

# Impacts of CPTPP on Trade in Fish and Fishery Products

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# Two kinds of trade measures

## 1. Tariff barrier

- tax imposed by an importing country

## 2. Non-tariff barrier

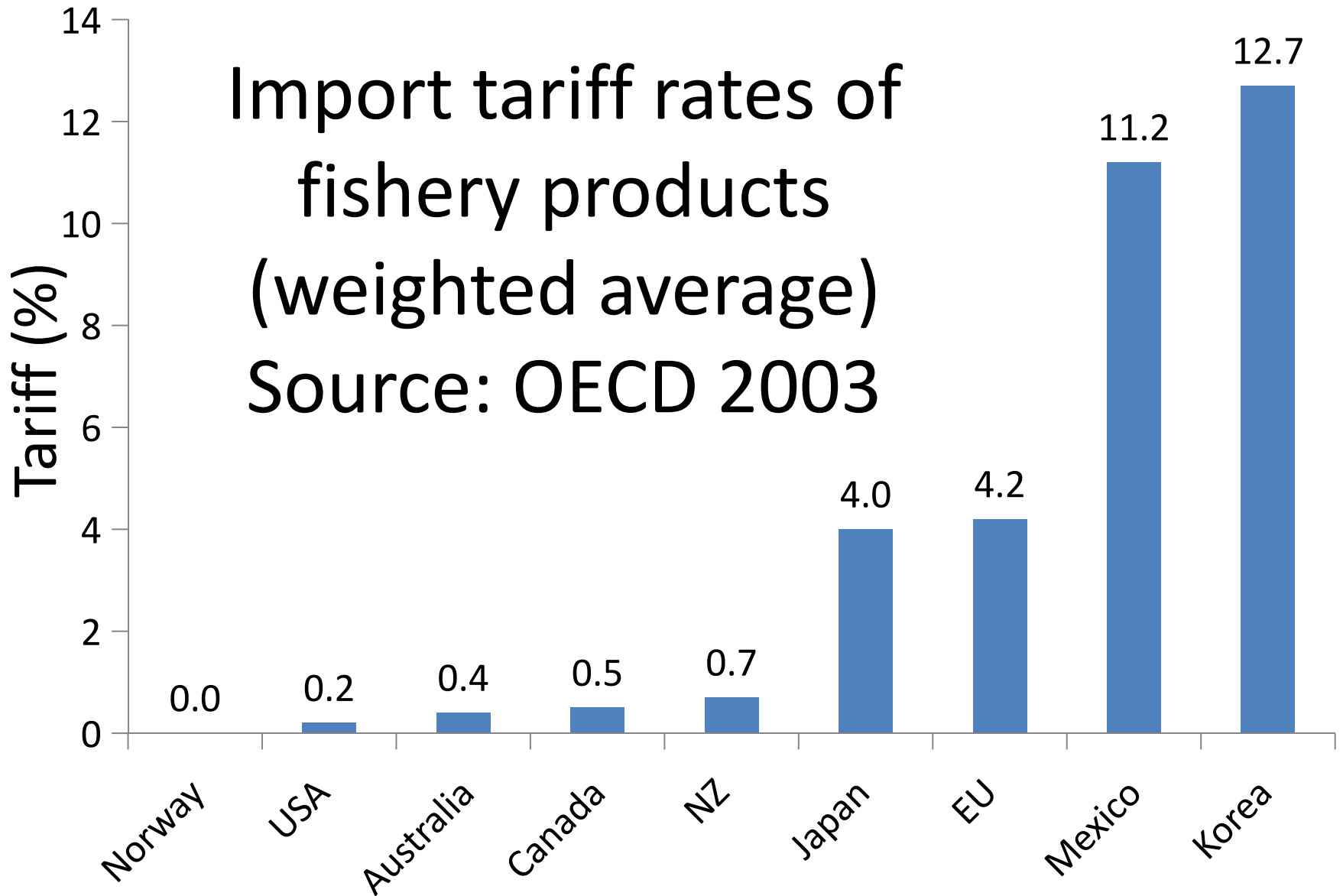
- Subsidies <- My focus today
- Sanitary and phytosanitary requirements
- TBT (technical barrier in trade)
- Environmental requirements such as non-IUU documentations
- Labor abuse preventive measures

# TPP (Trans-Pacific Partnership)

- P4 agreement: **Singapore, New Zealand, Chile, Brunei**, agreed Trans-Pacific Strategic Economic Partnership Agreement. It came into force in 2006.
- TPP negotiation started in March 2010, based on the above P4 agreement, among USA, **Australia, Peru, Vietnam**. Later **Malaysia, Canada, and Mexico** joined the negotiation.
- **Japan** also announced in March 2013 that it would join the negotiation.
- USA announced that it would withdraw from TPP in 2017.
- Other 11 nations signed the agreement in March 2018 and it became effective in December 2018.
- **UK** joined TPP in July 2023.

