

Report on WTO Public Forum 2015
WTOパブリックフォーラム2015報告書

Plugging in to the Global Agricultural Value Chain

– A Perspective from
Developing Countries in Asia

アジアの途上国における
農業のグローバル・バリュー・チェーンへの参入

The Institute of Developing Economies
Japan External Trade Organization (IDE-JETRO)

日本貿易振興機構アジア経済研究所

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October 2015



Introduction

WTO Public Forum is one of the largest outreaching events organized by WTO, where many participants from industry, governments, academia, and media gather and discuss current and upcoming major issues in international trades. Celebrating the 10th anniversary, Public Forum 2015 was organized under the theme of “Trade Works” with more than 90 sessions for 3 days on September 30 to October 2, 2015.

The Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO) organized a Working Session in this forum to share our expertise and discuss the issues of development of agriculture sector in global value chains(GVCs) by focusing on Asian developing countries.

For the Working Session, IDE has invited the following experts from different sectors working in the agricultural trade issues in Asia: **Mr. Hasdan Hussin** (from AEON Malaysia, the major Japanese retailer in Malaysia), **Mr. Tin Htut Oo** (a representative of National Economic and Social Advisory Council and the former Director-General of the Department of Agricultural Planning, Ministry of Agriculture and Irrigation in Myanmar), **Dr. John Humphrey** (Professional Fellow, Institute of Development Studies, United Kingdom), and **Dr. Kaoru Nabeshima** (Associate Professor at Waseda University) as a moderator. The panelists from IDE were **Dr. Lei Lei** and **Dr. Etsuyo Michida**.

(All the presentation materials available on the website:
http://www.ide.go.jp/Japanese/Event/Seminar/151001_wto.html)

(Audio of the session is available from the WTO website:
https://www.wto.org/audio/2015_10_01_pf15_work_session29.mp3)

This paper summarizes the discussion during the Working Session and highlights major points.



Abstract

How can trade work better to let the agricultural sector of developing countries plug them into the GVCs? Agricultural trade is the imperative in the developing world as it generates economic growth and creates employment in rural areas. The Working Session has introduced the situations of agricultural trade focusing on Myanmar and Malaysia. In order to plug in and further climb up the GVCs, these countries need to enforce capacity building as well as efficient policy and regulation implementation from public and private sectors. A concerted effort is required to improve the conditions facing agricultural trade in Asia for greater shared benefits.

Discussions

Agricultural industry in developing countries and non-tariff measures

Traditionally, there has been a discussion on how the developing countries could have the access to the major importing countries. The market access is not the only challenges they face with, but public regulations and public/private standards are also one of the key issues for agricultural trade. Even if exporters from developing countries can access markets in developed countries, non-tariff measures such as food safety regulations could hinder them from exporting the products. As the tariff rates come down and the quota is reduced, the issues of non-tariff measures are becoming more important.

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Food safety and private standards

There is increasing concern in Southeast Asian countries the need to improve food safety for both the domestic and export markets. Good agricultural practices (GAPs) are one widely-recommended means of doing this. Countries in the region have shown some interesting one well-known private standard, GlobalGAP, as shown by other contributors to the session. A decision on which standards to promote depends upon whether they are likely to increase the acceptability of producing export markets and how they might impact the domestic market, and in particular small farmers. There seems little reason to promote GlobalGAP as a means of facilitating intra-regional trade, and for most countries in the region, markets in northern Europe (where GlobalGAP is most likely to be required) are not major destinations. Businesses needing GlobalGAP certification will acquire it but governments need not promote it.

Related to the food safety in agriculture, traceability is also an important point. In Singapore, majority of the vegetables are imported from other countries like Malaysia or Indonesia. All the products have a barcode on every box to inform where they come from. But GAP requires the producers to check further all along the way, including the types of pesticides, the water for washing the vegetables, and the health standards of workers. This tells us the reason why the national GAP, the own standards are very important. Especially for certain commodities, traceability is significant.

