



# COMMITTEE ON FISHERIES

## SUB-COMMITTEE ON FISH TRADE

### Eighteenth Session

**Written Correspondence Procedure: 8 April to 8 May 2022**

**Virtual Plenary sessions: 7, 8, 9 and 20 June 2022**

## SMALL-SCALE FISHERIES AND INTERNATIONAL TRADE

### Executive Summary

Although products from small-scale fisheries (SSF) circulate in markets at various scales their contribution to international trade is still not fully understood and most likely not fully realized. This document highlights international commitments and opportunities to address this missing angle and proposes related pathways.

### Suggested action by the Sub-Committee

- Confirm the urgent need for FAO to prepare specific knowledge products, data, information, and capacity development activities addressing:
  - Chapter 7 on post-harvest, processing and trade of the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SSF Guidelines);
  - Sustainable Development Goal (SDG) 14.b in relation to providing market access for SSF, including inland fisheries;
  - The empowerment of SSF producer organizations in relation to inclusive international trade.
- Actively engage in and support the celebration of the International Year of Artisanal Fisheries and Aquaculture 2022, in particular in relation to Pillar 2 of the Global Action Plan on Economic Sustainability.

## INTRODUCTION

1. The fisheries and aquaculture sector has developed with an export-oriented focus in many countries. This includes exports of unfinished products, processed products, and fish meal and oil, with the raw material coming from the domestic catches of both, industrial fisheries and small-scale fisheries (SSF). Policymakers need to take the contributions and functions in terms of food security and nutrition, sustainable livelihoods, and cultural diversity of both sectors into account in their decision-making processes.
2. SSF employ 60 million people in fisheries primary and secondary sectors (thus along the entire value chain), equivalent to 90 percent of the estimated total employed in the fisheries sector. An additional 53 million people engage in subsistence fishing, the majority of whom live in the global South.
3. Although products from SSF circulate in markets at various scales, as part of local and national economies, their contribution to international trade is still not fully understood and most likely not fully realized.
4. The forthcoming Illuminating Hidden Harvests (IHH) study by FAO, Duke University, and World Fish provides a first assessment of the role of SSF in international trade. According to the study, international trade, including informal trade, was a significant feature of SSF in the country and territory case studies (CCS) analysed. For example, 26 percent of the marine SSF catch in 22 of these countries<sup>1</sup> was exported on average between 2013 and 2017. In nine countries<sup>2</sup> just over 16 percent of inland SSF catch was exported on average during the same period.

## RECALLING KEY CHALLENGES FOR SSF'S PARTICIPATION IN INTERNATIONAL TRADE

### Trade measures

5. Trade measures are often categorised as tariffs or non-tariff measures (NTM). Globally, import tariffs for fisheries and aquaculture products are usually higher in developing countries than developed countries, with exceptions involving countries and specific products.<sup>3</sup> In addition, tariff escalation<sup>4</sup> is widespread for fisheries and aquaculture products. NTMs are policy measures other than tariffs that can affect trade, and are often taken to protect human or animal health or the environment. According to the United Nations Conference on Trade and Development (UNCTAD) there are, on average, about 2.5 times more specific NTMs applicable to fisheries and aquaculture products than for manufactured products.<sup>5</sup> The application of NTMs can substantially reduce market opportunities for small and medium-size producers, especially due to the existing of asymmetries of information and the costs associated with obtaining up-to-date and accurate information about market regulations, import requirements, and other market access elements.

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<sup>1</sup> These countries accounted for an average of 48 percent of global marine capture fisheries between 2013 and 2017.

<sup>2</sup> These countries accounted for an average of 25 percent of global inland capture fisheries in between 2013 and 2017.

<sup>3</sup> [unctad.org/system/files/official-document/ditcted2019d3\\_en.pdf](https://unctad.org/system/files/official-document/ditcted2019d3_en.pdf).

<sup>4</sup> Tariff escalation refers to higher import duties on semi-processed, processed and finished products than on raw materials.

<sup>5</sup> [unctad.org/webflyer/fish-trade-and-policy-primer-non-tariff-measures](https://unctad.org/webflyer/fish-trade-and-policy-primer-non-tariff-measures).

### **Women and youth**

6. There are additional challenges in accessing international markets for women – who represent an estimated 40 percent of those engaged in SSF – and youth. The informality of the sector, unequal access to education and capacity development, reduced access to financial services and exclusion from relevant decision-making processes all contribute to the challenges faced.

### **Infrastructure**

7. Lack of appropriate infrastructure along the value chain can threaten SSFs' ability to access international markets. Inadequate infrastructure and capacity for post-harvest handling, storage, and transportation often leads to food loss and quality issues that hinder access to international markets. Among other consequences, it may reduce the competitiveness of SSF, and create reputational risk for small-scale production, particularly for food safety.

### **Private standards**

8. Compliance with private sustainability and certification standards remains an issue for small-scale fishers to overcome in order to access certain international markets. Retailers in many developed countries increasingly set sustainability and social responsibility requirements when sourcing their products. While these programs have a role to play in sustainability, they tend to marginalize small-scale operators. SSF often do not have the requisite financial, technological or human resources to meet such requirements. The wide range of fisheries certification schemes poses challenges for SSF operators.

### **COVID-19 implications**

9. With fisheries and aquaculture products being among the most highly traded commodities globally, supply chains were severely disrupted by the COVID-19 pandemic. Restrictions have been particularly damaging for SSF and exacerbated issues related to international market access. For instance, SSF targeting high-value aquatic products saw reduced demand for these products. Many small-scale fishers were forced to change target species in the face of transport and demand disruptions, the dramatic decrease of tourism, and the partial or complete halt of activities of the foodservice industry.<sup>6</sup>

10. Physical distancing made operations at fishing ports and auctions more difficult. In many ports, the quantity of fish that could be landed was reduced, which further impacted the incomes of small-scale fishers. Additionally, small fishing vessels offer limited space, increasing the health risk for fishers and fishing communities.

