

South-South trade in the marine fisheries and aquaculture sectors

Technical cooperation outcome



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GSTP Technical Note

This technical note is the first issue of a series tailored to participants of the Global System of Trade Preferences among developing countries (GSTP), for which UNCTAD is the Secretariat.

The GSTP is an agreement currently encompassing 42 participant countries, which aims at increasing South-South trade through preferential arrangements relating to tariffs, para-tariffs, non-tariff measures, and direct trade measures, as well as sectoral agreements. The last Round of GSTP negotiations took place in 2010 and ended in the adoption of the São Paulo Round Protocol (SPR)¹.

The series aims to provide an overview of South-South trade in sectors and areas where future cooperation can foster inclusive and resilient growth and sustainable development. This first note in the series addresses marine fisheries and aquaculture and examines possible avenues for growth, diversification, cooperation, value addition, and enabling actions on sustainable ocean economy, consistent with the UNCTAD's Bridgetown Covenant (2021)².

¹ The São Paulo Round Protocol (SPR) in 2010, will enter into force with the ratification of at least four countries. Currently, Argentina, Brazil, Cuba, India, Malaysia, and Uruguay have already ratified the Agreement. However, ratification by all four members of Mercosur is required, as the group maintains a single schedule of tariff concessions. Pending an additional ratification, the São Paulo Round results remain to be implemented. Current geopolitics have rekindled interest in the GSTP, as shown by the ratification of Brazil in December 2022. For more information, see: https://unctad.org/system/files/official-document/gstp-sprncfozd3_en.pdf.

² For the full text of the Bridgetown Covenant, see: https://unctad.org/system/files/official-document/td541add2_en.pdf.



Abbreviations

DOALOS	Division for Ocean Affairs and the Law of the Sea
EBFM	Ecosystem-Based Fisheries Management
FAO	Food and Agriculture Organization of the United Nations
GSTP	The Global System of Trade Preferences among developing countries
GHG	Greenhouse gas
GVC	Global Value Chain
IUU	Illegal, Unreported, and Unregulated
LDCs	Least developed countries
MSY	Maximum sustainable yield
NTMs	Non-tariff measures
RCA	Revealed comparative advantage
RFMOs	Regional Fisheries Management Organizations
SIDS	Small island developing States
SPR	São Paulo Round
SPS	Sanitary and phytosanitary measures
TBT	Technical barriers to trade
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization



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Executive Summary

Marine fisheries and aquaculture represent a key source of income, food security, nutrition, and employment in many developing countries, particularly for Least Developing countries (LDCs) and Small Island Developing States (SIDS).

All South-South trade in the fisheries and aquaculture sectors has experienced large growth over the past decade, reaching double or even triple digits. In 2022, South-South trade across various fisheries sectors—marine fisheries, aquaculture, fish processing, and fishing vessels—amounted to \$39 billion. Developing countries' exports of fisheries and aquaculture processed products now account for 53 per cent of the global share. These countries have also made significant strides in value addition within their industries. Developing countries also exhibit notable trade competitiveness in various marine species and by-products, as indicated by a positive value in the Revealed Comparative Analysis (RCA) analysis.

However, these activities are currently threatened by overfishing, harmful subsidies, climate change and pollution. Within the current international trade context, developing countries have limited incentives to move up global value chains (GVCs) for ocean-based products due to current tariffs and moderate tariff escalation³, and a high prevalence and incidence of non-tariff measures.

The GSTP provides an agile and flexible platform of South-South trade cooperation that allows its participants to address tariffs, para-tariffs, and non-tariff measures, and engage in direct trade measures and sectoral agreements. The Agreement can be leveraged to reduce or phase out tariffs (including any remaining tariff peaks⁴) and non-tariff measures, harmonizing export and import requirements, establishing supply contracts, sharing technology and knowledge among participants, and establishing sectoral agreements. A sectoral arrangement focused on fisheries and other marine resources could serve to increase value addition, strengthen trade facilitation, and foster sustainable ecosystem-based stock management, in a manner consistent with the United Nations Convention of the Law of the Sea, and multilateral and regional fisheries agreements. The UNCTAD-FAO partnership on ocean economy can be further leveraged in this regard.

These actions could also serve to improve food security by increasing availability and affordability of protein- and micronutrients-rich food, foster resilience through geographical trade diversification, expand sustainable fisheries, aquaculture and other sustainable ocean-based trade with high complementarity and value-addition potential among participants.

³ Import duties on semi-processed products than on raw materials, and higher still on finished products. This practice protects domestic processing industries and discourages the development of processing activity in the countries where raw materials originate" (WTO, 2024a).

⁴ Relatively high tariffs, usually on "sensitive" products, amidst generally low tariff levels. For industrialized countries, tariffs of 15 per cent and above are generally recognized as "tariff peaks" (WTO, 2024b).





Background

Fisheries and aquaculture have a strong bearing on global food security, nutrition, employment, trade, women's economic empowerment, culture, and economic development, especially in developing nations and coastal areas. Global fisheries and aquaculture, including both aquatic animals and plants production reached a global record of 223.2 million tonnes in 2022 (FAO, 2024a). More precisely, the combined global export value of marine fisheries, aquaculture and related processing reached a value of \$186 billion in 2022 (UNCTADStat, 2024).

Fish exports serve as crucial income sources for many SIDS and LDCs, where sustainable fisheries' contribution represented 0.5 per cent and 0.8 per cent of GDP, respectively in 2021 (FAO, 2024b). In some cases, fisheries and aquaculture processing constitutes over 10 per cent of total exports - 68 per cent for Cabo Verde, 59 per cent for Seychelles, and 13 per cent for Mauritius in 2022.⁵ An estimated 61.8 million individuals worldwide are involved in the primary sector of fisheries and aquaculture. Where data is available, women accounted for 24 per cent of fishers and fish farmers, 49.8 per cent of

post-harvest workers, and 62 per cent of processing workers (FAO, 2024a). In 2022, 85 per cent of all fishers and fish farmers were based in Asia (FAO, 2024a). While fish exports also represent an important source of foreign currency for developing countries (FAO, 2022), an inclusive approach to the economic benefits of fisheries exports should be taken, in order to avoid the risk of depriving local communities of highly nutritious food and thus reducing food security, or the local industry of necessary inputs for value addition.

