



COMMITTEE ON FISHERIES

SUB-COMMITTEE ON FISH TRADE

Sixteenth Session

Busan, Republic of Korea, 4 – 8 September 2017

RECENT DEVELOPMENTS IN FISH TRADE

Executive Summary

This paper provides a brief outline of recent trends in the world fishery and aquaculture sector, with special focus on major facts and developments affecting international trade in fish and fishery products that have taken place since the fifteenth session of the Sub-Committee on Fish Trade (COFI:FT/XV), Agadir, Morocco. Moreover, this paper also addresses some issues of relevance for the various stakeholders in the value chain for internationally traded fish and fishery products.

Suggested action by the Sub-Committee

- Share information on trade developments and relevant experience;
- Provide guidance for future FAO work in the area of international trade in fishery products, particularly with regard to enabling developing countries and small-scale operators to participate more effectively in fish trade;
- Comment on FAO dialogue with stakeholders throughout the value chain and on the collaboration between FAO and relevant organizations with respect to fisheries trade issues.



INTRODUCTION

1. Fish and fishery products are among the most traded food commodities worldwide. Trade plays a major role in the fishery and aquaculture sector as a creator of employment, food supplier, income generator, contributor to economic growth and development, and to food and nutrition security. For many countries and for numerous coastal, riverine, insular and inland regions, fishery exports are essential to the economy. The fisheries sector operates in an increasingly globalized environment, with fish that can be produced in one country, processed in a second and consumed in a third. Fishery trade has expanded considerably in recent decades, but in the last two years it has experienced a slowdown like total merchandise trade. However, during the same period, the fishery and aquaculture sectors have continued to expand, even if with a slower path compared to past decades, with growth in overall production and consumption, despite high prices for many important species. The following sections provide a review of the most relevant events in the sector, with main focus on trade, since COFI:FT/XV in 2016.

Table 1: World trends in a glance

	2014	2015	2016	2017	2026*	Change: 2017 over 2016	Change: 2026 over 2016
PRODUCTION AND UTILIZATION (million tonnes, live-weight)							
Production	164.8	169.2	170.3	172.2	193.9	1.1	12.6
Capture fisheries	91.1	92.6	90.8	91.2	91.7	0.4	0.6
Aquaculture	73.7	76.6	79.5	82.5	102.1	3.8	23.8
Trade volume	57.9	59.4	60.4	60.2	66.9	-0.3	11.1
Total utilization	157.8	169.2	170.3	172.2	193.9	1.1	12.6
Food	146.3	148.8	150.9	152.5	177.4	1.1	16.3
Feed	15.8	15.1	14.3	14.7	13.7	2.8	-6.8
Other uses	5.1	5.2	5.1	5	2.8	-2.0	-44.0
SUPPLY AND DEMAND INDICATORS							
Per capita food fish consumption (kg/year)							
Total food fish	20.1	20.3	20.4	20.4	21.6	0.1	5.8
From capture	10.0	9.9	9.6	9.6	9.1	-0.8	-4.9
From aquaculture	10.1	10.5	10.7	11.0	12.5	2.6	13.3

Excluding whales, seals, other aquatic mammals and aquatic plants. Totals may not match due to rounding.

*Source for 2026: FAO Fish Model in OECD-FAO Agricultural Outlook 2017–2026.

OVERVIEW OF FISHERY AND AQUACULTURE SECTOR

Production

2. Total world fishery production¹ showed new growth in the 2014–2015 period (Table 1), reaching an all-time record of 169 million tonnes in 2015. Preliminary estimates for 2016 and projections for 2017 indicate a further slight increase, with an overall expansion of 32 million tonnes compared to one decade ago. Aquaculture has been the main driver of this increase, with an average growth of 5.6 percent per year in the period 2005–2015. Preliminary data for 2016 and projections for 2017 point to a further rise of aquaculture production to reach a share of 47–48 percent of total fishery output. During the last few years the average annual growth rate of aquaculture production has shown signs of deceleration², but still remaining one of the fastest growing food producing sectors.

