on the goods being exported by India to EU. The conflict arose as certain production units satisfying the necessary condition were not able to export their products because the public institution was not considered competitive by the importing country.

Problem also arises due the vast differences in culture, food habits, products available, and access to technology and financial resources. All these along with climate of the area have effects on the quality of food products. In fact, even to specify some minimum standards for all products, in itself is a Herculean task. These minimum standards reflect the feasibility of implementation, which in turn is influenced by the above-mentioned factors. Further, this multiplicity of standards often results in differences in perception and thus in conflicts. The table below gives the number of complaints raised in an international dispute settlement agency, against some of the major countries in the world⁹.

Country Name	Number of Complaints
European Communities	38
United States of America	26
Mexico	6
Korea	6
Australia	6
Japan	5
Chile	5

The role played by SPS Agreement in resolving these conflicts has been important, yet only partially successful. The Agreement aims at “minimizing the adverse effects that sanitary and phytosanitary regulations and barriers can have on trade in agriculture”.

⁹ The number of complaints have be computed from the list of disputes given on the WTO website.

There has been an emphasis on greater harmonization and transparency. Harmonization here “refers to the establishment, recognition and application of common sanitary and phytosanitary measures by Members”. At the same time greater transparency required that all the members be aware of the standards imposed by the other members. Thus it was obligatory for the members to declare their SPS measures.

The partial success of the Agreement has largely been due the complexity of issues involved. The market for agricultural commodities is in a state of flux. Rapidly evolving technology and the large variety of products available, make harmonization a difficult task. Also there are differences in the interpretation of the Agreement by the Member countries, and in their ability to take advantage of the rights and responsibilities defined. Since the issues involved are related to health and safety of the residents, countries have a right to impose strict standards. Yet the fact remains that they ‘misuse’ this right.

Situation in India

India has managed to create a niche for itself in the global food market and is currently amongst the largest producers for some food products in world. These include production of grains like wheat and paddy, dairy, fruits and vegetables, marine products etc. The size of the Indian food market is well above INR 250 billion and it exports goods worth INR 1450 million, contributing around 10 percent of the country’s total exports. A large domestic demand ensured that there was a ready market and thus an incentive for the producers to employ efficient means of production resulting in a larger quantity and better quality of output. As a result the processing industry has a growth rate of around 15 percent per annum. Agricultural growth though has been much less. Yet there remains a large untapped potential of growth which if exploited can help us emerge as the largest producer of major food items.

Even though the food producing and processing sector has shown some growth during the past few years, there exists a plethora of problems that need to be addressed before it embarks on a high growth path. On the domestic front, better technology in all spheres of production and processing can result in greater efficiency. Better transportation and storage facilities are also required to mitigate the losses arising from spoilage and wastage of food. Some estimates suggest that currently around 20 percent of all foods produced in India are wasted. Further, easy credit availability is necessary, absence of which creates a bottleneck in addressing other issues.

On the international scene, focus has shifted to two themes. Firstly, the country would be better off if it exports processed food items, instead of primary output. India is the second largest producer of fruits and vegetables in the world, but only about 2 percent of it is processed. Similarly, even though we are the largest producer of milk, only about 15 percent of it is processed by the organized sector. On an average, value addition to the raw produce in India is only 7 percent. This is much less as compared to 23 percent in China, 45 percent in Philippines, and 88 percent in United Kingdom. Secondly, there is a need to prevent the import of sub-standard products from other countries. There have been incidents in past when developed countries exported low quality food products to

India, which were considered unfit even for their domestic market. Now with a greater awareness and better bargaining power, India can hope to prevent its domestic markets being used as dumping grounds by the developed countries.

As mentioned earlier, one big challenge before the country is to encourage the exports of processed food products. Thus in the following section, we take a look at the issues involved with the compliance of SPS Agreement in India, the measures taken and the agencies responsible for it.

In the recent past awareness regarding importance of health measures and fear of health hazard has shown a definite upward trend even in not-so developed countries like India. As a result an elaborate system of inspection and certification has evolved over the years. This system becomes more rigorous if the goods in question are to be sent to foreign markets. Yet imposition of more stringent SPS standards by the developed world would definitely have some repercussions on the trade of developing countries, including India. Some promising export-commodities for India like coffee, pulses, spices etc. may have to comply with certain stricter rules and regulations. This is evident from the fact that rejections of Indian shipment by US have increased from 860 during May 1999- April 2000, to 997 during December 2001- November 2002. The USFDA gave varied reasons for this rejection. The Table below gives the some of the reasons attributed to the rejection of shipment along with the number of rejections.