Fish, crustaceans, molluscs, and other aquatic invertebrates (such as seaweed and sea urchins) provide essential nourishment. Proteins, Omega-3 fatty acids and iodine are particularly abundant in those species. For vulnerable coastal communities in developing countries, marine proteins from catch of small-scale fisheries are often the most accessible and cost-effective source of animal protein.⁶ In addition, compared to other animal protein sources, marine fisheries destined for human consumption have lower greenhouse gas (GHG) emissions (Parker et al., 2018).

⁵ UNCTAD calculations based on data from UNCTADStat (UNCTADStat, 2024).

⁶ See Viana et al. (2023), Nutrient supply from marine small-scale fisheries. Available at: <https://www.nature.com/articles/s41598-023-37338-z>.

However, fisheries and aquaculture and the coastal communities involved face multiple threats:

- **Overfishing:** Overfishing occurs when a fishery depletes its stock by extracting more fish than can be replenished sustainably.
- **Illegal, Unreported, and Unregulated (IUU) fishing:** IUU fishing is found in most commercial species and in all types of fisheries, regardless of their size. It occurs both on the high seas and in areas within national jurisdiction. It concerns all aspects and stages of the capture and utilisation of fish, and may be associated with various forms of organized crime.⁷
- **Harmful fisheries subsidies:** Public support measures that contribute to the degradation of fish stocks' sustainability. They can be linked to IUU fishing, carrying out activities without adhering to fundamental sustainability standards, or increasing fishing capacity in already overfished populations.
- **Climate change effects:** Such as rising sea temperatures, sea level rises, ocean acidification, and deoxygenation.
- **Pollution:** Marine litter, such as plastics, and land-based pollution, including agricultural wastes such as heavy metals and persistent organic pollutants.

In summary, safeguarding the oceans and promoting sustainable fishing practices are critical for the well-being of both people and the planet.

Developing economies are significant producers and exporters of ocean-based products: in 2022, these economies accounted for 40 per cent of marine fisheries, aquaculture, and hatcheries exports, and for 53 per cent of marine fisheries and aquaculture processed products' exports (UNCTADStat, 2024). South-South trade cooperation can play a pivotal role in ensuring the sustainability of fisheries and aquaculture sectors in these countries.

This note relies on UNCTAD's sustainable ocean economy classification (UNCTAD, 2021), which allows for analysis of different stages of ocean-based value chains. This classification encompasses three main sectors:

- **Marine Fisheries, Aquaculture, and Hatcheries:** Consisting of marine raw materials and intermediate products with lower levels of processing, technology, and value-added. It includes primary and intermediate products for food and non-food products. These products are mostly covered by the Harmonised System (HS) code 03.
- **Marine Fisheries and Aquaculture Processed products:** Consisting of processed fisheries and aquaculture products. For these products, market access and delivery are crucial for optimizing value chains and ensuring efficient utilization of resources. These products are mostly covered by HS codes 1504, 1604 and 1605.
- **Fishing Vessels:** These vessels enable capture, pre-processing, landing, and ultimately legal trade. These goods are included as they are the main capital goods for the primary fishing harvesting activity. Their production and trade can be considered as a relevant indicator of developing countries' self-reliance in the sector. These products are mostly covered by HS code 8902.

⁷ See FAO, International Plan of Action to prevent, deter and eliminate IUU fishing. Available at: <https://www.fao.org/fishery/en/ipoa-iuu>.





Global market demand for fisheries products⁸

Appetite for aquatic animal foods steadily increased over time, with per capita consumption passing from 9.1 kg in 1961 to 20.6 kg in 2021, recording an annual growth rate of about 1.4 per cent. Global per capita consumption for aquatic animal food is expected to reach 21.3 kg by 2032. Looking at countries based on their income, per capita consumption of aquatic food grew at an average of 3.2 per cent a year in upper-middle-income countries, 1.9 per cent in lower-middle-income countries, 0.5 per cent in high-income countries and decreased by 0.2 per cent in low-income countries. Such growth has been influenced by increased supplies, changing consumer preferences, as well as advancements in technology and income growth. Overall, consumption has increased by five times compared to 60 years ago, growing at an average annual rate of 3 per cent from 1961 to 2021, compared to a population growth rate of 1.6 per cent (FAO, 2022).

Asia is the continent with the highest consumption of aquatic foods per capita, with 24.7 kg, followed by Europe (22.2 kg), Oceania (21.8 kg), the Americas (15.3 kg) and Africa (13.4 kg) in 2021. While some countries in Africa have higher consumption than the global average - such as some of the SIDS, as well as Gabon, the Gambia, or Egypt - most of the continent consume low quantity of aquatic foods pro capita. Among the reasons, the high population growth that tends to outpace growth of fisheries production, small aquaculture sector, poor infrastructure, high post-harvest losses due to low quality of cold chains, as well as consumption habits.

In 2021, Asia, which accounts for 60 per cent of the world population, consumed 71 per cent of the world aquatic foods

available for human consumption – up from 48 per cent in 1961. From 1961 to 2021, the combined share of Europe, United States of America and Japan in the global consumption declined from 47 per cent to 18 per cent, showing a significant shift in consumption patterns from the North to the South. The growth in aquatic foods consumption of the Asian market can be explained by the growth in income in Asia in recent decades, the growth of a populous middle class and the urbanization of rural populations, which has more access to aquatic foods in cities.

Consumption of aquatic foods in concentrated, with the three main consuming countries – China, Indonesia, India, – accounting for 51 per cent of world consumption in 2021, with China accounting alone for 36 per cent of global consumption. On top of an increase in population, China also experienced an increase in per capita consumption, which passed from 4.2 kg in 1961 to 40.1 kg in 2019 (FAO, 2022).

