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**EXPERT CONSULTATION ON TRADE IN FISHERIES SERVICES**

**Gothenburg, Sweden, 20–22 March 2018**



Report of the  
EXPERT CONSULTATION ON TRADE IN FISHERIES SERVICES  
Gothenburg, Sweden, 20–22 March 2018

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## **PREPARATION OF THIS DOCUMENT**

This document is the final version of the Report of the Expert Consultation on Trade in Fisheries Services, held in Gothenburg, Sweden, from 20 to 22 March 2018. The Expert Consultation was convened by FAO, at the request of the sixteenth session of the Sub-Committee on Fish Trade (Busan, September 2017), to define a framework on Trade in Fisheries Services. The Expert Consultation was carried out with the financial support of the Government of Sweden, which also provided the host facilities.

The Expert Consultation brought together an international group of experts with relevant experience and expertise in different areas of the fish sector. The Expert Consultation produced this document presenting a possible applicable framework on Trade in Fisheries Services. This Report also recommends and suggests further work by FAO, in the area of fisheries services, to achieve better and more inclusive results, particularly in connection with developing countries, aligned with the United Nations Sustainable Development Goals (SDGs) and other relevant international instruments, including the FAO Code of Conduct for Responsible Fisheries (CCRF).

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### **ABSTRACT**

At its thirty-second session, in July 2016, the FAO Committee on Fisheries (COFI) underlined the importance of trade in fisheries services and welcomed the work of the FAO on conducting a literature review on the subject. In September 2017, during its sixteenth session, the COFI Sub-Committee on Fish Trade (COFI:FT) was invited to note the literature review and to make recommendations for future work on the topic. On this occasion, the Sub-Committee agreed to hold an expert consultation on trade in fisheries services that would allow a more detailed analysis, within a clear scope.

This report is the result of the first Expert Consultation on Trade in Fisheries Services. The Expert Consultation was convened by FAO with the financial support of the Government of Sweden, in Gothenburg, Sweden, from 20 to 22 March 2018.

The Expert Consultation was tasked to deliberate in a definition on trade in fisheries services, possible classification and methodologies for assessing its extension and impact. In addition, the Expert Consultation also suggested follow-up developments by FAO to enhance the work of the Organization.

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## LIST OF ABBREVIATIONS

<b>BaTIS</b>	Balanced Trade in Services
<b>BPM</b>	Balance of Payment and International Position Manual
<b>CCRF</b>	Code of Conduct for Responsible Fisheries
<b>CPC</b>	Central Product Classification
<b>COFI</b>	FAO Committee on Fisheries
<b>COFI:FT</b>	COFI Sub-Committee on Fish Trade
<b>EBOPS</b>	Extended Balance of Payment Services
<b>EEZ</b>	Exclusive Economic Zone
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>GATS</b>	General Agreement on Trade in Services (WTO)
<b>GATT</b>	General Agreement on Tariffs and Trade (WTO)
<b>IMF</b>	International Monetary Fund
<b>IT</b>	Information technology
<b>MSITS</b>	Manual on Statistics of International Trade and Services
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>R&amp;D</b>	Research and Development
<b>SDG</b>	Sustainable Development Goals
<b>UNCLOS</b>	United Nations Convention of the Law of the Sea
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>WB</b>	World Bank
<b>WTO</b>	World Trade Organization

## OPENING OF THE MEETING AND ARRANGEMENTS FOR THE SESSION

1. The Expert Consultation on Trade in Fisheries Services, hereinafter referred to as “the Consultation”, was held in Gothenburg, Sweden, from 20 to 22 March 2018.
2. Sixteen experts and five resource persons participated in the Consultation. The full list of participants is attached to this report as Appendix A.
3. Prior to the opening of the session, the participants of the Consultation were provided with the following two background documents prepared specifically for the Consultation by the Luleå Technical University for their information:
  - Trade in fisheries services  
*compilation of the main documents regarding trade in fisheries services.*
  - The WTO framework for trade in services  
*explanation of the role of the World Trade Organization (WTO) in regulating and assessing trade in services.*
4. The meeting was called to order by Mr Audun Lem, Deputy-Director, Fisheries and Aquaculture Policy and Resources Division, Fisheries and Aquaculture Department, Food and Agriculture Organization of the United Nations (FAO).
5. A welcome address was delivered by Mr Ingemar Berglund, Head of the Fisheries Management Department of the Swedish Agency for Marine and Water Management. At his opening remarks, Mr Audun Lem, Deputy Director, Fisheries and Aquaculture Policy and Resources Division of FAO, thanked the participants for their attendance and the Government of Sweden for their support and assistance in convening the Consultation. Mr Lem highlighted the importance of defining trade in fisheries services, and the lack of data and a proper analysis of the dimension of their economic impact. The full text of Mr Berglund and Mr Lem’s statements are attached to this report as Appendixes B and C.
6. Mr Johán H. Williams was elected Chairperson for the session and the working agenda of the Consultation is attached as Appendix D.
7. The final report of the Expert Consultation on trade in fisheries services is presented herein.

