

SIA of Fisheries Trade Final Report

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Brussels, 16 June 2006



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SIA of Fisheries Trade

Overview of Report

- **Re-cap of trade patterns**
- **Methodology for SIA of fisheries trade**
- **Country case studies**
- **Selected results**
 - **Initial and longer-term impacts**
 - **Prevention, mitigation and enhancement (PM&E) measures**

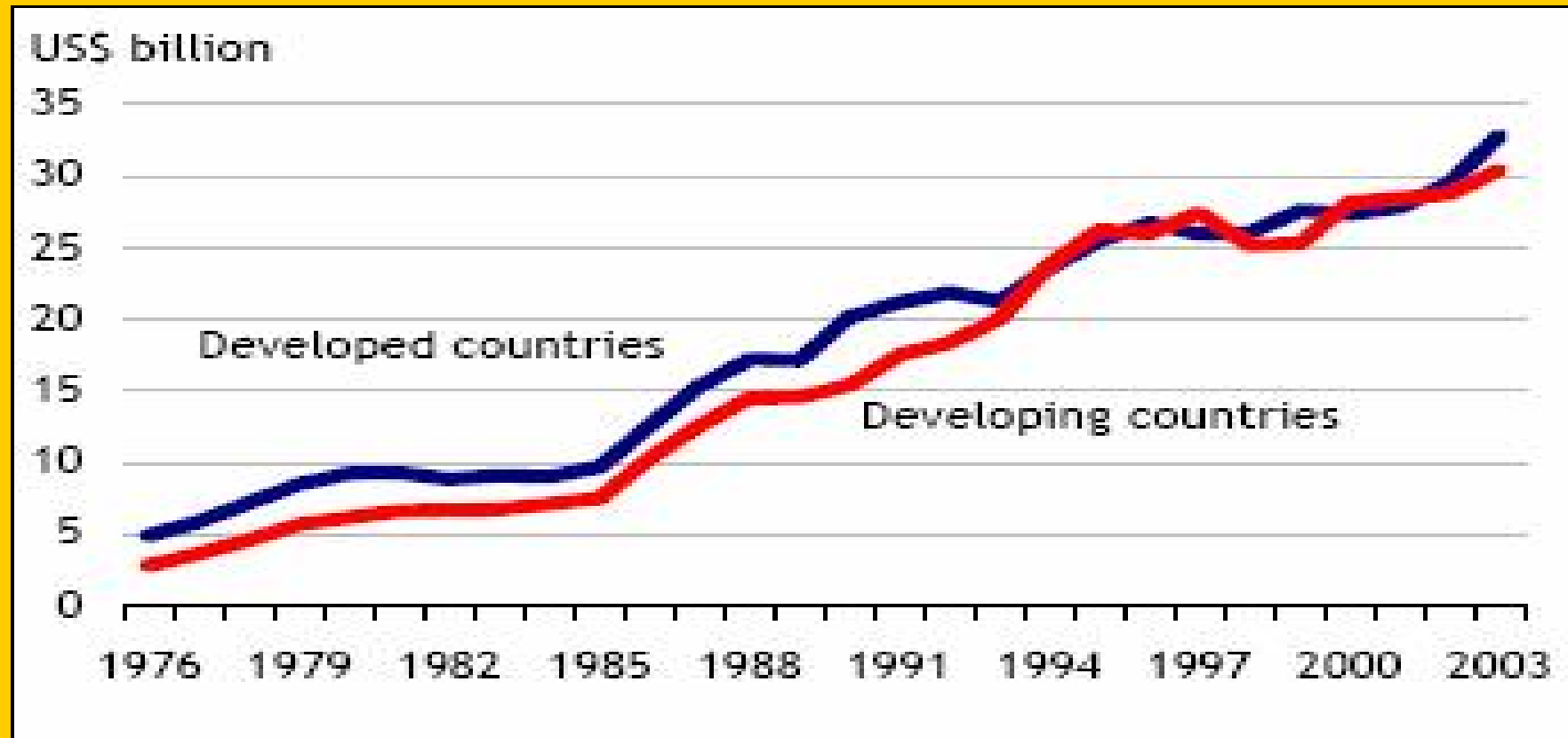


International fisheries trade

- **Export value of internationally traded fish and fishery products was US\$58 billion in 2002 and US\$63 billion in 2003**
- **Developed countries absorb over 80% of the value of world imports**
- **The share of all developing countries combined in fishery exports was 49% in 2002**
- **The net receipts of developing countries was US\$17.4 billion in 2002, up from US\$4.0 billion in 1982**

