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Negotiating Group on Market Access

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MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Comments on the Sectoral Tariff Elimination of Fishery Products

Communication from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu

Addendum

The following communication, dated 4 July 2003, has been received from the Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

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I. PROPOSAL

1. On the subject of the Chairman's draft proposal to list fish and fish products as one of the sectors for tariff elimination, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu believes that this would lead to the depletion of fish stocks through the over-exploitation of fishery resources. It is our view that, to ensure the sustainable development of fishery resources, special consideration must be given to the treatment of the exhaustible natural resource sectors.

II. FACTORS TO BE TAKEN INTO CONSIDERATION

2. The WTO recognizes the importance of maintaining a balance between economic development and environmental protection. The Doha Declaration clearly identifies the need to promote cooperation between the WTO and relevant international environmental and developmental organizations (e.g. in the lead-up to the Johannesburg World Summit on Sustainable Development held in September 2002), as well as to act for the protection of the environment[1].

3. Among the points raised in the Johannesburg Declaration on Sustainable Development, are two points that relate particularly to the trading of fishery products. Firstly, that protection of the environment, together with social and economic development, constitutes the foundation of sustainable development[2]. And secondly, the Declaration specifically emphasizes the fact that "fish stocks continue to be depleted"[3].

4. FAO research findings lead to similar conclusions. A recent FAO report "The State of World Fisheries and Aquaculture 2002" indicates that about 18 percent of stocks or species groups are reported as overexploited and 47 percent of the main groups are fully exploited. This report also

[1] Paragraph 6 of the Doha Declaration.
[2] Paragraph 8 of the Johannesburg Declaration on Sustainable Development.
[3] Paragraph 13 of the Johannesburg Declaration on Sustainable Development.

clearly points out that "prospects for expansion or increased production from these stocks are negligible" and that "there is an increasing likelihood that stocks will decline further and catches will decrease". Against this background, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu believes that liberalizing the fisheries sector without taking into consideration the full extent of its environmental impact would be counterproductive to the goal of establishing a sound global trading regime.

5. While there is no solid evidence of a causal relationship between trade liberalization and the depletion or degradation of natural resources, it is generally recognized that, in many cases where trade liberalization does not encourage production, lower costs and increase consumption, it will not lead to a more efficient use of resources, and therefore will not produce benefits. Hence, it is difficult to justify the argument that trade liberalization will never harm the natural resources.

6. Aquaculture was once regarded as a promising solution to the challenge of balancing trade liberalization and resource conservation. This has proved to be another disappointment. A recent study by the WWF indicates that the main ingredient in fish feed is produced from wild-caught fish.[4] Furthermore, this report points out that the feed for carnivorous fish consists of vast amounts of fish meal and fish oil produced from marine fish. The annual catch of fish globally is about 96 million tons, of which more than 30 million are used to produce fish meal and fish oil. Therefore, any expansion of the aquaculture process without careful management might well have a damaging impact on the environment.

7. For the sake of maintaining sustainable trade in fish and fish products, before we take any action to further liberalize the sector, we must weigh up the expected positive benefits against the potential negative impacts. According to the 1995~1998 GTAP database maintained by Purdue University in the United States, the global volume of trade in fish and fish products accounts for only about 0.2% of all global trade (Table 1) and for only 0.22% of global trade in non-agricultural products (Table 2).[5] Therefore, the contribution to global trade volume resulting from full liberalization of the fish and fish products sector would be tiny, and totally disproportionate to the negative impact that it would give rise to.

III. CONCLUSION

8. It is widely recognized among WTO Members that trade liberalization and the protection of natural resources must be kept in balance. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu believes that focusing on lowering the most serious trade-distorting tariff items (unbound, high tariff lines and tariff peaks), while allowing some flexibility for tariff reduction in this sector, will be the most appropriate and practical way of achieving the dual objectives of marine fish stock conservation and the further liberalization of the fish and fish products trade.

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[4] Tuominen, Taija-Riitta and Esmark, Maren. 2003. *Food for Thought: The Use of Marine Resources in Fish Feed.* WWF(World Wildlife Fund).

[5] GTAP Database V.5, 2001.

