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## COMMITTEE ON FISHERIES

### SUB-COMMITTEE ON FISH TRADE

#### Tenth Session

Santiago de Compostela, Spain, 30 May – 02 June 2006

### FISH TRADE AND FOOD SECURITY

#### EXECUTIVE SUMMARY

This paper reports on the outcome of a recent study exploring the relationship between fish trade and food security. The report concludes that international trade in fishery products has had a positive effect on food security. The Sub-Committee is invited to comment on the conclusions of the report and to recommend areas for further work.

#### INTRODUCTION

1. The relationship between fish trade and food security has been discussed in several sessions of the Sub-Committee on Fish Trade (COFI:FT). This discussion was prompted by the large amounts of fish entering into international trade and the concern that the exported fish would no longer be available for domestic consumption, thus compromising food security objectives. This concern was particularly raised in the case of developing countries and Low-Income Food-Deficit Countries (LIFDCs). LIFDCs play an active role in the trade of fish and fish products. In 2003 they accounted for more than 20 percent of the total value of fishery exports, with net export revenues estimated at US\$8.6 billion. Concerns have also been expressed that trends towards further market liberalisation may further exacerbate the problem.

2. In the fisheries sector international trade has increased dramatically over the past 20 years. The value of fishery exports has increased from US\$15.5 billion in 1980 to US\$63.3 billion in 2003. Developing countries have particularly benefited from this increase as their net earnings (export – import) from fishery products increased from \$US3.4 billion to US\$18.3 billion over the same period. Developing countries net earnings from fishery products exceeds the foreign exchange revenues earned from any other traded food commodity.

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3. Worldwide, more than 38 million people are directly engaged in fishing and fish farming as a full-time or, more frequently, part-time occupation, and fishery products account for 15–16 percent of global animal protein intake. In 2003, 77 percent of world fish production was used for direct human consumption. The fisheries sector is particularly important for 44 countries (15 small island developing states, 12 African and 12 Asian countries, 3 transition economies and 2 Latin American countries) where the sector makes a significant contribution to both exports and domestic nutritional intake.

## FOCUS OF ANALYSIS

4. In order to clarify this relationship between fish trade and food security the FAO has undertaken a study on “the impact of international trade in fishery products on food security”<sup>1</sup>. Some of the key conclusions from this study are highlighted in the following sections.

5. The study examines international trade in fishery products and the impact it has on food security in two ways: (a) indirectly, as a source of livelihood through employment and income generated by the fisheries sector, and (b) directly, in the form of fish as food. The study’s findings are based on an assessment at the global level as well as evidence drawn from 11 representative national case studies.

## CONCLUSIONS OF STUDY

6. The study’s main finding is that international trade in fishery products has had a positive effect on food security. International trade in fishery products generates employment, higher incomes and foreign exchange. Higher employment rates and incomes have, in particular, resulted in improved domestic purchasing power. This has enabled countries to raise their standard of living and to alleviate food security concerns. Over time, many developing countries and LIFDCs have become net foreign exchange earners from trade in fishery products. Such earnings can contribute to the nation’s debt repayments. They also provide the foreign currency required by developing countries and LIFDCs to import essential food stuffs, including fish. This is especially important for countries that depend on imports to meet food security needs.

7. The study also notes that there is room for improvement. Statistics indicate that there has not been a significant change in the composition of exports from developing countries. The most important method adopted for processing the fish is freezing. While in some instances this is due to the nature of the product being exported, there is also evidence that tariff escalation in developed countries has prevented the development of more value-added exports from developing countries.

8. Production and trade statistics also indicate that international trade has not had a detrimental effect on food security in the form of fish as food. Increases in production (from capture fisheries and aquaculture), coupled with the import and export of fishery products, has insured the continued availability of fish for domestic supply in LIFDCs.

9. The study, however, cautions that sustainable resource management practices are a necessary condition for sustainable international trade. Market demand needs to be coupled with a sustainable resource management policy.

10. The evidence drawn from the 11 country studies - Nicaragua, Brazil, Chile, Senegal, Ghana, Namibia, Kenya, Sri Lanka, Thailand, Philippines and Fiji - indicates that in 8 of the 11 countries international trade has had a positive impact on food security. This assessment was

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<sup>1</sup> Kurien J (Editor), 2005. Responsible fish trade and food security. FAO Fisheries Technical paper 456. This study has been funded by the Norwegian Ministry of Foreign Affairs.

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based on outcomes related to national impacts, impacts on fishers, fish workers, fish consumers and fish resources. International trade in fish products was, however, determined to have a negative impact on the fish resources for all the countries, highlighting the urgent need for more effective management regimes. Fishery resources depletion and aquatic ecosystem degradation in many LIFDCs are closely linked to species that are highly traded in the international market. Exporting developing countries need to reassert their commitment to immediate resource rejuvenation and long-term conservation and management.

11. The study also highlights the need for free and transparent trade and market policies to ensure that the benefits from international fish trade are enjoyed by all segments of society. The study underscores the FAO's Code of Conduct for Responsible Fisheries recommendation that States consult with all stakeholders, industry as well as consumer and environmental groups, in the development of laws and regulations related to trade in fish and fishery products.

## **RECOMMENDATIONS FOR FURTHER WORK**

12. The Responsible Fish Trade and Food Security Report provides a good first step in gaining an understanding of the relationship between fish trade and food security. It points out that at the global level fish trade has had a positive impact on food security. The country case studies, however, show that the relationship between fish trade and food security varies depending on the country being analyzed. These differences stem from the fact that different countries have access to different markets, different marketing and distribution structures, different fisheries management regimes, different resource bases, and different governance structures.

13. Additional country case studies will broaden our understanding of the causes for positive or negative impacts of fish trade on food security. The methodology should expand to address at the micro levels aspects such as an assessment of the existing fisheries management regimes, distribution and marketing networks, governance structures, distribution of costs/benefits of fish trade amongst the stakeholders along the fish food chain. Additional countries to be studied are those where fish imports play an important role in food security, such as Nigeria, Cote d'Ivoire, and Gabon. China and increasingly Vietnam, being important importers, exporters and re-exporters should also be studied.

14. These additional studies will lead to a set of policy recommendations to be presented to the next COFI FT.

## **SUGGESTED ACTIONS BY THE SUB-COMMITTEE**

15. The Sub-Committee is invited to report on national experiences and policies with respect to fish trade and food security. The Sub-Committee might also wish to give indications to FAO and donors on whether and how to continue this work and provide guidance on relevant future policies.