## REPORT OF THE EXPERT CONSULTATION ON TRADE IN FISHERIES SERVICES

### Background of the theme “Trade in Fisheries Services” in FAO

8. The COFI Sub-Committee on Fish Trade (COFI:FT) has a specific mandate to promote international trade in fish and fishery products and to improve the participation of developing countries, not only in the area of trade in fish and fisheries and aquaculture products, but also in the area of fisheries and aquaculture services.
9. In April 1985, when the FAO Committee on Fisheries (COFI) decided the establishment of a sub-committee on fish trade “to serve as a multilateral framework for consultations on international trade in fishery products”, its terms of reference were defined with an explicit mention of “trade-related services”. However, it was only at the sixth session of COFI:FT in 1998, that the FAO Secretariat presented fisheries services, so as to include a range of activities focusing on services associated with harvesting, providing an examination of its economic rationale and the calculation of benefits. As per the report of this session, FAO was instructed to carry out further studies on “trade in fisheries services”<sup>1</sup>. Funding, however, never materialised for this line of work.

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<sup>1</sup> FAO. *Report of the sixth session of the Sub-Committee on Fish Trade*. Bremen, Germany, 3–6 June 1998. Report COFI:FT/VI/98/7 [www.fao.org/docrep/005/X0325T/X0325T00.HTM](http://www.fao.org/docrep/005/X0325T/X0325T00.HTM)

10. At the fifteenth session of COFI:FT in February 2016, the FAO Secretariat tabled a document in order to re-launch the discussion on the importance of trade in fisheries services and the benefits of having comprehensive information on this at the global scale<sup>2</sup>. On that occasion, the Sub-Committee emphasized the prominence that trade in fisheries services plays in the fishing economy. The Sub-Committee stressed that any current accurate analysis is difficult to perform and any work by FAO in this regard would be much welcomed, especially taking into consideration the general lack of data and the level of data aggregation presently available.

11. The Sub-Committee further noted the complexity of trade in fisheries services, and the associated difficulties in collecting and defining data sources and elements. The Sub-Committee provided indications of the ways to move forward in setting a framework. The Sub-Committee highlighted that work in this area should include aquaculture in its analysis, to take into consideration the particular needs and profiles of vulnerable economies, and to seek cooperation, when necessary, with other international organizations.

12. At its thirty-second session in July 2016, COFI underlined the importance of trade in fisheries services and welcomed the work of FAO on conducting a literature review on the subject. The review was presented to the sixteenth session of COFI:FT in September 2017, where the Sub-Committee was invited to take note of it and to make recommendations for future work. On this occasion, the Sub-Committee agreed to hold an expert consultation on trade in fisheries services that would allow a more detailed analysis, within a clear scope.

### **Objectives of the Expert Consultation**

13. In order to properly address its mandate, the Sub-Committee stressed that information and analysis are a requirement for a better understanding of trade in fisheries and aquaculture services. In this regard, a lack of coverage and the availability of only aggregated data is an impediment for informed work and policy discussions in this area.

14. The aim of this Consultation was to identify and describe issues relevant to further work of FAO in this area.

15. The development of a conceptual framework in the area of fisheries and aquaculture services and their trade would allow a more accurate identification of those services and how their benefits may accrue to, and be improved for, all countries. In particular, a better understanding of fisheries services, and of the implications and opportunities for producing and trading them at various points along the pre-harvest, harvest, and post-harvest value chain, would allow countries, whether as beneficiaries or suppliers of fisheries and aquaculture services, to arrive at conclusions about the optimum organization of their own specific activities with a view to maximizing the welfare generated therefrom. Furthermore, the potential benefits offered by trade in fisheries and aquaculture services can be enhanced by attaining the United Nations Sustainable Development Goals (SDGs) and implementing relevant international instruments, including the FAO Code of Conduct for Responsible Fisheries (CCRF) and other related instruments.

16. Better and more comprehensive information and data throughout the value chain on the volume and impact of fisheries and aquaculture services would facilitate improved policy decisions by governments who seek to increase the environmental, social and economic benefits from aquatic resources. As such, this work also contributes to the FAO Blue Growth Initiative and the SDGs.

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<sup>2</sup> FAO. *Report of the fifteenth session the Sub-Committee on Fish Trade: Trade in Fisheries Services*. Agadir, Morocco, 22–26 February 2016. Report COFI:FT/XV/2016/7 – <http://www.fao.org/3/a-mp458e.pdf>

### **General definitions of “Service”, “Trade” and “Trade in services”**

17. There are existing definitions of the generic concepts of trade, services and trade in services, and nothing about the topic of “trade in fisheries and aquaculture services” seems to require a rethinking of these definitions. Rather, for this report what is required is to extract the main elements from these existing definitions as a generic backdrop for the more specific exercise of defining trade in fisheries and aquaculture services.

#### **“Service”**

18. In general, a “service” is an intangible product. Services cannot be stored or transported, are instantly perishable, and come into existence at the time they are provided and consumed.

19. Services may or may not be associated with the production of goods. Services not associated with goods production include accounting, banking, consultancy, education, insurance, expertise, transportation, travel, communications services (postal, telephone, satellite, etc.), financial services, computer and information services, other business services (merchandising, operational leasing, technical and professional services, etc.), cultural and recreational services, and government services not included in the list above.<sup>3</sup>

20. While these sorts of services generally are produced using tangible physical inputs (computers, telecommunications equipment), they do not have as their objective the transformation and/or handling of (those or other) physical products. The objective of some services of this type (brokerage, for example) is the change of ownership of a tangible or intangible asset.

