

Impacts and implications of the COVID-19 for the Oceans Economy and Trade Strategy: Case study of Barbados, Belize and Costa Rica

Lahsen Ababouch

UNCTAD-DOALOS Senior Expert

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- ✓ Objective
- ✓ Methodology
- ✓ Impact and implications for Global Ocean Economy
- ✓ Impact and implications for the Ocean Economy of Barbados, Belize and Costa Rica
- ✓ Recommendations on building back better

Objective

- ✓ To assist Barbados, Belize and Costa Rica in:
 - ❖ assessing the economic, social and environmental impacts of the COVID-19 pandemic on the selected OETS value chains,
 - ❖ Assessing the measures adopted, their efficiency and opportunities and
- ✓ to propose policy and regulatory recommendations on how to support building back better those value chains and their development

Methodology

- ✓ **online consultations and interviews of**
 - ❖ the OETS project focal points in the three countries
 - ❖ representatives of the stakeholders of the selected value chains, and
 - ❖ representatives of regional and international organizations working in the field of OETS in the region
- ✓ **Research to assess**
 - ❖ the impact of COVID-19 on OETS globally, regionally and in each of the three countries, especially on economics and trade flows in relevant ocean-based sectors,
 - ❖ the policy and regulatory actions undertaken in response to the pandemic globally, regionally and in each of the three countries; and
 - ❖ the lessons learned and the way forwards for these three countries and their selected fish and seafood value chains.
- ✓ **Sources:** Reports, publications, blogs, trackers, newspapers articles, videos.

	BARBADOS	BELIZE	COSTA RICA
POPULATION	287,025	390,353	4,047,561
GDP/CAPITA (US \$)	17,380	4,480	11,700
EXPORT (% GDP)	41	58	33
IMPORT (% GDP)	40	58	33
EEZ/LAND AREA	430	1.5	11.4
IMPORTANCE OF MARINE FISHERIES AND AQUACULTURE	40.3 kg/capita in 2013	14 kg/capita in 2018.	18.5 kg/capita in 2017
	US \$ 16-25million in 2019	US \$ 21 million in 2019	US \$ 132 million in 2018
	6,000 to 8,800 jobs	15,000 jobs	9600 jobs
PROTECTED AREAS (% OF TOTAL TERRITORIAL AREA)	n.a	20.1	3
IMPORTANCE OF TOURISM	1.3 billion in 2019, 10.4% of GDP and 72% of total export value	20 to 25% of GDP, \$ 409 million in 2017	5 to 8.2 % GDP, US\$ 2.2 billion in 2018.
% PEOPLE USING THE	81.8	61	73.5

Impact on Global Ocean Economy

World Economy

- ✓ 3.5 % contraction
- ✓ 9 % decrease in trade
- ✓ 255 million full jobs lost

Marine Fisheries and aquaculture

- ✓ 50 to 80% decrease in production
- ✓ Similar decrease in domestic and international demand
- ✓ Increase in costs of harvesting and farming
- ✓ Very difficult working conditions on board vessels
- ✓ Increase in retail demand, e-commerce and home delivery
- ✓ Reduced MCS capabilities and resources of fisheries administrations
- ✓ Dynamic of ocean governance severely disrupted , including for RFBs and RFMOs
- ✓ Surveys to collect data for oceanography, fish stock assessments, environmental and pollution monitoring have been cancelled in most countries

Tourism

- ✓ Tourist arrivals decreased by 60 to 80%, causing a loss \$ 910 billion and 1.2 trillion and closure of millions of MMSEs
- ✓ The SIDS have seen a 25 per cent decline in tourism receipts, causing a \$ 7.4 billion or 7.3 per cent fall in GDP.
- ✓ The strong linkages of tourism with conservation and biodiversity efforts were severely compromised, resulting in losses of critical natural habitats, wildlife resources, income to states and the livelihoods of coastal communities.

