

First National Stakeholder Workshop: Ocean-based sectors assessment and selection

26–27 February 2019, Bridgetown, Barbados

Ocean Economy and Trade Strategies (OETS)

Organized by



In cooperation with



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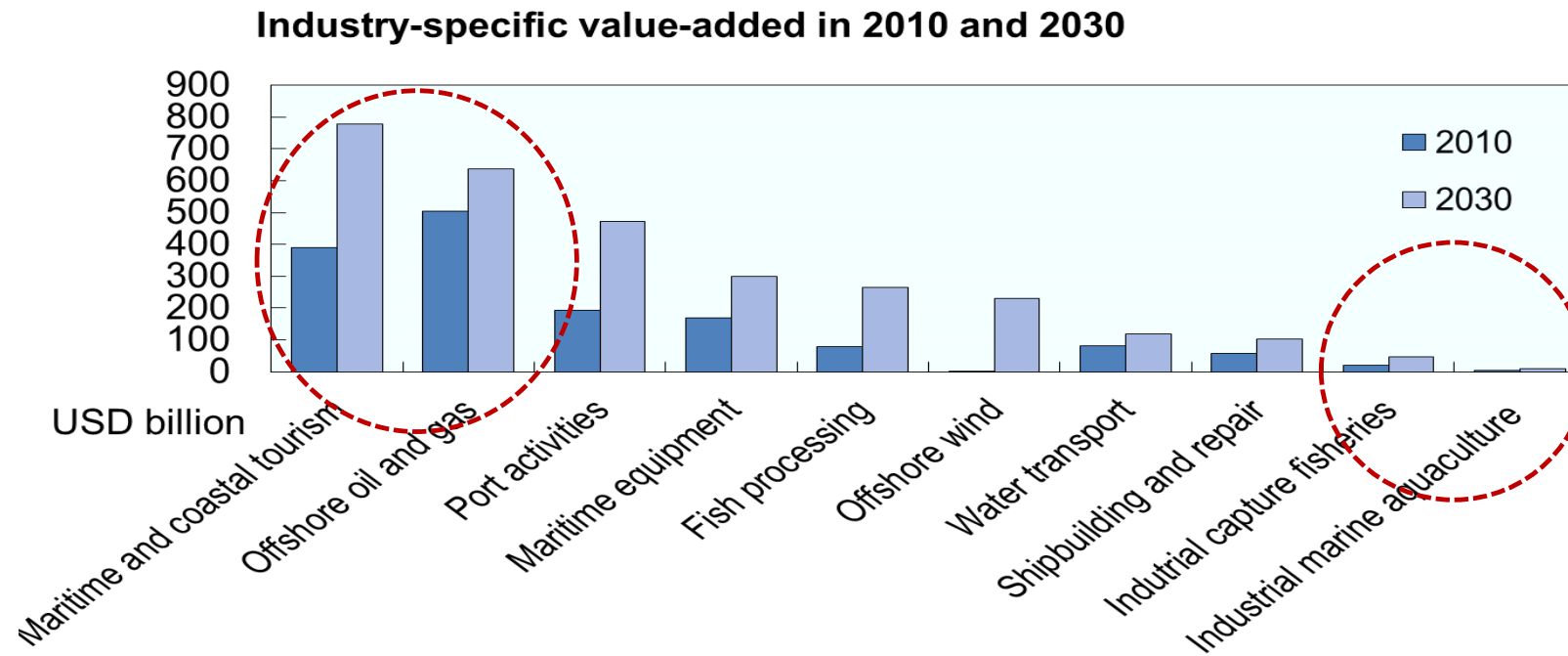


1. Trends in Ocean Economy



Stylized facts

- **Fact 1:** Total value of the Oceans Economy: about 3 trillion
- **Fact 2:** Oceans economy will double in size by 2030



Source: OECD (2016)



2. The OETS project



Main objective

Supporting developing countries in realizing economic and social benefits from an environmentally sustainable production of goods and/or services in key ocean economy-based sectors within the UNCLOS framework (SDG 14 targets 4, 6, 7, b & c)

Beneficiary countries:

Belize (Nov. 2018), Barbados (Feb. 2019) and Costa Rica (Nov. 2018)



