

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(84)54
8 October 1984

Working Party on Trade in Certain
Natural Resource Products

SUMMARY OF POINTS RAISED DURING THE MEETING ON 20-21 SEPTEMBER 1984

Fish and Fisheries Products

Note by the Secretariat

The present note, which summarises the main points raised during the Working Party's discussion on 20 and 21 September 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 further meeting which is expected to be held in Spring 1985 at a date to be established in consultation with its members.

1. The Working Party carried out a detailed review of the background study by the secretariat on Problems of Trade in Fish and Fisheries Products, circulated as document Spec(84)7 and Addenda 1 and 2. It was generally noted that the study provided an accurate and good examination of the recent and long-term developments in production, marketing and trade in fish and fisheries products by major trading countries. However, it was also felt that in order to be an useful and comprehensive basis for making recommandations, the study should be supplemented with a more detailed examination of non-tariff measures affecting trade in this product area.

2. Since production and export subsidies as well as quantitative restrictions were considered as factors having a major distorting effect on trade in fish and fisheries products, the secretariat was requested to put together background notes outlining what information was already available and what could be made available by members of the Working Party concerning (i) subsidies having an impact on fish trade; and (ii) quantitative restrictions, including licencing, affecting the importation of fish and fisheries products.

3. It was also agreed that the background study on Problems of Trade in Fish and Fisheries Products, which was intended to remain a study by the secretariat, would be re-issued in order to take into account some of the analytical input provided by members of the Working Party as well as corrections of factual points which had emerged from the discussion.

4. Several points were raised in the course of the meeting with a view of bringing into closer focus those issues on which the Working Party might be required to make recommendations in accordance with its terms of reference. Apart from recognizing the major effect on fish trade of subsidies and quantitative restrictions, it was also indicated that health and sanitary regulations, and packaging and labelling requirements could have important trade distorting implications. State intervention in fisheries trade was also considered as an expanding practice which should require attention, notably in terms of its GATT consistency.

5. Some members from developing exporting countries reiterated their concern about existing coverage and effectiveness of preferential margins granted by GSP schemes currently applied on fish and fisheries products. These members further felt that the effect on fish trade of other factors such as, inter alia, transportation costs should also be examined by the Working Party.

6. Also with respect to existing tariff preferential schemes, particularly those resulting from Article XXIV agreements, a view was expressed that these schemes might operate to divert trade. It was also stated, however, that Article XXIV agreements were perfectly legitimate under the General Agreement and although they might have an influence on trade, they should not be presumed to have diverting trade effects.

7. In some views expressed, it was reiterated that in certain countries fishing was a traditional activity confronted with special characteristics. In most cases, fishing should be controlled and production limitations should be maintained. Hence imports could also be subject to some form of control, when required in order to make effective domestic policy measures in this sector.

8. In another view expressed, it was noted that countries with a very high rate of per capita consumption and in which marine products constituted an substantial share of domestic animal protein consumption should pursue a policy aimed at achieving a substantial degree of supply security for their population. In this connection, it was also noted that the new régime of the seas and the almost generalized introduction of 200 mile EEZ's had brought a substantial change in the circumstances under which fishing was previously taking place. This basic change, while resulting in an expansion of international trade in fish and fisheries products, had affected in a very different way one another country, and it would therefore require a long period of adaptation to the new situation by fishing trading countries. This had also been recognized in discussions which took place in other competent international fora. This period of adaptation would also required that serious efforts be made by all trading countries in order to adjust their fisheries to these new circumstances. It would be essential, however, that this process should aim at achieving an equitable share of the benefits deriving from expanded fish trade, on the basis of reciprocal advantages and in accordance with the objectives of the General Agreement.

9. In this connection, it was also noted that the existing situation of world's fisheries clearly pointed to an imbalance in rights and obligations, as trade régimes were subject to very strict multilateral disciplines, notably those of the General Agreement, while no such discipline existed with respect to production régimes. Since the EEZ's were having an effect on international trade in fish and fisheries products, from that angle at least, they should form part of the Working Party's examination.

10. However, the view was also expressed that access to production was not a trade issue but one which should be defined more appropriately as an investment issue. As such, it was, therefore, clearly beyond the purview of the Working Party as nothing in the drafting history of the General Agreement would justify the contrary. In some other views expressed in this regards, it was specifically reiterated that the questions of the EEZ's did not fall within the competence of GATT.

11. Several views were expressed that the principle objectives of the Working Party were: (i) working towards the elimination of non-tariff barriers affecting trade in this product area; and (ii) seeking a reduction in the tariff escalation for fishery processed products. In another view expressed, this Working Party was also seen as, in a broader sense, trying to establish a future multilateral framework for international trade in fish and fisheries products.

12. It was further noted that the real purpose of the exercise undertaken by the Working Party was to clarify the basic problems affecting trade in this sector with a view to indicate possible solutions. It was therefore essential that the Working Party also carried out a detailed review, based on a secretariat background note, of existing bilateral fishery agreements, notably those contemplating access to resources in exchange for tariff reduction or other trade privileges, in order to assess their effect on trade as well as their compatibility with GATT provisions. It was also noted, however, that it could be inappropriate for the secretariat to study these agreements from this perspective, in large part because they did include elements within which were of investment nature and which, therefore, did not fall within the purview of the General Agreement. It was of course open to individual delegations to put forward their own papers or their own views on this subject.

13. Finally, in accordance with the terms of reference of the Working Party, it was agreed that the Chairman would submit, on his own responsibility, a progress report to the Council and the CONTRACTING PARTIES at their fortieth Session in November 1984.