



TRADE POLICY BRIEFS

FAO SUPPORT TO THE WTO NEGOTIATIONS AT THE
11TH MINISTERIAL CONFERENCE IN BUENOS AIRES

No. 28 ■ OCTOBER 2017

Trade in fish and fishery products

SUMMARY

- Fish and fishery products are among the world's most traded food commodities, and trade in the fisheries and aquaculture sector operates in an increasingly globalized environment.
- Applied import tariffs by developed countries are usually low, but tariff peaks/tariff escalations are present especially for value-added products.
- Fish trade is particularly affected by non-tariff measures.
- The complexity of addressing fisheries subsidies is being partially offset by the knowledge acquired during many years of negotiations, particularly in connection with "fish terminology".
- Every mandate to negotiate fisheries subsidies contemplates the particular needs of developing countries to be taken into consideration.
- A positive outcome on fisheries subsidies has the potential to lead to a situation in which countries can ensure the long-term sustainability of fish supplies from the ocean without distorting either production or trade.

Trends in imports and exports

International trade of fish and fishery products has increased during the last few years reaching USD 143 billion in 2016, with a 3-year average of USD 141 billion.¹ Projections up to 2026 indicate that fish trade will continue to expand. A significant share of total fish production (about 35–36 percent, live-weight equivalent) is exported. Developed countries dominate fish imports, although with

a declining share in recent years (71 percent share of world imports in 2016; 80 percent in 2006 and 84 percent in 1996).

For many developing countries, fish trade represents a significant source of foreign currency earnings. In 2016, exports by developing countries were valued at USD 76 billion and their fish net export revenues (exports minus imports) reached USD 36 billion, higher than for all agricultural commodities combined.

¹ FAO is the source of all statistics, unless duly noted.

TABLE 1.

	TOTAL FISHERIES AND AQUACULTURE PRODUCTION	CAPTURE FISHERIES	AQUACULTURE	FISH EXPORTS	FISH IMPORTS
	Share in total quantity (%)			Share in total value (%)	
Asia	70.4	54.7	89.3	38.9	32.6
Africa	6.2	9.5	2.3	4.4	4.1
Central America	1.5	2.3	0.5	1.9	1.3
South America	6.8	10.1	3.0	9.9	2.4
North America	4.0	6.7	0.8	8.3	17.6
Europe	10.1	15.3	3.9	34.6	40.6
Oceania	0.9	1.5	0.2	2.2	1.4
World	100.0	100.0	100.0	100.0	100.0
Developing countries	82.7	73.2	94.1	53.9	29.3
Developed countries	17.3	26.7	5.9	46.1	70.7
Low-income Food Deficit countries	12.0	13.2	10.6	6.0	2.5

Source: FAO

Tariff and non-tariff measures

Fish and fishery products are classified as industrial goods at the World Trade Organization (WTO) and are thus grouped under Non-Agriculture Market Access (NAMA) negotiations. The most-favoured nation (MFN) applied tariffs for fish and fishery products² are between 0 and 30 percent, with an average of 14 percent. Bound tariffs range between 0 and 60 percent, with an average of 35 percent. As a result of their dependence on imports for domestic consumption, import applied tariffs on fish by developed countries are rather low, although a few exceptions exist.

Tariff peaks for applied tariffs in the fish sector are present especially for value-added products and for “preparation of fish”, reaching tariffs above 50 percent in developing countries and above 30 percent in developed countries. Tariff peaks for value-added products are often associated with “tariff escalation” for processed goods, in particular for tuna and shrimp.

Non-tariff measures also affect fish trade through product standards, sanitary and phytosanitary measures, procedures for import licensing and rules of origin, among others. Fish and fishery products, due to their perishable nature, are also particularly affected by customs and clearance procedures. In practice, many non-tariff measures can reduce or block effective market access for developing countries. According to The United Nations Conference on Trade and Development (UNCTAD),³ there are on average about 2.5 times more distinct technical measures applicable for fish products than for manufactured products.

Control of fish catch, traceability and other related measures

Ensuring the legality of catches and legal origin of products are not only integral parts of sustainable management practices, but fundamental elements of sustainable trade and consumption policies.⁴

In recent years, many actions were taken by several key importers to prohibit imports of seafood products derived from illegal, unreported and unregulated fishing, or other unsustainable practices. As a result, export countries have dramatically stepped up their efforts and capacity to effectively control fishing operations at sea and monitor landings in their ports.