21. Services connected with goods have as their objective the transformation or handling of tangible physical goods. This includes, for example, mining services, manufacturing services, fish-production and fish-harvesting services. Service providers may work on goods owned by the customer and for which the ownership of the physical good does not change as a result of the service activity. There are many forms of this kind of service, which can be more or less closely associated with goods and may be difficult to separate therefrom. Another example is the combination of a medical diagnosis and the administration of medication.<sup>4</sup>

#### **“Trade” and “International trade”**

22. Trade is the transfer of goods or services from one person or entity to another, in exchange for money, other goods or services. International trade is where such transfer takes place across national boundaries.

#### **“International trade in services”**

23. International trade in services is the provision of services between residents and non-residents of a country, including services provided through foreign affiliates established abroad, and services provided to or through natural persons physically present abroad. Trade in services drives the exchange of ideas, know-how and technology, although it is often restricted by barriers such as domestic regulations.

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<sup>3</sup> See, for example, <https://data.oecd.org/trade/trade-in-services.htm>

<sup>4</sup> See Box I.1 in the MSITS 2010, available at [https://unstats.un.org/unsd/tradeserv/TFSITS/msits2010/docs/MSITS%202010%20M86%20\(E\)%20web.pdf](https://unstats.un.org/unsd/tradeserv/TFSITS/msits2010/docs/MSITS%202010%20M86%20(E)%20web.pdf).

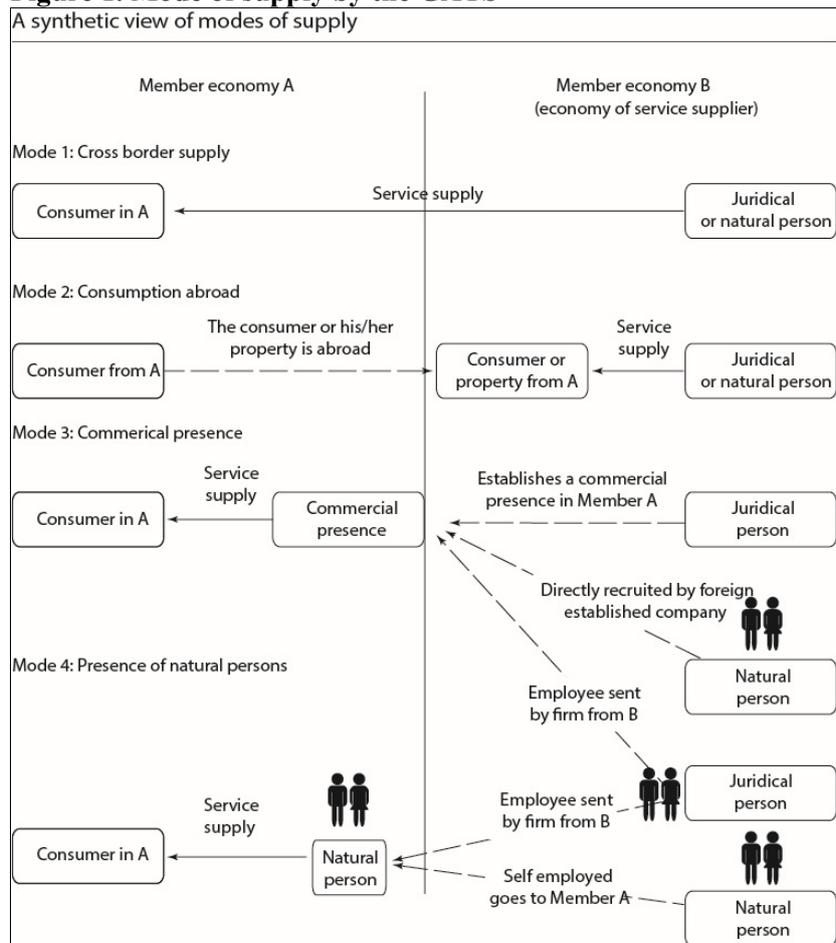
## The WTO General Agreement on Trade in Services

24. The WTO plays a key role in regulation and assessment in the area of trade in services, mainly due to the existence of the WTO General Agreement on Trade in Services (GATS). GATS identifies four modalities through which services may be supplied. Distinctions among these modes are based on whether the service supplier and the consumer are present in the same country or in different countries when the transaction is effected:

- Mode 1  
*cross-border (from the territory of one country into the territory of any other country)*  
Both the supplier and the consumer remain in their respective territories. This would correspond to the traditional notion of trade, and would cover, for example, services supplied by telephone or over the internet.
- Mode 2  
*consumption abroad (by a service supplier in the territory of any country to a consumer from any other country)*  
The consumer consumes the service outside his or her home territory, as is the case, typically, for international tourist activities and amusement parks abroad.
- Mode 3  
*commercial presence (by a service supplier of one country, through commercial presence in the territory of any other country)*  
A service supplier establishes (or acquires) an affiliate, branch or representative office in another territory through which it provides services (e.g. when a foreign bank investing in a host economy creates a subsidiary in order to supply banking services).
- Mode 4  
*presence of natural persons*  
*(by a service supplier of one country, through physical presence of natural persons of a country in the territory of any other country)*  
Where an individual (as a self-employed service-supplying person or as an employee of a service supplier) is present abroad in order to supply a service (e.g. when an independent architect oversees a construction project abroad, a worker or laborer goes abroad to work, or a computer specialist is sent abroad by the employer to supply an information-technology (IT) service).

