

## Developing Mechanisms and Processes Capable of Handling Health Impacts Resulting from ASEAN Integration, Especially for Food and Agricultural Food Products

### Importance of Food and Agricultural Food Product Trade and Its Economic Impact on Thailand

1. Agricultural production and the food and drink industry have a large share in the country's economy. Between the years 2008 and 2010, Thailand's manufacturing structure produced the following outputs, reflected by the 2010 national accounts: Thailand's gross domestic product (GDP) at year price amounted to 10.8 trillion Baht; the per capita GNP was 153,952 Baht; and the national income (NI) was approximately 7.7 trillion Baht.
2. Food produced in the agricultural sector had a share of approximately 10% while industrial manufacturing accounted for 30% of GDP. Within the manufacturing sector, food and drinks accounted for around one fifth of the entire sector<sup>1</sup>.
3. In 2010, the value of Thai trade totaled approximately 15 trillion Baht (457 billion USD). ASEAN was Thailand's most important trading partner; and trade with ASEAN countries accounted for one fifth of Thailand's total trade. Thailand gained a trade surplus with ASEAN countries (export value greater than import value). While Thailand's no. 1 export destination was Singapore, Malaysia was the country it imported from most. The country's top export was petroleum products; and sugar (ranked 10<sup>th</sup>) was the most exported agricultural product. There was a rising trend in trade volume between the countries.

### ASEAN Trade and Food and Agricultural Food Product Agreements

#### (a) Tariff Benefits

4. The ASEAN Free Trade Area (AFTA) was formed in 1992 and member countries entered into the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area (CEPT-AFTA) to eliminate trade issues and barriers relating to import tariff of listed goods produced within ASEAN and conforming with the ASEAN rule of origin. Tariff was brought down to the lowest rate (0-5%), non tariff trade issues and barriers were eliminated and it was agreed that from 2010 onwards, zero tariff would be applied to goods on the inclusion list while the highest tariff rate for goods on the sensitive list would be 5%. In 2009, ASEAN reviewed the CEPT-AFTA and formulated the ASEAN Trade in Goods Agreement, 2009 (ATIGA), an updated agreement corresponding more to international trade standards and having a more comprehensive scope over the trade of goods<sup>2 3</sup>.
5. ATIGA covers 8 major issues: 1) tariff liberalization according to CEPT-AFTA commitments, 2) rules of origin, 3) non-tariff measures, 4) trade facilitation, 5) customs, 6) standards, technical regulations and conformity assessment procedures, 7) sanitary and phytosanitary measures, 8) trade remedy measures.
6. Furthermore, the ASEAN Economic Community will pilot fast track economic integration in 12 major business areas to facilitate free movement of goods and services in those areas and promote manufacturing clusters, procure raw materials to support the ASEAN common production base and efficiently utilize resources. Tariff for products on

the negotiation list will be reduced 3 years sooner than indicated in the AFTA framework. The six original ASEAN member countries will implement liberalization by 2007 and the four new member countries will follow by 2012. Amongst the 12 products groups to be fast tracked are agricultural and fisheries products.

(b) Standards, Technical Regulations and Sanitary and Phytosanitary Measures

7. The ATIGA, ASEAN's agreement on goods standards, prescribes technical oversight and monitoring processes to be used in conjunction with the Mutual Recognition Arrangement (MRA). To this end, the ASEAN Consultative Committee for Standards and Quality was put in place while regulations on product quality control were harmonized and a post market monitoring and warning system for goods was established. Furthermore, ASEAN prescribes compliance to standard good practices under the technical trade barrier agreement and compliance to the sanitary and phytosanitary framework, which is a safety standard that protects humans, animals and plant life-in short, it protects the health of each member country's population. Practical implementation will be carried out according to international standards and approaches, and advice developed by international organizations such as the Codex Alimentarius Commission (Codex), the World Organization for Animal Health (OIE), the International Plant Protection Convention (IPPC) and ASEAN<sup>4</sup>.
8. In brief, food (categorized as an industrial product) and agricultural food products are important goods that have been traded intra-regionally within ASEAN for long periods of time. Since 1992, zero or minimal tariff has been applied to these goods, thus facilitating their trade and volume increase, but from 2007 onwards, no customs duty will be levied on certain food, agricultural food products and fisheries products. Apart from lifting tariffs, ASEAN has also been working to harmonize its regulations to the global trade system. Through the 2009 ATIGA, commonly accepted standards, technical regulations and sanitary and phytosanitary measures; and various monitoring and warning systems were formulated. These criterion and systems were conceived 20 years after the AFTA framework tariff benefit initiative; and currently, ASEAN countries are still in the process of working out Mutual Recognition Arrangements on various product standards, including food and agricultural food products.