3. Despite the increasing role of aquaculture in total fish supply, the capture sector still remains dominant for a number of species and vital for domestic and international food security. During the last few years, overall capture fisheries production ranged around 89–93 million tonnes, with major variations mainly determined by fluctuations of catches of anchoveta in South America. In addition, thanks to improved management of selected resources, some stocks have shown a recovery.

4. Developing countries, mainly in Asia, continued to be the predominant producers, in particular in aquaculture (Table 2). China remained the leader producer, with a share of 39 percent of world total production and of 65 percent of world aquaculture production in 2015. In the same year, other major producers were Indonesia, India, Viet Nam, United States of America and Peru.

5. The above trends are projected to continue in the next decade³, with major growth coming from aquaculture, which is likely to overtake total capture fisheries production by 2021. With the exceptions of the years affected by El Niño, global capture fisheries should remain rather stable during the next decade thanks to progress in rebuilding certain fishery stocks, the implementation of more robust management regimes by some countries and optimized utilization of fishery production through reduced discards and losses, which will counterbalance the pressure on resources not effectively managed.

Consumption

6. A growing share of fishery and aquaculture production is directed to human consumption. Fish and fishery products play a crucial role in nutrition and global food security as they represent an important source of nutrients and micronutrients. Even small quantities of fish can have a significant positive nutritional impact on plant-based diets, and this is the case in many low-income food-deficit countries (LIFDCs) and least-developed countries. Fish proteins are essential in the diet of some densely populated countries, where the total protein intake level is low, and are very important in the diets of many other countries, in particular Small Islands Developing States (SIDS). At global level, fish accounts for about 17 percent of the world population's intake of animal proteins.

7. World apparent per capita fish food consumption has significantly grown during the last few decades reaching 20.4 kg in 2016. This expansion in demand has been driven by a combination of population growth, rising incomes and urbanization, and facilitated by the strong expansion of fish production and more efficient distribution channels. International trade has also played an important

¹ Statistics on fishery production, trade and consumption quoted in the entire document exclude whales, seals, other aquatic mammals and aquatic plants. Data reported are the ones available at the time of preparation of the document (April 2017). 2015 is the latest year available for FAO official fishery and aquaculture statistics.

² A range of factors are contributing to lower rates of growth at the global level and include increasing environmental regulation animal diseases related to intensive production practices, a shortage of suitable production locations, and falling productivity gains.

³ According to the results of the FAO fish model, included in the OECD-FAO Agricultural Outlook 2017–2026 publication (available at www.agri-outlook.org/).

role in broadening fish consumption by providing wider choices to consumers. A sizeable and growing share of fish consumed in North America, Europe and Africa consists mainly of imports, owing to steady demand, also for non-locally produced species, and static or declining domestic fishery production. Over the next decade, this dependency is expected to grow further. For example, in 2026 the respective shares of fish imports in total food fish supply should reach 80 percent in North America, 65 percent in Europe and 42 percent in Africa.

Table 2. Relative shares in the fishery sector by geographical and economic regions (2015)

	Total fisheries and aquaculture production	Capture fisheries	Aquaculture	Fishery Exports	Fishery Imports
	Share in total quantity (%)			Share in total value (%)	
Asia	70.4	54.7	89.3	38.9	32.6
Africa	6.2	9.5	2.3	4.4	4.1
Central America	1.5	2.3	0.5	1.9	1.3
South America	6.8	10.1	3.0	9.9	2.4
North America	4.0	6.7	0.8	8.3	17.6
Europe	10.1	15.3	3.9	34.6	40.6
Oceania	0.9	1.5	0.2	2.2	1.4
World	100.0	100.0	100.0	100.0	100.0
Developing countries	82.7	73.2	94.1	53.9	29.3
Developed countries	17.3	26.7	5.9	46.1	70.7
LIFDCs*	12.0	13.2	10.6	6.0	2.5

* Low-Income Food Deficit Countries

8. Despite the overall increase in the availability of fish to most consumers, marked differences exist between and within countries and regions in terms of quantity and variety consumed at per capita level and the subsequent contribution to nutritional intake. Availability and disposable income are not the only factors boosting fish consumption. It is evident that socio-economic and cultural factors also strongly influence the level of fish consumption among countries and within countries in terms of quantity and variety consumed. The long-term challenge for policy makers is to sustain and to improve the per capita intake of fish.