CAUSES OF DETENTIONS¹⁰	NUMBER OF SHIPMENTS
FILTHY	256
UNAPPROVED: NET DRUG WITHOUT APPROVAL	174
SALMONELLA	161
NOT LISTED	107
MFRHACCP	88
NO PMA / PDP	87
LIST INGRE	78
NUTRITION LABEL	72
LACK N/C	51
PESTICIDES	43
UNSAFE ADD	37
UNSAFE COL	35
DIRECTION: HOW TO USE ETC.	28
AGR RX	24
COLOR LBLG	17
DR QUALITIC	16
DRUG NAME	16
REGISTERED	16
INSANITARY	15
LACK FIRM: NAMES ETC.	13
NO 510(K)	12
SACCHARIN	12
COSMET LBLG	11
FALSE	11
USUAL NAME	11
LABELING	10
CSTIC LBLG	8
FLAVR LBLG	8
COSM COLOR	7
NEWVET DR	7
INCONSPICU	6
RX LEGENT	6
DIETRYLBL	5
FOREIGN OB	5
NEED FCE	4
CONTAINER	3
DE IMPGMP	3
HOLES	3

¹⁰ (Source: Paper by Rajesh Mehta and J George, Processed Food Product Exports from India: An Exploration with the SPS Regime (2003), Joint research Project of Australian National University, University of Melbourne, Research and Information System (India), Thammasat University (Thailand)

POISONOUS	3
PRESERVE LBL	3
RX COMPOUND	3
COL ADDED	2
JUICE %	2
PERSONALRX	2
UNDER PRC	2
ANTIBIOTIC	1
BACTERIA	1
HEALTH C	1
IMPTHACCP	1
NO ENGLISH	1
NO PROCESS	1
NO REGISTER	1
SOAKED WET	1
WARNINGS	1
YELLOW H5	1

These increased detentions and bans on Indian products by developed countries indicate that there is a need to upgrade system of compliance with the specified sanitary and phytosanitary norms. Though most of the exporting firms in India are following Codex standards, yet they have to face losses due to detained or rejected shipments. One major cause of this is the lack of availability of correct and timely information. There have been incidents where producers didn't have the time to comply with some standard, which was announced suddenly. For example, a consignment of 'egg powder' from India was rejected in EU. The reason given for this rejection by authorities in the destination country was the non-compliance with rule of 'Minimum Required Performance limit (MRPL)'. The ground reality was that the rule had been announced just before the date of the consignment reaching the importing country. No concession was made for the fact that the producer of the good in question did not have time margin so that the newly announced rule could be complied with.

The legal framework for enforcing a hygienic and healthy availability of food exists in India for a very long time. *Food products Orders, Essential Commodities and the Prevention of Food Adulteration Acts* specify the bindings for the producers and sellers of foodstuff. These aim at regulating sanitary and hygienic conditions at all levels of supply chain, and lay down the minimum requirements for:

- Sanitary and hygienic conditions of premises, surrounding environment and personnel
- Water to be used for processing
- Machinery and equipment
- Product standards

Besides this, maximum limits of preservatives, additives and contaminants have also been specified for various products. Ministry of Food Processing Industries, Ministry of Agriculture and some other agencies are responsible for implementing these legislations. In fact this multiplicity of regulating agencies is one of the problems of implementation. The producers are not sure which institute to approach for guidelines, and which institute has the authority to conduct inspection. A repetition of the process by more than one agency would result in waste of time and resources. The following table gives the various legislations enacted, and the institutions responsible for their implementation.

