

## UNCTAD secretariat: key messages emerging from the TER 2016

As delivered by Guillermo Valles, Director, DITC, UNCTAD

**Message 1:** Any future developments regarding trade in fish and harmful incentives to the sustainable use of marine resources in international trade agreements should build upon the existing UN regulatory framework on the law of the seas, sustainable fisheries and responsible management of fish stocks.

**Justification:** Trade agreements cannot be crafted in isolation from relevant pre-existing international laws. When dealing with fish and seafood products, trade agreements need to respect and build on the UNCLOS, the UN Fish Stocks Agreement, the Port State Measures Agreement, IPOA-IUU Fishing, the Code of Conduct for Responsible Fisheries, and the International Plan of Action for the Management of Fishing Capacity of the FAO, the UNCTAD/FAO/UNEP Fish Subsidies Statement, and relevant UN General Assembly Resolutions.

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**Message 2:** We need an urgent and enforceable solution to phase out certain types of fish subsidies that contribute to IUU fishing, overfishing and overcapacity within the multilateral trade system, in light of SDG 14.6. A lack of transparency and lack of data should not obstruct finding a solution by the 11<sup>th</sup> WTO Ministerial Conference. Efforts to discipline capacity-enhancing subsidies should be exerted at the national, regional and global levels of governance.

**Justification:** Global fisheries subsidies have been estimated by academic sources to be as high as US\$ 35 billion worldwide, of which US\$ 20 billion has been categorized as harmful or capacity-enhancing subsidies that contribute to overcapacity and overfishing (Sumaila et al., 2009 & 2013). Oceana has estimated that of the € 12.9 billion in fishing subsidies granted by the EU and its members to the fishing sector from 2000 until 2012, only 1 per cent were considered beneficial subsidies for the marine environment. An OECD estimation of support to the fisheries sector by its member countries has found support totaling around US\$ 6.4 billion per year (OECD 2006). However, the OECD itself considers this could be an underestimation due to lack of data. The OECD is currently revising and expanding its database on support measures to fisheries with the explicit objective of supporting international objectives such as SDG 14.6.

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**Message 3:** Fish subsidies do not only pose an environmental challenge. They also contribute to distortions in market prices, generate unfair competition between industrial fleets and small scale and artisanal fishermen, and expand inequality between developed and developing countries.

**Justification:** The majority of fish subsidies benefit large long-distance fleets and fishers from developed countries in a 5 (developed) to 1 (developing) ratio. This gives a comparative advantage to developed country fleets and fishers to harvest more and faster stocks in international waters as well as to pay for fishing rights within the EEZs of developing countries.

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**Message 4:** We need to urgently address the data gap on fish subsidies. We are fishing in the dark and there are no incentives for transparency. Many use lack of data as an excuse for avoiding engagement.

**Justification:** Lack of official and reliable data on fish subsidies (including many WTO Member's notifications) inhibits analysis of nature, level, and trends of such subsidies. Many of the data sources are incomplete, unofficial and/or controversial. We need to deepen cooperation between UN agencies, trade agencies, and other organizations, including creation of a multi-agency task force to gather and analyze existing data on fisheries subsidies/public support measures (FAO, UNCTAD, UNEP, OECD, possibly others);

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**Message 5:** International organizations and countries should collaborate on the mapping, convergence and harmonization of non-tariff measures applicable to fish and seafood products, in order to facilitate access to markets and resources for small scale and artisanal fishermen in light of SDG 14b.

**Justification:** Agricultural and fish products are generally more exposed to non-tariff measures (NTMs) than industrial manufactures. The reason is the high incidence of sanitary and phytosanitary (SPS) measures on agriculture and food products that are usually not applied to manufactures. Based on UNCTAD's NTM database, there are on average about 2.5 times more distinct technical measures applicable for HS codes for fish products and agricultural products than for HS in manufactures. (UNCTAD DITC (2016) based on data from UNCTAD's Trains database).

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**Message 6:** Voluntary sustainability standards, eco-labeling and traceability systems for wild catch and cultivated (aquaculture) fish are becoming increasingly important factors for securing market access, ensure sustainable harvesting, safety, and consumer protection and awareness. Adequate support, transfer of technology and training programmes can enable many small scale fishermen and aquaculture producers to make use of these tools, to join global seafood value chains and export oceans based products into profitable markets.

**Justification:** Seafood production certified under global sustainability initiatives grew 40-fold from 2003 to 2015 and now represents more than 14 per cent of global production. There are more than 50 voluntary seafood standards in operation which are tailored to specific supply chains or regions. They are mostly limited to a number of highly visible species consumed in developed countries such as salmon, cod, tuna, mackerel, and shrimp. Sustainability production methods, sometimes also included in standards, are becoming a market entry requirement for some developed country markets.