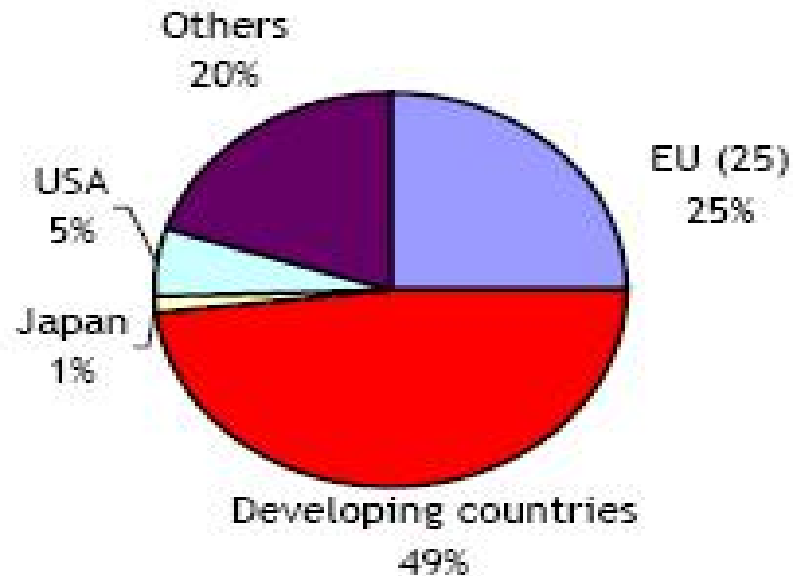


World exports of fish and fishery products (FAO data)

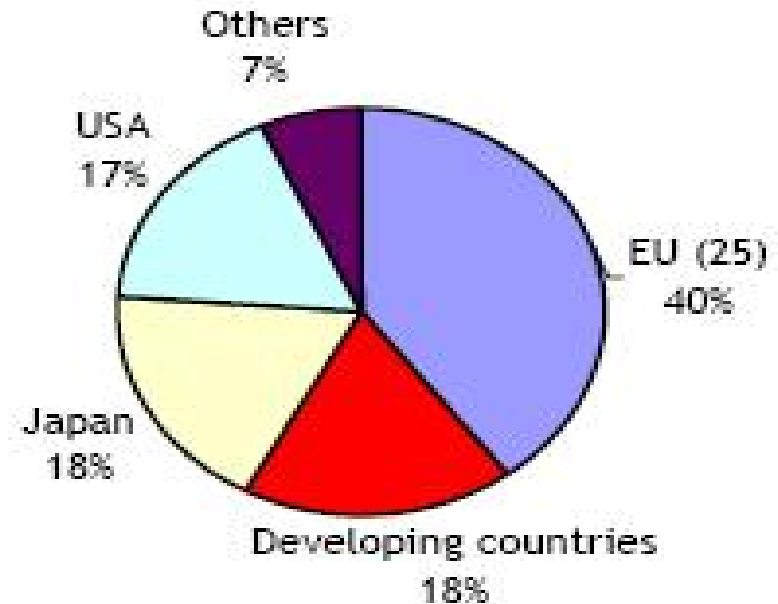


Main exporters and importers of fish products, 2003 (FAO data)

Fish exports (2003)



Fish imports (2003)



Methodology component: steps in the analysis

- **Baseline scenario**
- **Assumed changes in trade measures**
- **Predicted initial outcomes**
- **Predicted longer term effects**
- **Assumed prevention, mitigation and enhancement measures**
- **Final outcomes**