# Import tariff rates of fishery products (weighted average)

Source: OECD 2003



FAO 2022. The State of World Fisheries and Aquaculture. Rome, FAO. p101-102

- Under the WTO principle of most-favored nation, applied tariffs for fisheries and aquaculture products range from 0 percent to 30 percent, with **an average of 14 percent**.
- The large high-income importing countries, such as the European Union, the United States of America and Japan, apply reduced or zero tariffs on the majority of imports.
- In contrast, many emerging countries still apply relatively high tariffs for fisheries and aquaculture products that can reflect fiscal policies or protective measures.
- **Tariff escalation** continues to be a serious issue for many countries and products, particularly in accessing some high-income markets and expanding regional trade.

# Fisheries Subsidies at CPTPP

The paragraph 5 of the CPTPP provides as follows:

*“No Party shall grant or maintain any of the following subsidies*

*(a) subsidies for fishing that negatively affect fish stocks that are in an overfished condition; and*

*(b) subsidies provided to any fishing vessel while listed by the flag State or a relevant Regional Fisheries Management Organisation or Arrangement for IUU fishing in accordance with the rules and procedures of that organisation or arrangement and in conformity with international law.”*

# Fisheries Subsidies at CPTPP (additional rules 1)

Other subsidies that have specificities:

*“In relation to subsidies that are not prohibited by paragraph 5(a) or 5(b), and taking into consideration a Party’s social and developmental priorities, including food security concerns, each Party shall make best efforts to refrain from introducing new, or extending or enhancing existing, subsidies within the meaning of Article 1.1 of the SCM Agreement, to the extent they are specific within the meaning of Article 2 of the SCM Agreement, that contribute to overfishing or overcapacity”*

# Fisheries Subsidies at CPTPP (additional rules 2)

## *Notifications*

*“Each Party shall notify the other Parties, within one year of the date of entry into force of this Agreement for it and every two years thereafter, of any subsidy within the meaning of Article 1.1 of the SCM Agreement that is specific within the meaning of Article 2 of the SCM Agreement, that the Party grants or maintains to persons engaged in fishing or fishing related activities”*

## *Fuel Subsidies*

*“Each Party shall also provide, to the extent possible, information in relation to other fisheries subsidies that the Party grants or maintains that are not covered by paragraph 5, in particular fuel subsidies.”*



# Fisheries Subsidies at CPTPP (additional explanations)

## Scope of the applications

*A subsidy needs to be “for marine capture fisheries” and, therefore, aquaculture subsidies are out of the scope of the provision*

*A subsidy needs to be “within the meaning of Article 1.1 of the SCM Agreement”*

*A subsidy needs to be “specific within the meaning of Article 2 of the SCM Agreement”*

*A subsidy “shall be attributable to the Party conferring it, regardless of the flag of the vessel involved or the application of rules of origin to the fish involved”*

The SCM Agreement is “Agreement on Subsidies and Countervailing Measures” 1995 and one of the WTO Agreements.

*A subsidy shall be deemed to exist if:*

*(a)(1) there is a financial contribution by a government or any public body within the territory of a Member,*

*(a)(2) there is any form of income or price support in the sense of Article XVI of GATT 1994;*