Table 1: Ratios of sectors in the global trade volume

Product / Year	95	96	97	98
Paddy rice	0.00%	0.00%	0.00%	0.00%
Wheat	0.40%	0.40%	0.30%	0.30%
Cereal grains nec	0.30%	0.40%	0.30%	0.20%
Vegetables, fruit, nuts	0.90%	0.90%	0.80%	0.90%
Oil seeds	0.20%	0.30%	0.30%	0.30%
Sugar cane, sugar beet	0.00%	0.00%	0.00%	0.00%
Plant-based fibers	0.20%	0.20%	0.20%	0.20%
Crops nec	0.70%	0.70%	0.80%	0.70%
Cattle, sheep, goats, horses	0.10%	0.10%	0.10%	0.10%
Animal Products nec	0.30%	0.30%	0.30%	0.20%
Raw milk	0.00%	0.00%	0.00%	0.00%
Wool, silk-worm cocoons	0.10%	0.00%	0.00%	0.00%
Forestry	0.20%	0.20%	0.20%	0.20%
Fishery	**0.20%**	**0.20%**	**0.20%**	**0.20%**
Coal	0.50%	0.50%	0.40%	0.50%
Oil	3.70%	0.00%	4.60%	0.00%
Gas	0.80%	1.00%	0.90%	0.90%
Minerals nec	1.80%	1.30%	0.70%	1.20%
Meat: cattle, sheep, goats, horse	0.40%	0.40%	0.40%	0.40%
Meat products nec	0.60%	0.60%	0.60%	0.50%
Vegetable oils and fats	0.60%	0.60%	0.60%	0.60%
Dairy products	0.60%	0.60%	0.60%	0.60%
Processed rice	0.10%	0.10%	0.10%	0.10%
Sugar	0.30%	0.20%	0.20%	0.20%
Food products nec	2.40%	2.50%	2.30%	2.30%
Beverages and tobacco products	0.90%	1.10%	1.00%	1.00%
Textiles	3.30%	3.60%	3.80%	3.40%
Wearing apparel	3.20%	3.50%	2.70%	3.70%
Leather products	1.60%	1.70%	1.50%	1.50%
Wood products	2.10%	1.90%	2.10%	2.00%
Paper products, publishing	3.10%	2.30%	2.60%	2.20%
Petroleum , coal products	1.30%	6.40%	2.10%	4.80%
Chemical, rubber, plastic products	12.30%	10.90%	11.70%	11.20%
Mineral products nec	1.50%	2.20%	2.00%	2.00%
Ferrous metals	3.50%	3.00%	3.00%	2.90%
Metals nec	2.30%	1.90%	3.00%	2.00%
Metal products	2.40%	2.20%	2.20%	2.30%
Motor vehicles and parts	8.80%	9.40%	9.00%	10.20%
Transport equipment nec	2.80%	2.10%	3.00%	2.70%
Electronic equipment	12.00%	9.10%	13.90%	9.90%
Machinery and equipment nec	20.20%	21.80%	18.80%	22.20%

Product / Year	95	96	97	98
Manufactures nec	3.30%	5.20%	2.80%	5.30%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Source: GTAP Database V.5, 2001

Table 2: Ratios of sectors in the global trade volume of non-agricultural goods

Product / Year	95	96	97	98
Forestry	0.22%	0.22%	0.22%	0.22%
Fishery	**0.22%**	**0.22%**	**0.22%**	**0.22%**
Coal	0.54%	0.55%	0.43%	0.54%
Oil	4.03%	0.00%	4.99%	0.00%
Gas	0.87%	1.09%	0.98%	0.98%
Minerals nec	1.96%	1.42%	0.76%	1.30%
Beverages and tobacco products	0.98%	1.20%	1.08%	1.08%
Textiles	3.59%	3.93%	4.12%	3.68%
Wearing apparel	3.49%	3.83%	2.93%	4.01%
Leather products	1.74%	1.86%	1.63%	1.63%
Wood products	2.29%	2.08%	2.28%	2.17%
Paper products, publishing	3.38%	2.51%	2.82%	2.38%
Petroleum, coal products	1.42%	6.99%	2.28%	5.20%
Chemical, rubber, plastic products	13.40%	11.91%	12.69%	12.13%
Mineral products nec	1.63%	2.40%	2.17%	2.17%
Ferrous metals	3.81%	3.28%	3.25%	3.14%
Metals nec	2.51%	2.08%	3.25%	2.17%
Metal products	2.61%	2.40%	2.39%	2.49%
Motor vehicles and parts	9.59%	10.27%	9.76%	11.05%
Transport equipment	3.05%	2.30%	3.25%	2.93%
Electronic equipment	13.07%	9.95%	15.08%	10.73%
Machinery and equipment	22.00%	23.83%	20.39%	24.05%
Manufactures nec	3.59%	5.68%	3.04%	5.74%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Source: GTAP Database V.5, 2001.

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