



FISH FOR FOOD AND LIVELIHOOD

THE IMPACT OF INTERNATIONAL TRADE IN FISHERY PRODUCTS ON FOOD SECURITY

*A Study Conducted Jointly by the Food & Agriculture Organisation of the
United Nations (FAO) and the Ministry of Foreign Affairs of Norway (MFA)*





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INTRODUCTION

In an increasingly globalised world, our interdependence as nations and peoples is on the rise. One outcome of this is the enhanced global trade in goods and services, now formalized by the creation of the World Trade Organisation (WTO).

The varied impact of trade, on countries and people, has become a matter of concern and analysis. Today, the old conviction that trade increases the welfare of all parties involved is often questioned.

Thus, the real challenge is to understand the *modus operandi* of trade so as to create the right circumstances, institutions and mechanisms to facilitate development-enhancing, sustainable trade.

For this, studies need to be commissioned to understand the consequences of trade—who makes the gains and losses, and where and when they occur.

With this aim in mind, the proposed study seeks to analyse the growing international trade in fishery products.

BACKGROUND

The international trade in fishery products has increased substantially since the mid-1980s. The total value of exports rose from US\$ 20 bn in 1984 to US\$ 55 bn in 2000. Greater demand in the developed countries, and cheaper methods of preservation and transportation were probably the main reasons for this increase. Other factors include increased production, the introduction of the 200-mile Exclusive Economic Zones (EEZs), and lower tariffs.

The trade was largely among developed countries or from developing to developed countries. In value terms, about half the exports are from developing countries. As much as 20 per cent come from the Low Income Food Deficit Countries (LIFDC).

RATIONALE

This study seeks to analyse the growing international trade in fishery products. Such trade does not have a standardized pattern. It is marked by diversity—in products, countries and people involved—and in end consumption patterns. Also, unlike the case of other primary products, international fish trade is not concentrated in the hands of a few firms. Thus, assessing the impact of such trade requires studying a variety of identifiable 'representative' cases from the global context.

This study looks primarily at developing countries from the Asia-Pacific region, Africa and Latin America that export fishery products. To complete the analysis, it will also examine the impact of such trade in the importing countries—both developed and developing.

Specifically, it will assess the impact of trade on people's food security—the physical and economic access to sufficient, safe and nutritious food at all times.



To achieve this, the case studies will examine both the positive and negative impact that international trade has on:

- fish availability and accessibility;
- employment and income generation;
- environment; and
- potential for hard currency earnings.

Apart from focusing on fish producers, fishworkers and fish consumers in the exporting and importing countries, the study will also examine the consequence of the export and import of fishery products on the fish stocks in the respective countries.



FOCUS OF ANALYSIS

The study will examine several of the opinions and propositions about the impact of fish trade on food security. Among the most important ones are:

- Promoting fishery exports from developing countries will endanger the nutritional status of poor fish consumers because domestic supplies will decline.
- Increasing fish exports creates more jobs in the fish producing and processing activities (particularly for women), raises incomes and thus increases the spending on food.
- Developing countries earn considerable foreign exchange from fish exports which can be used to buy less expensive, nutritious food to supply vulnerable populations and thus maintain or raise levels of food security.
- Fishing for exportable species of fish leads to competition between different sub-sectors of fish producers, causing disruptions in employment, income and hence food security.
- Large imports of fish can lower the price of fish in the importing countries, adversely affecting the earnings of the fish producers and, consequently, their food security status.
- Large imports of fish can provide numerous jobs in fish processing and distribution in the importing countries, raising the employment and incomes of many fishworkers, particularly women, and thus enhancing food security.
- In a context of poor fishery resource management, increased fish exports from one region can result in indiscriminate exploitation of fishery resources in both the exporting and importing countries—the former, for more income and the latter, to compensate its loss. This will have adverse impacts on the aquatic environment and resources of both the exporting and importing countries, causing a threat to long-term food security.
- Any trade that impinges on the issue of food security raises the related question of the basic human right to food.
- WTO and other international agreements that have a bearing on international trade in fishery products can create conditions that are inimical to the interests of developing countries.

The mosaic of case studies that will selectively attempt to address some of the above propositions will be capped with a substantial analysis of the global trends in international trade in fishery products, using information from the FAO, the GLOBEFISH database, UNCTAD and other international and national sources.

The overall aim will be to provide a basis for policy formulation in different country contexts to help maximize the gains and minimize the losses of international fishery trade to nations, fish producers, fishworkers, fish consumers and fish stocks, keeping the overarching concern of food security as a backdrop.

ORGANISATION OF THE STUDY

The study, to be conducted and completed in 2003, will draw on the skills of several internationally reputed experts on trade, fisheries and food security.

The executing agency for the study is the FAO, which has vast technical expertise on all the above aspects. Within the FAO, the Fish Utilisation and Marketing Services (FIU) of the Fisheries Department will be responsible for the overall conduct of the study. It will be assisted by the Ministry of Foreign Affairs of the Royal Norwegian Government, which closely follow the study and comment on its progress.

An **International Reference Group** (IRG) composed of a distinguished set of experts and academicians, will help steer the study to its goal of influencing trade policy formulation and suggesting strategies for food security-enhancing trade. The members of the IRG will provide overall guidance in their personal capacities.

The details of the study process will be overseen by an **Expert Group** (EG) composed of persons with first-hand knowledge of fish trade and food security issues. They, also in their personal capacities, will help choose case study centres and meet occasionally to review the progress of work.

The day-to-day monitoring of the study will be done by a **Chief Consultant** (CC), responsible to the FAO and the MFA, who will liaise with the IRG and EG.

The case studies will be undertaken by **National Consultants** (NC) who will be identified by the EG based on suggestions from the IRG and the numerous contacts which FAO has all over the world.

The countries where case studies will be undertaken include Brazil, Chile, Ghana, Kenya, Namibia, Nicaragua, Papua New Guinea, Philippines, Sri Lanka, Thailand and Vietnam.



CONTACT

The web site for the study, www.tradefoodfish.org will act as the clearing house for the information collected and as a forum for discussions and related links.

For more details on the study, please contact the Chief Consultant or the FAO Officer in-charge of the study. Their e-mail addresses are given below:

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