25. The GATS modes of supply are thus defined based on the location of the supplier and the beneficiary when a service is provided, taking into account their nationality or origin (see Figure 1).

26. It should be noted that the rules of GATS and the WTO rules on goods pursuant to the WTO General Agreement on Tariffs and Trade (GATT) are not mutually exclusive. That is, depending on the particular factual situation, where a service is closely associated with a good, trade in that service may be regulated by both GATS and GATT.

**Figure 1. Mode of supply by the GATS**

**Source:** From Manual on Statistics of International Trade in Services 2010 (MSITS 2010), by Department of Economic and Social Affairs. ©United Nations, 2011. Reprinted with the permission of the United Nations.

### Fisheries and aquaculture-specific definitions

27. There are no internationally agreed definitions of “fisheries and/or aquaculture services”, “trade in fisheries and/or aquaculture services” or “international trade in fisheries and/or aquaculture services”. Possible working definitions include the following:

#### “Fisheries and aquaculture services”

28. They are intangible products provided to or on behalf of another person or entity in respect of the fisheries and aquaculture sectors, including as part of pre-harvesting, extraction/harvesting and post-harvesting activities.

#### “Trade in fisheries and aquaculture services”

29. It refers to the provision of fisheries services in exchange for money, goods or other services.

#### “International trade in fisheries and aquaculture services”

30. It occurs when the provision of intangible products follows any of the four modes of trade in services under GATS.

31. Regarding these working definitions, it should be noted that “trade in fisheries and aquaculture services” does not encompass technical-cooperation activities or subsidies, as these imply unilateral support without an exchange. However, this definition includes public administrative services provided by a State against a fee, royalty or other form of payment, whether in money or in goods or other services.

32. Regulatory frameworks applicable to both fisheries and aquaculture service suppliers and beneficiaries may vary according to the relevant provisions of the United Nations Convention on Law of the Sea (UNCLOS), coastal-State and flag-State regulations, and on what type of activity is being undertaken and by whom and where the intangible product is being delivered.

33. Barriers to fisheries and aquaculture trade in services usually take the form of regulations (e.g. discriminatory treatment, quotas, technical, sanitary and other measures). There are goods and services databases (e.g. held by WTO, the United Nations Conference on Trade and Development (UNCTAD) and the Organisation for Economic Co-operation and Development [OECD]), that gather and provide information on applicable regulatory measures to services sectors and their impact on market access or level of openness.

34. Below is an illustrative list of services in fisheries and aquaculture:

**Table 1. Illustrative list of fisheries and aquaculture services**

<b>Production phases</b>	<b>Fisheries</b>	
<b>Horizontal services</b>	<ul style="list-style-type: none"> <li>- Consulting</li> <li>- Management</li> <li>- Quality control</li> <li>- R&amp;D services</li> <li>- Capacity building and training</li> </ul>	<ul style="list-style-type: none"> <li>- Consulting</li> <li>- Management</li> <li>- Quality control</li> <li>- R&amp;D services</li> <li>- Capacity building and training</li> </ul>
<b>Pre-harvesting</b>	<ul style="list-style-type: none"> <li>- Vessel rental (charter) with or without crew</li> <li>- Operational services (insurance, finance, electronic location, etc.)</li> <li>- Public administrative services (such as licensing services, access agreements, permits, etc.)</li> <li>- Transfer of licenses</li> <li>- Monitoring, control and surveillance</li> <li>- Stock management</li> <li>- Infrastructure services</li> <li>- Environmental impact assessment and management</li> </ul>	<ul style="list-style-type: none"> <li>- Public administrative services (such as licensing services and permits, etc.)</li> <li>- Hatching, growing and reproduction</li> <li>- Production surveillance</li> <li>- Disease prevention and control,</li> <li>- Risk assessments</li> <li>- Veterinary services</li> <li>- Operational services (insurance, finance, etc.)</li> <li>- Construction and rental of infrastructure and capital goods</li> <li>- Environmental impact assessment and management</li> <li>- Conflicts with other users (e.g. tourism, fisheries, transport)</li> </ul>
<b>Extraction / harvesting</b>	<ul style="list-style-type: none"> <li>- Fishing</li> <li>- Monitoring, control and surveillance</li> <li>- Transport, transshipping and distribution</li> <li>- Refueling services</li> </ul>	<ul style="list-style-type: none"> <li>- Production surveillance</li> <li>- Harvesting</li> <li>- Energy services</li> </ul>
<b>Post-harvesting</b>	<ul style="list-style-type: none"> <li>- Processing: cutting, cleaning and packing, etc.</li> <li>- Port and landing services</li> <li>- Waste disposal</li> <li>- Freezing and warehouse services</li> <li>- Maintenance (including boat and gear repair)</li> <li>- Transport and distribution</li> <li>- Certification and labelling</li> <li>- Wholesale and retail services</li> <li>- Marketing</li> </ul>	<ul style="list-style-type: none"> <li>- Water treatment and waste disposal</li> <li>- Processing: cutting, cleaning and packing, etc.</li> <li>- Freezing and warehouse services</li> <li>- Maintenance of facilities and equipment</li> <li>- Transport and distribution</li> <li>- Certification and labelling</li> <li>- Wholesale and retail services</li> <li>- Marketing</li> </ul>

### **Services under fishing access arrangements**

35. A major question that arises in considering the issue of international trade in services is whether fishing under an access arrangement in another country's waters can constitute an internationally traded fisheries service, and, if so, under which circumstances.