Initial steps

- **Baseline: assessment of fisheries production, processing, consumption and trade**
- **Assumed changes in trade measures:**
 - Tariff measures – reductions**
 - Non-tariff barriers – constant**
 - Subsidies – reductions**
- **Predicted initial outcomes: changes in relative prices – domestic and international; changes in trade flows**



Final steps

- **Predicted longer term impacts – economic, social, environmental and process**
- **Assumed prevention, mitigation and enhancement measures – offsetting negative and improving positive outcomes**
- **Final long term outcomes incorporating major prevention, mitigation and enhancement components**



Methodological tools and sources of information

- **Causal chain analysis:** for scoping key factors; analysing impacts of trade measures; analysing potential for prevention, mitigation and enhancement
- **Sources of information:**
 - **Case studies**
 - **Statistical estimation based on secondary literature;**
 - **Qualitative analysis – expert and other stakeholder opinion**



Country case studies

- **Developed countries:**
 - **European Union (Partial)**
 - **Japan, USA (Partial)**
- **Non-ACP/LDC developing countries:**
 - **China (Partial)**
 - **India**
 - **Peru**
 - **Thailand**
- **ACP/LDC countries:**
 - **Ghana**
 - **Seychelles**
 - **Uganda**



Consultation process – stakeholders directly consulted

- European Commission, e.g. DG Trade, Fish, Dev, Research;
- Civil Society Organisations in both developed and developing countries;
- Non-Governmental Organisations;
- DFID Fisheries Advisers;
- Commonwealth Secretariat;
- Private sector associations and companies (e.g. fish processors, vessel owners);
- WorldFish Centre – Regional Africa and Middle East Office
- Fisheries Departments in both developing and developed countries;
- International Centre for Trade and Sustainable Development;
- OECD, FAO



Findings

- **Impacts of:**
 - **NAMA tariff measures**
 - **Subsidies**
 - **Other trade measures**
- **Prevention, mitigation, and enhancement (P,M&E) measures**



Impacts of tariff reductions – European Union

- **Tariff impacts will be highest where current rates are high and for product areas of importance (i.e. shrimp and tuna)**
- **Spain and to a lesser extent Italy and France will lose out to low cost Asian canners for all but the highest quality speciality products**
- **Shrimp processing increasingly moves to developing countries with negative implications for processors in Northern Europe**
- **Whitefish also likely to be affected but more so due to economic fundamentals**
- **Main EU winners: consumers, retailers, and food services**



Impacts of tariff reductions – Japan and USA

- **Tariff changes are unlikely to impact on levels of Japanese consumption**
- **In the US market changes could strengthen existing consumption of high value fish and crustaceans**
- **Ongoing transfer of US processing capacity to low cost producing countries**
- **Impacts on Japanese trade and processing are likely to be more muted**



Impacts of tariff reductions – Non-ACP/LDC developing countries

- **Overall impact expected to be either neutral or positive in economic terms**
- **China: impacts are likely to be moderate**
- **India: potentially increased market share and diversification into other markets; possibility of increased imports**
- **Peru: little or no impact as tariffs on fish meal/oil are already low**
- **Thailand: set to become a major beneficiary of tariff reductions**



Impacts of tariff reductions – Non-ACP/LDC dev countries, ctd

- **Social implications:** increased employment also for women in processing; issue of foreign labour in Thailand
- **Negative environmental impacts** as a result of aquaculture expansion
- **Thai tuna processors** may be less prepared to demand that raw material comes from well managed fisheries
- **Process impact:** increased need for regulations to meet environmental demands to ensure that export industry meets hygiene and other standards.