By 2032, aquatic food for human consumption is expected to reach 184 million tonnes, a 12 per cent increase from 2022, but slower than the 24 per cent increase it experienced in 2012–2022. Causes for this slowdown include the reduced number of additional fisheries and aquaculture production available, deceleration in population growth, and saturated demand in countries such as high-income ones. Growth in demand will originate mostly from middle-income countries. Between 2022 and 2032, total consumption is expected to increase in all continents except Europe (between 23 per cent of Africa and 8 per cent of North America), while per capita consumption will increase in all regions except Africa -

⁸ The data in this section builds on data and findings on the The State of World Fisheries and Aquaculture (FAO, 2024a).

where increased supply will not be able to outstrip population growth – and in Europe.

Almost all the additional consumption is expected to be covered by aquaculture output (51 per cent of all production in 2022 came from aquaculture), as wild capture is relatively stagnant at around 95 million tonnes annually, even when stocks are effectively managed. Aquaculture production remains concentrated by a small number of producers mainly in Asia, Europe and South America, with many low-income countries in Africa, Asia and Latin America and the Caribbean not exploiting yet their full potential.

About 89 per cent of all fisheries and animal aquaculture production is destined for human consumption, making these activities essential for the food security globally. Live, fresh, or chilled aquatic food accounted for 43 per cent of production of fisheries used for human consumption in 2022, followed by frozen (35 per cent), prepared and preserved (12 per cent) and cured (10 per cent). Preservation by

smoking, salting, drying, and fermentation is higher in Asia and Africa than the global average, while Latin America is the region with the highest share of fisheries used for fishmeal or fish oil. Developed economies have specialized in the production of high-value-added products such as ready-to-eat meals and fish preparations.

In 2022, high-income economies consumed most of their fisheries in frozen form (over 55 per cent), while upper-middle-income countries and low-income countries consumed most of their fisheries fresh or chilled (around 50 per cent and 70 per cent respectively). Consumption of live aquatic animals is popular mostly in East and Southeast Asia due to traditional practices.

Beside aquatic animals, seaweed and micro algae are attracting increased interest by processors and consumers for both food and non-food purposes, with a record production of 36.5 million tonnes in volume and \$17 billion in market value by 2022 (UNCTAD, 2024; FAO, 2024a).



Trends in fisheries trade among developing countries

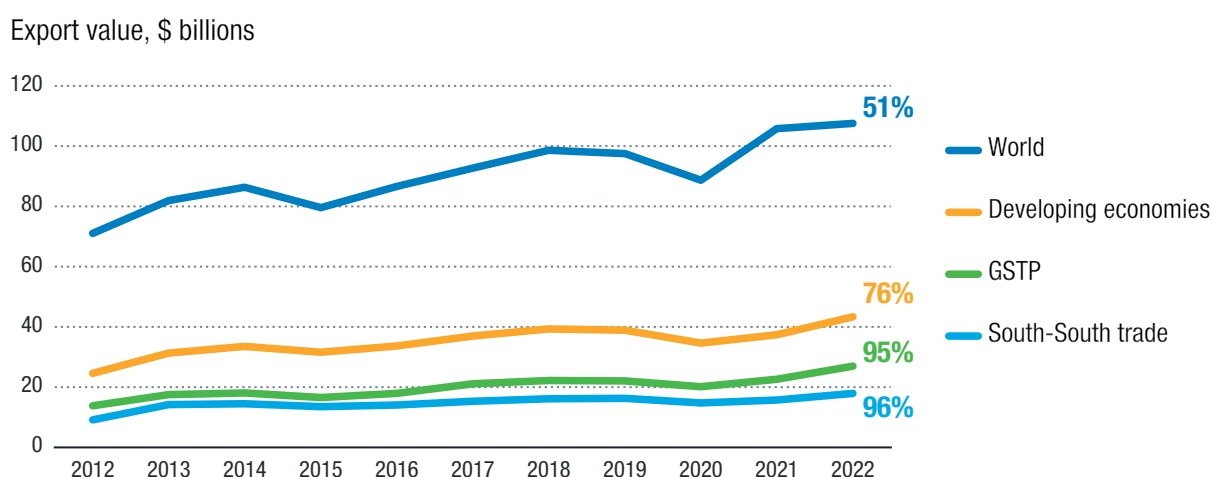
Imports of aquatic products have registered a strong growth in the last decade, going from \$521 billion in 2012 to \$779 billion in 2022. In 2022, developed countries absorbed the majority of these imports – \$512 billion or around 66 per cent of the total – while developing countries accounted for \$267 billion or 34 per cent (UNCTADStat, 2024). This is in line with historical trends in the market, which has seen non-high-income countries as suppliers to high-income countries, due to the presence in these latter of a urbanized middle class with high disposable income and an insufficient domestic supply (FAO, 2022). The largest importer of aquatic products in 2021 was the European Union, accounting for 31 per cent of the global demand (Germany alone accounted for 6 per cent), followed by the United States (16

per cent), China (8 per cent), Japan (4 per cent), and the United Kingdom (3 per cent).

Looking at developing country exports in marine fisheries, aquaculture, and hatcheries,⁹ they reached \$43 billion in 2022, having increased by 76 per cent in value over the last decade (figure 1). Of these \$43 billion, \$18 billion have been exported to other developing countries. South-South trade in this sector showed the highest growth rate in value, having increased by 96 per cent from 2012 to 2022. Exports from GSTP participants represented more than 60 per cent of developing countries' total exports in this sector and registered a 95 per cent growth rate in value over the same period. Leading developing country exporters, were China, Chile, Indonesia, Viet Nam, and India; except for China, all are GSTP participants.

Figure 1

Developing countries and GSTP participants export growth rates in primary marine fisheries and aquaculture surpasses global rates over the last decade (2012–2022).



