UNCTAD's Trade and Environment Review (2016): Trade in Fish

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Excellencies, Distinguished Participants, Ladies and Gentlemen,

It is my pleasure to join you here today to launch UNCTADs Trade and Environment Review 2016. This publication follows the consistent championing of the implementation agenda of Sustainable Development Goal (SDG) 14, since the universal adoption by the international community in September 2015. We are delighted to have joined UNCTAD in this endeavour and we hope to continue these collaborative efforts.

As our contribution to the 2016 Trade and Environment Review makes clear, the scale of the challenge which confronts the international community regarding implementation of SDG14 is more than considerable. But it is not insurmountable.

Momentum is growing to secure a deal on addressing harmful fisheries subsidies at the forthcoming MC11 Ministerial Conference, in Argentina 3rd October 2017. Evident progress is being made across albeit across different negotiation tracks.

A key issue, however, for many of our members - which comprise Small and Vulnerable Economies and the Least Developed Countries - are definitional issues. This includes how to discipline harmful fisheries subsidies whilst preserving Special and Differential Treatment (SDT). Recent proposals in the WTO by the ACP Group, Peru and other Latin American Countries as well as LDCs are symptomatic of developing countries commitment in seeking solutions.

The stakes are high. As we know, certain subsidies are associated with development actions. As such, some subsidies, coupled with development programmes and effective management frameworks, will be instrumental in achieving the SDGs.A failure to achieve an agreeable outcome and workable solution on this subject at the forthcoming WTO Ministerial – one which serves to support, rather than undermine the implementation of SDG14 - risks reliance on the multilateral trading system as a means of implementing all other SDGs.

We will therefore continue to support the initiative launched by UNCTAD, FAO and UNEP last July at UNCTAD14 and the joint statement issued on addressing harmful fishing subsidies of which many of our member states are signatories. This is precisely so as to garner momentum in advance of MC11 later this year.

Invariably, ensuring the effectiveness of trade governance structures operating at the multilateral level will be crucial to the overall success of the SDG implementation agenda. The institutional architecture and regulatory context of the trade-related SD14 implementation agenda will need to be operationalised at different levels, as well as within different spheres.

As we are acutely aware, there is a need to promote coherence amongst the myriad of international laws and frameworks regulating the fisheries sector and their effective implementation in a mutually supportive manner by regional fisheries management organizations and national fisheries authorities.

In view of the major capacity constraints which exist across our Small States membership - which includes many countries with Exclusive Economic Zones which far exceed their land area and ability to effectively police vast sea areas - the target included on Aid for Trade (SDG8) which calls on the international community to increase shares destined for developing countries, particularly for the Least Developed Countries (LDCs) becomes paramount.

For example:

- The Bahamas has an Exclusive Economic Zone of an estimated 629,292 square kilometres (km2) compared to a land area of 13,942 km2.
- Kiribati comprises 33 islands with a total land area of just 810 km2 but with about 3.5 million km2 of marine waters.

These facts render the ocean economy, including sustainable fisheries management, of fundamental and critical importance to these countries. For many Small States, the sector is an important driver of value adding activities and the expansion of formal employment opportunities.

As we know, fisheries trade has grown dramatically in recent years. From around 15 million tonnes in 1991 to 45 million tonnes in 2014; the majority of this trade, just over half, was accounted for by developing countries.[1] The growth rate of processed fisheries exports from Small Economies, however, has been faster.[2]

In recent years, exports of processed fish from Small Economies have almost tripled. Whilst Small economies[3] exported below S$0.5 billion of primary fish products in both 2003 and 2013, exports of processed fish almost tripled from below US$1.5billion in 2003 to US$4.2 billion in 2013.[4]

The increase in the volume of fisheries economies seems to be mirrored by an improvement in the relative position of small economies within the global fisheries value chain, as indicated by movement up the value chain into processed products.

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[1] See UNCTAD (2016) Trade and Environment Review.

[2] The compound annual growth rate of exports of international trade in fish and seafood between 1991 and 2014 is estimated to be 0.03 compared to 0.12 of processed fisheries products from Small States.

[3] This definition is taken from Lanz and Werner (2016) of the WTO Secretariat who refer to Small Economies.

[4] See Lanz and Werner (2016) Commonwealth Trade Hot Topic No. 125 (http://www.thecommonwealth-ilibrary.org/commonwealth/trade/participation-of-small-economies-in-global-value-chains_5jm5895rnlr4-en;jsessionid=4tfthdjnt9q7j.x-oecd-live-03).

However, some caution is urged in relation to the interpretation of these figures. This is because we have far less information on the accrual and distribution of value added between actors within the fisheries value chain, of which Small States are not usually the main drivers.

The aggregation of Small Economies together can mask underlying dynamics at the regional level, for example, between the Pacific and Caribbean regions. For example, our own analysis of shifts in foreign and domestic value added in the fisheries sector is suggestive of important changes in the dynamics of trade within the fisheries sector in Caribbean compared to the Pacific.

Whilst are aware of some of the limitations regarding the use of trade in value added, generally there is consensus that this approach to analysis can help to shed further light on the nature of trading relations between partners. Our analysis of trade in value[5] added seems to suggest that while shares of foreign value addition has generally increased between 2000 and 2012 for the Pacific region - a key indicator of participation in Global Value Chains - it declined over the same period for the Caribbean.[6]

It is important that we delve deeper into these findings. They matter in view of SDG 14.7 which seeks to "increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism". But they also matter because of the more directly related trade target of 14.7b which calls for the international community to "provide access for small-scale artisanal fishers to marine resources and markets." The interaction of these targets with SDG14.6 on addressing harmful fishing subsidies assumes a critical importance in view of potential adverse competitiveness effects of some types of subsidies on domestic and often artisanal producers, located in Small States.

We must not forget the imperative of regional value chain development, which may provide a more favourable stepping stone for some types of producers. Invariably this level of market access matters, particularly for small scale and artisanal producers and in view of the linkages between the fisheries sector, transportation and tourism sectors.

Overcoming barriers to trade at the intra-regional level may assist in meeting other trade-related targets included in the SDGs; notably those related to the LDCs and more specifically, SDG17 (to significantly increase the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020), as well as of course, assisting in ensuring access for small-scale artisanal fishers to marine resources and markets.

As highlighted in our contribution to the Trade and Environment Review, many Small States cannot produce output with a consistent enough quality, to meet demand and hence, need to integrate into high-value fisheries supply chains. Technical as well as financial barriers to trade can create barriers to trade from more sustainable producers, who cannot prove

[5] Using the Eora-Miro database, which has the largest developing country coverage.

[6] These findings will be published in a forthcoming Commonwealth Secretariat publication on "Emerging Trade Issues".

compliance. For many of our Small States there is an urgent need to gain a comprehensive understanding of non-tariff measures affecting the fisheries sector, not only in high-value end markets but also intra-regional.

To conclude, Excellencies, distinguished participants, ladies and gentlemen, we hope this publication provokes critical reflection on the policy tools at our disposal to advance SDG14. It provides a critical refection on available public policy instruments and areas where immediate actions can be taken by the international community.

We will continue to work with UNCTAD to design effective implementation strategies of SDG 14 in order to achieve a more sustainable trade landscape for our membership. This includes at a forthcoming Expert Meeting in March 2017 we are jointly organising with UNCTAD as well as later this year at the UN Ocean Conference on “Our Oceans, Our Future: Partnering for the Implementation of SDG14.”

The international community has been urged to take actions to “conserve and sustainably use the oceans, seas and marine resources for sustainable development”. It is our duty to respond.