

EC Prep Monthly report on Trade Issues in
Asia Pacific

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Training for Malaysian Ornamental Fish Breeders

[Malaysian, ornamental fish, training]

The Malaysian government's Fisheries Department intends to establish a research and training institute in Batu Berendam, Malacca to boost the country's ornamental fish industry, aiming to export 800 million fish by 2010 from the current total of 388 million from some 200 species. Malaysia intends to increase the variety of ornamental fish produced to 1,000 species. The department also has just initiated a pilot program to introduce ornamental fish breeding into schools to generate interest in it as a hobby and later as a career.

The Department believes that current production among major breeders in Johor, Perak and Ipoh has proven that tropical aquarium fish such as arowana, goldfish and carp, are both of high quality and in high demand and that Malaysia's advantages include that the cost of production was relatively low and water quality high.

(Source: New Straits Times (Malaysia), February 9, 2004)

Malaysia Sets Up Aquaculture Task Force

[Malaysia, aquaculture development, prawn, ornamental fish]

The Malaysian Agriculture Ministry has set up a task force aiming to develop the nation's aquaculture sector into a more sustainable, dynamic and competitive industry in a country where nearly 400,000 hectares of land nationwide have been identified as suitable for the aquaculture farming of prawns and fish.

The task force, or National Aquaculture Committee, chaired by the Agriculture Minister, was implemented as there is a need to intensively expand the sector, which has the potential to become a key source of fishery products. The committee intends to cooperate with state governments that are interested in expanding the aquaculture sector and would identify and attract foreign investors to projects.

Currently it is estimated that only some 5% of the potential area available to aquaculture is utilized in Malaysia, producing 146,000 tons of yield annually. Of 400,000 hectares of land identified as having potential, 51,178 hectares are in Sabah and 60,000 hectares in the Peninsula, with tiger prawn having the biggest potential along with ornamental fish.

(Source: Bernama (Malaysian National News Agency), February 16, 2004)

Marine Ornamentals 2004

[ornamental, trade, conference, sustainability]

Marine Ornamentals 2004, the 3rd International Conference for the Marine Ornamental Community will meet on the 1-4 March 2004, in Honolulu, Hawaii, concurrently with Aquaculture 2004, the meeting of the World Aquaculture Society.

Marine Ornamental 2004 has a goal of creating an economically and environmentally viable future for the dynamic marine ornamentals industry and its clientele by:

- Improving the methods for the collection, distribution, and management of wild marine ornamental species
- Increasing the variety, quantity and availability of cultured marine ornamental species, and
- Encouraging education and outreach activities in the husbandry and conservation of marine ornamental species.

The conference will feature presentations and posters on these topics as well as a Trade Fair that will be part of the larger World Aquaculture event. The International Association of Aquaculture Economics Management (IAAEM) and the Network of Aquaculture Centres in Asia-Pacific (NACA) also plan a special part of Aquaculture 2004, entitled "Economics, socio-economics and markets of marine finfish culture.

For more information please visit

<http://www.hawaiiaquaculture.org/marineornamentals04.html>

(Source: Live Reef Fish No 12, February 2004, www.spc.int/coastfish)

Equality in Fisheries Trade?

[developing countries, fisheries trade, guidelines, exports, capacity-building]

According to the FAO, since 1980 the value of fish and fisheries products for export has risen from US\$ 15 billion to US\$ 57.7 billion annually. For developing countries that share about 50% of this total, this represents a vital source of income. FAO figures reveal that net exports (exports less imports) for fisheries products from developing countries recently reached US\$ 17.7 billion, greater than those for tea, rice, cocoa and coffee combined. One-third of fisheries production is associated with international trade and over half of this international trade is from developing countries.

However the FAO points out that this trade tends to focus on that of unprocessed fish, which, while bringing in much needed revenue, would raise more if they underwent some kind of value adding processing. Exporters also face average trade tariffs of 4.5% but this average figure hides some trade tariff peaks for certain kinds of fish undergoing certain processes. For instance, cleaned and packaged shrimp may well receive import tariffs while bulk unprocessed shrimp might not. These import duties

predominantly in developed countries continue to pose a constraint to developing countries.

Technical barriers such as those put in place to protect health can also cause problems. The report advises that these be based on sound science and not put in place as an act of protectionism, and that training and capacity-building be given so producers can learn the skills needed to reach the standard required by importing countries.

Regarding the environment, options such as eco-labelling are advised although questions such as who decides which fish are eco-friendly and what the standards should be still cause problems. Here too developing countries should be trained and assisted in meeting whatever standards are required, rather than meeting yet another barrier.

To encourage international cooperation on such matters, the FAO established its Sub-Committee on Fish Trade in 1985, which meets every two years to discuss such issues and met in February 2004 in Germany. Topics under discussion included developing fair, science-based safety-monitoring and eco-labelling systems for seafood products; improving the accuracy of catch reporting by the fishing sector; and how to help developing countries and small-scale fishermen increase their access to international markets. A draft report will be produced and submitted to the FAO recommending actions that member countries could take in order to “promote a sustainable, stronger, and more responsible global trade in fisheries products.”

At the end of meeting, 98 delegates from 49 countries made recommendations on the following topics.

