

OUTCOMES AND RECOMMENDATIONS OF THE SUB-REGIONAL WORKSHOP ON ENVIRONMENTAL REQUIREMENTS, MARKET ACCESS/ENTRY AND EXPORT COMPETITIVENESS IN THE HORTICULTURAL SECTOR (BANGKOK, 29 SEPT – 1 OCT 2004)

National Training Workshop on Environmental Requirements and Market Access for Horticultural products from Bangladesh
 Dhaka, 4-5 October 2004
 Presented by: Lorenzo SANTUCCI, UNCTAD Secretariat

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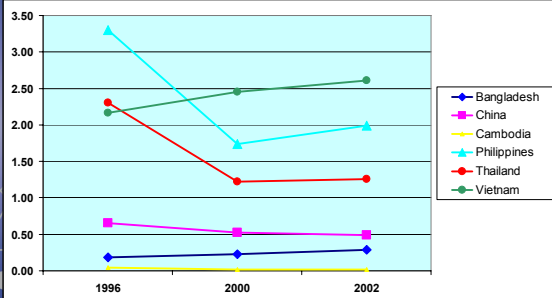
Sub-regional workshop in Bangkok

- The workshop was organised in the context of the UNCTAD/FIELD project on "Building capacity for improved policy making and negotiation on key trade and environment issues"
- The workshop was attended by representatives from Bangladesh, Cambodia, China, the Philippines, Thailand and Viet Nam
- The objective of the workshop was to present the country case studies prepared and to exchange national experiences in dealing with environmental requirements

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Importance of horticultural exports

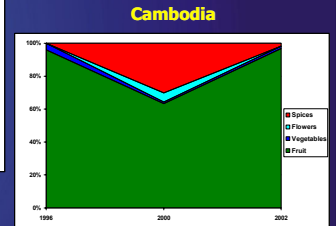
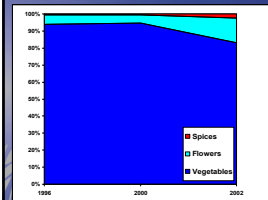
Share of Horticultural Exports in Total Export Value



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Product Group Composition of Exports [1]

Share of Fruits, Vegetables, Flowers and Spices in Total Export Value of Horticultural Products

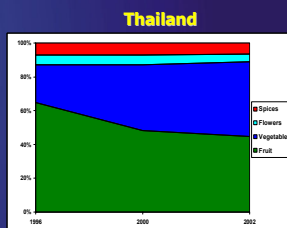
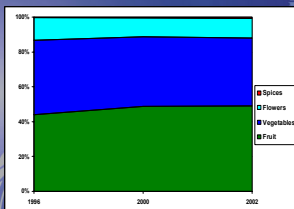


Bangladesh

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Product Group Composition of Exports [2]

Share of Fruits, Vegetables, Flowers and Spices in Total Export Value of Horticultural Products



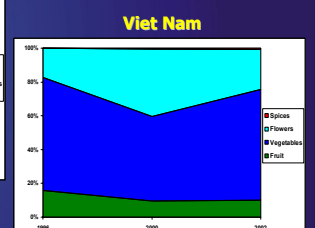
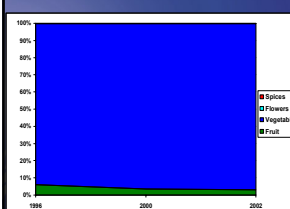
Thailand

China

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Product Group Composition of Exports [3]

Share of Fruits, Vegetables, Flowers and Spices in Total Export Value of Horticultural Products



Philippines

Viet Nam

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Developments in environmental and health requirements

- Tighter regulation on food safety in developed countries in recent years. Main drivers:
 - Recent food scares
 - Increased consumer awareness
- Recent legislation poses serious challenges for exporters of horticultural products from tropical countries, notably on:
 - Traceability
 - Maximum Residue Levels (MRLs)
- Large retailers have introduced codes of practice in order to assure high food quality (e.g. EurepGAP)

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Situation in selected developing countries [1]

