

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Contribution from Korea on Sectoral Tariff Elimination

Addendum

The following communication, dated 27 May 2003, has been received from the Permanent Mission of Korea.

1. The sustainable development of fishery resources is an urgent matter of concern that is closely related to the world's food resources. The global community must make every effort to protect these resources from depletion as stated in the Preamble to the Marrakesh Agreement and paragraph 6 of the Doha Ministerial Declaration.

2. However, the Chairman's draft regards fish and fish products as only an objective of trade and proposes that tariffs on them should be eliminated. This is a matter of grave concern since it could risk making the effort of Members for sustainable development of fishery resources meaningless. Even though fishery resources are considered as one of many exhaustible natural resources, they can be renewable through appropriate resource management. However, they can be also easily depleted by over-exploitation.¹

3. According to economic theory, tariff elimination increases the efficiency of the use of natural resources. Yet, we should not overlook the fact that the pursuit of economic efficiency stimulates the use of natural resources. Some degree of tariff restrains over-fishing by reducing the economic gains of exporting countries. However, the elimination of tariffs on fish and fish products will result in an increase in the demand. As a result, fishery-exporting countries will likely intensify their catching activities, leading to over-exploitation and possible extinction of many fish species considering the advanced modern technologies used in fishing today.

4. Tariff elimination might provoke depletion of fishery resources for the Members that do not have a proper fisheries management system in place. Tariff elimination efforts for the benefit of developing countries and LDCs, contrary to its original intention, would incur the depletion of resources and can ultimately be an obstructive factor to their development. In addition, for the fishermen of importing countries where the job market is not flexible and there is no social safety net system, they must reinforce their fishing effort to compensate for the loss of income in terms of quantity caused by the elimination of the tariff. These intensified fishing efforts would speed up the depletion of fishery resources.

5. Furthermore, if we look at the world's ten largest fish and fish products exporting countries, they are equally split between developed and developing countries. This makes the argument less

¹ TN/MA/W/15/Add.1, paragraph 6.

persuasive that tariff elimination in fish and fish products is for the benefit of LDCs.² Certain LDCs are not advanced in fisheries and also allow other countries access to their seas, or seek joint ventures with foreign countries on the use of fishery resources for economic development. Tariff elimination of fish and fishery products will result in even more access to the seas of LDCs and will result in the depletion of the resources of these countries.

6. Deep reflection is needed to determine whether tariff elimination of fish and fish products, which are exhaustible natural resources, is truly beneficial to developing countries and LDCs in the long term. For sustainable development of exhaustible natural resources such as fishery resources, tariff elimination will not contribute to the development of the developing countries and LDCs in the long run and will benefit only certain Members that can manage their resources scientifically. We firmly believe that these fish exporting states can sufficiently achieve their market access with the application of the formula proposed in the Chairman's draft (paragraphs 6 and 7).

7. In conclusion, tariff elimination of fish and fish products contradicts paragraph 6 of the Doha mandate, which states that the aims of upholding and safeguarding an open and non-discriminatory multilateral trading system, and acting for the protection of the environment and the promotion of sustainable development, can and must be mutually supportive. Therefore, we firmly believe that fish and fish products are not applicable for sectoral tariff elimination as proposed in the Chair's draft and should not be included as a possible sector for negotiation.

² FAO, *Yearbook of statistics*, 2000. In order of ranking; Norway(3), U.S.(4), Canada(5), Denmark(6), Spain(9).