

Fisheries trade issues in the WTO

SUMMARY

- ▶ *Developing countries rely heavily on their growing production of fish and fishery products for export revenues and income generation but import tariffs on processed products are hindering the industry's development.*
- ▶ *Non-tariff barriers, such as technical standards and sanitary and phytosanitary issues of food safety, are a further obstacle to expanding fish exports.*
- ▶ *There is a need for internationally agreed guidelines on eco-labelling of fishery products and acceptance that developing countries have special requirements in adopting such a system.*

International trade in fish and fishery products has grown considerably over the last two decades with global exports up from US\$15 billion in 1980 to US\$56 billion in 2001. LIFDCs accounted for US\$10.6 billion, or about a fifth of total exports, whereas imports were US\$3 billion. Exports of fishery products are vital to low-income food-deficit countries (LIFDCs) in terms of export revenues to service debt and pay for other needed commodities, such as foods and fuel, as well as for generating income and employment. Developed countries import 80 percent of total trade.

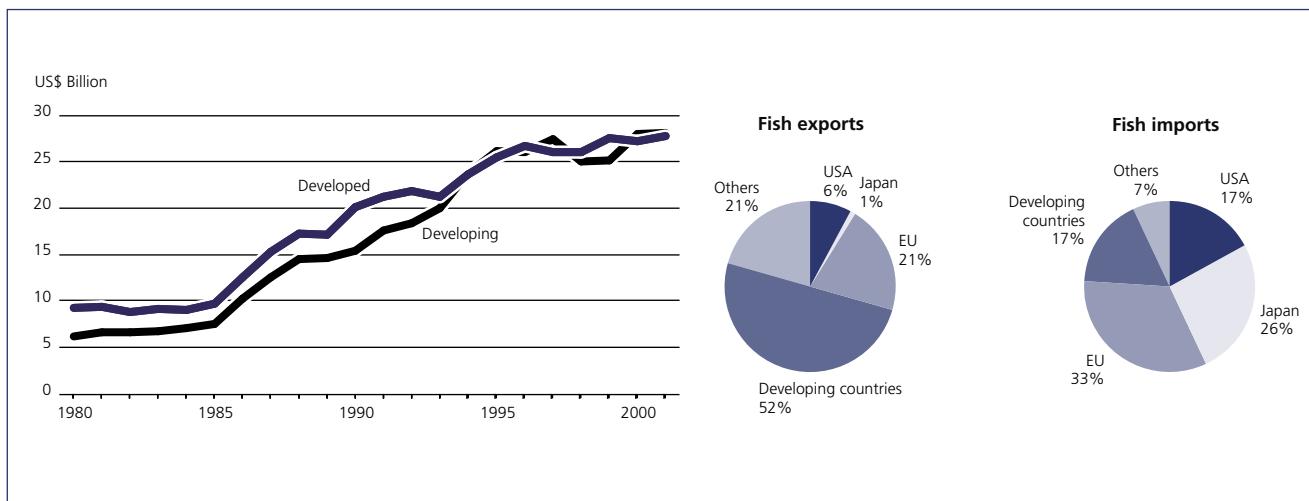
Critical trade issues

MARKET ACCESS ■

Fish and fishery products are not covered by the Agreement on Agriculture, and improved market access is linked to progress in the negotiations on Market Access for Non-Agricultural Products. The Doha Agenda underlines the importance of export products to developing countries and specifies that the modalities must include capacity-building measures to assist least-developed countries participate effectively in the negotiations.

After completion of the Uruguay Round, average weighted import tariffs on fish products in developed countries were reduced to around 4.5 percent. However, this average hides a number

Figure 1: World exports of fish



of tariff peaks and tariff escalation for processed or value-added fish products in the most important import markets. Such import duties continue to hinder processing and economic development of the fishery industries in many developing countries.¹

NON-TARIFF BARRIERS ■

In many markets non-tariff barriers continue to present obstacles to imports and are often linked to technical standards or procedures. Although WTO rules include agreements on both Technical Barriers to Trade² and on Sanitary and Phytosanitary issues³ (relevant for food quality and safety⁴), there is a need for capacity-building measures to assist countries and exporters in effectively implementing these agreements.

SUBSIDIES ■

The Doha Agenda aims to clarify and improve WTO disciplines on fisheries' subsidies. There is concern about the likely negative effects of subsidies on the environment and on trade. However, the lack of detailed global data on the nature, magnitude and impact of subsidies is a major obstacle to progress towards an international consensus on the role of subsidies in fisheries.

ECO-LABELLING REQUIREMENTS ■

The Doha Agenda addresses eco-labelling (labelling requirements for environmental purposes) with the aim of clarifying its impact on trade. In the fisheries sector, a number of eco-labels already exist. The goal of these is to develop market-based incentives for better management of fisheries through consumer demand for seafood products from well-managed stocks or from sustainable aquaculture. Eco-labelled products are not yet prominent in any market, but there is a lack of internationally agreed guidelines for labelling and certification of products, the choice of information and transparency of the process, the role of governments in voluntary labelling

and certification, and the special requirements of developing countries in adopting eco-labelling of fishery products. Finally, the relationship between WTO rules and voluntary labelling schemes needs to be clarified.

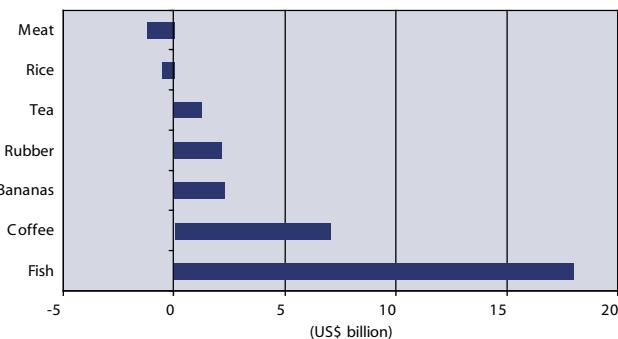
Multilateral environmental agreements

The Doha Agenda launches negotiations on the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs). The objective is to clarify the relationship between trade measures under the environmental agreements and WTO rules. These negotiations are relevant for both fish trade and fisheries' management because several fish species are now the object of MEAs and of trade measures of regional fishery management organizations.

Technical assistance

The Doha Agenda underlines the importance of providing technical assistance and capacity-building to developing countries to adjust to WTO rules, implement existing obligations and negotiate and fully exercise the rights of membership.

Figure 2: Net exports by developing countries in 2000



¹ FAO-GLOBEFISH Research Programme, (2000), Effect of World Trade Organization Regulations on World Fish Trade, Vol. 65.

² Committee on Fisheries - Subcommittee on Fish Trade, Session VIII (2002), Document on inter-regional fish trade, experiences with provisions of the Agreement on Technical Barriers to Trade (TBT) and informal trade barriers (COFI:FT/VIII/2002/6).

³ Committee on Fisheries-Subcommittee on Fish Trade, Session VIII, (2002), Document on safety, quality and fish trade (COFI:FT/VIII/2002/9).

⁴ Valdimarsson, G., Cormier, R., and Ababouch, L. (2003), Fish safety and quality in times of globalization: Trans Atlantic Fisheries Technology Conference, Reykjavic, Iceland, 10-14 June 2003.

KEY CHALLENGES

- ▶ To provide developing countries with technical assistance to help them adopt WTO rules and obligations in regard to fisheries;
- ▶ To ease the burden of tariff escalation in relation to value-added fish products;
- ▶ To make substantial progress toward the Doha Agenda in regard to market access, subsidies, eco-labelling, technical assistance and capacity building.