36. Working from the above definition of international trade in fisheries services, the determining factors for whether harvesting constitutes a service under an access arrangement are: (i) the extent of ownership of the fisheries resource by the coastal State; and (ii) the presence or absence of landing requirements for the harvested fish for the benefit of the coastal State. In addition to this central issue, is the question of whether fishing access arrangements also give rise to international trade in other types of fisheries services.

37. In considering whether, and if so when, fishing under an access arrangement constitutes an internationally-traded fisheries service, it is important to distinguish among: (i) access to the fishing grounds provided by the coastal State; (ii) possession of an allocated share of the resource (quota, days at sea, etc.); and (iii) an authorisation to fish (licence) provided to the foreign vessel.

38. In this context, it should be noted that under the UNCLOS, the coastal State has the right to determine who will be entitled to fish in its Exclusive Economic Zone (EEZ) – it is up to the coastal State to determine whether it will harvest the resources itself or whether it may wish to allow operators from other countries to do so instead.

39. Applying the definition of international trade in fisheries services and taking into account these distinct aspects of fishing access arrangements leads to the conclusion that where the access right is provided by a coastal State that owns the fisheries resources, and the arrangement includes an obligation to land the catch for the benefit of that State, the harvesting activity can be considered to be a fisheries service. This is because the foreign vessel harvesting the fish can be seen as conducting the harvesting operation on behalf of the coastal State. It can further be considered to be an internationally traded fisheries service because the entity harvesting the fish is foreign. In this situation, the foreign harvester is the supplier of the service, and the coastal State is the beneficiary.

40. Where the harvester is not required to land the catch for the benefit of the coastal State, no fisheries service would be involved, as the harvester would be operating on its own behalf and would own the harvested fish. In this situation, the access payment is only a fee for the opportunity to fish in the waters of the coastal State. In general, if the catch is not landed in the coastal State, no service is involved. However, if the coastal State has designated a point of landing elsewhere, but still for its benefit, it is a service. By the same token, fish landed for transshipment or direct transport out of the coastal State, does not involve a service.

41. Finally, fishing access arrangements may include other conditions requiring the purchase of certain services by the harvester. Such services may include, for example, monitoring and surveillance services to ensure sustainability, or the obligation to hire a minimum number of national seafarers to generate socio-economic benefits. Such services, which are not central to the harvesting activity, may or may not exist under access arrangements, and thus are not dependent on any particular conjunction of the entitlements referred to above. Normally, such fisheries services would be provided by the coastal State, and would be considered fisheries services provided by the coastal State to the foreign harvesting State.

### **Developing countries considerations**

42. COFI:FT has a specific mandate to improve the participation of developing countries, not only in the area of trade in fish and fisheries products, but also in the area of fisheries and aquaculture services.

43. Work in this area should also take into considerations the particular needs and profiles of vulnerable economies.

44. Trade in fisheries and aquaculture services provides both opportunities and challenges for developing countries. Therefore, in order for developing countries to benefit from the potential opportunities provided by trade in such services, associated risks will need to be mitigated by addressing the particular situation of each developing country.

45. In the context of trade in fisheries and aquaculture services, concerns regarding fairness for developing countries include:

- protecting the rights of vulnerable groups, including small-scale fishing communities, and paying particular attention to ensuring that those in precarious situations are not made worse off;
- ensuring that trade in fisheries and aquaculture services leads to a net macro-economic benefit; and
- addressing potentially weak capacity of governments, firms and individuals to take advantage of the opportunities provided by increased trade in fisheries and aquaculture services.

46. This Consultation deliberated on whether increasing the availability of fisheries and aquaculture services across national borders will tend to accelerate or retard achieving development objectives, depending on, *inter alia*, whether internationally traded services enable or displace local firms. The issue was somewhat controversial though, as it could be argued that this reasoning contradicts economic theory on why international trade exists.

