



## TRADE POLICY BRIEFS

FAO SUPPORT TO THE WTO NEGOTIATIONS AT THE 12<sup>TH</sup> MINISTERIAL CONFERENCE

### TRADE IN FISHERIES AND AQUACULTURE PRODUCTS: A MAJOR INTERNATIONAL COMMODITY

- The fisheries and aquaculture sectors are highly integrated in international trade, with products often crossing multiple international borders during their journey, from production to processing, and on to retailing and the final consumer.
- Net fish export revenues of developing countries (export minus import revenues) reached USD 35 billion in 2019, higher than those of other agricultural commodities (such as meat, tobacco, rice and sugar) combined. As a source of export revenues and as a provider of employment, trade in fisheries and aquaculture products represents an important contributor to economic growth in developing countries. Marine resources are of particular importance to coastal nations, especially least developed countries (LDCs) and Small Island Developing States (SIDS).
- Fisheries provide livelihoods and incomes for many millions of people working as fishers and harvesters but also in pre- and post-harvest activities, such as boat building, net making and fish processing and trade. However, small-scale fishing communities are often overlooked, and their actors tend not to be involved in decision-making processes that influence their lives and future.

#### International trade and fisheries

The fisheries and aquaculture sectors play a crucial role in providing food security and livelihoods for millions of people and are crucial for numerous coastal, riverine, insular, and inland regions, especially in developing countries and many Small Islands Developing States (SIDS). The 2020 State of World Fisheries and Aquaculture (SOFIA) revealed that most of the people directly employed as fishers and fish farmers, on a full, part-time or occasional basis – about 60 million people, of whom 34 percent were engaged in aquaculture in 2018 – are artisanal and small-scale producers. Women play an important role in this workforce and represent about 14 percent of the people employed in the primary sector and around 50 percent if the secondary sector is included (about 200 million in total).

The fisheries and aquaculture sectors expanded significantly in recent decades, with an increase in overall production, trade and consumption. This expansion has been characterized by many transformations, including changes in the source of production, which is increasingly dependent on aquaculture. Significant changes occurred in the key producers and traders, with the consistent growth of the role of developing countries, particularly in Asia.

According to FAO FishStat, fisheries and aquaculture products are among the most traded food commodities worldwide. In 2019, about 37 percent of total fisheries and aquaculture production entered international trade in different product forms, and over 200 countries and territories reported fish trading activities. In 2019, exports of fisheries and aquaculture products were valued at USD 161 billion, accounting for about 11 percent of the export value of agricultural products

(excluding forest products) and about 1 percent of the value of total merchandise trade. This compares with USD 156 billion for the trade of all meats. From 1976 to 2019, the value of global exports of fisheries and aquaculture products increased at an annual rate of 7 percent in nominal terms. The share of developing countries in this trade increased from 38 percent of global export value in 1976 to 54 percent in 2019. In 2019, exports of fisheries and aquaculture products of developing countries were valued at USD 87 billion. Developed markets still dominate fish imports, but the importance of developing countries as consumers and producers has been steadily increasing. In 2019, fish imports by developing countries represented 32 percent of the global total in value, compared with 12 percent in 1976.

Fisheries and aquaculture products represent an important source of protein and micronutrients. Increased fish production (particularly from aquaculture), rising incomes worldwide, technological developments in processing and along the value chain, and the expansion in trade has resulted in per capita fish consumption doubling since the 1960s. Food fish consumption rose from 9.0 kg per capita in 1961 to 20.3 kg in 2017, and to an estimated 20.5 kg in 2019. In 2017, fish accounted for about 17 percent of total animal protein and 7 percent of all proteins consumed globally. Fish proteins are essential in the diets of some densely populated countries where the total protein intake level is low and is very important in many other countries' diets, in particular in SIDS. In 2017, of the 29 countries where fish represents 30 percent or more of the total animal protein supply, 28 are developing countries, 17 are least-developed countries, and 15 are low-income food-deficit countries (LIFDCs).

## Small-scale fisheries

The small-scale fisheries (SSF) sector is estimated to generate about 90 percent of fisheries employment in capture fisheries, representing more people than all other ocean-based economic activities combined.

The FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SSF Guidelines) were developed to support the visibility, recognition and enhancement of small-scale fisheries, thus contributing to global and national efforts towards the eradication of hunger and poverty. The objectives of the SSF Guidelines – to contribute to equitable development and a sustainable future – are to be achieved using a human rights-based approach and recognizing that “one size does not fit all”. Its recommendations include building the capacity of individuals, strengthening organizations, empowering women, reducing post-harvest losses, adding value to small-scale fisheries production, and facilitating sustainable trade and equitable market access.

The inherent challenges faced by many small-scale fisheries in producing high-quality, safe food and accessing markets are explicitly recognized by Sustainable Development Goal (SDG) Target 14.b (provide access for small-scale artisanal fishers to marine resources and markets) and SDG Target 2.3 (by 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and nonfarm employment).

National, regional and global markets present opportunities for the small-scale fisheries sector, including the potential to earn a higher value per unit of product and the possibility to engage with actors who can facilitate access to financial resources, capacity building, and training as part of their investment in the value chain.

## Characterization of SSF

There is increasing interest in finding ways to objectively characterize the fisheries as large or small-scale. This is for a variety of reasons that span the dimensions of governance (policy, legislation, access and tenure), economics (taxation, subsidies, and special preferences), and fisheries management (regulation, gears, and zoning).

The issue of definition or characterization is further complicated by the application of varied terminology to the small-scale sector (small-scale, artisanal, subsistence, aboriginal, coastal, nearshore, municipal) and the large-scale sectors (large-scale, commercial, semi-industrial, industrial). In some countries, fishing units may be classified into more than two categories, including one or more intermediate categories. Challenges also arise with definitions based on a limited set of quantitative metrics (such as vessel size and power, gear type, or area of operation).

Characterizing the scale of a fishing unit is often helpful and even necessary. It informs fisheries management, policy decisions, research and governance at national and regional levels and can also support global understanding of small-scale fisheries and their role.

FAO has developed an [approach](#) for characterizing small-scale fisheries to assist national management and enable inter-comparability of data and information on small-scale fisheries issues. The method uses a matrix scoring approach to address the complexity and inter-regional diversity of small-scale fishing operations. The matrix is primarily intended as a research tool and, with further testing and development, might be used more systematically for national or regional analytical or reporting purposes.

## Actions to address key challenges:

- ▶ to provide fish operators, in particular fish workers, with the capacity and facilities to optimize the quantity and quality of traded products, reducing resource pressure and preserving marine ecosystems for future generations;
- ▶ to end hunger, achieve food security, improve nutrition, and promote sustainable activities in small-scale fishing communities, aligned with the Sustainable Development Goals (SDGs) objectives;
- ▶ to address market access challenges for small-scale fisheries actors in developing countries – particularly considering the capacity, knowledge constraints and often-unequal existing power relations between different actors along the value chain – posed by complex frameworks of rules and regulations, including government trade policies and private standards; and
- ▶ to work on national characterizations of small-scale and large-scale fisheries to increase the effectiveness of specific-addressed policies.