9. In the next decade, per capita consumption is expected to reach 21.6 kg in 2026, with major expansion in demand expected to occur in developing countries. A growing share of fish consumption is expected to originate from aquaculture production, which is projected to represent 58 percent of the total food fish consumed in 2026 and to further grow in the next few decades. Consumption will increase in all continents, except Africa, with Asia showing the fastest growth rates. The decrease in per capita fish consumption in Africa is due to population growing faster than supply. This creates an alarm in terms of food security due to the crucial role of fish proteins in many African countries.

Trade

10. A significant share of total fish production (about 35–36 percent, live-weight equivalent) is exported reflecting the sector's degree of openness and integration into international trade. International trade of fish and fishery products has significantly increased during the last few years, peaking at US\$148 billion in 2014. However, in 2015 trade value declined by about 12 percent to US\$133 billion. This contraction is due to several reasons including the weakening of many key emerging markets and lower prices for a number of important species. However, the primary underlying cause of this decline

is the strong gain of the US dollar versus multiple currencies, particularly those of major seafood exporters such as the European Union (Member Organization) (EU), Norway and China. The strong decline occurred mainly in value terms, with a more limited decline in traded volumes.

11. In 2016 (US\$143 billion), trade of fishery products recouped part of the decline registered in 2015. This growth in value terms was mainly due to improved prices for a number of highly traded seafood commodities, in particular salmon. According to the FAO Fish Price Index (FFPI), international fish prices averaged 7 percent higher in the second half of 2016 compared to the same period in the previous year.

12. Trend of the first months of 2017 points to trade in fishery products remaining rather stable or slightly declining compared to 2016. Projections up to 2026 indicate that fish trade will continue to expand even if at a slower rate than in the previous decade. This slowdown in fishery trade is not an isolated phenomenon as it also occurs for agriculture and global merchandise trade. These general trends are caused by a series of factors including lower GDP increases, weak demand growth, slower increase in global supply chain formation, a slowdown of trade reforms, and ongoing changes in the structure of the Chinese economy showing a maturing trade sector.⁴

13. Developed countries still dominate fishery imports (Table 2), although with a declining share in recent years (71 percent share of world imports in 2016 vs 80 percent in 2006 and 84 percent in 1996). Their imports shape the market giving many producers an incentive to produce, process and export. They originate from both developed and developing countries.

14. Due to their dependence on imports to satisfy domestic consumption, tariffs on fish in developed countries are rather low, albeit with a few exceptions (i.e. for some value-added products or selected species). This has allowed developing countries to supply fishery products to markets in developed countries without facing prohibitive customs duties and to expand their exports, despite market access issues related to non-tariff measures. This trend follows the expanding membership of the World Trade Organization (WTO), the entry into force of a number of bilateral and multilateral trade agreements, and rising disposable incomes in emerging economies.

15. For many developing countries, fish trade represents a significant source of foreign currency earnings in addition to the sector's important role in income generation, employment, food security and nutrition. In 2016, exports of developing countries were valued at US\$76 billion and their fishery net-export revenues (exports minus imports) reached US\$36 billion, higher than for all other agricultural commodities combined. In addition, in recent years, developing countries have increased fishery imports to supply their processing sectors for further re-export and to meet rising domestic consumption.

16. During the last two years, China has confirmed its key role of main producer and exporter of fish and fishery products (US\$20.1 billion in 2016) and third major importer (US\$8.8 billion in 2016). The increase in China's imports is partly a result of outsourcing of processing from other countries, but it also reflects China's growing domestic consumption of species not produced locally. The forecast for 2017 shows a decline for exports (-14 percent), but an increase of imports (12 percent).

17. Norway has remained the second major exporter, followed by Viet Nam, which has become the third major exporter since 2013, overtaking Thailand. Thailand has experienced a significant decline of exports since 2012, mainly as a result of its reduced shrimp production due to diseases problems. Both Asian countries have also an important processing industry contributing significantly to the economy through job creation and trade.

⁴ Lewis, L.T. & Monarch, R. *Causes of the Global Trade Slowdown*, 2016. www.federalreserve.gov/econresdata/notes/ifdp-notes/2016/causes-of-the-global-trade-slowdown-20161110.html⁵ Council Regulations (EC) No 1005/2008; No 1224/2009; No 1169/2011 and No 1379/2013.

