

**Workshop on Policy Coherence  
for Development in Fisheries  
24 April 2006**

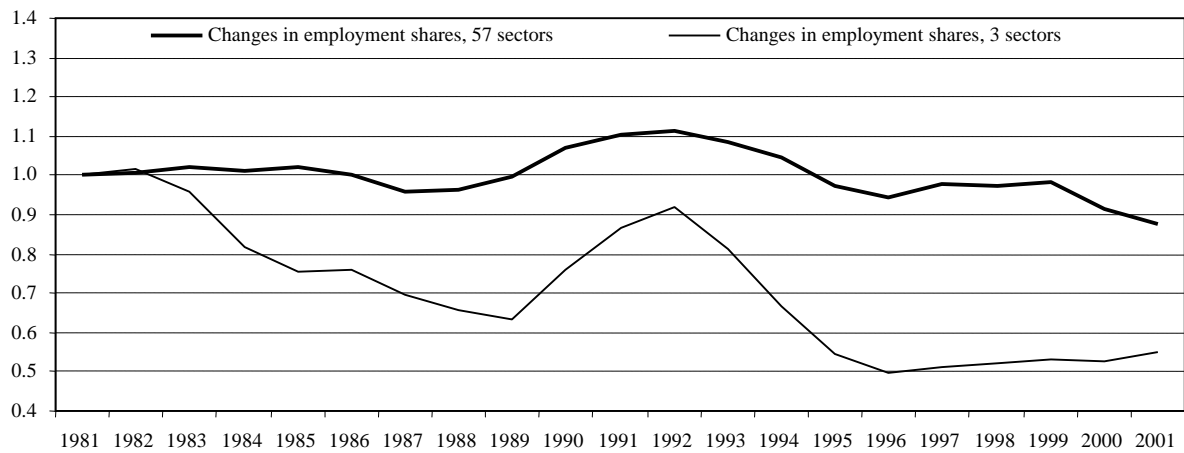
**Trade and fisheries globalisation:  
issues for developing and developed countries**

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## Globalisation needs to be put in Perspective

- The rate of structural change has not accelerated

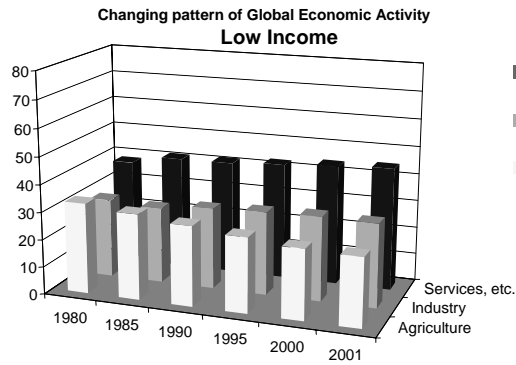
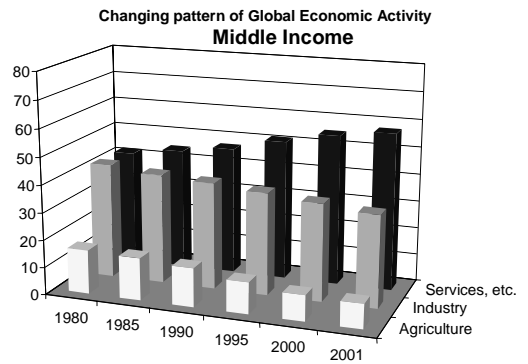
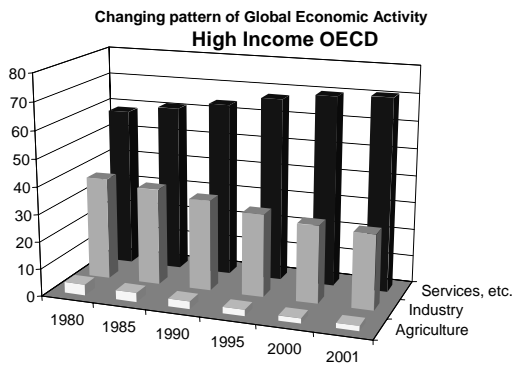
Rate of restructuring



## **Nevertheless, a changed context**

- More Players
  - OECD fisheries markets have become more dependent on imports from developing countries
- More innovation
  - More efficient vessels and improved transport systems facilitate long distance transport of fish
- Changed societal values
  - Environmental concerns have led to controls on fishing in mangrove areas
- More emphasis on services
  - Including the use of fishing capacity as a service

