



COMMITTEE ON FISHERIES

SUB-COMMITTEE ON FISH TRADE

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FAO DATABASE ON TRADE AGREEMENTS – SCOPING PAPER

Executive Summary

This document outlines the importance, boundaries, global cooperation pattern and overall content of the proposed work of FAO on the development of an FAO database on regional trade agreements (RTAs) for fisheries and aquaculture products, following the information provided by the Secretariat and the recommendations received by Members at the 17th and 18th Sessions of the COFI Sub-Committee on Fish Trade (COFI:FT) in 2019 and 2022.

Suggested action by the Sub-Committee

- Provide additional elements of importance to the trade of the fisheries and aquaculture sector that may be included in the to-be-developed FAO RTA database, as well as suggestions to expand its scope.
- Recognise the significance of disseminating information associated with RTAs for the extensive awareness of preferential access, especially for developing countries and small-scale fisheries (SSF).
- Invite resource partners to provide financial support to develop the FAO RTA database of fisheries and aquaculture products.

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BACKGROUND

1. There are currently 356 RTAs notified to the World Trade Organization (WTO). An RTA can be defined as any reciprocal trade agreement between two or more partners not necessarily belonging to the same region.¹ While the information on preferential conditions under such RTAs is available in several public domains, there is mainly a lack of comprehensive and easy-to-understand data, particularly if considering the nuances of the fisheries and aquaculture sector.

2. In 2019, during the 17th Session of COFI:FT, it was emphasised that considering the proliferation of RTAs, navigating the full spectrum of interplay and implications between their various provisions has become increasingly challenging. In addition, some new RTAs contain non-traditional trade clauses that directly influence the fisheries and aquaculture sector and the trade of the associated products.

3. At the 18th Session of COFI:FT in 2022, the significance of disseminating information on RTAs from a fisheries and aquaculture standpoint was emphasised. Members also supported the development of an FAO RTA database involving specifically fisheries and aquaculture products and compiling their principal elements to enhance information dissemination, transparency, compliance, and market access, as well as to increase private sector awareness, especially among small-scale producers and exporters, highlighting the importance of the database being factual and of a neutral nature.

CURRENTLY AVAILABLE INFORMATION ABOUT RTAS

4. The majority of national ministries responsible for international trade or finance, which are typically tasked with negotiating and disseminating information on RTAs once they enter into force, provide routinely updated information about applied or preferential tariffs. They are regarded as the primary information source.

5. When a country is a member of an RTA, including a customs union, the preferential tariff is presented on government websites. In many instances, preferential tariffs are informed without the associated applied tariff, reducing the likelihood of a trade gain analysis when preferential access is utilised. Moreover, given that the information is presented on a national level regarding only the RTAs to which the country is a party, there is a severe limitation on coverage analysis and information collection.

6. The usability of such tariff information varies by country. In many countries, preferential access information can only be obtained by referring to and perusing the entire RTA text, which requires significant manual effort. A few countries have interactive websites that permit getting information about the preferential tariff by entering the Harmonized System (HS) code of the World Customs Organization (WCO) or product description and the country of destination. However, accessing complete information through a single website is not always possible, necessitating browsing multiple government agency websites to obtain a clear picture of the applicable preferential and non-preferential tariffs and associated framework. Thus, the country-level usability of information about preferential access under RTAs varies considerably.

7. Outside the country's national information level, there are four primary international databases accessible to the public that provide information on tariffs, preferential tariffs and RTAs. These include the WTO's Tariff Analysis Online (TAO)² and Tariff Download Facility (TDF),³ the International Trade Centre (ITC) 's Market Access Map (MAcMap),⁴ and the World Bank's World Integrated Trade Solution (WITS).⁵ Because they rely on national data and third-party inputs, these databases are updated less frequently than national government websites. In many cases, they offer comprehensive functions for analysing tariffs that enable access to and extraction of tariff data in response to specific queries.

¹ https://www.wto.org/english/tratop_e/region_e/region_e.htm#facts

² <https://tao.wto.org/welcome.aspx>

³ <http://tdf.wto.org>

⁴ <https://www.macmap.org>

⁵ <https://wits.worldbank.org>

8. TAO and TDF permit access to bound, applied and preferential tariffs for products at the level of national tariff lines, including certain RTAs reported by WTO Members. WITS presents preferential tariffs across multiple RTAs using *Ad Valorem* Equivalents (AVE) and the RTA preferential tariffs. MAcMap provides information on various RTAs, including preferential tariffs. TAO and TDF report preferential tariffs for more than 150 RTAs based on the WTO notification mechanism, while MAcMap and WITS have an expanded input basis and report more than 200 RTAs.