Legislation and Institutional Setup¹¹
<p>Ministry of Agriculture</p> <ul style="list-style-type: none"> • Insecticide Act • Milk and Milk Product Control Order • Meat Food Product Order 1973
<p>Ministry of Rural Development: Directorate of Marketing and Inspection (DMI)</p> <ul style="list-style-type: none"> • Agriculture Produce (Grading and Marking Act)
<p>Ministry of Health and Family Welfare</p> <ul style="list-style-type: none"> • Prevention of Food Adulteration Act 1954
<p>Ministry of Food Processing Industries</p> <ul style="list-style-type: none"> • Fruit and Vegetables Product (Control) Order – FPO 1955
<p>Ministry of Commerce</p> <ul style="list-style-type: none"> • Export (Quality Control and Inspection) Act 1963
<p>Ministry of Civil Supplies, Consumer Affairs and Public Distribution</p> <ul style="list-style-type: none"> • Standards of Weights and Measures Act • Standards of Weights and Measures (Enforcement) Act • Solvent Extracted Oils, De-oiled Meal and Edible Flour Control Order 1967 • Vegetables Product Control Order 1976 • Bureau of Indian Standards Act 1986
<p>Ministry of Environment and Forests</p> <ul style="list-style-type: none"> • Aquaculture Authority Notification 1997 and 2002 • Environment Protection Act 1986, Environment Protection (Third) Amendment Rule 2002 • Coastal Regulation Zone – Notification 2002

¹¹ Presented by Rajesh Mehta and J George in a workshop on International Food Safety Regulations and Processed Food Exports.

In addition to the above-mentioned institutes, there are others concentrating their efforts towards formulation and implementation of SPS standards. A few of these have been discussed below along with the activities they carry out.

Bureau of Indian Standards (BIS): This is a premier organization for setting standards. So far it has set more than 17,000 standards, out of which 150 are mandatory, while others are voluntary. The procedure adopted by BIS is same as everywhere in the world. A suggestion coming from a consumer or an organization is considered by a committee for its viability, before formulation of a final draft. All BIS standards are voluntary, unless specified otherwise by the government.

Food and Agriculture Department (FAD): It deals with the standardization in the field of food and agriculture, including processed food, agricultural inputs, agricultural machinery and livestock husbandry. FAD undertakes the following activities:

- Review of an existing standard.
- Finalization of a standard when the procedure is completed.
- Recognizing of the area where a new standard needs to be set up, as no old standard exists.

Ministry of Food Processing Industry (MFI): As the name suggests, this ministry formulates the procedures and standards for the food processing industries. Thus rules are put together regarding the following thrust areas:

- Material to be used for the machine and equipment that touch the food.
- Quality of water used for production and for other purposes like washing and cleaning.
- Requirements of in-house laboratories.
- Assessment of the quality by food technologists.
- Standards pertaining to chemical content, physical characteristics, contaminant levels, and additive levels allowed in food.

Codex Alimentarius: This is an international organization that brings together all the interested parties, scientists, technical experts, governments, consumers and industry representatives. The standards set by codex are becoming increasingly acceptable world over, and thus are used as a benchmark by the domestic organizations. They even play a vital role in trade negotiations and settling of disputes.

Export Inspection Council (EIC): This is an apex agency that facilitates exports of SPS compliant commodities. It also gives advice to the government regarding measures to be taken for enforcement of quality control an inspection. Further, it also makes arrangement for pre-shipment inspection of commodities to ensure compliance of all specified standards. EIC provides three kinds of inspection and certification:

- Consignment-wise inspection.
- In-process quality control.
- Food safety management system based certification.

Efforts of these organizations clearly don't suffice to address all issues concerning the food producing industry in India. The importance of role played by these agencies in enabling the producers to meet the health-safety standards, cant be undermined. Yet there is a need to take some measures at administrative and diplomatic level. The role of the Central Government assumes importance at this point. Such a requirement arises when some of the countries impose trade barriers under the disguise of technical barriers (SPS Measures). Under these conditions government raises the issue at WTO, Dispute Settlement Bodies or at other international tribunals. The box below gives the main points of the complaints made by Indian Government in WTO regarding the issues of Harmonization and Transparency in the SPS Agreement.

Main Points of Papers Submitted by India in the WTO committee on Issue of Harmonization and Transparency in the SPS Agreement¹²

Harmonization:

The SPS agreement doesn't define in precise terms when a standard should be considered as an international standard. In the absence of a precise definition, a standard adopted by the standardizing bodies is deemed to be an "international standard", even if only a limited number of countries may have participated in the technical work on developing the standard, and even if it may have been adopted, not by consensus, but by a slender majority vote.

Only a few developing countries are able to participate actively in the meetings of the technical committees. The majority of developing countries, even if present, are unable to participate effectively, since they are not backed by background research that is needed for the submission of the technical papers.

Given the diverse conditions prevailing in the developed and the developing countries, it may be more appropriate to harmonize standards of a particular region where similar conditions prevail and where the population also has more or less similar immunity levels.