18. The EU, the United States of America and Japan are highly dependent on fishery imports to satisfy their domestic consumption. In 2016, their combined imports represented 64 percent by value and 59 percent by quantity of world imports of fish and fishery products. The EU is, by far, the largest single market for fish imports, valued at US\$52.2 billion in 2016 (US\$27.2 billion if intra-EU trade is excluded), up 11 percent from 2015. Forecasts for 2017 show a 2 percent decline of its imports. Japan, traditionally the largest single importer of fish, was overtaken by the United States of America in 2011 and again since 2013. In the period 2012–2015, Japanese fishery imports have declined by 25 percent, also owing to a weaker currency, which made imports more expensive. They recovered then by 5 percent in 2016 and are expected to decline by 6 percent in 2017. Fishery imports of the United States of America peaked at US\$21.3 billion in 2014 and after a 7 percent decline in 2015, they reached US\$20.5 billion in 2016. Preliminary estimates for 2017 indicate a slight decline.

19. Improved distribution systems, as well as expanding production, have enabled the increase in regional trade although, in many instances, this trade is not adequately reflected in official statistics, in particular for Africa. This regional trade is also affected and may be limited by the rather high tariffs for fish and fishery products still applied by many developing countries that can reflect fiscal policies or protective measures. Over time, thanks to regional and bilateral trade agreements, such tariffs are bound to fall further, also in developing countries with some exceptions accorded to least-developed countries (LDCs). Regional trade would also be encouraged by measures aiming at trade facilitation, including border crossings and customs clearance.

Main species

20. Trade in fish and fishery products is becoming more dynamic and characterized by a greater diversification among species and product forms. This reflects the differences in consumers' tastes and preferences, with markets ranging from live aquatic animals to a wide range of processed products. Since 2013, salmon and trout became the largest single commodity in value, followed by shrimps and prawns, groundfish and tuna. A number of high-volume but relatively low-value species are also traded in large quantities not only nationally, but also at regional and international levels.

21. With the dramatic increase in aquaculture production, a growing share of international fish trade consists of farmed products. Unfortunately, international trade statistics do not distinguish between wild and farmed origin of the products. Hence, the exact breakdown between products from capture fisheries and those originating from aquaculture in international trade is open to interpretation. Estimates indicate that aquaculture products represent between 21–26 percent of volumes but ranging between 34–36 percent of value, providing evidence that an important segment of the industry is export oriented and processes relatively high-value products destined for international markets. If fish products for direct human consumption only are taken into account, the share increases to 27–29 percent of traded volumes, with 36–38 percent of value.

ISSUES OF RELEVANCE TO INTERNATIONAL TRADE

22. Some of the major issues of international fish trade are:

- the relationship between fisheries management policy, allocation of rights and the economic sustainability of the sector;
- the growing concern of the general public and the retail sector about overfishing of certain fish stocks, with the shifts toward the consumption of species perceived as more sustainable;
- the increase in awareness on the importance in reducing discards, by-catches, fish losses and waste;
- the role of the small-scale sector in fish production and trade;
- the increasing concern about social and labour conditions within the industry and its suppliers;
- illegal, unreported and unregulated (IUU) fishing and its impact on the value chain;
- the impact on the domestic fisheries and aquaculture sector from a surge in imports;

- the globalization of supply chains, with growing outsourcing of production;
- the significant increase of certification schemes, including ecolabels, with a demand escalation for certified products by retailers and brand owners, and their possible effect on market access for developing countries;
- the requirement for new traceability systems;
- the economic instability and the trade uncertainty brought by the use of non-tariff barriers to increase protectionism;
- the presence of high import tariffs in developing countries diverting trade flows and hampering regional trade;
- the impact of mega trade agreements in the international flow of fishery products;
- the volatility of commodity prices in general and the impact on producers as well as on consumers;
- the currency exchange volatility and its impact on trade of fishery products;
- the prices and distribution of margins and benefits throughout the fisheries value-chain;
- the need for competitiveness of fish and fishery products versus other food products;
- the incidence of fraud in the denomination of commercial names of fish and fishery products;
- the difficulty to meet the stringent rules for quality and safety by several countries;
- the perceived and real risks and benefits of fish consumption; and
- the image of the aquaculture sector and of aquaculture products.

