Work group exercise on the question of a UK – EU agreement on SPS/Veterinary Equivalence

The aim of the group exercise is to outline the content of a policy brief for ministers. This should include:

- the substance and aims of SPS/Veterinary Agreements (coverage and depth);
- an assessment of the economic and political costs and benefits of a UK EU agreement;
- the likely negotiating issues (UK and EU preferences);
- options in terms of the legal basis of such an agreement and implications for ratification; and
- implementation costs and challenges.

Background

Non-tariff barriers remain despite tariff free access to the EU. The dynamic nature of regulation means that regulatory divergence can over time exacerbate the costs of doing business and trading with the EU.

An important share of existing trade costs arise in the agri-food sector. Difficulties have also been apparent in the treatment of Northern Ireland after UK Withdrawal from the EU.

An SPS/Veterinary agreement has been promoted by UK business and has had support from the previous UK government.

Such an agreement may also be seen as a means of reducing trade costs, creating a more positive relationship with the EU and providing a precedent for further closer cooperation.

Substance and aims of SPS/Veterinary Equivalence Agreements

EU – New Zealand Agreement on sanitary provision for live animals and animal products (1997)

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:21997A0226(02)

EU -New Zealand FTA (see chapter 6 on SPS)

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L 202400866#page=122

EU Canada Veterinary Equivalence Agreement https://faolex.fao.org/docs/pdf/bi-34672.pdf

EU – Swiss Veterinary Equivalence Agreement

https://www.blv.admin.ch/blv/en/home/das-blv/kooperationen/internationale-abkommen/veterinaerabkommen-schweiz-

<u>eu.html#:~:text=The%20Veterinary%20Agreement%20governs%3A,and%20products%20from%20third%20countries</u>

Costs and benefits

UK In a Changing Europe blog based on an academic study https://ukandeu.ac.uk/would-a-veterinary-agreement-be-a-boost-for-uk-eu-agri-food-exports/

UK International Meat Association position on the EU – NZ agreement as a model https://imta-uk.org/considering-the-eu-new-zealand-veterinary-agreement-and-the-future-of-trade-between-the-uk-and-the-eu

CBI position and proposal for a veterinary agreement https://www.cbi.org.uk/media/6914/cbi-uk-eu-veterinary-agreement-paper-2021.pdf

UK Trade and Business position https://www.tradeandbusiness.uk/evidence/securing-an-eu-uk-veterinary-agreement

Issues in negotiation

UK Trade Policy Observatory paper assessing the TCA (see precaution)
https://blogs.sussex.ac.uk/uktpo/publications/taking-stock-of-the-uk-eu-trade-and-cooperation-agreement-governance-state-subsidies-and-the-level-playing-field/#bp54precaution
(brief summary of the implications if the UK diverges from EU SPS regulatory requirements)

CETA, TTIP and the EU Precautionary Principle

https://www.foodwatch.org/fileadmin/Themen/TTIP Freihandel/Dokumente/2016-06-21 foodwatch-study precautionary-principle.pdf

(more extensive paper on the tensions between the EU precautionary approach and the alternative science based approach)

Legal basis and questions of ratification

Enhancing the Brexit Deal: (see section 6)

https://www.lbpresearch.ac.uk/wp-content/uploads/2024/04/Deep-trade-agreements-and-trade-in-Agriculture-and-food v12.pdf

(academic paper assessing the costs and benefits of a UK – EU agreement)