Impact on fisheries value chains of Barbados, Belize and Costa Rica

severely reduced marine fishing, aquaculture and post-harvest activities because of confinement, and restriction on mobility and travels,

low fish demand both for domestic consumption and export,

closure of fish markets, shops, export and import businesses,

reduced work force to carry out fishing and processing operations, in particular for vessels and processing cooperatives and companies that use seasonal labour and migrants,

severe impact on demand and prices as tourism and related hospitality sectors closed down.

Costa Rica

- ✓ Impacted most because Larger fisheries and more dependent on exports
- ✓ Production and processing were reduced by 50 to 80%
- ✓ Prices reduced by 30 to 40 per cent
- ✓ Export reduced by 70 %
- ✓ The US market closed most of 2020 because of successive waves
- ✓ Several fishing companies halted fishing in 2020, considering it not profitable

Barbados

- ✓ fisheries were initially categorized as non-essential businesses.
- ✓ Fishing and fish markets re-opened later, with customers allowed to do business on specific days and times of the week based on the first letter of their surname.
- ✓ A major challenge was the opening of fish markets to coincide with the return of fishing boats.
- ✓ To plan their fishing trips, fishers needed assurance that landing sites, ports, administration services and fish markets were open when back onshore after fishing.

Belize

- ✓ the pandemic coincided with the fishing season for spiny lobster and the end of the fishing season for queen conch.
- ✓ The 2020 quota of both fisheries were filled, and it is expected to be the same in 2021.
- ✓ Difficulties to access fishing supplies, spare parts, repair and maintenance services increased the cost of fishing,
- ✓ whereas fish prices were reduced by 30 to 50 per cent.
- ✓ Lack of cash flow affected fishers, workers and cooperatives because of delayed cashing on export revenues, low domestic demand, low prices and disruption of financial transactions.

Measures to address impact of COVID-19 of relevance to global ocean economy

Measures	Examples
Health measures	<ul style="list-style-type: none">- Lockdown of citizens and curfews- Restriction on mobility and travels- Social distancing and wearing face masks- Testing for SARS-2, isolation and quarantine of positive cases- Treatment of diseased people- Vaccination
Economic measures	<ul style="list-style-type: none">- Fiscal measures (tax deferral, reductions or suspensions) to individuals or to companies to encourage employment- Packages to stimulate the economy and support its recovery (grants, direct lending or loan guarantees, tax reduction)- Debt relief and suspension of credit to individuals and MSMEs- Public spending in infrastructure to create employment and stimulate demand- Issuing of electronic permits and licenses for harvesting/processing activities
Social measures	<ul style="list-style-type: none">- Measures to stimulate consumption (reduction or elimination of VAT, purchase vouchers, subsidies).- Measures to compensate lost income and livelihoods (cash transfer, cash for work, food/in-kind transfer)- Labour policy to prohibit dismissal, enable reduced working hours, elective work leave,- Guarantee of basic services
Environmental measures	<ul style="list-style-type: none">- Up to 30 per cent of the recovery resources were earmarked for clean energies and the

Important economic, labour and social protection measures implemented in Costa Rica