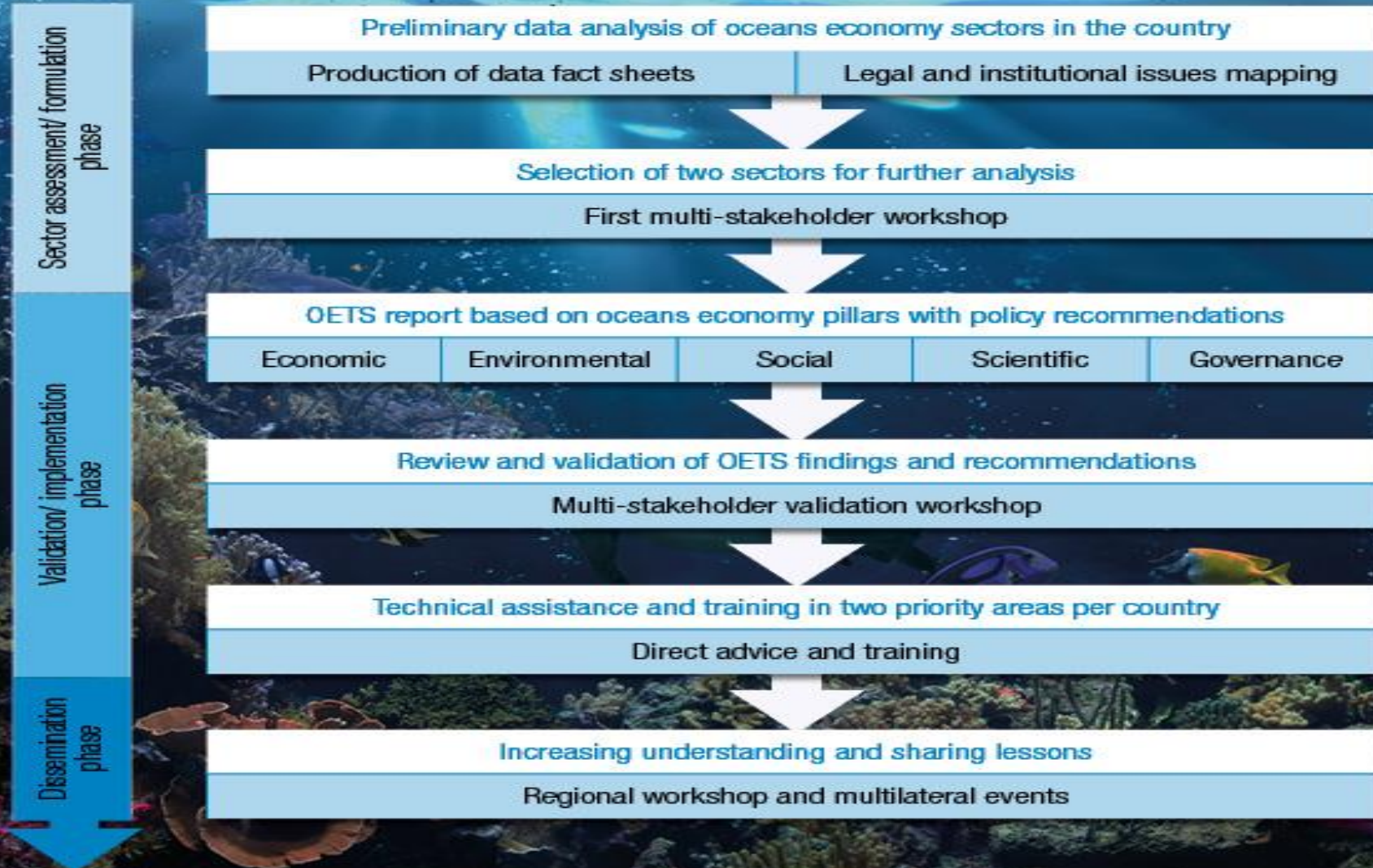
Outcomes

1. Improved national capacity to **identify and promote products and/or services** with strong sustainable development potential in ocean economy-based sectors
2. Improved national capacity to **define policy options and implementing priority actions** to support sustainable production trade in goods and services in ocean economy-based sectors
3. **Increased understanding** at the regional level on how to design and implement OETS as tool to promote sustainable trade in ocean economy-based sectors