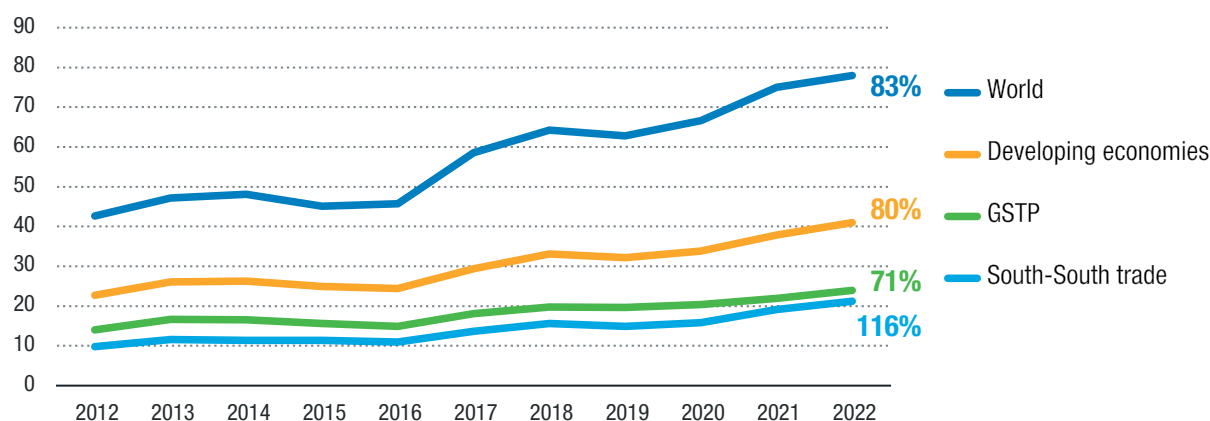
Source: UNCTADStat, 2024.

⁹ Marine fisheries, aquaculture and hatcheries include non-processed finfish, crustaceans, molluscs, aquatic invertebrate, and other crustaceans, as well as other living marine products. HS codes tend to focus on physical characteristics of the goods and do not differentiate between wild capture and aquaculture output, so trade value include both type of production activities.

**Figure 2**

South-South trade in seafood processed products has outpaced global exports in the last decade (2012–2022)

Export value, \$ billions



Source: UNCTADStat, 2024.

Over the past decade, marine fisheries and aquaculture processed products have experienced a large increase in output and value addition worldwide (figure 2). This transformation has led to improved sanitary handling practices, efficient packaging, increased logistic capacity, and timely delivery of marine food products. The shift in consumer preferences towards canned goods, flavourful sauces, nutraceuticals, and convenient ready-to-eat meals has been a driving force behind this evolution.

Despite a slightly lower growth rate compared to global exports, developing countries, including GSTP participants, are still significantly contributing to the export of marine fisheries and aquaculture processed products. In 2022, developing countries' and GSTP's exports reached an impressive \$41 billion and \$24 billion respectively, increasing their export values by 80 per cent and 71 per cent compared to 2012 (figure 2). Exports from GSTP participants represented 58 per cent of total exports from developing countries and 31 per cent of global exports. South-South trade totalled \$21 billion during the same period, registering 116 per cent of value growth since 2012. This surge underscores the increasing capacity

for value addition in developing countries to meet changing consumer demand.

The substantial output expansion in the aquaculture sector has been a key driver in the growth of the export value of marine fisheries and aquaculture processed products. While global fisheries capture has remained relatively stable, hovering between 86–96 million tons over the past decade, aquaculture output grew significantly, filling a significant gap in the global demand for fisheries and aquaculture processed products.¹⁰ In 2022, global aquaculture production surpassed capture fisheries for the first time, reaching a record 94 million tonnes of production, with capture fisheries stopping at 91 million tonnes (FAO, 2024a).

Among the leading developing country exporters of marine fisheries and aquaculture processed products were China, Thailand, Peru, Viet Nam, and Ecuador.

Surprisingly, exports of fishing vessels proved to be the subsector that recorded the highest export growth for developing countries, with their export value having grown by 1.5 times between 2012 and 2022, after peaking in 2021 (figure 3).

Discouraging factors may include higher fuel

¹⁰ For more information, see: <https://www.fao.org/statistics/data-collection/fishery-and-aquaculture/en>.

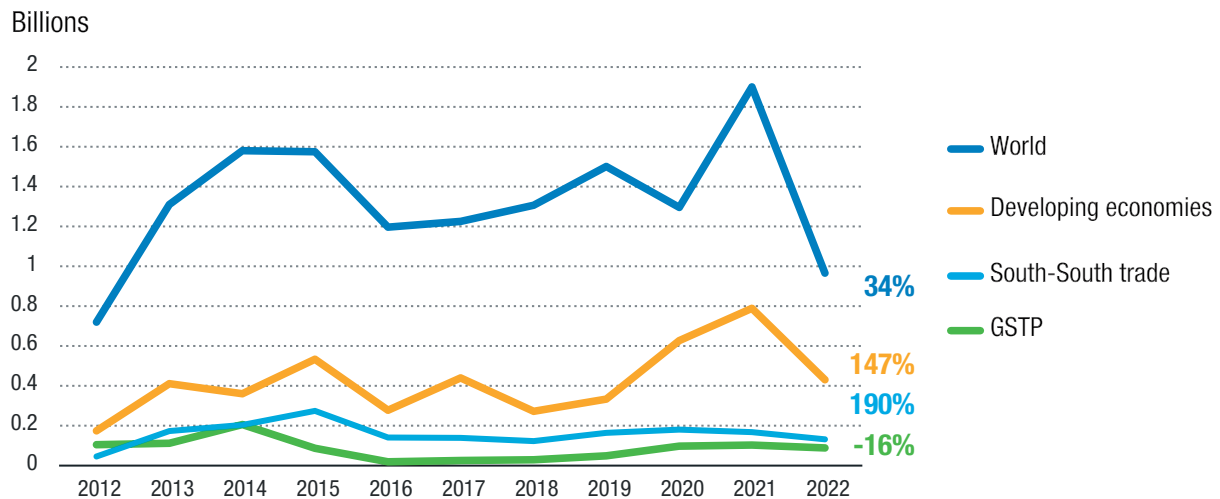
costs, higher borrowing costs, economic uncertainty, and low availability due to supply chain disruptions. Developing countries represented 45 per cent of exports in fishing vessels in 2022, with countries such as China, Viet Nam and Türkiye showing high competitiveness in the sector. South-South trade in fishing vessels increased by almost 2 times in the last decade, representing 31 per cent

of total developing countries' exports in 2022. This growth reflects the increasing capacity of emerging economies in the exports of fishing vessels and their interest in increasing their participation in activities in the fishing value chains, particularly in those in the high seas. However, GSTP participants' exports slightly decreased by 16 per cent over the last decade.