47. Developing countries can both be suppliers and beneficiaries of fisheries and aquaculture services. As beneficiaries, some of the issues to be considered include:

- Developing countries are more frequently constrained by non-tariff barriers, such as product-quality and characteristics regulations or private certification. This constraint can affect trade flows, encouraging more trade with countries with less restrictive regulations of this type. Meanwhile, international fisheries services setting out to help with regulatory compliance, including those delivered as part of development assistance, can counteract this effect on trade patterns by lessening the burden of meeting such requirements or assisting developing countries to meet them.
- Service providers may gain market power if their services are essential to reach specific markets. For example, if a company or country imposes import requirements that oblige an exporting firm to purchase international advisory or certification services, a monopoly service provider will charge a price high enough to extract rents from trade. Ensuring that such services are available on a competitive basis can mitigate this risk.
- In the case of aquaculture, if a domestic firm purchases a turn-key production system, it might imply a long-term contract for operational support services. Again, this opens the possibility for market power and the extraction of rents once the capital investment is made. To ensure fair trade in this international service requires that these contracts be made on fair terms and with clauses that ensure competitive prices.
- Taking advantage of improved trade in fisheries and aquaculture services may need to be done in the context of a broader reform of fisheries policies, to ensure policy coherence.
- Regional agreements and intra-regional trade can help build regional capacity and contribute to making service suppliers more competitive.
- In the presence of excess fishing capacity in some countries, mainly due to domestic support policies and poor fisheries-management systems, firms located in those countries may accept international harvesting services at an artificially low price. In those situations, the benefitting country may find that the national fisheries-service providers are unable to compete on a level playing field.

- Small-scale fisheries value chains may be well placed to make use of new technologies that improve product traceability, marketing information and conditions as well as transportability to take advantage of their distinct characteristics as food providers. This will require that decisions about trade in fisheries and aquaculture services incorporate small-scale fisheries characteristics, interests and values.

48. As suppliers, issues to be considered include:

- Developing countries' nationals are frequent suppliers of fisheries services as individual contractors' crew (rather than wage-earning employees). Lack of transparency makes this market prone to abuse and such workers are less likely to enjoy the benefits of labour laws and regulations. These workers may also be subject to unfair fees or contract terms if they lack negotiating capacity.
- Fisheries in developing countries EEZs frequently have international fleets present. In this context, the effect of access arrangements and international trade in fisheries services may be significant.

49. Fishing is traditionally mostly done by men while processing and marketing is mostly undertaken by women. If jobs that are currently predominantly held by women are also predominantly service-oriented, then women may be disproportionately exposed to international competition in services. Therefore, international trade in services may be both a threat to, and an opportunity for, gender equality. Specifically, international trade in services may result in increased marketing opportunities for the goods and services produced by women, may provide new employment opportunities, or may introduce greater competition that may displace existing jobs. At the same time, international trade in services may provide an opportunity to improve skills, incomes and personal development. In this context, national gender policies that provide equal opportunities, equal pay, and offer training where needed so that everyone can realize their potential, will improve the participation of women in fisheries and aquaculture services.

50. Notably, improved and increased participation in trade in fisheries services of small-scale operators in developing countries may contribute substantially to the achievement of target SDG 14.b "provide access of small-scale artisanal fishers to marine resources and markets".

### **Volume and impact assessment**

51. Statistics on international trade in services provide the monetary value of such trade, with analysis by type of service. These statistics are usually produced from the transactions recorded under a country's balance of payments, which captures all transactions that take place between an economy's residents and non-residents.

52. The main methodological references used for the production of statistics on international trade in services are the following:

- The International Monetary Fund's (IMF Balance of Payments and International Investment Position Manual (BPM6));<sup>5</sup>
- The United Nations Manual on Statistics of International Trade in Services (MSITS 2010);<sup>6</sup>
- The Extended Balance of Payment Services classification (EBOPS 2010);<sup>7</sup>
- WTO W120 Services classification;
- The Central Product Classification (CPC).<sup>8</sup>

<sup>5</sup> Available at <https://www.imf.org/external/pubs/ft/bop/2007/pdf/bpm6.pdf>

<sup>6</sup> Available at [https://unstats.un.org/unsd/tradeserv/TFSITS/msits2010/docs/MSITS%202010%20M86%20\(E\)%20web.pdf](https://unstats.un.org/unsd/tradeserv/TFSITS/msits2010/docs/MSITS%202010%20M86%20(E)%20web.pdf)

<sup>7</sup> Available at <https://www.oecd.org/sdd/its/EBOPS-2010.pdf>

<sup>8</sup> Available at [https://unstats.un.org/unsd/cr/downloads/CPCv2.1\\_complete%28PDF%29\\_English.pdf](https://unstats.un.org/unsd/cr/downloads/CPCv2.1_complete%28PDF%29_English.pdf)

53. The first, and only, internationally coherent and detailed dataset on international trade in services with global coverage is the OECD-WTO Balanced Trade in Services (BaTIS) dataset, which provides annual bilateral data on trade in services statistics covering 191 economies and partners. The data are broken down for the 11 main EBOPS service categories, without identifying sectors (such as fisheries) where these service categories are provided.

54. Statistics on trade in services are routinely collected at national level; data on aggregate transactions in services are collected, while a breakdown in detailed classifications is not necessarily done.

55. To address the task of assessing the volume and impact from trade in fisheries and aquaculture services, a first step would be to find out what data are available and whether it is sufficiently detailed to make an analysis of fisheries and aquaculture-related services possible.

#### Classification

56. At present, there is no global collection of data on trade in fisheries and aquaculture services and these kinds of data are also scanty at national level. In order to be useful for assessing trade in such services at global level, a detailed enough classification to incorporate all trade in fisheries and aquaculture services is needed. Possible ways to resolve this issue include:

- current classification Create two specific categories for fisheries services and for aquaculture services in the international standard classifications; or
- Expand the categories to incorporate enough detail so that the different fisheries and aquaculture services can be identified.