Oceans Economy and Trade Strategies



3. Scope of the Workshop



Organization

1. Presentation and review of findings of the **legal study** within the UNCLOS framework in the pre-selected sectors
2. Presentation and review of findings of the four **sectoral factsheets**
 1. Marine fisheries
 2. Aquaculture
 3. Seafood processing
 4. Coastal and Marine Environmental Services



3. Selection of 2 sectors out these 4 for further assessment within the OETS exercise

4. Preliminary analysis of the current status and development potential of the 2 pre-selected sectors by jointly:

- (Mapping the relevant value chain in each sector)
- Conducting a SWOT analysis in each sector
- Defining broad strategic objectives



Analysis and Assessment: The SWOT approach

How to Conduct a SWOT Analysis



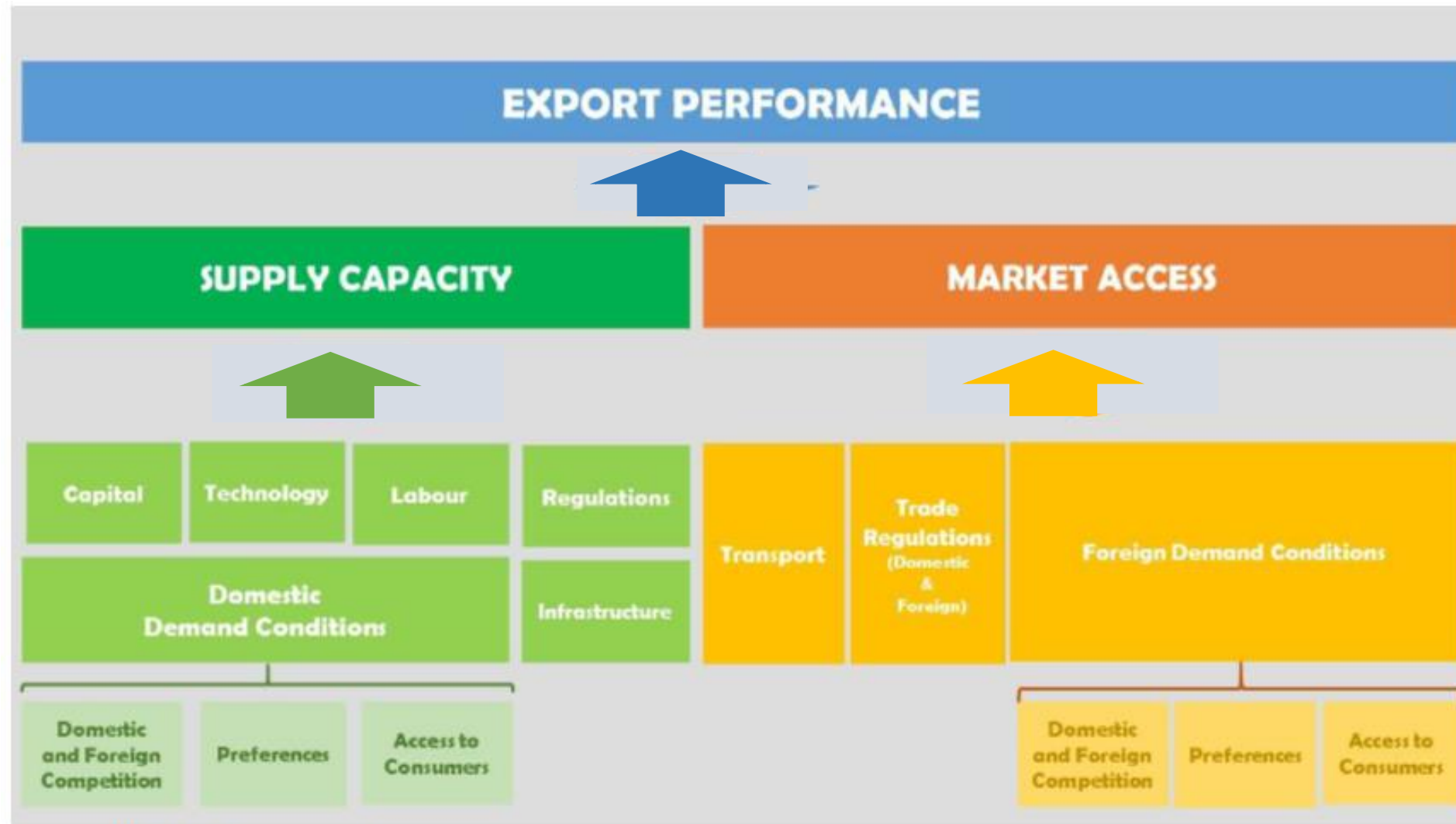
Analysis and Assessment: objectives and pillars