Figure 3

Certain developing countries show unprecedented expansion in the exports in fishing vessels (2012-2022)



Source: UNCTADStat, 2024.

Note: Estimates for GSTP due to gap in data. For missing data, last reported year has been used.



Tariff profile

Tariffs are customs duties levied by governments on imported goods, which must be paid before entry into the market.

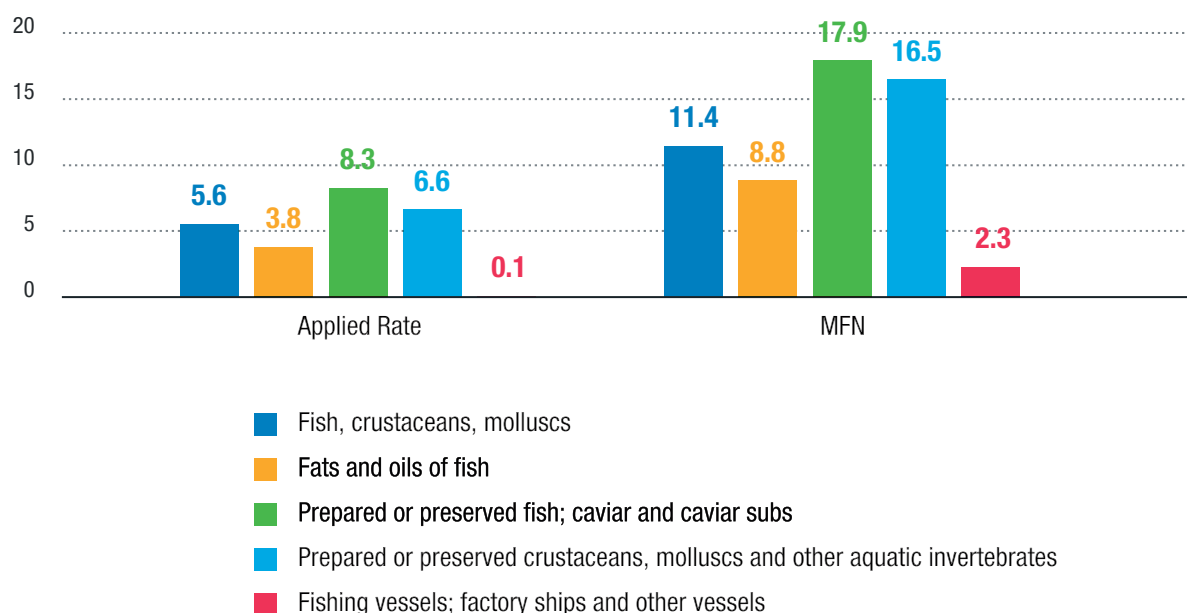
Simple average effectively applied tariffs for ocean-based products among GSTP range from 3.8 per cent to 8.3 per cent for fishery products and stands at 0.1 per cent for fishing vessels (figure 4). Processed ocean-based goods encounter slightly higher tariffs compared to raw materials like fish, crustaceans, and molluscs. Current applied tariff rates are relatively low as they also capture preferential tariffs applied among RTA partners, such as Mercosur. However, Most-favoured-nation (MFN)¹¹ rates are

significantly higher, and processed products face much higher tariffs than unprocessed ones, reaching rates as high as 17.9 per cent. Further tariff reductions could support the growth of intra-GSTP trade in ocean-based products, particularly on an inter-regional basis. The magnitude of impact will depend on the level of commitment of each participant. GSTP participants already benefit from particularly favourable tariff conditions on fishing vessels, as tariffs on fishing vessels are close to zero among GSTP participants. This already represents an existing market opportunity for fishing vessels' trade among GSTP participants.



Figure 4

Tariff reductions could support intra-GSTP trade growth in ocean-based products, particularly on an inter-regional basis



Source: UNCTAD TRAINS, 2024, accessed through WITS.

¹¹ Normal non-discriminatory tariff charged on imports (excludes preferential tariffs under free trade agreements and other schemes or tariffs charged inside quotas) (WTO, 2024c).

Non-Tariff Measures

Non-tariff measures are policy and regulatory measures – other than ordinary customs tariffs – that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices, or both. NTM regulations must be enacted in line with WTO principles of transparency, based on relevant international standards or other scientific justification and they must be non-discriminatory and not more trade-restrictive than necessary. While most-favoured nation tariffs in ocean-based products have been reduced over the years, the incidence and prevalence of NTMs in fisheries has risen, particularly in developed countries.¹²

In general, products of the fish sector are relatively more affected by NTMs than products belonging to other categories (Fugazza, 2017). Moreover, as shown in Figure 5, differences in types of non-tariff measures (NTMs) faced are evident between food products (first four columns from the left) and industrial products such as fishing vessels (last column on the right). On the one hand, sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) are the main NTMs that fisheries food products face, hovering at around 65 per cent of the total NTMs faced by exporters (with SPS accounting for around 50 per cent and TBT for around 15 per cent of the total). On the other hand, SPS and TBT measures account together for only 40 per cent of the total NTMs faced by exporters of fishing vessels (3 per cent SPS and 37 per cent TBT), with quantity control measures representing 15 per cent of total NTMs faced (against an average of 5 per cent for aquatic food products).

Based on previous studies, about 93 per cent of import relationships for fish and fish products are affected by an SPS measure,

more than 82 per cent by a TBT measure, and about 41 per cent by a pre-shipment related measure (Fugazza, 2017).