23. Some of these issues, in particular the ones related to market access, traceability, fish fraud and certifications are analysed in the following sections.

Market access

24. Several factors concur in having an impact on the performance of exporting countries to access international markets. These issues include problems linked to the internal structures of some countries. Despite technical advances and innovations, many countries, especially those with less-developed economies, still lack adequate infrastructure and services, which can affect the quality of fishery products, contributing to their loss or difficulty in marketing.

25. Non-tariff measures to trade may also affect trade through the application of required product standards, control on sanitary and phytosanitary measures, procedures for import licensing and rules of origin, conformity assessment and others. Trade can also be influenced by the specific ways in which customs classifications, valuation and clearance procedures are handled, including lengthy or duplicative certification procedures. In the near future, the full implementation of the WTO Trade Facilitation Agreement (TFA), which entered into force in 2017, will expedite the movement, release and clearance of goods across borders, reducing these negative influences on trade. High customs fees may also negatively affect trade.

26. Other impacts on trade might be linked to technical barriers to trade (TBTs), which refer to technical regulations and standards that set out specific characteristics of a product. The WTO Agreement on TBTs contains rules expressly aimed at preventing these measures from becoming unnecessary barriers, but they still exist and create difficulties for traders. These measures also include the technical procedures, which confirm the compliance of products with the requirements stipulated in regulations and with standards that apply to both domestically produced products and imports.

27. The ability to adhere to import requirements constantly in evolution can be a challenge for most exporting countries. These include areas such as quality and safety, but are also increasingly related to technical standards and labelling and, more recently, to voluntary certification. Capacity building, training and transfer of experience and know-how are needed to meet these requirements. Investments are often needed in infrastructure, in particular to improve the cold chain from the landing or harvesting site and onwards through the entire supply chain. Much of the focus so far has been on the export-oriented production, but there are also large unmet needs to improve domestic infrastructure for

distribution of fish and fishery products in many countries in the world. Some capacity-building is being provided by international organizations and agencies, and also by the importing countries themselves, but more support is clearly needed, also through initiatives such as Aid for Trade by WTO.

Illegal, unreported and unregulated fishing (IUU)

28. The entering into force of the FAO Agreement on Port State Measures to Prevent, Deter and Eliminate IUU fishing (PSMA) in June 2016 provided the world community with a powerful tool to combat IUU fishing. The implementation of the PSMA will not stop IUU fishing in isolation. States have responsibilities regarding fisheries management in their roles and capacities as port, flag, coastal and market States. While the PSMA is the first binding international instrument specifically targeting IUU fishing, it is a part of a suite of international instruments, which, when implemented together, address these responsibilities in their different capacities and from different angles. In order to maximize the effectiveness of the PSMA in combatting IUU fishing, it must not only be implemented fully and by as many countries as possible, it must also be backed up by the improved performance by flag States, in relation to their international responsibilities (as outlined in the Voluntary Guidelines for Flag State Performance), and supplemented by market access and trade measures, such as traceability and catch documentation.

29. Progress by market States in developing such schemes has been generally slow, and better appreciation of their potential role in the fight against IUU fishing is required. However, action taken in recent years by several key import markets to prohibit seafood products derived from IUU fishing, or other unsustainable practices, from being imported, has compelled countries worldwide to dramatically step up their efforts and capacity to effectively control fishing operations at sea and landings in their ports.

30. Furthermore, recognizing the impact of IUU fishing products on their supply chains, seafood market leaders have started to invest in traceability systems to ensure that consumers are supplied with products from sustainable and legal sources. In addition, catch documentation and catch certification schemes have also been adopted and implemented by some Regional Fisheries Management Organizations (RFMOs) with the aim of better enforcing compliance by countries with conservation and management measures for their fish stocks. Nevertheless, traceability mechanisms remain scarce and catches from IUU fishing often find their way directly into markets, or laundered through processing plants, where controls in some instances can be weak or non-existent.