Sector: Marine Fisheries in BELIZE		
<i>Objective</i>	<i>Strategic pillar</i>	<i>Dimension</i>
Increase capacity of fishers for the sustainable harvest of under and un-utilized finfish species (e.g. yellow eye red snapper, silk snapper)	Specific training and capacity building	National
	Support acquisition of suitable fishing vessels, gear and equipment	National
	Support domestic consumption	National
	Promote linkages between the fishing sector and tourism	National/International
	Adoption of HACCP standards	National/International
	Support and promotion of exports to regional and international markets (e.g. Mexico, USA)	International

4. International Trade and Trade Policy: Goods



Trade in goods: a diagnostic framework



Source: UNCTAD Secretariat



The WTO regulatory framework

- WTO rules regulate natural resources **only if traded** and not before or during extraction
 - If natural resource is listed in HS classification, it is subject to WTO rules
 - **Exception:** If national policy leads to discrimination or unfair competition of natural resource in extraction phase, resource can be subject to WTO rules
 - WTO cases: US - Soft lumber IV subsidies case or China export restrictions on rare earths
 - WTO Fish subsidies negotiations based on "stocks conservation" considerations and not only level of "trade distortedness"



Principles of non-discrimination

1. Most-Favoured-Nation treatment: Art. I GATT

Members are bound to grant to goods of other Members treatment not less favourable than that accorded to the products of any other country **(among foreign suppliers)**

- **Exceptions to MFN:**

- Regional Trade Agreements (Article XIV): reciprocal among Parties; provide that substantially all trade is liberalized between Parties
- Preferential agreements (Enabling clause): non-reciprocal with waivers
 - General System of Trade Preferences among developing countries (GTSP) and unilateral systems of preferences (GSP)

2. National treatment: Art. III GATT

Once goods have cleared customs, imported goods must be treated no less favorably than the equivalent domestically-produced goods **(between domestic and foreign suppliers)**