9. Besides preferential tariffs, Rules of Origin (RoO) play a significant role in framing preferential access. To be eligible for preferential treatment under an RTA, a product exported must meet the RoO requirements. Considering the complexities of the fisheries and aquaculture industry, which includes multiple production options involving vessels flying different flags and operations in areas outside of national jurisdiction, among other possibilities, RoO have become even more critical.

10. The applicability of preferential RoO to determine the origin of different products varies significantly. Countries can employ a combination of methods for determining the origin of preferential products, including the change of tariff classification, value-added and processing activities, and cross-references to the maritime zones present in the United Nations Convention on the Law of the Sea (UNCLOS), along other more complex evaluations.

11. Considering their abundance and diversity, mapping, consolidating, and comparing RoO is difficult. Typically, preferential RoO information can be found on the websites of national governments, where the complete legal text of the RTA and an appendix devoted to RoO are available, or in other online tools, which sometimes offer a more user-friendly interface. In either case, the legal language of the RTA and the frequent existence of using maritime terms that are not always common knowledge, such as the Exclusive Economic Zone (EEZ) and the High Seas, among other trade-specific origin terminology, can create challenges to determine the correct understanding of which products can be considered to be originated within a particular RoO.

12. Besides the RTA and WITS databases, in the case of RoO, the Rules of Origin Facilitator,⁶ jointly developed by ITC, WCO and WTO, also reports valuable information. The RTA and WITS databases offer an application that displays the RoO chapter text in the RTA legal version. Nonetheless, the straightforward presentation of legal texts can make understanding the applicability of preferential RoO difficult. The Rules of Origin Facilitator database is a global database of product-specific RoO mapped with preferential tariffs, with a broader scope than the WTO RTA and WITS databases, and it provides legal documents and additional information regarding preferential access provisions for 495 RTAs. Nevertheless, the nuances of the fisheries and aquaculture sector are not highlighted, limiting the understanding of preferential access by non-expert users.

NATURE AND SCOPE OF THE FAO RTA DATABASE

13. A prospective FAO RTA database would encompass all fisheries and aquaculture products classified in the following chapters of the HS code:

- Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates;
- Chapter 5: Products of animal origin, not elsewhere specified or included;
- Chapter 12: Oil seeds and oleaginous fruits; miscellaneous grains, seed and fruit; industrial or medicinal plants; straw and fodder;
- Chapter 13: Lac; gums, resins and other vegetable saps and extracts;
- Chapter 15: Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes;
- Chapter 16: Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates; and

⁶ <https://findrulesoforigin.org>

- Chapter 21: Miscellaneous edible preparations
- Chapter 23: Residues and waste from the food industries; prepared animal fodder.

14. The below table provides an overview of all HS codes relevant to the fisheries and aquaculture industry which would be included in the FAO RTA database.

		Live	Fresh, chilled	Frozen	Dried, salted, in brine, smoked	Fillets: fresh, chilled, frozen	Fillets: dried, salted, in brine, smoked	Flours, meals, pellets	Prepared, preserved	Unfit for human consumption
Fish		0301	0302	0303	0305	0304	0305	0309.10 or 2301	1604	0511.91
Crustaceans		0306.30	0306.30	0306.10	0306.90			0309.90 or 2301	1605	0511.91
Molluscs		0307	0307	0307	0307			0309.90 or 2301	1605	0511.91
Other Aquatic Invertebrates		0308	0308	0308	0306			0309.90 or 2301	1605	0511.91
Seaweed, Algae	1212 or 1302									
Oils	1504 1516.10 1517.90									
Sauce	2103.90									

15. Unlike other existing databases and informational resources, the FAO RTA database would provide exhaustive and comprehensive descriptions of each HS code for fisheries and aquaculture products. This detailed description avoids using generic terms such as “other” to provide a complete product description, including any possible exceptions. For example, HS code 0303.49 is a tuna product with the WCO HS code description “Other tunas, frozen”. In the FAO publication HS Codes for Fish and Fish Products – Harmonized System,⁷ on which the FAO RTA database would rely for product description, it reads “Tunas (of the genus *Thunnus*), frozen; excluding albacore or long-finned tunas, yellowfin tunas, skipjack or stripe-bellied bonito, bigeye tunas, Atlantic bluefin tunas, Pacific bluefin tunas and southern bluefin tunas, and also excluding fillets and other meat (whether or not minced), livers, roes, milt, fins, heads, tails, maws and other edible offal.” This approach of complete product description contributes to the distinctive qualities of the FAO RTA database by enhancing its

⁷ <https://www.fao.org/documents/card/en/c/cb3813en>

comprehensiveness, usability, and ease of understanding of what exact product is considered for preferential access.