- In the LDCs, Bangladesh and Cambodia, the share of horticultural exports is low (0.02 – 0.3%). Exports mainly target ethnic markets overseas or engage in local cross-border trading with little quality differentiation, specialization and improvement
- In the rapidly industrialising countries (China, Philippines, Thailand and Viet Nam) horticultural exports account for 2-3% of the total export value. The sector is supported by better technical and institutional infrastructure
- Even so, currently, there are only two categories of suppliers that can meet the requirements:
 - Large-scale producers
 - Networks of farmers, mainly linked to major agri-food TNCs or large retailers

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Major constraints in meeting export requirements

- Most exporting farmers suffer from the following general constraints when trying to implement the new food safety and quality requirements:
 - Information:
 - Lack of awareness and access to information on ER
 - Limited market information and cost/benefit analysis
 - Infrastructural problems:
 - Lack of efficient internal transport
 - Lack of a comprehensive institutional infrastructure (training, support services)
 - Poor post-harvest handling and absence of cool chain management
 - Skill / Management-related problems:
 - No or little experience with environmental management practices
 - No or poor system of Standardisation, Metrology, Testing and Quality Assurance
- Limited coordination among stakeholders

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Cost of compliance

- The costs of compliance with environmental and health requirements fall into macro and micro-economic costs and include:
 1. Production / Inputs sourcing
 1. GAP, Hygiene, Changing use of agro-chemicals, record-keeping, external certification
 2. Processing / Exporting
 1. Good manufacturing practice: proper buildings, equipment QA systems, cold chains, staff training
 3. Public sector and the industry
 1. Capacities of 'competent authority', upgrading inspection and certification capacity, quality of testing services
 4. Importers/retailers or whole supply chain
 1. Quality system, support for chain partners, risk of ban, rejections, quarantine, re-grading/repacking costs

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Illustrative benefits

- **Market access:** wider range of commercial options
- **Image of trusted supplier:** lower risk, less price competition, joint interest in supply chain
- **Access to better market segments:** higher prices, more value added, brand equity
- **Prevent ban:** no forgone business, no price cuts
- **Environment and health:** less use of pesticides, spill-over of healthy food, control of pests and diseases
- **Higher efficiency:** rationalisation of processes

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Recommendations

- Better dissemination and access to information about environmental and health requirements
- Better coordination at the national regional and international level (research, analysis, information sharing and supportive measures)
- Government policies should support the development of networks of farmers and on SMEs
- Better use of the WTO commitments under the TBT and SPS Agreements for Special and Differentiated Treatment and capacity building
- Coordination of Technical and Financial Assistance by International Organisations and Donors

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The Consultative Task Force (CTF): objectives

The CTF is an open-ended multi-stakeholder forum of government, private sector and NGO representatives that assists developing countries in analyzing key trends of environmental requirements (ERs) in export markets and to exchange national experience on pro-active approaches to meeting these ERs with a view to maintaining market access, harnessing developmental gains and safeguarding social welfare.

CTF activities are not intended to "second-guess" the legitimacy and objectives of environmental requirements, nor to develop guidelines for good regulatory practice.

CTF activities will analyze and discuss ways of overcoming specific DC challenges regarding the development and implementation of, as well as adjustment to ERs.

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Thrust of activities and modalities of the CTF [1]

The CTF will provide a forum for well-structured and focused dialogue and networking on relevant issues at the interface of ERs and market access for DCs.

The CTF will implement the following activities:

- analysis,
- policy dialogue,
- information exchange,
- supportive activities.

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Thrust of activities and modalities of the CTF [2]

Under its umbrella the CTF may consider launching some specific, well-defined and time-limited project activities, whose result would aid the substantive debate in the CTF. Initially this may include:

- Sector-specific experience in the preparation, adoption and implementation of regulations and standards, and the examination of possible trade implications for DCs
- The development of holistic pro-active strategies in developing countries that effectively respond to ERs in key export markets
- Improved access to and dissemination of information on ERs, including private-sector requirements

www.unctad.org/trade_env/test1/projects/taskforce.htm

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