

The ACP Group of States and the Challenge of Exporting Fish to the European Union

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Abstract

Access to the European Union (EU) for fish products originated from the African, Caribbean and Pacific Group of States is fundamental as fish is globally one of the most important commodities exported by these States. The recent implementation of economic partnership agreements will not change the magnitude of the challenges that these countries have to face to comply with EU rules such as the new Rules of Origin or the Sanitary and Phytosanitary Measures that are becoming more and more stringent. Value addition of fishery and aquaculture products seems to be the most promising way to both comply with EU standards and get an optimal return of sea and freshwater resources exploitation.

Keywords: Aquaculture; Sea; Freshwater; Phytosanitary

Introduction

According to FAO forecasts [1], world consumption of fish, which today stands at about 140 million tonnes, should be roughly 200 million tonnes on the 2030 horizon. Industrialized countries whose households have high purchasing power will pull demand upwards, whereas developing and emerging countries will support supply by increasing agricultural production on one hand and, on the other, by catching fish for export. Full exploitation of all stocks of fish and the limited possibilities for expanding aquaculture in Europe, North America and North Asia mean that only countries in South Asia, the Pacific, South America and Africa will be in a position to supply the international market with additional marine products¹.

For the States in the African, Caribbean and Pacific Group² (ACP Group), the current limited development of aquaculture means that demand from international markets will be met by increasing exports of fish from fishing activities, with the following main effects: in the first place, a decrease in domestic supply of fish due to the greater attractiveness of the markets in industrialized countries. Secondly, a decrease in consumption of fish per capita in the ACP Group of States, as a result of the decrease in national supply and the increase in price due to product scarcity. Thirdly, food safety will worsen in many countries whose proteins of animal origin are taken to a large extent from products of the sea. Finally, pressure on fishing will intensify to satisfy demand from export markets.

Trade barriers consisting of technical, sanitary and plant health measures or rules of origin, slow down the ambient commercial process without changing the trends. The succession of trade rules create new demands for countries in the ACP Group which have trouble meeting them, while creating distortions of international trade in favour of countries disposing of high technologies to the detriment of those in the industrialization process. The current trend for the erosion of tariff preferences strengthens the competition from Asian countries with regard to West African nations.

The purpose of this paper is to look at the major constraints ACP Group is facing to export fish to the Europe Union. It also take stock of the progress made with regard to the compliance with EU rules and how the value addition process is one of the key answer of ACP Group to promotes an optimal return of trade in fishing and aquaculture products.

¹The contribution of developing and emerging countries today is respectively 90% for aquaculture and 70% for fishing, as compared to 70% and 50% in 1990.

²The ACP Group represent 79 member States in Africa, Caribbean and Pacific. For list of member States and details, see: www.acp.org/

Market Access Constraints

According to the Strategic plan of action of the ACP Group regarding fishery and aquaculture (SPA-APC, 2012-2016), promotion of the most profitable trade in fishing and aquaculture products from the economic and social standpoints means improving access to consumer markets, overcoming technical and sanitary constraints and the main external causes that upset the distribution chain, and increasing the value added generated by the fishing and aquaculture sectors.

The constraints on access to markets for producers in countries of the ACP Group differ for local and regional export markets, and for export markets to industrialized countries. For the former, the sanitary and administrative constraints are minimal whereas for the second, they are consequential and contribute to structuring distribution chains alongside tariff constraints. Access to international markets is globally regulated by agreements on custom tariffs and trade such as GATT, the WTO and agreements dealing directly with trade in fish products. Among others, these include agreements on Technical Obstacles to Trade (TOT), on Rules of Origin, on the Application of Sanitary and Phytosanitary Measures (SPS) and on Subsidies and Countervailing Measures. Currently the WTO negotiations concern disciplines on subsidies in the fishing field³ and access to the market for products for non-agricultural use (AMNA), the group to which fishing products belong. Developing countries, including the ACP States, request differential treatment on this question to avoid jeopardizing the emergence and development of their fishing sector.

³For the most recent developments: see: <http://www.ictsd.org/bridges-news/biores/news/is-an-all-or-nothing-wto-fisheries-subsidies-agreement-achievable>

⁴The list of establishments per third country is available at the internet site of the Directorate General for Health and Consumers– DG SANC https://webgate.ec.europa.eu/sanco/traces/output/non_eu_listsPerActivity_en.htm#.

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From its side, since the 1990s the EU has adopted a series of rules that condition access to its market and a system of recognition of third countries authorized to export⁴. Regulation (EC) No. 853/2004 of Parliament and of the Council of 29 April 2004 sets specific hygiene rules for food of animal origin⁵. The product must come from a fresh fish vessel or a frozen fish vessel approved by the national sanitary authorities (Competent Authority) and has been prepared in an approved establishment. For products imported in the EU, they must have been produced under conditions of hygiene and control "at least equivalent" to those in force in the EU.