## **VALUE FOR ALL: OPERATIONALIZING AN ENABLING ENVIRONMENT IN GLOBAL POLICY FOR INCLUSIVE INTERNATIONAL TRADE**

11. The Voluntary Guidelines for Securing Sustainable Fisheries in the Context of Food Security and Poverty Eradication (SSF Guidelines) have a specific chapter dedicated to value chains, post-harvest operations and trade. Sustainable Development Goal (SDG) 14.b calls on countries to provide access for small-scale artisanal fishers to marine resources and markets. Although SDG 14.b focuses primarily on marine SSF, the SSF Guidelines complement it by bringing provisions that consider inland fisheries. This international set of global commitments to improve SSF's contribution to international trade can foster the development of the sector.

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<sup>6</sup> [fao.org/in-action/globefish/publications/details-publication/en/c/1410450/](https://www.fao.org/in-action/globefish/publications/details-publication/en/c/1410450/).

12. The SSF Guidelines recognize the rights of fishers and fish workers to improve their livelihoods through trade at the global, regional and national levels and by enhancing value chains and post-harvest operations. Concerning international trade, they call on countries to:

- Facilitate access to local, national, regional and international markets and promote equitable and non-discriminatory trade for SSF products. (Paragraph 7.6)
- Ensure that benefits from international trade should be fairly distributed. (Paragraph 7.8)
- Ensure that the promotion of international fish trade and export production do not adversely affect the nutritional needs of people for whom fish is critical to a nutritious diet, their health and well-being and for whom other comparable sources of food are not readily available or affordable. (Paragraph 7.7)
- Provide access to all relevant market and trade information for stakeholders in the SSF value chain, and related capacity development. (Paragraph 7.10)

13. Challenges remain in achieving SDG 14.b and the objectives of Chapter 7 of the SSF Guidelines to fully integrate SSF into international markets.

14. In this regard, the IHH work can foster the generation of more information to support the integration of SSF into international trade. This may be enhanced by a combination of additional research, improved data and information collection, and analytical capacity at the national level. Furthermore, the preparation, dissemination, and application of specific knowledge products and capacity development, in line with Chapter 7 of the SSF Guidelines and SDG 14.b, constitutes a critical area in supporting the integration of SSF into international trade.

15. Enhancing organizational capacity and supporting the establishment of producer associations or organizations within the SSF sector often improve market access, both domestic and international. This would provide resilience to external shocks, as was demonstrated during the COVID-19 pandemic.<sup>7</sup>

16. Expanding training and education opportunities is vital for building capacity in SSF communities, particularly among women and youth. Capacity building and technical assistance for accessing international trade should be tailored to SSF. Such activities should address key issues, such as reducing post-harvest losses, and understanding of and compliance with market requirements, including certification schemes.

17. An equitable distribution of benefits for SSF from international trade is important and shall also include food security and nutrition considerations. Various initiatives that connect consumers and producers have been introduced in recent years to assist SSF in marketing their products.<sup>8</sup> They create a sense of community within the SSF space and provide SSF business owners with resources to help them build capacity and improve production and distribution methods. These initiatives are also critical to support consumer awareness of new fisheries species and creating greater public awareness of the SSF sector. Similarly, access to market and trade information, including information and communication technology, can reduce information asymmetry, to the benefit of SSF.

18. Regarding import tariffs for fisheries and aquaculture products, greater transparency, especially information on preferential tariffs<sup>9</sup>, can enable SSF to access international markets. The reduction of tariff escalation can generate enormous income opportunities for SSF by allowing them to add value prior to exports, with corollaries for employment creation, poverty reduction and diversified diets, particularly in developing countries. Broad dissemination of the Global System of Trade Preferences (GSTP) can enhance regional trade, create additional opportunities for cooperation between SSF in developing countries and further value chain integration.

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<sup>7</sup> [doi.org/10.4060/ca8402en](https://doi.org/10.4060/ca8402en) / [doi.org/10.4060/cb8102en](https://doi.org/10.4060/cb8102en)

<sup>8</sup> For example, SlowFish ([slowfish.slowfood.it/en/](https://slowfish.slowfood.it/en/)) and Local Catch ([localcatch.org/](https://localcatch.org/)).

<sup>9</sup> Preferential tariffs are reduced import tariffs that can be granted unilaterally by a country or under preferential trade agreements involving a group of countries.

19. The International Year of Artisanal Fisheries and Aquaculture (IYAFA) 2022 provides a unique global opportunity to implement the SSF Guidelines and achieve SDG 14.b. Pillar 2 of IYAFA's Global Action Plan for economic sustainability calls for support for value chains that are inclusive of SSF, which would enable SSF producers to better provide affordable, high-quality fish products, fostering economic development and generating employment.

20. As emphasised by Short *et al.* (2020), "failure to address the diverse and dynamic nature of SSF adequately can jeopardize their role in global food systems, with substantial economic, social, and nutritional consequences."<sup>10</sup>

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<sup>10</sup> [www.nature.com/articles/s43016-021-00363-1?proof=t%3B+see+also+www.sussex.ac.uk%2Fbroadcast%2Fread%2F53376/sussex.ac.uk%2Fbroadcast%2Fread%2F53376](https://www.nature.com/articles/s43016-021-00363-1?proof=t%3B+see+also+www.sussex.ac.uk%2Fbroadcast%2Fread%2F53376/sussex.ac.uk%2Fbroadcast%2Fread%2F53376)