16. The FAO RTA database is intended to be global, factual, and non-discriminatory, consolidating all fisheries and aquaculture products-related provisions within all active RTAs.

17. Compared to any other tool, the FAO RTA database's collection of exhaustive product descriptions, coupled with a multitude of different elements gravitating around the product from an RTA perspective, would be an entirely novel feature. Its most important approach will be the product coverage and its interrelationships with the Rules of Origin (RoO), sanitary and technical barriers to trade-related provisions, including those allowing mutual recognition, and auxiliary definitions to address the complexities of the sector, particularly the maritime zones present in the UNCLOS. In addition, the database would contain any additional requirement of the RTA that applies to fisheries and aquaculture products in particular or any RTA product in general, including traditional and non-traditional trade clauses, such as labour provisions, traceability and certification, sustainability clauses, including illegal, unreported, and unregulated (IUU) fishing, and fisheries subsidies, among others.

18. The development of the FAO RTA database would also involve a close exchange of information with other organisations, particularly the WTO, the ITC, the WCO, the World Bank, the Organisation for Economic Cooperation and Development (OECD), in order to build upon their already acquired knowledge on existing databases, maximising results and avoiding unnecessary overlaps, while focusing on the specific nuances of the fisheries and aquaculture industry.

OBJECTIVES OF THE FAO RTA DATABASE

19. The main objectives of the FAO RTA database would be:

- To enhance the dissemination of information regarding existing trade preferences to all agents participating directly or indirectly in the international trade of fisheries and aquaculture products, serving as a source of information that provides exhaustive and dependable data for examining potential trade opportunities.
- To consolidate, harmonise, and present in a user-friendly format the principal information involving the various provisions affecting directly or indirectly fisheries and aquaculture products in RTAs, thereby enhancing the sector's overall access to information regarding international trade and preferential market access.
- To serve as a practical resource for exporters and to facilitate compliance in obtaining preferential access and boosting export competitiveness.
- To inform Members of the clauses, conditions, and measures currently in force in various RTAs involving fisheries and aquaculture products, particularly modern non-trade clauses.
- To assist in achieving the goal of promoting sustainable and inclusive trade in fisheries and aquaculture products, as outlined particularly in Article 11 of the FAO Code of Conduct for Responsible Fisheries (CCRF).⁸
- To support attaining the Sustainable Development Goals (SDGs), considering the significance of international trade for developing countries, gender and youth inclusion within the overall sustainable development framework in economic, social, and environmental terms, mainly concerning SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

20. Considering its characteristics, the FAO RTA database could significantly benefit the private sector, mainly small-scale producers, when gathering information to entail exported products to get preferential access in different markets. In addition, policymakers will have an additional instrument to comprehend the global landscape of concessions and commitments implemented by different countries in RTAs for fisheries and aquaculture products.

⁸ <https://www.fao.org/documents/card/en/c/e6cf549d-589a-5281-ac13-766603db9c03>

21. Despite the availability of public information and databases on preferential tariffs and RoO, it can be challenging to access information taking into consideration the wide variation in usability, features, and level of detail provided by the various current sources. Comprehending the implications of compliance with RoO, sustainability, and product coverage, among other factors, may become more difficult as RTAs granting preferential access become increasingly complex. In addition, the specific nuances of the fisheries and aquaculture industry, particularly the vessel flag provisions, and the possibility of the product being captured or farmed in various UNCLOS maritime zones, can make it challenging to fully comprehend the existing preference framework. These factors diminish the opportunity for exporters, particularly those from developing countries and small-scale operators, to obtain preferential access. At the global level, no single, unified platform can currently provide exhaustive, user-friendly information on preferential access in RTAs, considering the specifics of the fisheries and aquaculture industries. Designing the FAO RTA database to concentrate on disseminating information for the fisheries and aquaculture sector would fill this void and enable more systematic access to information considering inclusiveness, market access without unnecessary trade barriers, and sustainable trade.