The difference between food and industrial products such as fishing vessels arises from the fact that the former – by their nature – need to comply with many SPS regulations related to food safety, which is not the case for the latter. In fact, SPS measures are naturally more common in food as they seek to ensure safety of consumers and protect human, animal and plant health. Among the most common measures we find traceability and other certification requirements such as health and safety certifications such as HACCP, sanitary certification attesting the absence of specific chemicals, and certificate of origins. Regardless of the number of NTM in place, **it is important to identify which NTMs are the ones that are hindering or could hinder South-South trade.**

Despite the increased use of digital tools, many value chains still lack reliable multispecies traceability systems to fully support product quality, safety, legality and sustainability claims (UNCTAD, 2023; FAO, 2024a), particularly in developing countries and in the case of small scale and subsistence fisheries. A separate survey and qualitative market access assessment with main fisheries and aquaculture producers in developing countries and particularly among GSTP participants would therefore be needed to respond to this question.

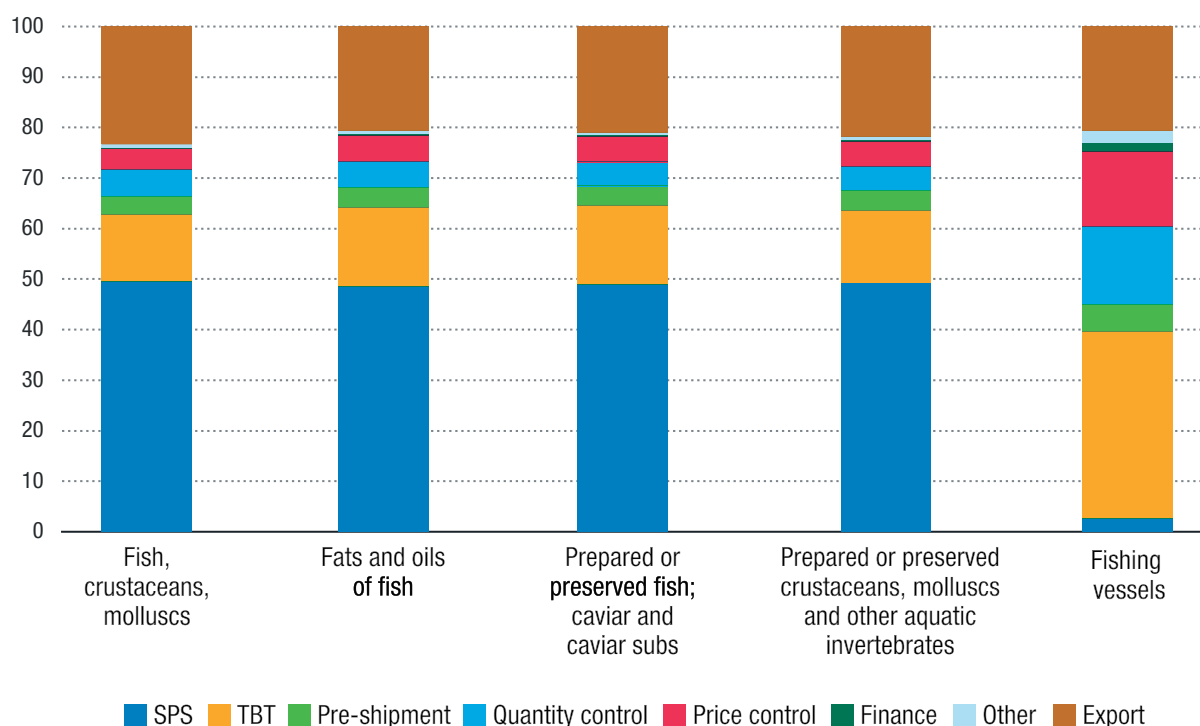
¹² See UNCTAD (2021), Advancing the Potential of Sustainable Ocean-based Economies: Trade Trends, Market Drivers and Market Access. Available at: https://unctad.org/system/files/official-document/ditctedinf2021d2_en.pdf.





Figure 5

SPS and TBT strongly affect food products, while vessels face TBT and quantity control measures



Source: UNCTAD calculations, 2024, based on UNCTAD TRAINS data.





GSTP participants show complementarity and high levels of competitiveness in fisheries and aquaculture products

Exports and imports of fisheries and aquaculture products among GSTP participants rarely compete in specific species as they are located in different seas, ecosystems, and geographical latitudes. They also tend to have different consumption patterns regarding particular species. Revealed comparative advantage (RCA)¹³ can provide a general indication of

a country's competitive export strengths. Table 2 reports the highest RCA registered by GSTP participants in the ocean-based products. It shows that a large number of countries have a comparative advantage in fishery products and that there are few instances of overlapping products, underlying the high complementarity among GSTP participants in the sector.

¹³ Revealed comparative advantage (RCA) is based on Ricardian trade theory, which posits that patterns of trade among countries are governed by their relative differences in productivity. A value of RCA greater than a unity (1) indicates that a country is a competitive exporter in the product in question. The higher the value of a country's RCA for a given product, the higher its export strength for that product. This metric does not consider applied national measures, which affect competitiveness such as tariffs, non-tariff measures, subsidies and others. For more information about how the RCA is calculated, please follow the link: <https://unctadstat.unctad.org/EN/RcaRadar.html>.