In India's view, the international standards formulation procedures followed by different international organizations should have uniformity. The International Organization for Standardization (ISO) and the Codex Alimentarius Commission (Codex) are following different standards formulation procedures.

For standards that are developed with a possible view of adopting them on a mandatory basis, a narrower definition could be adopted. Such a narrower definition cold provide that for the purpose of the SPS Agreement, a standard, guideline or recommendation shall

¹² An Indian Embassy Document.

be considered mandatory only if an agreed minimum number of countries from different regions have participated in its formulation, and that it has been adopted by consensus.

Transparency:

Issues of Transparency need to be considered from two broad aspects. First, as generally accepted, it is of vital importance to ensure that all Members are up to date in the fulfillment of their notification obligations with respect to the implementation of the Agreement. The second aspect from which transparency provisions need to be examined is in ensuring that the process of developing SPS measures is made as transparent as possible, especially in view of the potential that SPS measures have for affecting international trade.

Very often the notifications of Members do not contain details regarding the methodology of risk assessment and the factors taken into account for determining the appropriate level of SPS protection.

Often, requests for detailed information are responded to after a considerable time has elapsed and often after the expiry of the time period for making comments, rendering the whole exercise futile.

Producers should be provided sufficient time to adapt to the new requirements of the importing countries. It is logical to assume that producers in the exporting countries would commence initiating such changes only after the consultation process has been exhausted and the concerned Member has indicated its intention to finally promulgate an SPS measure.

Apart from raising this issue at international level, government has also initiated some measures that will be counter to the policies being followed by the developed countries. A major step in this direction was the introduction of the Plant Quarantine Order 2003. This aims at regulating the imports of the food and related material from other countries. The order makes it mandatory for the imports to have phytosanitary certificates. In case such a certificate cannot be furnished, then the consignment would be given clearance only after the local plant quarantine authority grant permission. The authority is given the right to subject the packaging material to treatment, if a need arises, at the expense of the importer.

The Main Objectives of the Plant Quarantine Order:

- To prohibit / regulate / restrict the import of plants / plant material, both for consumption and propagation.
- To prohibit / regulate the import of germplasm / GMOs / transgenic plant material for research purpose.
- To prohibit the import of deleterious weed species.

- To regulate the import of live insects / fungi and other microbial cultures / bio-control agents.
- To regulate imports of timber and bulk shipment of food grains.
- To regulate import of soil / peat of sphagnum-moss etc.

Conclusion

Ideologically it may be difficult to challenge the need of such an agreement between different nations that aims at providing us with a healthier world. Maintenance of hygienic and safe living conditions is one of the basic rights of human race. Coming together of the different segments of world to formulate this agreement is itself an acceptance of this right. Yet this historically landmark movement, from the time of its inception, has become a cause of conflict between the different factions. The conflicts arise due to the shortcomings present in the implementation process. Often there is clash of interests between the different groups involved, which results in a set of unacceptable actions and the corresponding reactions. Thus the solution to the problem boils down to improving the execution of the concept, and not the principle itself.

The first step in this direction would be the formulation of international standards that are based on scientific and empirical evidence, and are acceptable to a majority of the members. While formulating the standards care should be taken to ensure that the conditions prevalent in both developed as well the developing countries are given their due importance. This would mean bringing into practice the principle of ‘Harmonization’ and ‘Transparency’, conceptualized in the agreement. Further, this would require concrete efforts from all parties concerned.

From the perspective of the developed countries, they may have to adopt a more sympathetic approach to the whole issue. Simply imposing less stringent standards would not suffice. It is equally important to give equal weights to the voices being raised from the developing countries. Another issue to be addressed by the developed countries is regarding the availability of timely and complete information. This would surely lessen some unnecessary hassles for the exporting countries. Further, imposition of trade barriers under the disguise of SPS Agreement is something that should be condemned in all circumstances. This would surely impede the growth of ‘fair and free’ trade in world.

The developing countries on the other hand will have to take some extensive and elaborate steps towards building their capacity to comply with these standards. It would imply building an efficient domestic system that not only complies with standards set by other countries, but would also include developing the standards vital to the local conditions. This would surely be conducive to the overall growth of their domestic economies as well.

It may be safely concluded that countries world over, irrespective of their level of development have something to gain from the imposition of these standards.

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