57. The existing international standard classifications of services are not suitable for assessing all fisheries and aquaculture services as some of these services are listed under other headings in different economic activities. At a minimum, it would be necessary for these categories to be detailed enough to be able to extract fisheries and aquaculture services. For that purpose, the classification systems under WTO/W120 and CPC version 2 (2015) may be of use. Once a classification is agreed, it will be necessary to identify and/or develop metrics for each category and sub-category and sources or points of data gathering.

58. It is unclear to what extent these data are currently routinely collected at national level, the level of detail used at national level, to what extent they are used or usable for analytical purposes and where they are accessible. This needs to be explored further. One way of proceeding would be through specific cases to assess the data available.

59. One work in progress case study, supported by the World Bank (WB), covers foreign fishing in West Africa. The study sets out to: (1) measure the net revenue generated in this fishery; and (2) assign this amount to the part retained by the coastal States and the part retained by foreign providers of a fishing service. The study partly used data from FAO, and partly data on cost and other information collected within other WB projects. However, the study suffers from lack of data and more work is needed to assess the kind of data required for this type of exercise, which may include: (i) catch data by foreign country; (ii) payments by foreign entities to capital and labour provided by the coastal States; and (iii) the different costs of services provided by individual countries. The method used in this study could be reviewed, refined and adapted for future work on trade in fisheries and aquaculture services.

60. Country case studies could also assess the resulting costs and benefits (including the effects on environmental, social and economic sustainability) of trade in fisheries services. Necessary data for making a quantitative assessment would include comparative costs of the actual service provider and the party importing the service (the beneficiary).

61. Countries would benefit from assessing the volume and impact of trade in fisheries and aquaculture services along the value chain in order to guide their policy decisions. This would also help ensure that the interests of local stakeholders are safeguarded, in particular vulnerable groups like small-scale operators, as well as addressing gender policies.

### **FAO's next steps - Recommendations**

62. The importance of trade in fisheries and aquaculture services, as highlighted in this report, calls for increased work by the FAO on the issue, in line with its mandate and the relevant SDG targets.

63. The lack of information associated with this trade makes it difficult to assess its volume and impact in the form of what net benefits it generates and the distribution thereof.

64. Therefore, in order to meet the call for increased capacity and knowledge in this area, the Expert Consultation recommends that the FAO develops a methodology for increasing its knowledge base, starting by establishing a list of fisheries and aquaculture service types that merit to be prioritized.

65. One way to address this would be for the FAO to survey Member countries, by asking them to report on volume and impact of trade in fisheries services as part of the biennial questionnaire on the implementation of the CCRF.

66. The FAO Secretariat could present the results of this report to Member countries and request a mandate to increase its efforts for this line of work.

67. In its report to the thirty-third session of COFI in July 2018, the FAO Secretariat should also identify what elements of policy priority areas can be analysed without improved data availability.

68. In addition, FAO should consider if, and in what form, guidance should be developed. The main alternatives are through a technical consultation, negotiating international guidelines, or assigning the Secretariat to develop technical guidelines.

69. It is further recommended to elaborate a best-practice review. This should be given priority in order to enable a discussion in COFI:FT in 2019, for approval by COFI at its thirty-fourth session in 2020.

70. To enable FAO to assist its Member countries, an umbrella programme and an associated funding mechanism should be considered in order for FAO to provide technical assistance on the issue of trade in fisheries and aquaculture services.

71. Increased engagement of FAO in the area of trade in fisheries and aquaculture services will form a more equitable and transparent environment for parties engaged in such trade.

## APPENDIX A

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**APPENDIX B****Welcome Statement by Mr Ingemar Berglund  
Head, Fisheries Management Department  
Swedish Agency for Marine and Water Management**

Dear Colleagues,

On behalf of our Director General, Dr Jacob Granit, it is my great pleasure to welcome you to Göteborg and the Swedish Agency for Marine and Water Management, for this very important event.

The Agency sits within the remit of the Ministry of Environment, and is responsible for managing the sustainable use of Sweden's marine as well as freshwater environments, including fish. Our premises are located within this former tobacco warehouse, built in the 1920s, on the banks of Göta älv in Sweden's biggest river basin.

We are very happy that the Government of Sweden were in a position to offer to host this Expert Consultation on Trade in Fisheries Services, with financial assistance of the Swedish International Development Cooperation Agency – and that the FAO Secretariat accepted the offer.

The subject for this consultation, Trade in Fisheries Services, has been part of our collaborative efforts with the Swedish International Development Cooperation Agency and the Government offices for a number of years. We were very pleased when the FAO Sub-Committee on Fish Trade chose to re-engage in the matter and happily undertook to host the consultation at our premises.

But there can be no Expert Consultation without experts, so it is hugely encouraging to see such an impressive range of experts here today. Your work to help the FAO Secretariat in their efforts to define and promote sustainable international trade in fisheries services, will, I'm sure, be an important contribution to enabling better-informed decisions on fisheries-management and related trade policies, not least for the benefit of developing countries.

While I will not be taking part in what I am convinced will be very interesting discussions, I am pleased that my colleagues will attend the full three days and look forward to their feedback.

Once again, a warm welcome to Göteborg and our Agency, and I wish you fruitful deliberations.

