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Bangladesh Urged to Increase Shrimp Quality
[Bangladesh, shrimp, trade, exports, quality]

The first meeting of the Global Aquaculture Discussion Forum (GADF) – a newly formed international forum dealing with aquaculture, international trading standards and the implications for small-scale farming and rural development in Asia – has called for greater collaboration among stakeholders to boost shrimp exports from Bangladesh, especially to western markets. The forum discussed problems faced by the Asian shrimp industry and also called for Bangladesh to take further steps to improve its shrimp industry which is its second largest export industry. Shrimp is the second largest foreign currency-earning sector with last year’s earnings amounting to US$ 270 million. It employs directly and indirectly around 4.2 million people in the country. The conference also heard calls from the Bangladesh Shrimp Foundation (BSF), part of the Global Aquaculture Alliance (GAA), to work towards the production of a Shrimp Seal of Quality (SSOQ) and to increase production.

Experts also suggested taking an integrated approach to the Bangladesh shrimp industry, one that comprises all stakeholders. Currently the industry is in its infancy and the middlemen control it rather than the farmers. Direct links to the international market could alleviate this.

(Source: The Independent, December 3, December 5, 2003)

Understanding Links Between Poverty, Livelihoods and Trade Liberalization
[trade, poverty, livelihoods, trade reforms, Sub-Saharan Africa]

The impacts of trade liberalization on Sub-Saharan Africa were examined in an Institute of Development Studies paper entitled “Trade Liberalization, Poverty and Livelihoods: Understanding the Linkages” by Nazneen Kanji and Stephanie Barrientos (2002). The paper reviews trade and poverty linkages from the perspective of market-based economics and sustainable livelihoods perspectives and found that the understanding of the mechanisms of small and large linkages is underdeveloped in both approaches. Methodologies that are under development that intend to provide some of the missing elements include:

- Global value chain analysis, which examines global supply networks and the dominant firms that control standards and can show how small producers can often be excluded or indeed included in global trade.
- Gender analysis, which is crucial in understanding connections between market, non-market, economic and social issues that affect the understanding of trade and poverty.
- Sustainability impact assessments, which aim to integrate social and economic perspectives with environmental-focused assessments of trade impacts.

In summary, two key suggestions for policy developments are:
• Providing policy-makers with a range of approaches and tools, including those listed above, can enhance a comprehensive trade and poverty analysis in specific contexts.
• That a full consultative process for trade policy should be developed to include the voices of poor people and other key stakeholder groups.

The full paper is available at http://www.ids.ac.uk/ids/bookshop/wp/wp159.pdf


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**Malaysia to Open Ornamental Fish Trading Centre**

[Malaysia, freshwater ornamental fish, trade]

The Malaysian Fisheries Department is planning to set up a National Aquatech Business Park to serve as a major trading and exhibition center for ornamental fish. Located in Batu Berendam, Malacca, the center will also be the focus of aquatic technology development. In 2002-03 Malaysia produced 407.8 million ornamental fish of which 95% was exported to the United Kingdom, the United States, Germany, Italy, Hong Kong, Spain, Japan and Taiwan. The major Malaysian ornamental fish producing states are Johor, Perak, Penang and Selangor, with Penang focusing on the breeding of discus while breeders in Perak focused on goldfish and Japanese koi carps. In Johor, the popular species is the fighting fish while Selangor produces angelfish. It is hoped that by 2010 Malaysia will produce 800 million ornamental fish.


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**Vietnam’s Shrimp Sector Gains Support in the Fight against Shrimp Dumping Lawsuit; Thailand’s is Concerned**

[Vietnam, Thailand, US, shrimp, lawsuit, anti-dumping, exports]

Vietnamese companies known as the Vietnam Shrimp Committee, who are involved in the shrimp industry, have offered their support to the Vietnam Association of Seafood Exporters and Producers (VASEP) fight against a US anti-dumping lawsuit, contributing US$ 70,000 to funds collected in preparation for the suit. The support comes from a variety of stakeholders including shrimp farmers, feed suppliers, sales agents, package and chemical suppliers and transporters among others, and was a response to an appeal by the Shrimp Division of VASEP.

To recap, the lawsuit was initiated by the US Southern Shrimp Alliance and the Louisiana Shrimp Association to fight shrimp exports to the US from 16 countries, including Vietnam. American shrimp farmers in eight southern and southeastern states of the US established the Southern Shrimp Alliance in October 2002, with an aim to file a lawsuit against shrimp exporters, who they claim are selling shrimp in the US at a price less than it costs to produce it, in an effort to undermine US producers, a tactic called dumping product, which is illegal. Shrimp are one of Vietnam’s key exports,
the value increasing rapidly over recent years from US$ 31.3 million in 1997 to US$ 481 million in 2002. It is thought that shrimp exports to the US in 2003 will be worth more than US$ 500 million.