**Table 1**

A large number of GSTP participants have a comparative advantage in ocean-based products, with limited overlapping

Country	RCA	Product
Argentina	28	Frozen hake (<i>Merluccius</i> spp., <i>Urophycis</i> spp.)
Brazil	8	Fresh bigeye tunas
Cameroon	3	Smoked fish
Chile	141	Toothfish fillets
Ecuador	110	Dogfish and other sharks
Egypt	163	Fresh or chilled toothfish (<i>Dissostichus</i> spp.)
Guyana	66	Frozen fish other than cod, haddock, coalfish, hake, Alaska pollack, blue whittings
India	10	Lobsters
Indonesia	16	Prepared or preserved crab
Malaysia	24	Stromboid conchs
Mexico	13	Stromboid conchs
Morocco	118	Processed sardines
Mozambique	612	Rock lobsters and other sea crawfish
Nicaragua	439	Frozen stromboid conchs
Nigeria	103	Crustaceans
Pakistan	29	Molluscs; clams, cockle, ark shells
Peru	43	Prepared or preserved anchovies
Philippines	39	Processed crab
Republic of Korea	79	Sea urchins
Singapore	12	Frozen swordfish fillets (<i>Xiphias gladius</i>)
Sri Lanka	232	Lobsters
Thailand	18	Shrimps and prawns
Trinidad and Tobago	855	Fresh or chilled toothfish (<i>Dissostichus</i> spp.)
Tunisia	38	Molluscs and snails
United Republic of Tanzania	229	Fish offal, fish heads, tails, and maws
Uruguay	22	Frozen toothfish

Source: UNCTADStat, 2024.



Potential benefits of revitalising the GSTP

The GSTP has a wide scope, covering tariff, para-tariff barriers, and non-tariff measures as well as other trade promotion or cooperative measures for specified products or groups of products closely related in end-use or production. In addition to the tariffs and non-tariff arrangements discussed, GSTP participants could explore trade promotion or cooperative measures.

- a. **Addressing tariffs and para tariffs (GSTP Article 4.a and b).** A new round of the GSTP could address the tariffs and tariff peaks applied for fisheries products in GSTP markets, reducing the applied MFN rates. This would be particularly relevant for processed products, even if applied tariffs are relatively low. The GSTP could also include reducing the remaining tariffs on essential inputs and machinery for marine fisheries and aquaculture activities among participants (e.g. fish feed, fishing gear, cages, etc.), increasing the industry's productivity.

A new GSTP tariff reduction round could also establish a tariff ceiling for these and other products among GSTP Members ensuring predictability vis-a-vis potential future increases. As shown above, GSTP participants show more complementarity than competitiveness in ocean-based goods as marine species exploited are not the same, allowing for diversification of both imports and exports.

The GSTP tariff and tariff peaks reduction and consolidation could allow participants to increase geographical trade diversification by reducing trade risks, consequently growing

resilience (WTO, 2021). Enhanced trade would allow countries to diversify their demand and supply, reducing their exposure to country-specific demand and supply shocks. Multiple trading partners mean that a domestic recession or a recession in any one of the trading partners translates into a smaller demand shock in the producing country than when trade partners are more limited (WTO, 2021).

The GSTP also offers the possibility to support countries with high burdens of micronutrient deficiencies by increasing the availability of affordable fish products and increasing the resilience of their food system and food security through diversifying trade partners. The benefits of trade in terms of food security pass through different channels, chiefly nutrient transfer. For example, imports of large volumes of small pelagic species of low value by African nations are nutritionally rich, especially in micronutrients. The export of species with higher values, such as tuna, shrimp, and cephalopods, jointly with the import of these nutritionally rich species, represents a positive exchange in nutritional terms. In addition to nutrient transfer, trade generates export revenues, which could be used to increase food security by contributing to employment and income generation. Higher fisherfolks income translates into increased food affordability, which can reduce food insecurity and malnutrition via improved access to aquatic food and nutrition (WTO, 2021).



Such improvements could support GSTP participants in increasing the value added of their exports through vertical diversification—the process through which producing countries further process raw materials and add value to them – implying higher prices for the higher value-added products made and increased value captured by the producing country (UNCTAD, 2019).

Tariff reduction under the GSTP will mainly benefit middle-income developing countries that do not have pre-existing free trade agreements (FTAs) in force, particularly with extra-regional partners as the proliferation of FTAs may have already reduced or completely phased out tariffs and even several non-tariffs barriers among parties involved (e.g. FTA between India or Egypt with MERCOSUR).

- b. **Addressing non-tariff measures (GSTP Article 4.c).** As seen above, GSTP participants represented 31 per cent of global fisheries and aquaculture processed goods exports in 2022, with China, Thailand, Peru, Viet Nam, and Ecuador leading the pack. The greatest value of the GSTP in this sector would therefore be to harmonize and reduce more burdensome NTMs among participants and provide the opportunity for sectoral arrangements.

Today, NTMs affect trade flows by increasing compliance costs with different regulations such as sanitary and technical measures. The GSTP could be used as a platform to harmonise most relevant NTMs, allowing the recognition of conformity assessments, recognition of certification schemes, and expanded transparency particularly in terms of both SPS measures and technical measures (e.g. traceability and labelling requirements, and

microbiological testing, heavy metals content checks and hazard analysis and control points systems), which are particularly prevalent in this sector.

Exploring mutual recognition of catch certificates and reporting requirements at vessels and in landing ports could streamline border procedures, expediting the movement of these goods, and reducing costs and waste. Increasing cross-border cooperation and automation, digitization, and simplification of documents among GSTP participants are some additional tools available to participants to improve border procedures. UNCTAD's Business Facilitation Programme, which helps governments use technology to simplify and automate the public administration, as well as the UNCTAD's ASYCUDA Programme, which aims at modernizing customs operations, could be particularly helpful for GSTP participants, particularly for procedures related to marine species listed under the Convention on International Trade in Endangered Species (CITES).¹⁴

Cooperation could also be expanded on exchanges of information about the prevention, deterrence, and combating of IUU fishing under the FAO Port State Measures Agreement¹⁵ and on the future implementation of relevant subsidies reform under the WTO Fisheries Subsidies Agreement of 2022.¹⁶ Intensive negotiations on additional disciplines of subsidies contributing to overcapacity and overfishing and corresponding special and differential treatment (S&DT) provisions did not progress at the 13th WTO Ministerial Conference (February 2024) and would need further attention from GSTP participants to finetune their positions in a renewed phase of such negotiations.

¹⁴ See UNCTAD and CITES (2019), ASYCUDA eCITES based solutions (2019). Available at: https://unctad.org/system/files/official-document/dtlasycuda_inf2019d2_en.pdf.