Alongside these measures concerning public health, since 2002⁶ a new framework has been adopted for trade and cooperation in the development field between various regional entities of the ACP Group⁷ and the EU – the economic partnership agreements (EPA). The impossibility of concluding an EPA before the deadline of 31 December 2007 led a certain number of countries not belonging to the group of LDCs to make agreements called interim agreements in order to be able to continue to export to the EU with the same advantages as in the past: non-LDC countries had to align to a system of generalized preferences (SPG⁸) and consequently lose a certain number of customs advantages including duty- and quota-free access. Non LDC tuna-exporting countries like the Ivory Coast, Ghana, Kenya (collectively⁹), the Seychelles, Mauritius, Papua New Guinea and Fiji also took steps so as not to be penalized after 1 October 2014¹⁰, particularly in case of the absence of conclusion of a regional EPA in due time, as may be the case for Central Africa (CAEMC), Eastern Africa (EAC) and southeast Africa (ESA); the other regional districts had signed or initialled their EPA¹¹.

Certain interim EPAs enable the countries providing industrial processing of tuna to benefit from a temporary exemption on rules of origin. That is, the EPA now in force in the Seychelles, Mauritius, Madagascar authorized these countries to export 8000 tonnes of preserved tuna and 2000 tonnes of tuna loin to the European market and the Kenya EPA, 2000 tonnes of tuna loin. What is more, these countries, like all countries exporting tuna loin to Europe, can take advantage of another derogation of rules of origin: a quota of 22,000 tonnes of tuna loin can gain access to the European market duty-free for the period 2012-2015. The admissible volume should be increased to 30,000 tonnes as from 2016.

Concerning overcoming technical and sanitary constraints for

products intended for markets in developed countries, and particularly for those of the EU Member States, only a few countries in the ACP Group show recognized sanitary compliance. Currently 29 countries in the ACP Group have European approval¹² only 10 of which export tuna in the form of preserved tuna or tuna loin. Several other countries have expressed their desire to be able to export to the EU, particularly those that have a partnership agreement in the field of fisheries (São-Tomé and Príncipe and Comoros for example). The public investment is large, however, whether for setting up a certification system or for maintaining it at a satisfactory operational level. Moreover in this type of system, countries must invest continually for the recurrent updating of administrative provisions and competences, and monitoring technologies and sanitary control, particularly in analysis laboratories. Certain countries are considering pooling their technical resources and competences at regional level (Ghana, Togo, Benin for example). Others, in the Pacific, are trying to neutralize their experience (particularly in the context of an association of the tuna industry in the Pacific islands¹³) and continuing training, particularly with the help of their support programmes like "DEVFISH2"¹⁴.

In addition to these purely sanitary and technical requirements, a requirement of good management is included increasingly: thus, to prevent, deter and eliminate illegal, undeclared and unregulated fishing (IUU), all marine fish products entering EU territory must be accompanied by a catch certificate attesting that the international rules concerning conservation and management of fish resources have been respected. In 2013, Ghana saw several containers returned from European ports for lack of a complying catch certificate. In other words, export countries must now ascertain that the fish exported to the EU was caught under legal conditions¹⁵, meaning conditions other than those that characterize IUU fishing¹⁶. More and more, the general trend is thus to associate trade in fresh products with good management of fisheries. Trade will therefore become increasingly responsible.

Value Addition Imperatives

As concerns improving value added, whether for the tuna industry or for other fisheries, it has been observed that the value added is very small because of limited processing of exported products, significant post-catch losses and the poor quality of processed products intended for national and regional consumption. Indeed, most of the fish caught in the high seas and continental waters is consumed either fresh

⁴The new sanitary rules, in force since 2005, have now been adopted in the legislative "package" on hygiene of food products: Regulations (EC) No. 178/2002, No. 852/2004, No.853/2004, No. 854/2004, No. 882/2004. It gives more responsibility to private operators who now do their own controls of the application of the hygiene and sanitation rules they must comply with in the distribution chain. This "hygiene" package is accompanied with additional legislative texts such as Regulation (EC) No. 2073/2005 that sets the rate of histamines authorized in tuna (with or without conservation in brine).

⁵In order to comply with the WTO rule on reciprocity in trade before 31 December 2007.

⁶Sub-regional entities (ECOWAS, CEAC, ESA, EAC, SADC, Caribbean, Pacific).

⁷The EU's general scheme of tariff preferences (GSP) proposes reductions in custom duty or duty-free access to the Community market for exports of 178 developing countries and territories. The Community scheme gives special advantages to 49 LDC and two countries implementing certain standards in the fields of labour and the environment. The EU grants these preferences without requiring any counterpart from the beneficiary countries. (see.http://trade.ec.europa.eu/doclib/docs/2004/march/tradoc_116451.pdf).