31. In particular, the implementation of the PSMA in synergy with the FAO Voluntary Guidelines on Catch Documentation Schemes and the Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels (Global Record), have the potential to dramatically improve the ability of national administrations as well as RFMOs to reduce IUU related fishing.

32. In this regard, governments and stakeholders should be strongly encouraged to adopt effective trade and market-related measures, which will provide long-term benefits for the sustainability of their fishing resources.

Traceability in key markets

33. Documentation of catch and traceability of capture fisheries products to combat IUU fishing are increasingly becoming a requirement for products entering the major import markets. In this context, the EU adopted regulations⁵ specifying mandatory catch certificates, labelling and traceability requirements for access to the EU market. Thus, to entry this market, fish products require a catch certificate validated by a competent authority of the exporting country in addition to a health certificate meeting sanitary and phytosanitary standards. However, these regulations do not require a catch

⁵ Council Regulations (EC) No 1005/2008; No 1224/2009; No 1169/2011 and No 1379/2013.

certificate to follow the products for intra-EU trade or for exports from an EU member country to non-EU countries.

34. Several developing countries have experienced the impacts of the EU regulations to combat IUU, namely receiving yellow and/or red cards, which warn or block fish trade from countries with flagged vessels, which the EU has determined are engaged in IUU fishing. This country-level action has implications for all fishers (commercial and artisanal), processors/exporters from the country receiving the red card, whether or not they were individually engaged in the illegal activity. Thus, it is important for developing countries dependent on fish exports to understand these regulations and labelling requirements for their products, and to obtain support from their governments in the fight against IUU fishing in order to avoid trade restrictions on their legally caught seafood products.

35. In 2015, in the United States of America a Presidential task force to combat IUU fishing and seafood fraud submitted its recommendations on how to combat IUU fish through import regulations. This resulted in an action plan to strengthen enforcement and to create a risk-based traceability programme to track seafood from harvest to market. The new import monitoring programme of the United States of America (2016) is designed to not impede trade of legally produced products through its “commerce trusted trader” programme and it aims to identify misrepresented seafood imports before they enter the United States’ market. The United States of America’s regulation, which will be implemented on 1 January 2018, is based on risk assessment, giving priority to the highest commercially valuable species and to species most at risk of overfishing. Thirteen priority seafood species have been identified for implementation of this regulation.⁶

Illegalities and fraud

36. The global, dynamic and complex nature of the fisheries sector makes it also vulnerable to a number of illegalities, whether related to the fishing operations themselves, to tax crimes, money laundering, illegal labour practices or commercial fraud through conscious mislabelling. Such activities, if allowed to continue, not only create unfair competition in world seafood markets and high social costs, but have the potential to endanger the long-term sustainability of many of the world’s fisheries. They also prevent society at large from receiving an equitable share of the economic benefits generated by the fisheries sector.

37. Seafood was identified as the third highest risk category of foods with the potential for fraud according to an investigation carried out across 57 countries and coordinated by INTERPOL-EURPOL in 2015.⁷ In a policy paper published in 2013 by the European Parliament, seafood was identified as the second most likely category of food at risk of fraud.⁸

38. Seafood fraud is committed when seafood is deliberately placed on the market, for financial gain, with the intention of deceiving the consumer. There are many different types of seafood fraud which can take place at different stages of the seafood chain. Seafood frauds can be essentially reduced to two basic forms, species substitution and mislabelling.

39. Species substitution occurs when low-value or less desirable seafood species are swapped for a more expensive varieties. Public health may be jeopardised when substituted species are unfit and potentially harmful. Species substitution is also a way to mask the geographic origin of seafood or to avoid taxes on high-valued species. Fish “laundering” is a term given to the marketing seafood from IUU fisheries when sold as products from legitimate fisheries.

⁶ Abalone, Atlantic Cod, Blue Crab (Atlantic), Dolphinfish (Mahi Mahi), Grouper, King Crab (red), Pacific Cod, Red Snapper, Sea Cucumber, Sharks, Shrimp, Swordfish, Tunas (Albacore, Bigeye, Skipjack, Yellowfin and Bluefin).