## APPENDIX C

### **Opening statement by Mr Audun Lem Deputy Director, Fisheries and Aquaculture Policy and Resource Division Fisheries and Aquaculture Department, FAO**

Distinguished participants and colleagues,  
Ladies and gentlemen,

Good morning.

It is a great honour for me on behalf of FAO to open this Expert Consultation on Trade in Fisheries Services. We are grateful to the Swedish Agency Marine and Water Management for hosting the consultation. I would also like to thank the Swedish government for all their support and assistance, and likewise all participants for accepting our invitation and joining us in this Expert Consultation.

The first time Trade in Fisheries Services was raised in FAO was in 1998 during the sixth session of the Sub-Committee on Fish Trade in Bremen. The complexity and the importance of this topic was already then highlighted by Member Countries. In addition, the Sub-Committee recommended undertaking studies in order to assess and quantify trade in fisheries services. However, due to lack of resources and changing priorities, the topic remained dormant for quite some time.

In 2016 during the fifteenth session of the COFI:FT in Agadir, the importance of the role that trade in fisheries services plays in the fisheries economy was highlighted, once again.

The lack of data and research was noted and the needs towards developing a framework was recommended by the Sub-Committee.

In addition, it was decided that FAO should start its work by conducting a literature review.

In the most recent COFI:FT session in 2017 in Bussan, FAO presented, as a first step, the literature review. This provided an overview of selected documents, articles and case studies containing a direct or indirect link to trade in fisheries services.

In this regard, the papers listed have different approaches regarding fisheries services, such as harvesting, processing, transportation and marketing, cost and management, foreign fishing agreements and partnerships, resource rent, management regimes, and exploitation rights. But lack of data still remains a problem and it can lead to a biased or unbalanced analysis of the scope and nature of these services.

Subsequently, the Sub-Committee agreed to hold an expert consultation on trade in fisheries services that would allow a more detailed analysis of the boundaries of what can or cannot be considered a fisheries service.

During this expert consultation, we aim to develop a tentative definition of what constitutes fisheries services, including elements that encompass services along the fisheries value chain. It is important to highlight that this expert consultation does not focus on access agreements.

It may not be an easy task, but with the cooperation and collaboration among all experts, we know that positive developments are possible.

Despite the limitations and the complexity, it is a big challenge but if we all work together towards a common goal, I am sure we can achieve our objective of a definition.

I wish you all a very productive expert consultation, and once again, thank you all for participating in this meeting.

## APPENDIX D

### Agenda and timetable

#### *Tuesday, 20 March 2018*

09:00 – 10:45	<p>Welcoming address by Dr Berglund, Head of Fisheries Resource Management Department, Swedish Agency for Marine and Water Management</p> <p>Opening statements by Dr Lem, Deputy Director of Fisheries and Aquaculture Department, FAO</p> <p>Election of Chair</p> <p>Introduction of participants</p> <p>Objective of Expert Consultation</p>
10:45 – 11.00	Tea/Coffee break
11:00 – 12:45	Open discussion on services and fisheries services
12:45 – 13:45	Lunch break
13:45 – 15:15	Open discussion on services and fisheries services
15:15 –15:30	Tea/Coffee break
15:30 – 17:00	<p>Discussion on services and access agreements</p> <p>Organization of the continuation of the work of the Expert Consultation</p>

#### *Wednesday, 21 March 2018*

09:00 – 10:45	<p>Open discussion on services and fisheries services</p> <p>Discussion on extension and impact on fisheries services</p>
10:45 – 11.00	Tea/Coffee break
11:00 – 12:45	Breakout into groups
12:45 – 13:45	Lunch break
13:45 – 15:15	<p>Open discussion on services and fisheries services</p> <p>Discussion on opportunities and challenges for developing countries and small-scale fishers</p>
15:15 –15:30	Tea/Coffee break
15:30 – 17:00	<p>Breakout into groups</p> <p>General drafting of the report</p>

#### *Thursday, 22 March 2018*

09:00 – 10:45	General drafting of the report
10:45 – 11.00	Tea/Coffee break
11:00 – 12:45	Breakout into groups
12:45 – 13:45	Lunch break
13:45 – 15:15	Drafting of the report
15:15 – 15:30	Tea/Coffee break
15:30 – 17:00	Compilation of the report



**At its thirty-second session, in July 2016, the FAO Committee on Fisheries (COFI) underlined the importance of trade in fisheries services and welcomed the work of the FAO on conducting a literature review on the subject. In September 2017, during its sixteenth session, the FAO Sub-Committee on Fish Trade (COFI:FT) was invited to note the literature review and to make recommendations for future work on the topic. On this occasion, the Sub-Committee agreed to hold an expert consultation on trade in fisheries services that would allow a more detailed analysis, within a clear scope. This report is the result of the first Expert Consultation on Trade in Fisheries Services. The Expert Consultation was convened by FAO with the financial support of the Government of Sweden, in Gothenburg, Sweden, from 20 to 22 March 2018. The Expert Consultation was tasked to deliberate in a definition on trade in fisheries services, possible classification and methodologies for assessing its extension and impact. In addition, the Expert Consultation also suggested follow-up developments by FAO to enhance the work of the Organization.**

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