¹⁵ For more information, see: <https://www.fao.org/port-state-measures/en/>.

¹⁶ Half of the ratifications needed to the WTO Fisheries Subsidies to enter into force have currently been received. As of March 2024, 71 participants have formally accepted the Agreement. For more information, see: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/MIN22/33.pdf&Open=True>.



Furthermore, GSTP Members could develop project to define their own common standards on traceability and certification based on FAO soft law and guidance such as the Voluntary Guidelines for Catch Documentation Schemes (2017).¹⁷

These improvements could generate a growth in trade flows and value addition increases through South-South cooperation on key issues – i.e., knowledge sharing, technology transfer, investment, trade infrastructure and capacity building – connecting participants that already possess the necessary knowledge and tools and those that do not have them yet.

- c. **Direct trade measures including medium and long-term contracts (GSTP Article 4.d).** Developing countries could explore longer-term and diverse sources of supply contracts with larger (developing country) exporters of fisheries and aquaculture. Such collaboration among GSTP participants would increase the security of supplies for importers and the stability of the demand for exporters, particularly for processing purposes allowing more South-South value addition (Lunenborg, 2023).
- d. **Sectoral agreements (GSTP Article 4.e).** Coordinated trade facilitation measures at the border for perishable products such as fisheries could also be an interesting track, not only for fisheries, but also for agricultural products. Such cooperation could also be extended to trade facilitation

of perishable products by small-scale and artisanal fishers to enable fast clearance and sanitary checks by customs authorities, supporting regional integration of the fisheries and other marine products value chains. The GSTP could also allow for the establishment of sectoral maritime transport agreements for the establishment of new South-South trade routes through trade incentives and increased connectivity for both for imports and exports.

Overfishing is one of the biggest threats currently faced by marine ecosystems. Overfished stocked numbers tripled since 1974,¹⁸ and today, over one-third of the world's assessed fisheries are overfished. The **GSTP can leverage the knowledge and expertise of its membership through sectoral agreements facilitating a transition towards ecosystem-based fisheries management (EBFM)** with the support of UNCTAD, FAO, DOALOS and relevant Regional Fisheries Management Organizations (RFMOs). The EBFM has a broader scope and focuses on the health, productivity, and resilience of fisheries and marine ecosystems, and their services.¹⁹ By focusing on whole ecosystems and not only on specific targeted species, as is the case in traditional stock management, GSTP participants can improve conservation and sustainable use of marine biodiversity performance in line with the Kunming-Montreal Global Biodiversity Framework.²⁰

¹⁷ See <https://www.fao.org/iuu-fishing/international-framework/voluntary-guidelines-for-catch-documentation-schemes/en/>.

¹⁸ For more information see: <https://www.fao.org/sustainable-development-goals-data-portal/data/indicators/1441-fish-stocks-sustainability/en>.

¹⁹ Pikitch E. K., Santora C., Babcock E. A., Bakun A., Bonfil R., Conover D. O., et al. (2004). Ecosystem-based fishery management. *Science* 305, 346–347. doi: 10.1126/science.1098222.

²⁰ See UNEP (2022), Decision CBD/COP/DEC/15/4. Available at: <https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf>.



EBFM can also represent a fundamental tool to restore overfished species to the pre-fishing population, and stop destructive activities to the seabed and ecosystems, thereby increasing fisheries resilience to climate change, ocean pollution, and other factors. An ecosystem-based approach would guarantee that environmental changes are considered when decisions on stock management are taken, thus ensuring the functioning of the whole marine ecosystem, which would ultimately increase catch, reproduction rates, and carbon sequestration (Scotti et al., 2022).

- e. **The expansive trade effect of negotiated concessions (GSTP Article 9).** It is important to note when discussing any future round of GSTP negotiations on specific concessions, that all tariff, para-tariff, and non-tariff concessions, negotiated and exchanged among participants in bilateral/plurilateral negotiations shall, when implemented, be extended in principle to all participants in the GSTP negotiations on a most-favoured-nation (MFN) basis. However, in the case of direct trade measures, sectoral agreements, or agreements on non-tariff concessions participating parties to those negotiations may decide

to extend or not those concessions to other participants. In the case of LDCs, they benefit from the extension of all tariffs, para-tariff and non-tariff concessions exchanged in the bilateral/plurilateral negotiations that are “multilateralized” (**GSTP Article 17.2**).

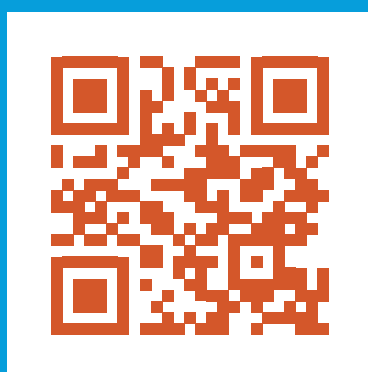
- f. **Inter-Agency cooperation for South-South Trade:** UNCTAD - acting as the secretariat of the GSTP - remains committed to supporting GSTP participants in taking advantage of South-South trade in ocean-based products for sustainable development, including in view of the multifaceted contribution of the sector to national economies and people's wellbeing. The sector is facing larger challenges such as IUU fishing and national subsidies reforms in the light of WTO Fisheries Subsidies Agreement. Further, joint UNCTAD-FAO research should focus on which NTMs currently applied among GSTP participants are restricting South-South trade in a significant manner. UNCTAD's established partnership with the FAO on the ocean economy can facilitate interregional trade facilitation not only in fisheries and aquaculture but also across other food and agriculture products.



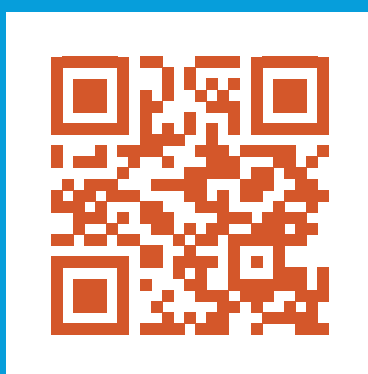
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