Meanwhile in Thailand, shrimp exporters are voicing concerns that the value of shrimp exports could drop by as much as 50% in 2004 due to the possibility of anti-dumping duties imposed by the US. Thailand’s shrimp export is described as facing an uncertain future according to the president of the Thai Frozen Foods Association. It is predicted that the export of shrimp from Thailand is expected to reach US$ 7 billion in 2003, accounting for 10% of Thailand’s exports. Tougher competition from rivals in the US market, such as Vietnam, Ecuador and Brazil, is also expected to affect shrimp exports.

Meanwhile in the US, a spokesman for the shrimp alliance’s lawyers stated that they are close to finishing a petition to be filed with the Commerce Department. The anti-dumping provisions of US trade law let the government impose tariffs on imports that are determined to violate fair trade practices. Anti-dumping petitions are filed with the Commerce Department, which makes a determination of whether the alleged subsidies or dumping are occurring and at what levels. The US International Trade Commission, a separate organization, decides whether the domestic industry is being harmed. If they agree, the US Customs Service imposes duties on the imports. The International Trade Commission imposed anti-dumping tariffs on Chinese crawfish in 1997 that are still in effect. It recently imposed tariffs on Vietnamese catfish.

However, according to lawyers representing Vietnam in the likely trade dispute, the US shrimp alliance is likely to postpone the anti-dumping lawsuit due to a lack of funding.


Is the World Trade Organization of Benefit to Developing Nations?
[global trade, developing countries, trade agreements]

An article in ID21 (Development Research) <http://www.id21.org/insights/insights49/insights-iss49-art06.html> examines whether the World Trade Organization is of benefit to developing countries or not. In the article, Peter Holmes, from the Department of Economics, University of Sussex, argues that the World Trade Organization, formed in 1994, curtails the freedom countries had to set domestic regulations which potentially affect trade and the rules are strict. For instance, health and safety regulations are based on scientific assessments. These can be costly for poorer countries to apply but also prevent richer countries from imposing trade barriers under the guise of these issues.
However, rules such as those concerning the Trade and Related Aspects of Intellectual Property Rights Agreement (TRIPs) have not brought the promised improved innovation and investment in developing countries.

In summary, the case for the WTO is made by stating that without legal rules which WTO members all have to agree on, governments could choose any legislation and regulations on trade they wanted and could block trade even if they were to the detriment of consumers or workers. This would probably mean that the EU and US could do as they wished with the WTO. As was shown in Cancun, developing countries could veto against anything they disagree with.


Can Ethical Trade Help Guide Globalized Trade?
[globalization, trade, ethical trade, consumers]

The issue of whether self-regulated ethical trade principles can guide globalization is examined in an article in ID21 Development Research by Richard Heeks of the University of Manchester <http://www.id21.org/insights/insights49/insights-iss49-art05.html>

Companies reaping rewards from the exploitation of workers and producers in poorer countries by paying them badly, below what would be considered a living wage, are images that today are often associated with the issue of free global trade. Self-regulation through Ethical Trade (ET) has been a response to this image and involves businesses agreeing to prevent this exploitation and indeed bring about through their involvement overseas, improved social and environmental well-being. The article examines what is needed to make this premise work.

Ethical Trade is one where the threat of boycott by the consumer and the promise of a higher value market for products play a key role. Businesses are basically looking for an improved image among consumers through which they can justify entry into the area of higher valued markets. Voluntary codes of conduct are made by individual businesses over, for instance, issues such as child labor. These codes of conduct are, however, voluntary and not legally binding, so for ET to work information is essential for consumers, workers and communities. Consumers need to believe and be shown that the codes of conduct are adhered to and businesses themselves need to see that their competitors are also adhering to these new cost increasing ethical practices and not employing cheap exploitative mechanisms to try and undercut each other.

The information must also be the right information and should not be over-simplistic, being based on holistic, complete and careful surveys on the nature and impact of the issues cited in the codes. The right information must then be handled and presented in the correct way. Issues such as what should go on the product labels should be addressed so consumers can be informed.

However, the article concludes that overall information communication techniques along with the media and ET organizations are increasing consumer’s access to data
and hence ET can be seen as a valuable new tool, one of many that can be used to help direct globalization.