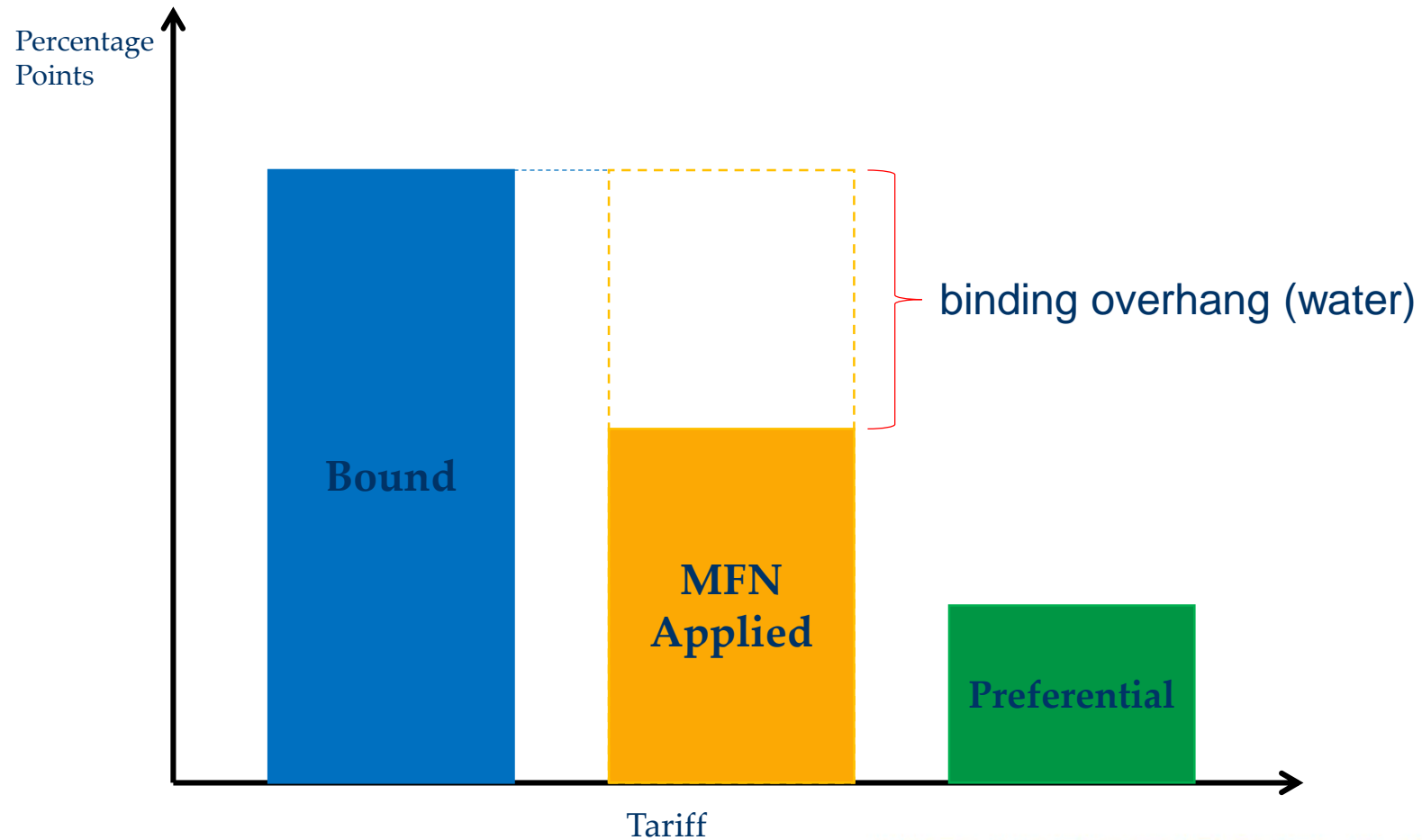


Trade Policy instruments: tariffs

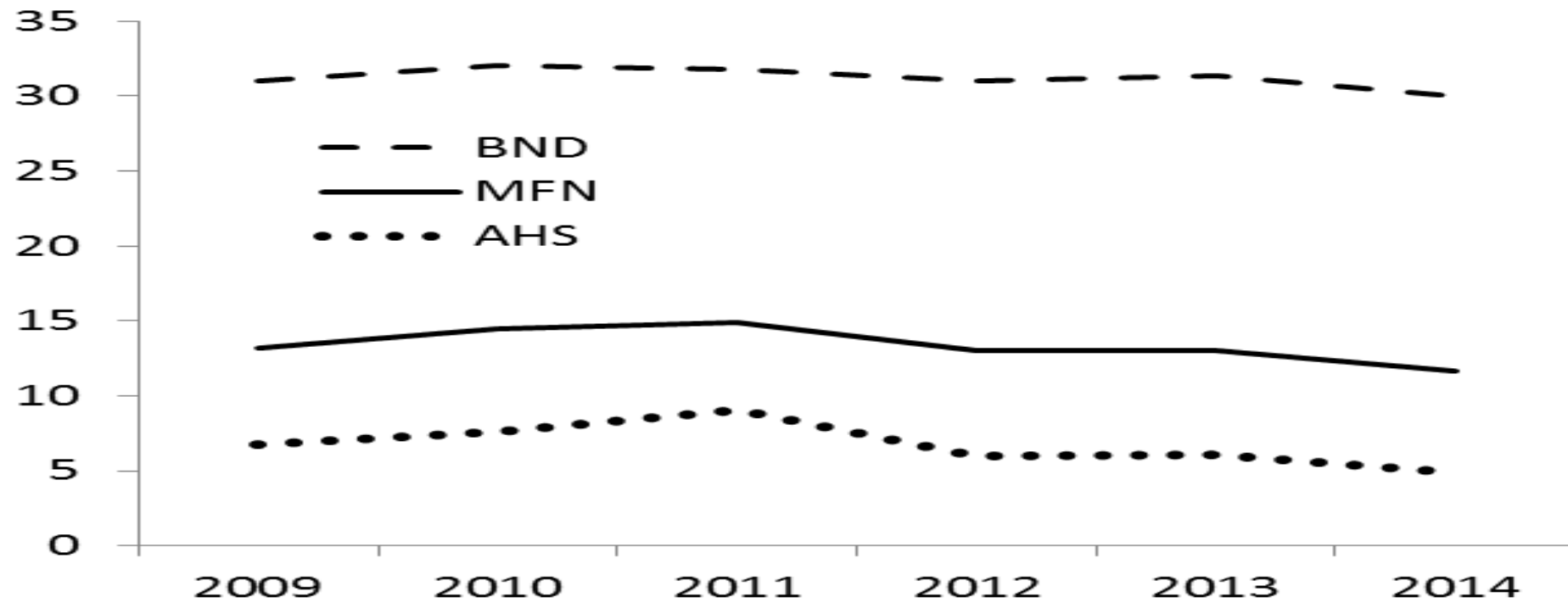
- **Tariffs = customs duties on merchandise imports**
 - Applicable to goods listed under the Harmonized System (HS)
 - **Fish HS codes are part of manufacture products** and not agricultural ones
- Trade is regulated under maximum tariff levels, which are referred to as **Bound tariffs**
- WTO members are free to apply any rate below their bound (**MFN applied rate**)
- Rates within regulated exceptions (Art. XXIV and Enabling Clause) are referred to as **Preferential rates**