*and*

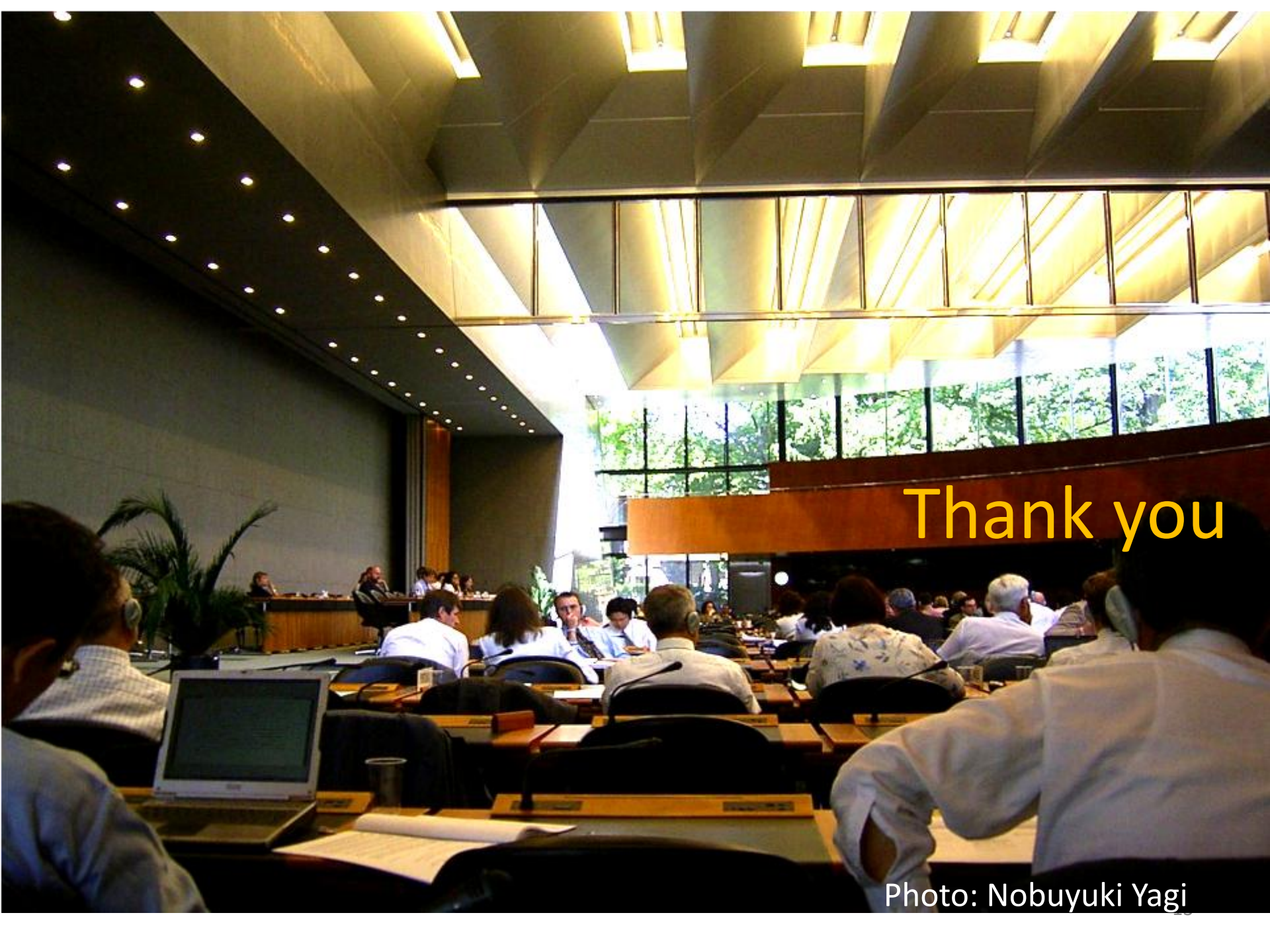
*(b) a benefit is thereby conferred.*

# My comments

After the TPP came into force in 2018 (Australia, Canada, Japan, Mexico, NZ, Singapore) and in 2023 (Brunei, Chile, Malaysia, Peru, Vietnam), it is difficult to identify the exact effect because there exist

- many other similar FTAs
- fluctuations in currency exchange rates
- changes in domestic demands of fish
- changes in supply of fish, and so on

FTA partners of Japan	Effective from
Singapore	November 2002
Mexico	April 2005
Malaysia	July 2006
Chile	September 2007
Thailand	November 2007
Indonesia	June 2008
Brunei Darussalam	July 2008
ASEAN	December 2008
Philippines	December 2008
Swiss	September 2009
Vietnam	October 2009
India	August 2011
Peru	March 2012
Australia	January 2015
Mongolia	June 2016
TPP11	December 2018
EU	February 2019
UK	Signed Oct 2020
RCEP	Signed Nov 2020



Thank you

Photo: Nobuyuki Yagi