⁷ www.europol.europa.eu/sites/default/files/documents/report_opson_v.pdf

⁸ www.europarl.europa.eu/

40. Many cases of fraud can go undetected when physical harm or injury to consumers does not occur. Modern methods of detection of species substitution or mislabelling use DNA forensic scientific methodologies. Such methods are not routinely used by food control authorities, particularly in developing countries.

Certification

41. During the biennium, certification has remained an issue of major relevance in the seafood sector. The established international schemes have expanded coverage in terms of market presence as well as product coverage, and the overall share of products certified has grown to reach an estimated 14 percent of total seafood supply. As a step towards achieving certification, additional fisheries are going through so-called fisheries improvement programmes (FIPs).

42. Retailers and brand owners in many developed countries are increasingly including certification as a requirement in their product specifications, thereby providing strong incentives for processors and exporters in both developed and developing countries to go through the certification process. Growing interest is expressed, including in many developing countries, to establish national schemes based on international criteria and rooted in the FAO eco-labelling guidelines.

43. Environmental issues continue to be the main focus for certification but social and labour issues are increasingly considered for inclusion in both international and national schemes. This is likely to intensify after the coming into force of ILO C188 in 2016 and the FAO Small-scale fisheries guidelines in 2015.

44. After the launch of the Global Sustainable Seafood Initiative (GSSI) benchmark tool at the FAO 20 year anniversary conference for the Code of Conduct, Vigo, October 2015, several of the major schemes have now gone through the GSSI benchmarking process and achieved recognition. The principle of equivalence has been further strengthened by the inclusion of GSSI recognition in the purchasing requirements by many major retailers and brand-owners, in the Tuna 2020 Traceability Declaration at the Ocean Conference in June 2017 and the sourcing guidelines for the Summer Olympics in Tokyo in 2020. Over time this has the potential to lead to more transparency in the seafood market, reduced need for multiple certifications and lower certification costs for both producers and processors.

FISHERY PRODUCTS AND TRADE REGULATIONS

45. In the multilateral trade scenario, negotiations at WTO on the Doha Development Agenda (DDA) are facing a continuation of new written proposals and positions papers on fisheries subsidies in preparation for the eleventh Ministerial Conference (MC11) of WTO (11 to 14 December 2017, Buenos Aires), since it was not possible to reach a consensus in the last MC10 in Nairobi, in 2015.

46. Complementing the WTO mandate, the SDGs came into force in 2016 with a specific target on regulating fisheries subsidies (14.6). This target sets the goal of prohibiting by 2020 certain forms of fisheries subsidies linked to overfishing, overcapacity and IUU fishing, recognizing the need for special treatment for developing countries and the WTO's mandate to regulate this issue.

47. Within this comprehensive framework, there was an advancement of international and regional initiatives seeking to support the establishment of fisheries subsidies disciplines. In this regard, FAO, together with the United Nations Conference on Trade and Development (UNCTAD) and United Nations Environment Programme (UNEP), released at the fourteenth session of UNCTAD Conference in June 2016, a joint statement on the implementation of SDG Target 14.6, focused on the need to phase out harmful fisheries subsidies and to effectively implement the PSMA. This joint statement was co-subscribed by more than 90 member countries, apart from non-governmental organizations and other international organizations.

48. At WTO, the proposals being currently discussed and the associated debate gravitate around specific issues to be possibly addressed in future rules on fisheries subsidies, including fish concepts such as overexploitation, overcapacity, small-scale and artisanal fisheries, RFMOs, and IUU fishing.

49. Taking into consideration the specificity of the fish terminology in trade negotiations, FAO has provided technical assistance to member countries on several occasions. In Geneva, FAO was an active participant in co-organizing information events with UNCTAD and UNEP, supporting technical sessions in the WTO Negotiating Group on Rules, and in participating, at the request of countries, in group meetings to inform member countries on fish concepts, FAO instruments and their possible relation to any possible rules on fisheries subsidies. In New York, FAO and UNCTAD conducted side events on fish trade and fisheries subsidies during the Ocean Conference in June 2017.

50. For regional initiatives, the Trans-Pacific Partnership Agreement (TPP) was considered a milestone by incorporating specific provisions to eliminate subsidies that contribute to overfishing and IUU fishing. However, due to recent changes in the parties of the agreement, its future is still uncertain.