

# Fish for Sale: The World Trade Organization's Next Grab

Anyone who cares about fishing communities, public health, the environment or global equality should pay close attention to what's going on at the World Trade Organization.

In December 2005, trade officials gathered in Hong Kong for a WTO Ministerial to continue negotiating what's known as "Non-Agricultural Market Access." The NAMA negotiations involved reducing tariffs on all products not covered by the WTO's "Agreement on Agriculture" – including manufactured products, minerals, lumber and notably fish and fish products. Led by the EU, US, Norway and New Zealand, trade ministers managed to get a level of agreement on reducing fishery tariffs – the questions remain of when and how much.

NAMA reforms will pose severe threats to sustainable development by intensifying the exploitation of natural systems, upon which millions of people depend for survival. Among many negative side-effects, small fishing communities throughout the world will lose their livelihoods, natural environments will be destroyed and food safety standards will erode. These negotiations are placing a dollar symbol on every aspect of life that has not already been considered a commodity under WTO rules.

## Gloom on the Horizon

The proposed NAMA agreement would mean that WTO members completely remove all tariffs on fish. The immediate effect would be that imported fish would be available in domestic markets at lower prices, stimulating

demand for imported fish.

While this may seem good for trade ministers and corporate leaders, eliminating tariffs on fish could trigger a downward spiral leading to environmental destruction, loss of livelihood and malnutrition.

## Fishing to the Brink

In order to capitalize on quick profits made possible by this increased demand, fishing vessels would likely increase their catches beyond sustainable levels or pressure national governments to increase catch limits.

Fisheries already being recklessly overfished would be further endangered. Large industrial boats will fish more aggressively in order to send their products to send around the world, while local fishing communities will be left in the dust at both at both the marketplace and on the shores.

Three-fourth's of the world's fisheries are either over-exploited, fully exploited, or in the process of recovering.<sup>1</sup> Overfishing one type of fish has grave repercussions for the entire ecosystem, as predator-prey relationships are disrupted.

Also, because ocean fish are not constrained by national borders, overfishing off the shores of one country reduces the amount of fish available to other countries. Cooperative efforts should focus on sustaining common fish populations for the future, rather than achieving quick profits from increased trade.

## Corporations Out of Control

Increased demand for imported fish would clearly favor multinational corporations, which take advantage of economies of scale to transport fish to markets around the world. And these giants have the technical and legal expertise to navigate the byzantine world of international trade. Small-scale fishing communities, however, are generally unable to play at this level and tend to focus on the domestic and local markets.

As it is, nearly 80 percent of fisheries production is under corporate control.<sup>2</sup> For example, PESCANOVA



of Spain maintains fleets off of five different continents – and the corporation pays governments to enable it to fish in their waters.<sup>3</sup> These vertically integrated, multinational corporations can control world markets and manipulate prices to the detriment of both fisherfolks and consumers – in the same way that large agribusinesses destroy small-scale operators – while controlling consumer prices.

## Losing Their Livelihoods

As large fleets unconscionably squander more and more fish, small-scale fishing operations find it increasingly difficult to get a large enough catch to survive. Including fisheries in NAMA would displace an astonishing 90 percent of the world's fisherfolks, most of whom live in developing and least-developed countries, according to the International Gender and Trade Network.<sup>4</sup>

## The Subsidy Game

As with the Agreement on Agriculture, including fisheries in a NAMA agreement would disproportionately affect least-developed countries. Wealthier countries have the resources to subsidize the industrial fleets to catch and process fish and fish products, driving down the prices of their exports.

Between \$14-20 billion is spent worldwide each year on fisheries subsidies.<sup>5</sup> China alone spends \$500 million-\$700 million annually, allowing it to export fish cheaply to poorer countries like the Philippines, undermining domestic fish production.<sup>6</sup> With 50 million of the 51 million fisherfolks residing in developing countries, this is a significant problem.<sup>7</sup>

If the NAMA negotiations follow the same track as the Agreement on Agriculture, then developed countries will continue to subsidize exported fish and fish products, driving down the price of fish imported into developing countries, and thus, competing unfairly with the domestic catches. At the same time, developing countries will be forced to remove their tariffs.

## Budget Busting

Import taxes, or tariffs, ranged from 10 percent to 76.6 percent of tax revenues of developing countries in 2003.<sup>8</sup> In contrast, tariffs only made up 1.3 percent or less of revenue for industrialized countries. Under the proposed NAMA agreement, developing countries would be forced to eliminate up to half of their non-agricultural tariff revenues if they want to participate in the global market.<sup>9</sup>

Many developing countries rely on this income to provide basic services such as education, health care, water, electricity and sewage. Cuts to these basic services will push these countries even further into underdevelopment and poverty, leaving the displaced and the poor without any safety net as they are hit with the other damaging impacts of NAMA reforms.

## Who Needs Regulations?

In addition to eliminating tariffs, a large number of safety and environmental regulations may be challenged

as so-called “non-tariff barriers” to trade (NTBs). One contentious category is food labeling requirements. For example, Thailand has questioned the requirement to label canned tuna as dolphin-safe. Country of origin, genetically modified organism content, production method, organic and fair-trade labeling are other labels that governments may no longer have the ability to require.<sup>10</sup>

Additionally, fishing restrictions that were established to prevent fisheries depletion have also been challenged as NTBs. Countries may even be forced to eliminate domestic policies, such as taxation to promote local development.

## What it All Means

If ratified, the WTO's Non-Agricultural Market Access policies will pose serious threats to national sovereignty.

The ability of nations to determine their own destiny has already come under relentless attack over the past 50 years, as economically and politically powerful countries and multinational corporations have rigged international trading rules and development programs in order to plunder the resources of developing nations while stripping them of their rights to self-determination.

The introduction of fisheries resources to the WTO's agenda is yet another assault on national sovereignty. The move also serves to further commodify food and fish, which should not be subject to the whims of corporations driven by profits and wealthy nations driven by global power. Food is a human right.

## Endnotes

<sup>1</sup> Avendaño, Pedro. “Role of Small-Scale and Artisanal Fisheries vis a vis International Trade Rules of Fishery Products.” World Forum of Fish Harvesters and Fishworkers. <http://www.pcffa.org/wff.htm>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Bernardino, Naty. “Impact of Trade Liberalization in Philippine Agriculture and Fisheries Sector.” International Gender and Trade Network, IGTN-Asia. Presentation at the South Center Panel, “Making Trade Support Development: Global Problems and Viable Alternatives,” WTO Public Symposium, Geneva, April 21, 2005.

<sup>5</sup> “WTO framework agreement far from Fair, says NGO.” *CyberDyaryo*, Manila, Philippines, August 10, 2004.

<sup>6</sup> Ibid.

<sup>7</sup> “Highlights of the Beijing +10 Meets WTO + 10 National Consultative Forum.” International Gender and Trade Network, IGTN-Asia, Manila, Philippines, December 9, 2004. [www.igtn.org/page/391](http://www.igtn.org/page/391).

<sup>8</sup> Hillary, John. “The Doha Deindustrialization Agenda: Non-Market Access Negotiations at the WTO.” War on Want, London, April 2005, [www.waronwant.org](http://www.waronwant.org).

<sup>9</sup> Ibid.

<sup>10</sup> “What's Cooking? Food Safety Gets Burned at the WTO.” Food & Water Watch. Washington, DC, July 2006.

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