# Services have a bigger share of economic activity



Services  
 Industry  
 Agriculture  
 Share of GDP

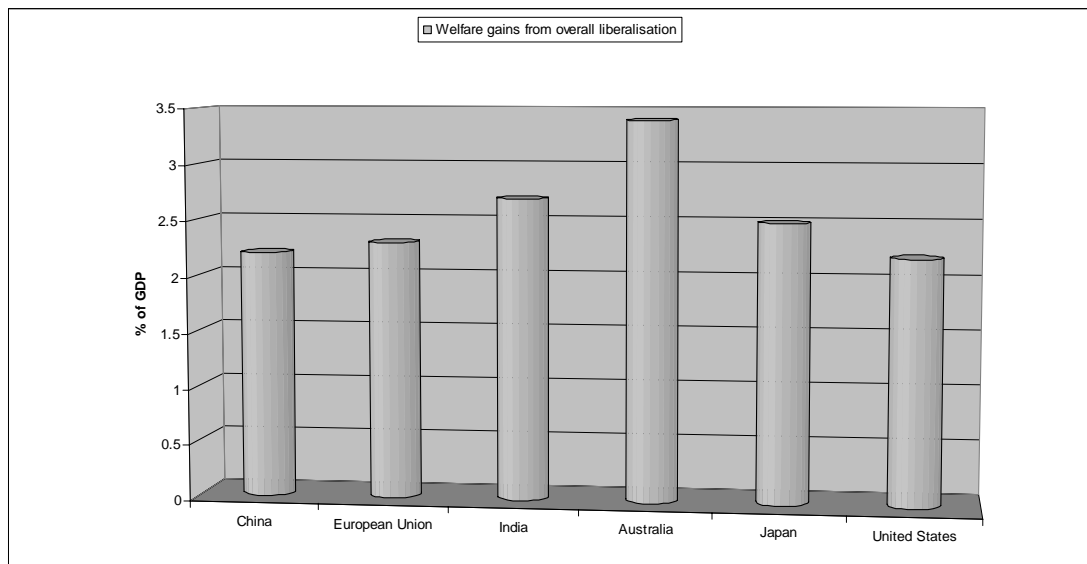
## **And a differentiated picture – by sector**

- Linked to income elasticity of demand
  - Food generally has a relatively low ED, but is fish special?
- And sector specific factors, such as
  - Extension of EEZs to 200 miles from 1977, prompting increased trade in fish and fish products
  - The decline in fish stocks and increasing overexploitation of fisheries resources and fleet overcapacity in developed economies, adding fuel to the globalisation process

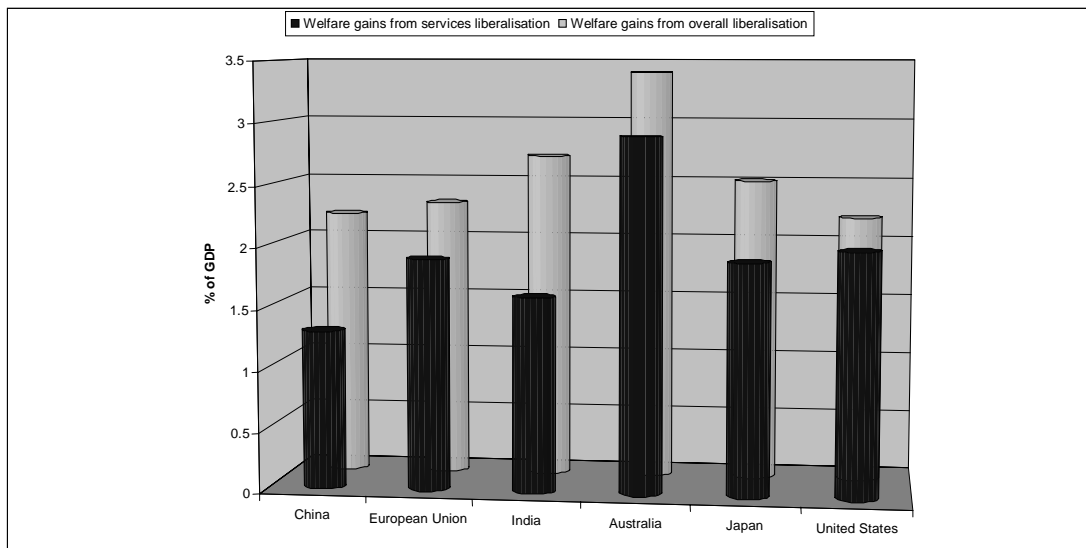
## **But a shared Policy Framework, Built on Trade**

- In the processing sector, opening of trade in raw materials has eased pressure on domestic fish stocks and contributed to adjustment
- Outsourcing has eased capacity pressures, with primary processing being carried out in developing countries and secondary processing in developed countries

## With particular gains from trade in services



## With particular gains from trade in services





## **But not by Trade Alone: Complementary Policies**

- a sound macroeconomic framework
- regulatory reform
- Institution building
  - As seen in the Thai seafood sector
- Sound labour market policies
  - which need to be implemented with care

## **Proceeding in Parallel?**

- Is there an optimal order?
- No blueprint for sequencing
- Best to proceed in parallel: to reduce resistance to change
- To promote synergies between policies
- To help ensure labour and capital move from declining to expanding areas of activity

## Helping Those who Lose?

- Targeted assistance may be the price for acceptance of reform
- But assistance and subsidies may also inhibit adjustment eg where income support discourages vessel owners and crew from leaving the industry
- So assistance should be:
  - transparent and accountable
  - time bound, with a clear exit strategy
  - decoupled from production
  - compatible with general safety net arrangements
  - cost effective

## **Not by Domestic Policy Alone: Multilateral Cooperation**

- Maximising the gains from trade
  - The DDA is seeking to « clarify and improve » subsidy disciplines in fisheries
  - Including through the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and over-fishing