⁸With other member states of the EAC (Burundi, Rwanda, Tanzania and Uganda).

⁹Certain interim EPAs which are not yet included.

¹⁰See the situation on 31 June 2015: http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf

¹²The European system is founded on the appointment of competent authorities, in charge of controlling hygiene and sanitary conditions of supply chains of fishing products to the Community market, based on the equivalence of health conditions and on recognition of the establishments' measures for inspecting the products. This recognition is granted by a decision of the Commission after a visit of the European Commission's Food and Veterinary Office. The country is then put on a list of third countries from which imports of fish products are authorized for human consumption. It is then up to the third country to communicate to the Commission for approval the list of its establishments authorized to export. The third country must update this list regularly.

¹³<http://www.pitia.org/>

¹⁴As the project was implemented by the CPS and the FFA, the information is found on both websites: <http://www.spc.int/fame/fr/projets/devfish2?start=20> ; <http://www.ffa.int/taxonomy/term/450>

¹⁵The certificate must be remitted to the European authorities several days before the exported product reaches the EU border. It must be validated by the national authority of the fishing vessel. Countries exporting fish must have set up a system enabling them to guarantee that their fishing vessels apply, control and respect the laws pertaining to conservation. They must also do regular inspections to ascertain that the system functions correctly. In order to ensure proper operation of the systems and traceability of all marine fishing products entering the EU territory, third-country fishing vessels are only allowed to unload or tranship in certain designated European ports. For more details, see:

¹⁶Seehttp://ec.europa.eu/fisheries/cfp/illegal_fishing/index_fr.htm

or processed using traditional methods (salted, dried or smoked). Traditional packaging is privileged when consumption centres are far from the unloading port. Industrial processing, which is little developed, consists for the most part of canning tuna or small pelagic and filleting demersal fish, which is more like packing than processing.

While the value of fish depends above all on its natural qualities and its size, the care with which it was caught, and its handling and storage up to the place of consumption is crucial, since it makes the difference between first-choice fish, second-choice fish and downgraded fish not fit for export. The difference in price per tonne between first-choice fish and second-choice fish is nearly €1000 and more than €3000 for downgraded fish [2]. To illustrate the point, the use in Mauritania of fishing methods that do not promote quality causes an opportunity loss of €80 million, almost the equivalent of the amount of annual exports! This example can be repeated time and again for the other ACP countries. Consequently a large part of the wealth produced naturally by the marine ecosystems is wasted for lack of care. This had no incidence 20 or 30 years ago but today this kind of waste is extremely harmful. The marine ecosystems are damaged by the behaviour of fishing fleets and the tendency of small-scale fishers to try to do "more" whereas "less, but high quality" would provide them with an equivalent sales for two times less fish.

This should encourage ACP countries to choose to develop trade based on quality products. For the segments of the fresh, refrigerated and frozen fish market, this quality in itself is value added because the care provided by operators mean sales for a higher price. For European importers, the segment both pays more (particularly due to the risks run) and it is also more promising for the future because of the gradual withdrawal of preserved products from consumption as they are replaced by fresh products or very elaborate ready-to-serve products [3]. In other words, value added does not necessarily correspond to processing of fish.

¹⁷Indeed, if an ISO standard were to be established and to become the reference, certification bodies and distributors promoting eco-certified products would be audited with regard to that standard. Norway, Canada, Malaysia, Mauritius, Spain, Thailand and the United States, as well as professional organizations – mostly French, such as the French tuna seiner organization-have reacted favourably to the proposal, and Afnor is currently piloting an international initiative with stakeholders to create an ISO standard (ISO standard 19565) which should be published by the end of 2016. It will be voluntarily applicable and define the minimum requirements for certification of sustainable marine fishing products.

On the subject, eco-certification seems to be a promising way to improve value added of fish and aquaculture products from ACP countries. The FAO has developed standards for this purpose which is the only international reference today, but these norms are rather general and imprecise. In the context of the common organization of the EU market for reforming fish products, a feasibility study will be presented at the end of 2015 to the Parliament and the Council on the possibility of establishing a European eco-label for fish products or defining minimum criteria. Under these circumstances, the EC feasibility study should take account of the possible development of an ISO standard¹⁷ which particularly considers environmental aspects (appropriate management of resources and reduction of impacts on the ecosystems). This will of course result in establishing new requirements concerning traceability, labelling of products, inspection and the related certification process.

Conclusion

The ACP Group is now engages with its strategic plan of action in fisheries and aquaculture to improve significantly the compliance with stringent EU regulation on fish trade and the value addition process. In the future, if aquaculture production can provide some affordable animal protein to the rising population of ACP countries, the reduction of post-harvest losses by on developing quality standards is one of the most promising way to better nourish it.

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