From the perspective of retailer, food safety problem is deeply related to risk management. Since the responsibility for consumers is very high, many retailers make significant efforts to meet the standard. There are many things to be accomplished, but the food safety is not one sector's responsibility but should be everyone's.



**Intervention into
the process: role of
the government**

What would be the most effective way of intervention for enhancing for food safety? Taking a look at the globalGAP diffusion in Asia, many ASEAN countries do not have powerful and big retailers to implement food safety measures including standards or certifications yet as in developed countries. Forces to enhance food safety do not come much from retailers. Although there surely exists much demand for safe food, many people are still not aware of the role of standards and certifications. And that is where the government tries to intervene and creates country versions of GlobalGAP. For countries with weaker private sector initiatives for food safety, governments need to take the role to establish the food safety.

Though guaranteeing food safety is everyone's responsibility, situations are quite different and diversified among countries. In the case of China, the government plays more important role compared to any other countries. Consumers are more influential in Europe, but in China, consumers can hardly play the leading role due to the large population and complex compositions of consumption pattern. It would be most effective if the government takes the leading role by starting the Public Private Partnership(PPP) in China.



MRL (Maximum Residue Limit) and GAP

Also, MRL (Maximum Residue Limit) might be one of the biggest global issues many producers facing with. Many countries have different levels for maximization for various crops that seem to lack any consistency among the countries. This occurs partly because of the differences of dietary habits, local conditions which need to be taken to be accounted. Whether or not a GAP certified, it is not quite clear whether GAP should be tightened to MRL. GAP specifies the processes and practices farmers need to follow, but not to the exact point of certain limit what they can do.



Concluding remarks

In order to plug in to GVCs, it is important for producers to be conscious about where their products are sold. The requirements differ from country to country. Farmers face multitudes of issues to deal with, and they need to make a decision for many variables such as the amount of agricultural chemicals, use of only allowed chemicals, the markets to sell the products.

Therefore it is really crucial for the farmers to know the requirements in other countries and their main regulations. How can they develop these capacity in order to export? That is one of the biggest problems in development of agriculture besides accessing the markets.

Issues surrounding non-tariff measures are not only about market access, but about capacity building and standard compliances. And these would be the major issues for agricultural producers who are looking into the future.

Edited by Akiko Sasaki
(Research Management Officer,
Institutional Cooperation and Networking)

WTO パブリックフォーラム 2015

セッション開催レポート

” Plugging in to the global agricultural value chain - a perspective from developing countries in Asia (アジアの途上国における農業のグローバル・バリュー・チェーンへの参入)”

アジア経済研究所は、2015年10月1日（木）にスイス・ジュネーブにある世界貿易機関（WTO）で行われたパブリックフォーラムにてセッションを開催した。

WTO パブリックフォーラムは2001年に開始したWTO最大のアウトリーチ・イベントであり、産業界、学会、メディア、政府等多分野から毎年参加者が集まり、世界貿易、多国間協力の現状に関する議論を行うプラットフォームである。今年は”Trade Works”をテーマに、3日間にわたり90以上のセッションが開催された。

アジア経済研究所のセッションは、”Plugging in to the global agricultural value chain - a perspective from developing countries in Asia (アジアの途上国における農業のバリューチェーンへの参入)”をテーマに、研究者および東南アジアの現地で活躍する大手小売業の民間企業者、ミャンマーの元政府関係者をパネリストに迎えて開催した。

東南アジア諸国では農業分野の発展が進む中で、欧米など先進国の市場への輸出が増加している。こうした市場への参入を考える際には、輸出規制や輸出先での差止め（ポトリジェクション）への対策も考える必要がある。また、「グローバルGAP」(注)のようなプライベートスタンダードは食の安全を考えるうえで重要性が高まっているが、輸出企業にとっては高いハードルとなっている。