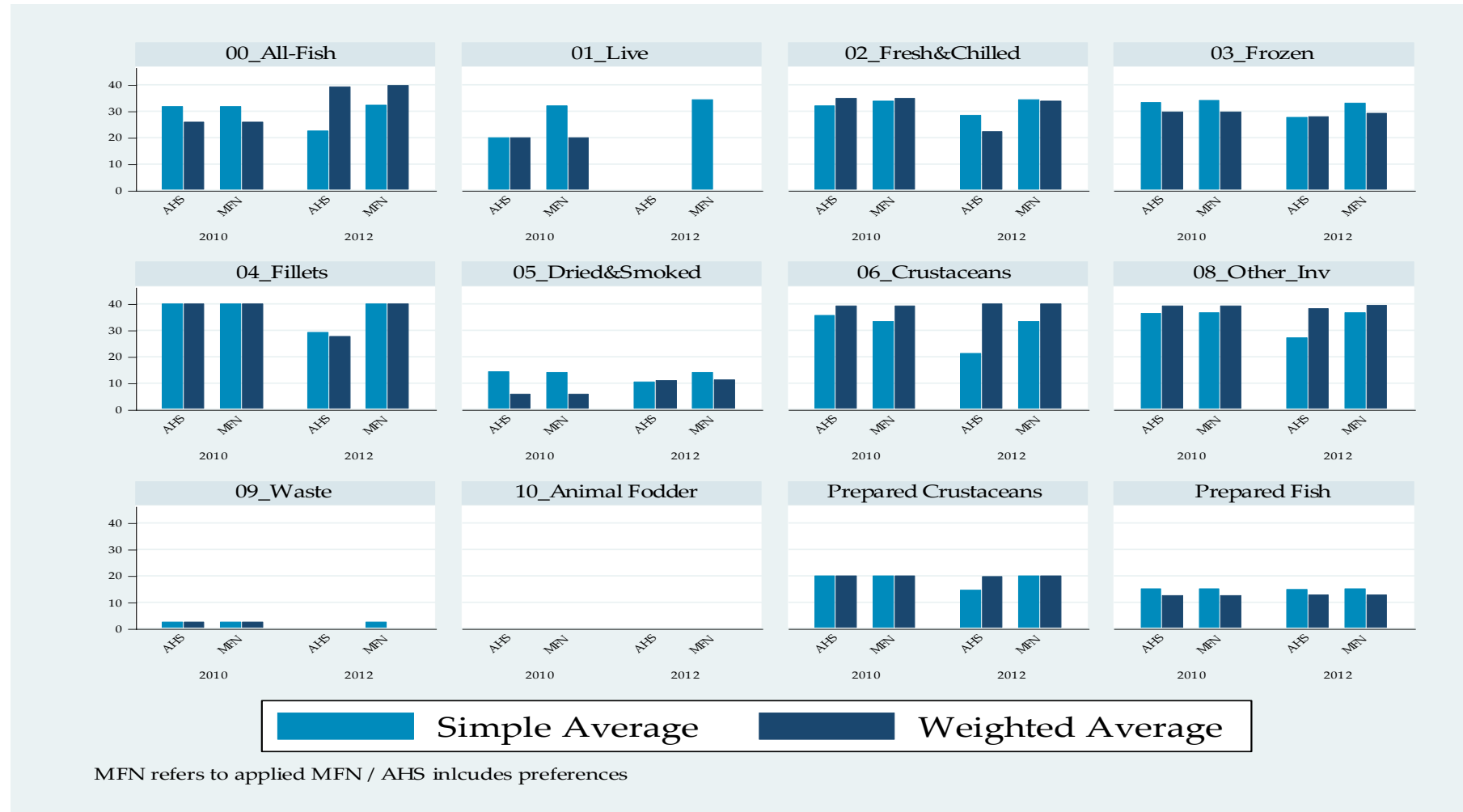
Comparing types of tariffs



Average World Tariffs for All Fish Products (2009-2014)
percent Ad-Valorem



Simple and Trade weighted average tariffs imposed by Barbados: Effectively applied and Applied MFN



Source: Authors' computations based on UNCTAD-TRAINS.
Note: Exceptions granted to specific types of importers (e.g. hotels) are not considered in the calculations.



Trade Policy instruments: non-tariffs measures

Article XX GATT allows countries to adopt measures:

- (b) necessary to protect human, animal or plant life or health
- (g) relating to the conservation of "exhaustible" natural resources, provided they are taking in conjunction with measures on domestic production and consumption (e.g. restrictions on trade of hazardous wastes)
- (j) measures that are essential to acquisition or distribution of products in short supply



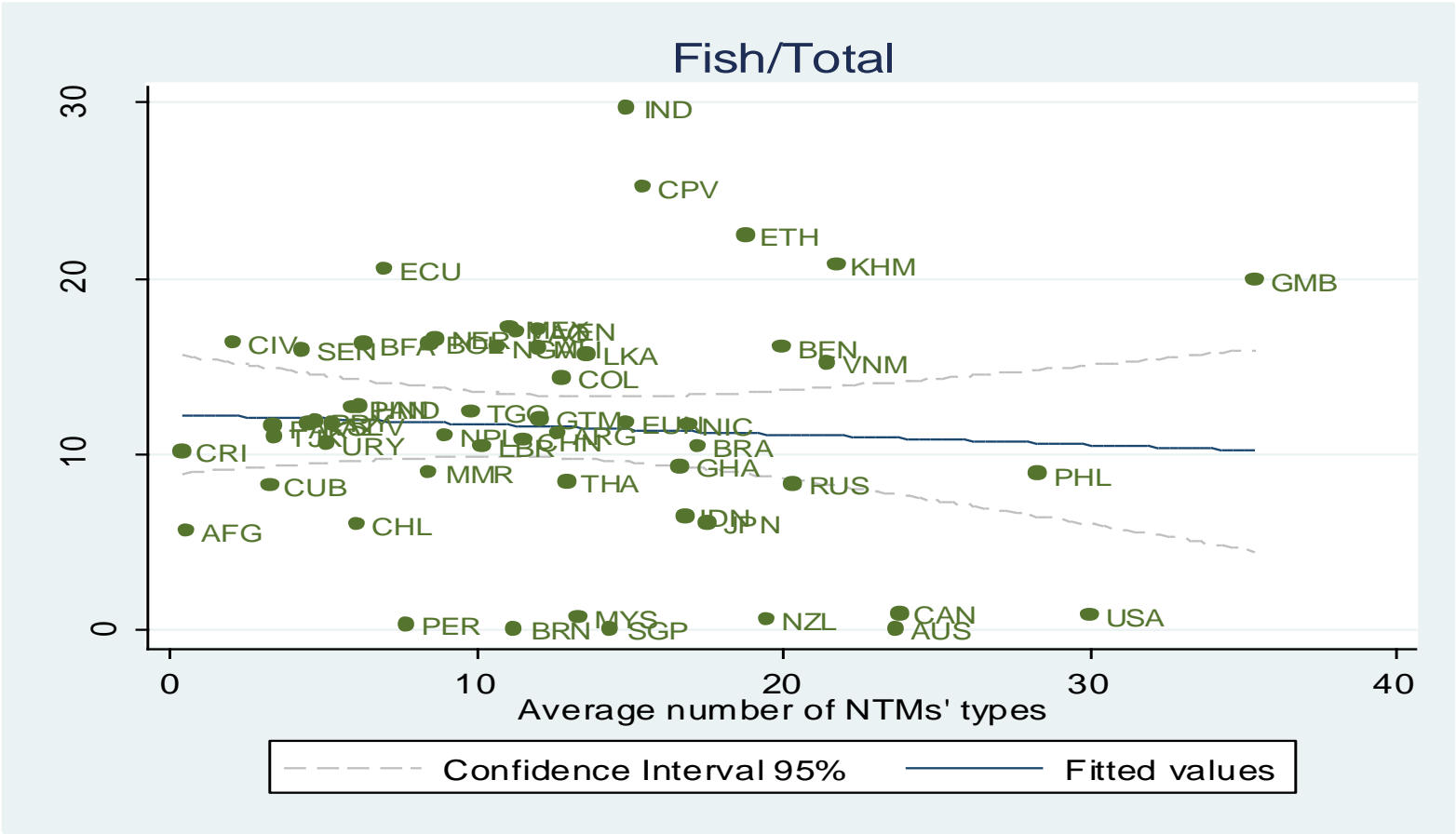
In most circumstances apply to both foreign and domestic products