The new FAO Agreement on Port State Measures to Prevent, Deter and Eliminate IUU [Illegal Unreported and Unregulated] Fishing provided the world community with a powerful tool to combat IUU fishing. In this new Agreement, States have binding responsibilities regarding fisheries management in their roles and capacities as port, flag, coastal and market States. Likewise, the recent adoption of the FAO Voluntary Guidelines on Catch Documentation Schemes provides an additional instrument to ensure that products entering international markets have been caught legally.

Certification for environmental purposes continues to be an issue of major relevance for the fisheries sector. International schemes

have expanded their coverage in terms of market presence as well as product range. Retailers and brand owners in many developed countries are increasingly including certification and social parameters as requirements in their product specifications.

Fisheries subsidies

Fisheries subsidies are a complex issue to regulate. A number of technical areas are particularly relevant: overfishing, overcapacity, stock assessments, data and statistics, small-scale and artisanal fisheries, the role of Regional Fisheries Management Organizations, and IUU fishing.





In 2001, at the WTO Ministerial Meeting in Doha, countries agreed to clarify and improve WTO rules applicable to fisheries subsidies. In the WTO, fisheries subsidies are covered by the current WTO Agreement on Subsidies and Countervailing Measures (ASCM). As such, fisheries subsidies became a negotiating topic at the Negotiating Group on Rules, discussed separately from horizontal subsidies.⁵ The WTO Doha Ministerial Declaration explicitly mentions the importance of the fish sector for developing countries.⁶ In 2005, at the WTO Hong Kong Ministerial, the original Doha mandate on fisheries subsidies was further refined by countries.⁷

The reason for having specific rules for fisheries subsidies is associated with a strong correlation between fisheries subsidies and the main pillars affecting the sustainability of fisheries resources in the world – overcapacity and overfishing.

In the case of aquaculture, the current WTO rules on subsidies are already able to address disciplines on government support measures to the sector. A farmed fish product is a product produced in the territory of a country like any other domestic product already covered by the current rules. The Sustainable Development Goals that came into force in 2016 include a specific target on fisheries subsidies.⁸

A series of proposals have been submitted in preparation for the 2017 WTO Buenos Aires Ministerial Conference.

Key challenges

-  To ensure that tariff escalation does not prevent developing countries from reaping the potential benefits of fish trade.
-  To reduce trade obstacles (such as import requirements and high import duties), thus fostering regional fish trade among developing countries.
-  To ensure that Non-Tariff Measures do not constitute unnecessary barriers to fish trade, and to strengthen capacities of exporting countries to adhere to evolving import requirements, particularly regarding private certification schemes.
-  To have a set of multilateral trade rules for the use of fisheries subsidies to avoid distortion on access to resources, taking into consideration sustainability issues and assuring the necessary policy space for developing countries.

⁵ Non-agricultural subsidies covered by Agreement on Subsidies and Countervailing Measures (ASCM).

⁶ Para 28 – “In the context of these negotiations, participants shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries.”

⁷ Including “through the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing”. The countries agreed to promptly detail the future work in this area, “including the nature and extent of those disciplines, including transparency and enforceability”.

⁸ Sustainable Development Goal Target 14.6 sets the goal of a prohibition by 2020 of certain forms of fisheries subsidies linked to overfishing, overcapacity and IUU fishing, recognizing the need for special and differential treatment for developing countries and the WTO’s mandate to regulate this issue.

² The product group of “fish and fish products”, according to WTO, includes the following codes of the Harmonized System: 03, 0508, 051191, 150410, 150420, 1603-05, and 230120.

³ UNCTAD’s Trains database.

⁴ The main FAO instruments, mandatory and voluntary, affecting fish trade are: (1) the FAO Code of Conduct for Responsible Fisheries; (2) the FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing; (3) the Voluntary Guidelines on Catch Documentation Schemes; the Guidelines for the Ecolabelling of Fish and Fishery Products from (4) Marine Capture Fishing and (5) Inland Capture Fisheries; (6) Technical Guidelines on Aquaculture Certification; and the International Plans of Action (7) to Prevent, Deter and Eliminate IUU fishing, and (8) for the Management of Fishing Capacity.