(c) Other Agreements Potentially Affecting Food and Agricultural Food Product Trade

9. Besides ATIGA, Thailand may become party to the ASEAN Comprehensive Investment Agreement (ACIA), and the ASEAN Framework Agreement on Services (AFAS); which have potential impact on the trade of food and agricultural food products. According to WTO standards, service agreements tend to specify the use of skilled labor while agricultural food production and the food industry uses mostly non-skilled labor. Nonetheless, skill may be required for management, agricultural experts and industrialists, etc<sup>5</sup>.

(d) Lack of Safety and the Inspection of Food and Agricultural Food Products

10. Part 1.4 of the appendix to the main document (Health Assembly 5/Main 9. Appendix 1) provides the definition for unsafe food. Unsafe food may also include food produced by modern technology that has not been assessed as safe for human consumption.
11. Food and agricultural food products safety inspection is carried out according to this definition, which is an integration of standards under Thai regulations; international agreement rules of the WTO, to which Thailand is a party; and agreements which

Thailand has entered into, including ASEAN, details of which are indicated in (b). Inspection is also carried out according to importing countries' rules; while a monitoring system allows the importing country to notify the exporting country of intercepted safety breaches.

12. In Thailand, there are 4 food safety alert systems: 1) The International Food Safety Authorities Network (INFOSAN) is a co-operation between the World Health Organization (WHO) and the UN Food and Agriculture Organization (FAO). The implementing agency is the Ministry of Public Health's Bureau of Food Safety Extension and Support. 2) The ASEAN Rapid Alert System for Food and Feed (ARASFF), 3) The Thailand Rapid Alert System on Food and Feed (TH-RASFF). Both systems are implemented by the Ministry of Agriculture and Co-operatives' National Bureau of Agricultural Commodity and Food Standards, and 4) The Food Alert System of Thailand (FAST) implemented by the Ministry of Public Health's Food and Drug Administration<sup>6</sup>. Between the systems, varying emphasis is placed on different aspects of food chain information and health impact.

### **Damage and Health Impacts from Unsafe Food**

13. Unsafe food can cause illness for the consumer. Impacts may be immediate or long term (in cases of food borne diseases) and may result in death, as exemplified by the following 2 cases.

14. On 27 April 2012, the United States reported a total of 200 patients with *Salmonella* infection, involving 2 serotypes: *Salmonella bareilly* and *Salmonella nchanga*. Statistical reports showed that between 28 January and 12 April 2012, patients were present in 21 states and in the District of Columbia. From epidemiological investigations, it was found that the patients had consumed frozen tuna imported/produced by Moon Fishery Pvt. Ltd. in India, which also exported to France. At present, U.S. product recall is still under way and the INFOSAN emergency contact point in India is still maintaining its watch<sup>7</sup>.

15. On 25 May 2012, Germany's IHR National Focal Point confirmed to the World Health Organization 214 patients and 2 deaths from renal failure (complications resulting from the enterohaemorrhagic *Escherichia coli* (EHEC) bacteria, which created blood cell and kidney destroying Shiga toxins or vero toxins). The Robert Koch Institute and Hamburg health authorities found that patients had eaten tomatoes, cucumbers and lettuce<sup>8</sup>.

### **Food Safety Implementations in Thailand**

16. The Thai National Food Commission is the agency responsible for formulating Thailand's comprehensive system of food policies and strategies, in accordance with the National Food Commission Act, B.E. 2551. In October 2010, the Commission completed formulation of the Strategic Framework for Integrated Food Management, which comprises 4 major strategies: food security, food quality and safety, food studies and food management<sup>9</sup>.

17. In Thailand, there are many agencies responsible for food safety. These agencies are part of different ministries and departments and they are all tasked with implementing their responsible Acts of law. From analysis of Thailand's food safety administration and supervision system<sup>10 11 12</sup>, it is found that the responsible agencies for food safety are as follows: 1) The Ministry of Public Health (central agencies include the Food and Drug Administration, the Department of Medical Sciences, the Department of Health, the Department of Disease Control; while provincial and regional agencies include Provincial Health Offices and Community Health Offices. Most recently, the Ministry of Public

Health established the Bureau of Food Safety Extension and Support to integrate all Ministry of Public Health food safety responsibilities under one agency. 2) The Ministry of Agriculture and Co-operatives (namely, the National Bureau of Agricultural Commodity and Food Standards, the Department of Agriculture, the Department of Agriculture Extension, the Department of Fisheries, the Department of Livestock Development and the Department of Rice). 3) The Ministry of Industry (namely, the Department of Industrial Works, the Thai Industrial Standards Institute, the Department of Industrial Promotion, the Office of Industrial Economics and the National Food Institute. 4) The Ministry of Commerce (the Department of Foreign Trade). 5) The Ministry of Finance (the Customs Department). 6) The Ministry of Transport (the Department of Land Transport), and 7) the Office of the Consumer Protection Board.