今回、雷蕾研究員、道田悦代海外調査員からはアジアにおけるポートリジェクションおよびプライベートスタンダードの現状や課題について、**Hasdan Hussin** 氏（イオン・マレーシア）からは民間小売企業による途上国（マレーシア）におけるサプライヤー育成の取り組みについて、**Tin Htut Oo** 氏（ミャンマー・National Economic and Social Advisory Council）からはミャンマーの経済発展と農産物貿易増加にむけた政策についてそれぞれ報告が行われた。最後に **John Humphrey** 氏から、アジアにおけるグローバル GAP について報告があった。会場からは食料安全保障や MRL（農薬残留基準）などに関する質問があり、活発な議論が行われた。

こうした議論を踏まえ、モデレータをつとめた鍋嶋郁氏（早稲田大学大学院准教授）からは、生産者は市場へのアクセスのみならず、輸出先の基準では何が求められているのかを知ることが必要であり、農業分野の発展では、そうした生産者の能力開発（キャパシティ・ディベロップメント）やコンプライアンスも今後大きな焦点のひとつであるとの点が指摘された。



当日、セッションには WTO、UNCTAD などの国際機関、政府関係者、大学教授、学生など多様な参加があった。国際機関でもプライベートスタンダードに対する関心は年々高まりを見せており、今後も注目が集まるトピックである。

(注) グローバル GAP(Good Agricultural Practices) : 欧州の大手スーパー等大手小売が主体となり設立された農水産物の生産工程を適切に管理する取組み。もともとは EUREPG.A.P として 2000 年に設立。2007 年に現在の名称に改称。工程管理を通じた食品安全や労働安全、環境保全を基本概念に置く。



Appendix: Session Information

Date: October 1, 2015 (Thursday) 10:30–12:00

Venue: Room S2, WTO headquarters, Geneva

Chair:

Kaoru Nabeshima, Associate Professor, Graduate School of Asia–Pacific Studies,
Waseda University

Panelists:

Lei Lei, Research Fellow, Business and Industry Studies Group, Inter–disciplinary
Studies Center, IDE–JETRO

“Import Rejections of Agricultural and Food Products from East Asia”

Etsuyo Michida, Associate Senior Research Fellow (sent to Haas School of Business,
University of California, Berkeley), IDE–JETRO

“Diffusion of Global GAP Standard in Asia”

Tin Htut Oo, Economic Advisor and Chairman, National Economic and Social Advisory
Council, Office of the President Republic of the Union of Myanmar

“Asian developing countries’ perspective: MYANMAR”

Hasdan Hussin, Assistant General Manager, Quality Management, Loss Control, and
Risk Management Division, Aeon Co. (M) Bhd.

“A perspective from developing countries in Asia(AEON Malaysia Experience) “

John Humphrey, Professional Fellow, Institute of Development Studies, U.K.

“Would Asian economies benefit from adopting Global GAP?”

別添：ワーキング・セッション開催概要

開催日時：2015年10月1日（木曜）10:30～12:00（現地時間）

会場：スイス・ジュネーブ WTO 本部 Room S2

セッション名：Plugging in to the global agricultural value chain
– a perspective from developing countries in Asia

主催：ジェトロ・アジア経済研究所

モデレーター：

鍋嶋郁（早稲田大学大学院アジア太平洋研究科 准教授）

パネリスト：

雷蕾（新領域研究センター企業・産業研究グループ研究員）

講演：Import Rejections of Agricultural and Food Products from East Asia

道田悦代（海外調査員 カリフォルニア大学バークレー校）

講演：Diffusion of Global GAP Standard in Asia

Tin Htut Oo（Economic Advisor and Chairman, National Economic and Social Advisory Council, Office of the President Republic of the Union of Myanmar）

講演：Asian developing countries' perspective: MYANMAR

Hasdan Hussin（Assistant General Manager, Quality Management, Loss Control and Risk Management Division, Aeon Co. (M) Bhd.）

講演：A perspective from developing countries in Asia (AEON Malaysia Experience)

John Humphrey（Professional Fellow, Institute of Development Studies, U.K.）

講演：Would Asian economies benefit from adopting Global GAP?

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