Enhanced work on safety issues, collaboration with UN Convention on Endangered Species urged

This included the increasingly emerging science of traceability, creating systems that track a fish’s progress from capture or production to final consumption, enabling consumers to know as much as they wish about what they are buying and eating and aiding greatly in the issue of eco-labelling. However, there are concerns over the cost of implementing such a system. But the FAO is ready to provide information, advice and support. Additionally, a memorandum of understanding is proposed enabling the FAO and the UN Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to work closer together in the listing of over-exploited fish as endangered.

Standards on eco-labels to be developed

The sub-committee recommended that the FAO organize a technical consultation to finalize guidelines on the use of eco-labels to protect fishery resources. In accordance with such schemes, fish farmed or captured in accordance with certain environmental standards can be sold bearing a specific label indicating they were produced in a responsible manner.

During the meeting the committee also discussed strengthening the fish trade's contribution to food security, increasing access by developing countries and small-scale fishing operations to international markets, and improving catch reporting by fishing operations.

(Source: FAO Newsroom, February 13, 16, 2004)

Shrimp Dispute Latest

[US, shrimp, trade tariffs, trade dispute, anti-dumping]

In the latest developments in the on-going US shrimp dispute, a press release from the Southern Shrimp Alliance (SSA) on 17 February stated that the International Trade Commission (ITC) found that there is "reasonable indication that the US shrimp industry is materially injured by the dramatic increase in dumped shrimp imports over the past three years from six countries: Brazil, China, Ecuador, India, Thailand and Vietnam."

The US International Trade Commission on Tuesday ruled 6:0 on the petition submitted by the US shrimpers to investigate whether imports from Thailand, China, Brazil, Ecuador, Vietnam and India were being priced below market value on purpose, a practice known as dumping and therefore should subject these products to anti-dumping duties.

The ruling is the first of four before anti-dumping duties can be imposed on shrimp from these countries. The next ruling is expected in 8 June, when the US Department of Commerce (DOC) is to decide whether shrimp have been unfairly dumped at below-market prices.

Prior to this statement, Indian shrimp exporters had already stated that they plan to challenge the US lawsuit that alleges that shrimp is being dumped on the US market from abroad. India's Seafood Exporters Association filed the petition before the US International Trade Commission in late January, arguing that Indian farmed shrimp do not harm US cultivators because they are a different variety.

The Southern Shrimp Alliance originally filed a petition with the US Commerce Department and the ITC on 31 December 2003. The petition alleged shrimp imported from Thailand, China, Vietnam, India, Brazil and Ecuador slashed the value of US harvested shrimp by more than half between 2000 and 2002, from US\$ 1.25 billion to US\$ 560 million. The petition also alleges that imported shrimp is being sold at prices from 32 to 350% below prices in their home markets, a tactic known as trade dumping. The alliance, composed of shrimpers and processors from eight US states, also claims that employment at shrimp factories in the southern United States has dropped by 40%.

Asian shrimp exporters have constantly responded to the claims over the last few months by calling the petition "protectionism," and have vowed to keep fighting. US importers also say they will join these countries in the fight.

The United States is India's second-largest shrimp export market after Japan. Almost a quarter of India's US\$ 1 billion shrimp export revenue comes from the United States.

According to figures available from the ITC Data Web, Thailand was the largest shrimp exporter to the US in the first nine months of 2003, followed by Vietnam, India and China. The contributions from Ecuador and Brazil were considerably lower. However, the reverse seems to be the case with respect to the tariffs being suggested, with Brazil being recommended for the highest duties, which range from 32-329% or 30-267% depending on the source. Brazil is then followed by Ecuador, China, India, Vietnam and Thailand.

Meanwhile, Indonesia's Fishery and Marine Resources Ministry has announced that it will soon ban the import of shrimp from countries named in an anti-dumping petition by the US, hoping that the ban would boost the country's own shrimp business.

The US shrimp industry has been in a state of decline over recent years, with shrimp imports now accounting for about 90% of the US market, up 20% for the first ten months of 2003 over 2002.

Due to uncertainty in the industry, there is a lull in the market as US buyers await further developments in the anti-dumping case pending with the US Department of Commerce. Producers such as India are looking towards new markets such as Japan, although it is acknowledged that Japan's health and quality legislation are becoming stricter.

In further developments the Southern Shrimp Alliance proposed that the Department of Commerce (DOC) use the shrimp price in India in making comparisons with Vietnam's shrimp products in the US market, as India is seen as having the same level of development as Vietnam. Vietnam's shrimp exporters and processors have been working on selecting a third country, which must have equivalent per capita GDP and technology in shrimp farming and processing, to establish the price comparison. Normally, DOC will select a list to be selected by defendants and then choose one, based on proposals from both sides, to calculate the import tax.

(Source: AFX News Limited, February 19, 2004; Agence France Presse, February 18, 2004; Antara – The Indonesian National News Agency, January 28, 2004; Asia Pulse, January 29, 2004; The Associated Press State & Local Wire, January 24, February 24, 2004; Bangkok Post, February 19, 2004; Kasturi & Sons Ltd (KSL), Business Line, January 24, February 4, 2004; Kasturi & Sons Ltd (KSL), The Hindu, February 20, 2004; Living Media India Ltd., India Today, February 23, 2004; Newhouse News Service, December 31, 2004; The Nation (Thailand), February 21, 2004; Southern Shrimp Alliance, Press Release, February 17, 2004, Vietnam News Briefs, February 11, 2004)
