

## Responsible fisheries and International trade- A prelude

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The Code of Conduct for Responsible Fisheries (CCRF) of the FAO underscores in Article 6.4 that “International trade in fish and fishery products should be conducted in accordance with the principles, rights and obligations established in the World Trade Organization (WTO) Agreement and other relevant international agreements. States should ensure that their policies, programmes and practices related to trade in fish and fishery products do not result in obstacles to this trade, environmental degradation or negative social, including nutritional, impacts.”

There are specific articles in CCRF (Article 11.2 and 11.3) guiding the Member countries on the way in which their trade should be conducted respecting the spirit of responsible fisheries.

FAO has published a Technical Guideline on Responsible Fisheries Trade in 2009. It elaborates the specific articles related with responsible fish trade.

Technical Guidelines are particularly important because

1. Fish and fish products are among the most traded agricultural and food commodities with more than one third of production entering international trade. This makes it especially important to ensure that all those involved in the sector operate according to the same set of rules.
2. Trade in fish and fish products is also very important for developing countries. Fifty per cent of international trade in fish and fish products originates from developing countries. This is an important source of revenue, employment and foreign exchange for these countries.

### Responsible Fisheries-The key points to remember

1. The code symbolizes the international consensus arrived through consultation on the need to conduct fisheries in a responsible manner.
2. The driving philosophy is the Precautionary Principle (Better Safe than Sorry)
3. Code is a voluntary instrument.

4. The Fisheries Division of FAO is vested with the responsibility to monitor the status of the implementation of the code. The status is reviewed by the Committee on Fisheries (COFI) where member countries meet.

### **International Trade and Responsible Fisheries**

Fish and fishery products are among the most traded agricultural and food commodities with more than one third of production entering international trade. A specific feature of fish trade is the wide range in product types and markets. Significantly, one half of international fish trade originates from developing countries for which fish is an important earner of foreign exchange. Developed countries accounted for about 80 per cent of the total value of imports of fish products.

Expansion of the global market for fish and fishery products is the prime cause for expansion of fishing activity. Trade in fish and fishery products, is dynamic. Capture fisheries are levelling off while aquaculture continues to rise, thus affecting the nature of the sector's supply. The distribution chain, including the location and nature of processing activities, is constantly adjusting itself to changes in technology, communication and transportation. Freer trade and liberalized markets also increase the global nature of the sector. Trade is therefore more responsive to global, regional and national changes in supply and demand characteristics. The demand for fish and fishery products reflects changing consumer preferences and purchasing power, as well as demographic changes.

Currently the main barriers to trade are tariffs and non-tariff barriers, including technical issues related to safety and quality, certification and traceability. Other issues that continue to be of concern and have an impact on trade are subsidies that are prejudicial for trade and the environment. The improper use of anti-dumping, countervailing and safeguard measures is also a concern. In addition, producers and traders in developing countries are often in a disadvantaged position because of difficulties in obtaining market information.

Under COFI (established in 1965) there is a FAO Sub-Committee on Fish Trade of the Committee on Fisheries, which was established in 1985, providing a forum for Member States to consult on technical, economic and environmental aspects of international trade in fish and fishery products, including production and consumption aspects. It also deals with issues related to technical cooperation. On a global level, the WTO and organizations of the United Nations (UN) system, in particular the FAO, are the main actors shaping the global trade regime for fishery products. UN organizations address issues related to sustainable development, environmental conservation, food safety and quality and food security. The rules governing international trade, embodied in the WTO agreements, are negotiated in the WTO.

Together, the WTO, FAO and other organizations provide a frame of reference for States to cooperate in the formulation of appropriate rules and standards for international trade, including trade in fish and fishery products.

The WTO system is based on a series of agreements whose aim is to establish a rules-based framework for trade and the liberalization of international markets for goods, services and investments. The General Agreement on Tariffs and Trade (GATT) provides for the liberalization of trade in goods through gradual reduction of tariffs, conversion of non-tariff import restrictions into tariffs (tariffication) and elimination of trade-distorting domestic support. Developing States are given special consideration under

GATT. They are given more time to reduce their tariffs and other obstacles to trade, and there are other special provisions designed to help them adapt to the liberalization of trade.

The Codex Alimentarius Commission was created in 1963 by FAO and the World Health Organization (WHO) to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Programme. The main purposes of this Programme are protecting the health of the consumers, ensuring fair practices in the food trade, and promoting coordination of all food standards work undertaken by international governmental and non-governmental organizations.

The World Organisation for Animal Health (OIE) was created in 1924 to ensure global transparency in relation to animal diseases. The OIE collects, analyzes and disseminates veterinary scientific information and provides expertise in the control of animal disease. The OIE develops rules and standards that can be used for protection against the introduction of diseases and pathogens. OIE standards are recognized by the World Trade Organization as the reference for international sanitary rules. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) regulates international trade in species that are threatened with extinction at the species level or that may be threatened as a result of international trade in specimens of the species. Several fish and shellfish species are listed under CITES Appendices.

(CITES lists nominated species under one of three appendices. Appendix I lists species that members have agreed are most at risk of extinction. Trade in specimens from the wild of these species is usually prohibited. Appendix II lists species that members have agreed may be threatened unless international trade in wild specimens is controlled. Trade in Appendix II listed species is therefore generally permitted under specified conditions including documentation and possibly agreed limits of total numbers of specimens permitted to enter international trade. CITES members can also list species unilaterally under Appendix III. This requires all CITES members to document trade in such species and report trade to the CITES Secretariat, but no limits on trade are imposed at a global level. CITES has adopted revised criteria for listing commercially exploited aquatic species on its Appendices. The revised criteria were developed in consultation with the FAO and explicitly address the listing of fish species).

## Challenges

Fish trade can be useful as a means of generating revenues, but it can also have many other kinds of impacts, positive and negative. For example, fish trade can affect food security, the environment, the quality and quantity of employment opportunities, the economic and power gaps between the trading parties, etc. All of these should be taken into account. Fish trade must be conducted in a manner that respects all human rights.

All affected parties should have the opportunity to participate in decision-making regarding fish trade. To facilitate participation, fish production, processing, and marketing should be highly transparent. To the extent feasible, information on prices and volumes should be publicly accessible for the entire chain of production-processing-marketing-consumption.

Public agencies at both national and international levels should oversee trading activities to assure that the public interest is served. Public agencies should provide incentives to private parties involved in fish trade to enhance the likelihood that their activities will serve public interests. This can include both regulations and positive incentives.

Trade is not something that should simply be maximized, as if it were an unqualified and unlimited good. Rather, trade should be optimized, with consideration given to a broad range of impacts on many different parties. Moreover, clear distinctions should be made between the roles of private parties involved in trade, and those of governmental and nongovernmental organizations that may be involved.

The primary function of public agencies is not to subsidize private interests, but to promote the full range of interests of the general public, particularly the most needy among them. Public agencies can do this by facilitating the articulation of appropriate norms for the behavior of governmental and private parties, particular in relation to their obligations with regard to human rights.

Public agencies should also go further, beyond articulating norms, to assure that there are appropriate institutional arrangements to assure that human rights are realized. There is a clear need for institutional mechanisms of accountability at the global level to assure that fish trade makes a positive contribution to food security, especially for those who are most vulnerable.

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