18. The main agency responsible for supervision of imported food safety is the Ministry of Public Health and the Ministry of Agriculture and Co-operatives. Each ministry is tasked with implementing Acts of law which prescribe standards and safety measures according to their roles and responsibilities, resulting in overlapping missions and legal gaps where certain food and agricultural food product groups go uncontrolled. The imposition of various control mechanism in response to the risks associated with the food group/type also results in certain foods and agricultural food products not having to undergo control before being sold in the market but being placed under a supervision system afterwards instead.

19. Aware of these issues, all responsible agencies have consulted one another, integrated the efforts of all sectors and designed models for food safety monitoring and supervision.

### **Food Quality and Safety Management Policies and Strategies**

20. From the 4 major strategies of Thailand's Food Management Strategic Framework drafted by the Thai National Food Commission, the food quality and safety and food studies strategies are relevant to the ASEAN community food and agricultural food product safety issue. Upon completion of the strategic framework, the Commission is now driving implementation of these strategies through its various sub-commissions, where a major strategy spans out into many minor strategies implemented by different agencies. The agencies; i.e. the National Bureau of Agricultural Commodity and Food Standards, the Department of Medical Sciences and the Food and Drug Administration, also have their own strategies to implement but agency strategies concur with the national strategic framework and are in accordance to the role given to agencies by the various Acts they are responsible for.

### **Local Mechanisms and Processes**

21. Food safety management requires concerted efforts from many sectors: the government, academic and people's sectors. Implementation varies according to each area's physical characteristics, culture and local people's way of life. In this respect, local administration organizations and communities are initial community participation mechanisms, which when coupled with community knowledge transfer processes, contribute significantly to food safety. Having shared food safety knowledge with local administration organizations, the Ministry of Public Health's Food Safety Operation Center (at present the Bureau of Food Safety Extension and Support) has come up with the following proposals for food safety management: 1) **Create community food safety watch networks** involving all parties to create preparedness skills. The public sector should provide reliable quality tools and equipment support for use in the watch system and develop mechanisms to openly report outcomes to the public. 2) **Strengthen food safety conscience and awareness** by integrating existing learning centers to establish

community level learning centers. **3) Establish local food safety committees** by mobilizing community people from different professions and relevant government officials to work on committees which play a role in promoting safe food consumption<sup>13</sup>.

## Conclusion

22. While international trade may have health effects, we are moving towards integration to the ASEAN Community, where there will be a facilitation of goods movement resulting in increased imports and exports of food and agricultural food products, providing increased opportunities for unsafe food to enter the country. To ensure food safety, we must study the risks involved with unsafe food, create/develop systems to monitor and assess these risks and prevent adverse effects. Producers and consumers should be informed about the risks and issues associated with unsafe food as well as be informed about the production of quality and safe food. Consumers should have the opportunity to learn and be informed about the risks of unsafe food; while relevant agencies should promote understanding and good judgment, and the ability for consumers to select quality and safe food for themselves, their families and the community. This should be achieved by giving consumers practical experience and information to systematically, appropriately and timely monitor and address issues.

## Issue for Consideration of the National Health Assembly

The National Health Assembly is requested to consider document Health Assembly 5/Draft Resolution 9.

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<sup>1</sup> Office of National Economic and Social Development Board. National Income of Thailand, Chain Volume Measures, 1990-2010. 2012, Office of the National Economic and Social Development Board: Bangkok.

<sup>2</sup> *ASEAN Free Trade Area*. 1992, ASEAN Secretariat,: ASEAN members.

<sup>3</sup> *ASEAN Trade in Goods Agreement*. 2009, ASEAN secretariat,: ASEAN members,.

<sup>4</sup> Ibid in 3

<sup>5</sup> *ASEAN Framework Agreement on Services*. 1995, ASEAN Secretariat: ASEAN members,.

<sup>6</sup> Food Control Division. 2009. In Ekkachai Supphaprawat. The Food Alert System and Consumer Protection. King Mongkut Journal of Agricultural Industry 3(1): 10-21.

<sup>7</sup> Food Safety Operation Center, epidemic of frozen tuna contaminated with *Salmonella* found in United States of America. 2012

<sup>8</sup> Food Safety Operation Center, Symptoms of Kidney Failure from *E. coli O104* epidemic in Germany. 2011.

<sup>9</sup> Thai National Food Commission, Strategic Framework for Food management of Thailand. 2010, Secretariat of Thai National Food Commission: Bangkok.

<sup>10</sup> Ibid in 8

<sup>11</sup> Senate Committee on Agriculture and Cooperatives. Report of Study on Coverage of Acts Supervising Food Safety of Thailand in Food Chain. 2011, Senate: Bangkok.

<sup>12</sup> Chanin Charoenphong and R. Phongruchak., Food Safety Systems of Thailand. 2005, Food Control Division, Food and Drug Administration: Nonthaburi.

<sup>13</sup> Suthathip Chantharak and Phanni Limsawat, Forums for Exchange of Knowledge for Local Government Organizations and "Food Safety". 2006, Food Safety Operation Center, Ministry of Public Health: Nonthaburi.