

2012 BWC-MSP Side Event

Technology, Trade and Transparency – Lessons from other Treaty Regimes

Trade data for transparency and
potentials for monitoring Article X.

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Transparency in the BWC?



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Eye-holes:

- CBMs
- National implementation database
- Transparency by external activities: e.g. VERTIC, HSP-archives, Country studies as in the BWPP-BW Monitor,...



What eye-hole for article X?

Multifaceted obligation

- Implementation by exchange of knowledge (e.g. providing education)
- Infrastructural co-operation: Common operation of laboratories, emergency response capacities,...
- ...
- **Biotechnology as a global business relies on the exchange of equipment**

Trade data seems to be an obvious source for transparency



Not a revolutionary new idea

- INCB for trade in precursors for the production of drugs
- EU Joint Research Centre for trade nuclear dual-use goods
- OPCW for trade in certain substances
- UNEP ODS Secretariat for ODS trade
- CITES for trade in endangered species
- Informal use in many other cases
- UNSCOM/UNMOVIC



UNITED NATIONS ENVIRONMENT PROGRAMME
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Use of trade data to...

- Monitor not prohibited/requested trade
- Gather more detailed data on market activities than currently is available (by commercial consultancy reports etc.),
- Learn what items are traded, in between which countries, in which volumes, and how this changes over time.



Sources of trade data

Step 1: Companies fill in export and import declarations. Part of the information: HS-Code

Step 2: Forms read out by customs authorities

Step 3: National authorities process the data and pass it to databases

Step 4: Data becomes publicly available at these databases (e.g. UN COMTRADE)



Monitoring article X with trade data?

Two challenges:



1.) **Limited data:** The HS does not yet display biotechnology items very well:

„Prepared culture media for the development or maintenance of micro organisms including viruses and the like or plant, human or animal cells“ (HS 382100)



is today the only BWC relevant item with an individual HS code.

2.) **No criteria for compliance assessment**



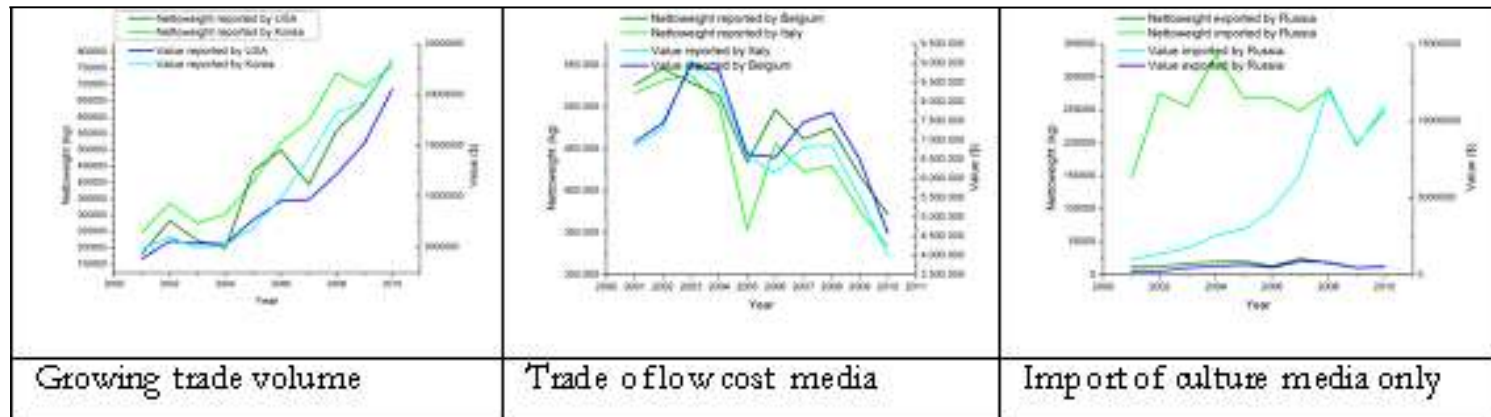
Monitoring article X with trade data?

However: If we agree that the consumption of culture media is a valid indicator for the use of biotechnology for scientific, medical or commercial activities, then the monitoring of traded values and volumes, their ratio, trading partners and the development of these parameters over time provides information on the implementation of article X.



Visualisation/Evaluation

- Download of data for trade in growth media for the 25 largest biotechnology states:
- Some 750 graphs show trade in culture media from 2001 to 2010 (value and volume)
- Trade from Country A to B as reported both by A and B
- Statistical methods not yet applied.
- Trade volume: USD 900 million/year, growing
- Few main suppliers,
- Most interesting data for article X not yet downloaded.



Monitoring article X with trade data?

It can be shown if and how a country participates in the market,

These information can feed the debate on article X implementation with empirical data for political consideration.



Expanding the data baseline

- Requires an HS amendment
- WCO document NR0741B1a (Annex) of 2008 contains a proposal to amend the HS.
- It identifies items relevant for the BWC (both for article III and article X, as of UNSCOM/UNMOVIC) and proposes individual codes.
- Explore possibilities to use the list for a new proposal!



Conclusions

- Apply „Modular approach“ (VERTIC), or “Building bloc modell“ (J. Tucker) for NGOs and use open source data to create transparency in the BWC
- TM is neither a compliance mechanism nor does it pose controls.
- Trade monitoring could develop into a valuable transparency instrument in the BWC regime (article X)
- Trade in culture media is one of the various indicators for the exchange of technology, and for the stage of development of biotechnology in a given country: Importing country must have something to grow.



The Way Forward

- Complete download of trade data for culture media
- Application of statistical methodology,
- Development of criteria for interpretation
- Enhance the visualisation of data,
- Combination with other open source data (e.g. on a website),
- Aspire better data availability (e.g. identify equipment for processing, production, protection, dryers, etc.): HS-amendment
- Case for States Parties and the WCO!