Economic policies	Labour and social protection policies
<p><u>Fiscal policies</u> such as:</p> <ul style="list-style-type: none"> ✓ tax deferral (e.g., moratorium or payment of taxes on income, value addition or import merchandize ✓ Tax reductions (e.g., 75 per cent reduction in health and pension insurance tax bas ✓ 15 to 50 per cent reduction on vehicle property tax 	<p><u>Safety of workers</u> by</p> <ul style="list-style-type: none"> ✓ authorizing teleworking for public institutions, ensuring the presence of a maximum of 20 per cent of public servants, ✓ granting accumulated vacations periods or authorizing advance vacations.
<p><u>Monetary policies</u> such as:</p> <ul style="list-style-type: none"> ✓ Reduction of interest rates in the market to create favourable conditions for credit 	<p><u>Unemployment relief</u></p> <ul style="list-style-type: none"> ✓ under the “Bono Proteger” program that provided temporary subsidies to about 700,000 people for up to three months, extendable for up to two more periods, ✓ establishing the right of employees to withdraw their labour savings in the labour capitalization fund in case of temporary employment suspension or reduction of the working duration
<p><u>Business policies</u> such as:</p> <ul style="list-style-type: none"> ✓ A moratorium on the payment of business taxes ✓ postponing the collection of annual fees for fishing licenses, aquaculture authorizations, and transportation and marketing of fishery products, ✓ moratorium on the collection of default interest, support to MSMEs, including through non-refundable funds and trainings. 	<p><u>Cash and in-kind transfers</u> through</p> <ul style="list-style-type: none"> ✓ adoption of new transfers, ✓ increase in existing transfers, ✓ expansion of cash transfers to new recipients, ✓ early disbursement of transfers, distribution of food packages.
<p><u>Economic stimulus package to companies and individuals:</u></p> <ul style="list-style-type: none"> ✓ access to funds to stimulate productivity, ✓ Measures for the relief and reactivation of the tourism sector (e.g., gradual opening to target market, tourism infrastructure, support for SMEs and transporters, ✓ access to credits in rural territories, ✓ measures to lower costs in restaurants and hotels 	

Examples of actions adopted in fisheries of Barbados, Belize and Costa Rica

elaboration and dissemination of health and sanitary guides for adoption on-board fishing vessels and processing companies,

postponing the collection of annual fees for fishing licenses, aquaculture authorizations, and for transportation and marketing of fishery products,

support to increase awareness and disseminate information about the fiscal, social and economic measures for the benefit of fisheries actors, in particular small-scale operators,

cash transfer to identified fishers and helpers, extension of cash (vouchers) and in-kind transfers (e.g., food packages) to the most vulnerable people of coastal communities,

awareness raising and national campaigns to promote domestic fish consumption and distribution of fish and seafood packages for vulnerable communities,

mobilization of value chain actors and stakeholders around marine conservation actions and marine eco-tourism.

Conclusions and recommendations

- ✓ Heavy dependence in the three countries on few outside markets and customers, particularly the United States
- ✓ Coastal and marine tourism is likely to remain a main pilaster of the economy of Barbados, Belize and Costa Rica
- ✓ The pandemic has re-affirmed the value of preparedness to protect and build resilience against climate change, health and other natural or man-made disasters
- ✓ Implementing proper fisheries management in the three countries remains a major challenge
- ✓ Promotion of national and regional markets and tourism, using online platforms and e-commerce is necessary for diversification, product development and innovation

Conclusions and recommendations

- ✓ A reform of marine fisheries and aquaculture governance is essential to develop a science- and evidence-based fisheries management and conservation regime
- ✓ Assess thoroughly the potential and opportunities to attract private investment in sustainable marine aquaculture.
- ✓ Species such as bivalve molluscs (e.g., oysters, mussels), seaweed and sea cucumber present a good potential and reconcile economics, livelihoods and conservation
- ✓ Promote coastal zone management by integrating marine fisheries and aquaculture, coastal and marine tourism and consolidating natural marine areas and reserves, recreational fishing, wildlife watching, and marine ecotourism.



Conclusions
and
recommendations

- ✓ Promote investment in digitalization to upgrade infrastructure and skills, in order to consolidate competitiveness and access to lucrative markets
- ✓ Ocean governance, ocean science and marine research are important areas that should benefit significantly from investment in digitalization and innovative automation technologies
- ✓ Policies should be updated to break barriers, ensure cybersecurity, address the adverse effects of the digital divide, and create capacities to benefit from technologies and digitalization
- ✓ Achievement of the 2030 ASD and the COVID-19 pandemic responses should be addressed in a complementary manner, integrating actions to tackle emergency, support recovery and achieve the SDGs.

Thank you

Lahsen Ababouch at
Lahsen.ababouch.la@gmail.com