Second National Stakeholder Workshop
Ocean Economy and Trade Strategy

Market Access in the Tuna Value Chain

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  - Stocks availability
  - Catch capacity
- Transport costs
- Trade policy
  - Domestic: export measures
  - Foreign: tariffs and NTMs
- Foreign Demand
  - Tastes
  - Expenditure (defined by relative prices)
Imports Components

• Net Domestic Demand
  – Domestic supply/production capacity
  – Tastes
  – Expenditure (defined by relative prices)

• Transport costs

• Trade policy
  – Domestic: tariffs and NTMs
  – Foreign: export measures
2. Trade stylized facts
Total Exports and Imports of fish and fishery products (000USD)

Source: FAO FishStat (28 Feb. 2020)
Total Exports and Imports of fish and fishery products (tonnes)

Source: FAO FishStat (28 Feb. 2020)
Tunas: Fresh and Chilled

Value

Quantity

Relatively High Unit-Price Variability

Source: COMTRADE in Wits (27 February 2020)
Tunas: Frozen

Source: COMTRADE in Wits (27 February 2020)
Fillets: Fresh/Chilled and Frozen

Source: COMTRADE in Wits (27 February 2020)

NB: No information about species available due to product classification used for reporting: WCO HS-2002 (versus HS-2017)
Major exporters to BRB / Major importers from BRB

- Major exporters of frozen Yellowfin: Suriname, Trinidad Tobago, Panama
- Major exporters of frozen fillets: Guyana, China, Chile, Suriname
- Major exporters of tunas preparations: Thailand (about 50% of all fish preparations), USA (7%), Costa Rica (2%), Canada (1%)
- The United States: major destination market of Barbados exports absorbing the quasi totality of Yellowfin tuna exports (+ single importer)
- Canada: second largest destination market until 2014 (max share of about 10% in 2013 but collapsed afterwards)
3. Access to international markets
USA *versus* EU

- Preferential treatment (Caribbean Basin Initiative and CARIFORUM-EPA) in both markets (preferential tariff rates below 5%)
  - Focus has been put so far on US market (recent USFDA inspection of packing room at BFC with positive outcome): burden of compliance with US regulations partly falls on the importer side (consignement export model could be a direct consequence)
  - The EU market could be an alternative that may help reducing variability in prices: most of the burden of compliance with the EU regulations falls on the exporting country side
  - **Major constraint in the EU**: fishery products must come from an authorised country (authorisation granted by the EU Directorate-General for Health and Consumer Protection)
  - AIR connectivity?
Access to the EU market

• Approval granted on the basis of domestic public health and control systems (combat IUU fishing)
• If a country is approved then a competent authority in place further approves establishments and factory vessels

Approved countries from the Region:

• Antigua and Barbuda, Belize, Colombia, Costa Rica, Cuba, Curaçao, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Sint Marteen (Dutch part), Suriname, Venezuela
  
  – CARICOM Single Market and Economy Member
  – OETS project country
**Belize: Agricultural Health Authority (BAHA)**

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• **A catch certificate** must accompany fish imported in the EU

• **Health certificates** must also be produced (Code of Practices from the Codex Alimentarius Commission)
  – Hazard Analysis and Critical Control Points (HACCP) principles
  – Absence of Contaminants (testing in recognised labs needed before shipment)
  – Absence of Microbiological Contamination (e.g. high histamine level due to poor temperature management)
• Strict labelling requirements to guarantee traceability

**Commercial designation**

- Common names vary a lot, while scientific names are unequivocal, but little known to consumers. New labels must now show both.

**Scientific name**

- *(Scomber scombrus)*

**Fishing gear category**

- Trawls

**Net weight**

- Net quantity: 250g

**Business name and address**

- XXXX

**Food operator**

- Ireland xx-yyyy-zz EC

**Identification mark**

**Certification label**

- YYY Certified sustainable

**Production method**

- From now on consumers can know clearly whether the fish was caught or farmed.

**Catch area**

- You can know the precise area where the fish was caught.

**Port of landing**

- Landed in Killybegs

**Date of landing**

- 16/01/15

**Storage conditions**

- Use by 18/01/15

- Keep at 0 to 2°C

**Certification label**

- Quick Response Code

- QR and bar codes allow supply chain professionals to instantly know everything about the products they buy and sell

Source: EU DG Maritime Affairs and Fisheries
• Additional requirements (non-mandatory in principle but often required in practice)
  – Food safety certification: extra guarantee to consumers (e.g. British Retail Consortium Global Standard for Food Security; International Featured Standard (IFS) Food)
    • Based on HACCP principles
    • Food retail channel + food service channel in Northern and Western Europe
  – Eco-labelling that certifies sustainability (e.g. Marine Stewardship Council, Friend of the Sea)
    • Quasi mandatory to export to Northern and Western Europe markets but of limited importance in Southern and Eastern Europe markets
    • Act as a market guarantee at all times but implementation costs are high
Adding Value?

- Loining in BRB would certainly contribute positively to value addition (e.g. cash flow analysis)
- Lower price variability thanks to pre-shipment quality grading?
- Lower price variability simply because of higher processing (e.g. semi-processed commodities)?
- Positive impact on employment?
- This may also help reaching European markets where demand for semi-processed and processed products remains high
- Could that help increase sales on the domestic market especially to the tourism sector?
3. Access to the domestic market and food security
Tariffs and Non-Tariff Measures

- Binding coverage in fish and fish products: 1.6% (bound rate=100%) versus 100% in agricultural goods («policy space» is available)
- RTAs: CARICOM (Antigua and Barbuda; Bahamas; Barbados; Belize; Dominica; Grenada; Guyana; Haiti; Jamaica; Montserrat; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Suriname; Trinidad and Tobago) + EU - CARIFORUM States EPA
- Effectively applied tariff is on average about 22%
- Duty free imports essentially from CARICOM countries (but relatively small share in total imports)
- Lower tariffs (around 15%) on processed products (tariff «des-escalation»)
Simple and Trade weighted average tariffs imposed by Barbados: Effectively applied and Applied MFN

Source: UNCTAD-TRAINDS

Note 1: Exceptions granted to specific types of importers (e.g. hotels) are not considered in the calculations

Note 2: CARICOM CET of 40% on tunas (fresh/chilled, frozen and fillets) / GSTP compatible?
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**Source:** UNCTAD-TRAINS

**Domestic market**
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**Source:** UNCTAD-TRAiNS

**Note 1:** The reference HS classification is the 2012 version with 223 products included in the analysis.

**Note 2:** The number of occurrences refers to the number of times an NTM measure applies to some product. Several NTMs of the same type can apply to the same product but they are all governed by a distinct regulatory text.
Food security

• Most SPS measures and TBTs apply to both domestic and foreign products (national treatment)
• Imports to BRB cover both demand from tourism industry (equivalent of about 8 percent of the permanent population) and demand from domestic consumers
• Regulatory reforms (e.g. technical standards, SPS measures, Fisheries act) may help reinforcing quality assessment of imports
• New regulations should apply to all imports (no exemption like for tariffs)
• May help exporting to new markets with strict regulations