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'GENERAL AGREEMENT ON TARIFFS AND TRADE

Working Party on Trade in Certain
Natural Resource Products:
Fish and Fisheries Products

SUMMARY OF POINTS RAISED DURING THE MEETING ON 27 JUNE 1984: FISH AND FISHERIES PRODUCTS

Note by the Secretariat

The present note, which summarizes the main points raised during the Working Party's discussion on 27 June 1984 relating to fish and fisheries products, has been prepared in order to facilitate the examination of problems affecting trade in this product area by the Working Party at its meeting to be held from 20 to 21 September 1984.

1. The Working Party had before it for preliminary consideration a background study on Problems of Trade in Fish and Fisheries Products, prepared by the secretariat and circulated as document Spec(84)7 and Addenda 1 and 2. It had also before it a background note, relating to all three product areas, submitted by one member of the Working Party and circulated as document MDF/W/1.

2. It was generally felt that the secretariat's background study represented a good starting point for the examination of this product area by the Working Party as required by its terms of reference. It was noted that the study was balanced and comprehensive, notably in the sense that it embodied all various aspects from which each member of the Working Party could, from its perspective, elaborate its own perception of problems affecting trade in fish and fisheries products. It was also stated, however, that the study failed to define problems clearly. It was noted that the study would inevitably require some improvements and corrections of factual points. Members of the Working Party were invited to forward any comments they may have on the study to the secretariat.

3. It was also agreed that, at its meeting in September, the Working Party would make a more detailed review of the secretariat's study as well as any other material available before it at that time.

4. Regarding the identification of some of the basic issues which should be addressed by the Working Party with a view to recommending possible solutions, some preliminary views were expressed. It was noted that statistical data showed an heavy concentration of trade in fish and fisheries products at a raw and primary level. It was considered that among the various factors explaining such pattern of trade tariffs (especially tariffs that escalate with the degree of processing) and non-tariff barriers were of a key importance. It was also felt that existing tariff preferences might have actual or potential distorting trade effects. It was suggested that a comprehensive assessment of the protective effect of tariffs, notably with respect to processed goods, would also necessitate some estimate of import demand elasticities of traded goods at their different level of processing. The secretariat was requested to review some of the available literature on this subject and to prepare a note for the Working Party on the basis of this review.

5. It was stated that quantitative restrictions remained, in some cases, as a major obstacle to the development of export markets for fish and fisheries products. The consistency of existing QRs with the provisions of the General Agreement was also questioned. In this connection, reference was also made to the restrictive effect on trade of licensing systems. Among other factors affecting trade in fish and fisheries products, mention was made of the need to examine the impact of government procurement practices in this product area. It was also noted that in most markets trade in fish and fisheries products was affected by a combination of measures providing a high degree of accumulated or total protection.

6. A view was also expressed that future work should aim, inter alia, at better indentifying and evaluating the impact of non-tariff measures on fishery trade. As most fish trading countries provided various types of subsidies to their fishing industry, it was considered that appropriate attention should be paid by the Working Party to evaluate the impact of these subsidies on fishery trade. It was also suggested that the Working Party should compile a detailed listing of existing quantitative restrictions on fish and fisheries products and it should examine how each quantitative restriction was being administrated.

7. It was noted that the introduction of stocks management measures and of 200-mile exclusive economic zones (EEZs) had resulted in a substantial increase in domestic production by a number of coastal states. This increase had often generated an exportable surplus of fish and fisheries products and an expansion in export trade from these countries. It was felt however, that this situation was unlikely to continue if storing, processing, marketing techniques and product quality were not improved on the one side, and greater trade liberalization not achieved on the other.

8. As a number of developing countries had substantially expanded their fish exports in recent years and were planning further investments in and development of their fishery sector, it was stated that the Working Party should pay attention to the preferential treatment granted by major developed importing countries to fish exports from developing countries both in terms of the GSP coverage and of its possible erosion with respect to other existing preferential schemes.

9. It was reiterated that the condition of production in this sector had changed substantially following the almost generalized introduction of 200-mile EEZs since 1977. The new fishing regime was also having an effect on trading regimes, as most of the bilateral fishery agreements entered into generally as a consequence of the new conditions of production did include, inter alia, specific trading clauses.

10. It was questioned whether or not the fishery sector was one in which surplus conditions existed. It was considered that additional factual information was needed with respect to trade data by volume. It was also felt interesting to compare trends in fishery trade with those in other agricultural and industrial sectors. It was further considered that appropriate attention should be given to all existing form of domestic and export aids in this sector.

11. It was noted that in some countries marine products constituted a substantial share of domestic consumption of animal proteins. These countries had traditionally relied on their fishery fleets to satisfy, at least partly, their domestic requirements of fishery products. The new conditions of production had therefore created a very difficult situation for their domestic fishery industry which, in addition, was generally recognized as a sector of activity where structural adjustments were particularly difficult to achieve. In spite of these difficulties, it was noted that in recent years a number of tariff reductions had been made on fishery products, either as unilateral concessions or within the framework of the Tokyo Round tariff cuts.

12. Noting the various points made in the course of the discussion, some members reiterated the views that this Working Party, in accordance with its terms of reference, should deal exclusively with problems of trade in natural resource products falling under the competence of the General Agreement, such as tariffs, non-tariff and other measures affecting trade. Some other members considered, however, that in order to get a meaningful understanding of problems affecting trade in this product area, the Working Party should pay attention to all relevant factors having a bearing on current trading conditions.