Impacts of tariff reductions – ACP/LDC countries

- Preference erosion for countries that depend on preferential market access for their exports (e.g. processed tuna products from Ghana and Seychelles)
- Increased unemployment will lead to social knock-on effects (poverty, education, health)
- Declining fisheries and processing sector may lead to reduced national management and administration capacity, resulting in reduced commitment to MCS activities



Impacts of subsidy reductions – European Union

- **Some of the subsidy reducing measures have already been put in place as part of the reformed Common Fisheries Policy (CFP)**
- **EU attempts to occupy a middle ground at the WTO negotiations identifying prohibited (e.g. capacity enhancing measures) and permitted subsidies (mitigating measures)**
- **Contributions of vessel owners as part of FPAs are slowly being increased, potentially leading to reduced fishing efforts in the longer-term**



Impacts of subsidy reductions – Japan / USA

- **Extensive use of subsidies in the past in both countries**
- **Japan and US are at opposite ends at WTO negotiations**
- **If reduction in subsidies leads to an increase in fishing costs, then this is likely to diminish production, consumption and/or trade with an off-setting beneficial impact on fish stocks**



Impacts of subsidy reductions – Non-ACP/LDC developing countries

- **China:** reduction of subsidies for domestic fleet, but support for aquaculture expansion
- **India:** some subsidies reduced as part of the liberalisation of the economy; e.g. reduction of fuel subsidies leading to higher operational costs
- **Peru:** only small amounts of subsidies therefore little or no impact
- **Thailand:** limited amounts of subsidies although research has generated benefits; global reduction of subsidies could enhance competitive position



Impacts of subsidy reductions – ACP/LDC countries

- **Range of subsidies: e.g. tax exempt fuel, low-cost credit, capacity building, research and management, license fees as part of access agreements**
- **In general, the more effective a fisheries management regime, the lower the impact from subsidies**
- **Removal of subsidies to artisanal fisheries sector in Ghana is expected to lead to increased poverty but potentially positive implications for the environment**
- **Potential abandonment of the FPA agreement with the Seychelles could affect resource management (MCS)**



Impact of other trade measures

- **SPS related seafood export bans imposed during the 1990s in Uganda and India had significant impacts, i.e. short-term adjustment costs and unemployment but a more competitive sector in the longer-term**
- **TBT measures related to the shrimp/turtle dispute between India and the US had less impact**
- **Anti-dumping measures by the US against Indian shrimp has had little impact due to diversion of trade to other markets (e.g. EU)**



Possible Prevention, Mitigation, and Enhancement (PM&E) measures

Economic and trade related measures:

- Gradual (rather than precipitate) reduction of tariffs
- In relation to non-tariff measures, capacity building of standard boards
- Investments for the provision of infrastructure, support systems and modern efficient technology
- Marketing initiatives such as development of new markets, and targeting of 'higher-end' quality markets
- Development of aquaculture (e.g. Africa)
- Development assistance or other support to help cover losses from preference erosion.



PM&E measures, ctd.

Social measures

- Identification of alternative livelihoods and employment
- Retraining and skill development measures especially for women
- Existing social subsidies should be continued and strengthened to help the poor in the fisheries sector using more holistic indicators of poverty (e.g. India)
- Support for the shrimp sector around the Gulf of Mexico and specific programmes geared to native communities in North America
- Special and Differential Treatment of small-scale and artisanal fisheries.



PM&E measures, ctd.

Environmental measures

- Application of an ecosystem approach in response to environmental concerns
- Development of fishmeal substitutes
- Private sector initiatives and public, private partnerships
- Eco-labelling should be considered as a tool to achieve both fisheries management and marketing objectives
- Stopping of illegal, unreported, and unregulated (IUU) fishing
- Reduction or redeployment of fishing capacity



PM&E measures, ctd.

Process related measures

- **Capacity building and institutional support, e.g.**
 - Support for the Regional Maritime Academy in Ghana
 - Institutional capacity to understand the possible implications of the DDA and to develop the ability of coping with possible changes (e.g. Uganda)
 - Monitoring, control and surveillance (MCS) capacity
- **Government regulation (e.g. in the context of the environment and the rapidly growing seafood sector in countries such as Thailand)**
- **Engagement with institutions and in international debates affecting the fisheries sector (e.g. China)**



Thank you for your attention!



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