UNCTAD NTMs Classification (2012)

Imports		
Technical Measures	A	SANITARY AND PHYTOSANITARY MEASURES
	B	TECHNICAL BARRIERS TO TRADE
	C	PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES
Non-Technical Measures	D	CONTINGENT TRADE-PROTECTIVE MEASURES
	E	NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL MEASURES OTHER THAN FOR SPS OR TBT REASONS
	F	PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES
	G	FINANCE MEASURES
	H	MEASURES AFFECTING COMPETITION
	I	TRADE-RELATED INVESTMENT MEASURES
	J	DISTRIBUTION RESTRICTIONS
	K	RESTRICTIONS ON POST-SALES SERVICES
	L	SUBSIDIES (EXCLUDING EXPORT SUBSIDIES UNDER P7)
	M	GOVERNMENT PROCUREMENT RESTRICTIONS
	N	INTELLECTUAL PROPERTY
O	RULES OF ORIGIN	
Exports		
	P	EXPORT-RELATED MEASURES

NB: Procedural obstacles are not NTMs per se but affect compliance with these measures

Average number of NTMs per product (per country) and Tariffs



Source: Fugazza (2017)

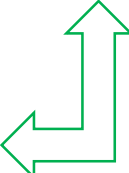

Reporter-product pairs (with positive imports) affected by different types of NTMs

	Number of NTMs types	Share in Total	Share in Affected
fish products	0	2.76	
	1	5.81	5.97
	2	32.54	33.46
	3	24.56	25.26
	4	25.98	26.72
	5	5.98	6.15
	6	2.38	2.44

	Number of NTMs types	Share in Total	Share in Affected
non-fish products	0	25.50	
	1	21.54	28.91
	2	22.63	30.37
	3	15.97	21.44
	4	10.59	14.22
	5	3.17	4.26
	6	0.60	0.8



Measures that affect more than 50% of all import relationships in the fish sector:

- | | |
|--|--|
| • A140: special authorization requirement for SPS reasons | |
| • A820: testing requirement
• A830: certification requirement
• A840: inspection requirement |  |
| • A310: labelling requirements | |
| • B310 : labelling requirements |  |



Average number of NTMs types per product per HS 4-digit category in Barbados

Group of products (HS-4 digit)	A	B	P	Share
Live (0301)	1	4.1	3.3	88
Fresh & Chilled (0302)	1	3.6	2.6	62
Frozen (0303)	1	3.5	2.5	75
Fillets (0304)	1	4.3	3.3	23
Dried & Smoked (0305)	1	7	6	60
Crustaceans (0306)	1	3.1	2	71
Molluscs (0307)	1	4.2	3	71
Other invertebrates (0308)	0	0	0	0
Waste (0511)	0	6	6	100
Prepared Fish (1604)	0	5.4	5.8	82
Prepared Crustaceans (1605)	0	5.4	5.8	28
Animal Fodder (2301)	0	2	1	100

Source: Authors' computations based on UNCTAD-TRAINS



Voluntary Standards (Private NTMs)

- Adopted by firms, national and international organizations
- Most voluntary standards (e.g. Marine Stewardship Council, Aquaculture Stewardship Council) are designed to address consumers concerns about the environmental and social impact of goods and services

