

Evaluation of fish trade non-tariff measures using choice experiments

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Introduction

- The main objectives of the project
 - Analyse current and expected future bottlenecks for competitiveness of European fisheries and aquaculture (= the challenges)
 - Investigate the potential for new markets and marketing tools to increase revenue
 - Identify innovations to improve efficiency and reduce production costs
- The context
 - European consumption depends on imports
 - Demand for seafood products is increasing worldwide and in Europe
- The objectives of this task
 - To understand non-tariff measures policy in the trade of seafood in Europe.
 - To identify examples of NTM and seafood trade issues faced.
 - To provide useful insights to policy to make NTMs more effective.

=> How is regulation and policy affecting trade? How could it be better?

Non-tariff measures in European fish trade

Definition: "**Non-Tariff Measures (NTMs)**", sometimes called Non-tariff barriers to trade (NTBs), **are trade barriers that restrict imports or exports** of goods or services using measures **that are not an import or export duty** (or tariff).

- NTMs are legitimate governmental regulations, necessary to ensure certain health and safety as well as technical trade measures are met.
- NTMs are often put in place for non-economic reasons, e.g. standards to protect the environment, animal and plant health as well as food safety
- NTMs may result in direct or indirect costs to importers/exporters, which includes “red tape” and “inefficiencies” in trade.
- Rarely do countries (or regions) have the same conditions for producing, marketing and trading seafood internally versus imports.

=> This results in “playing fields” that are not level! And is relevant to both intra and extra EU trade.

Seafood trade and Non-tariff measures: Definitions and examples

#	Technical Measure	Brief description	Examples
A	SANITARY AND PHYTOSANITARY MEASURES (SPS)	Measures that are applied to protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms in their food	<ul style="list-style-type: none"> • hazard analysis and critical control point (HACCP) requirements • maximum residue limit is established for insecticides, pesticides, heavy metals and veterinary drug residues • testing and certificate requirements for SPS related factors
B	TECHNICAL BARRIERS TO TRADE (TBT)	Measures referring to technical regulations, and procedures for assessment of conformity with technical regulations and standards	<ul style="list-style-type: none"> • Labelling, marking and packaging requirements • Product identity requirement (including biological or organic labels) • Conformity assessment related to TBT (including testing, certification and traceability)
C	PRE-SHIPMENT INSPECTION AND OTHER CUSTOMS FORMALITIES	Compulsory quality, quantity and price control of goods prior to shipment from the exporting country, conducted by an independent inspecting agency mandated by the authorities of the importing country	<ul style="list-style-type: none"> • Goods imported under a preferential scheme such as GSP must be shipped directly from the country of origin in order to satisfy the scheme's rules of origin condition

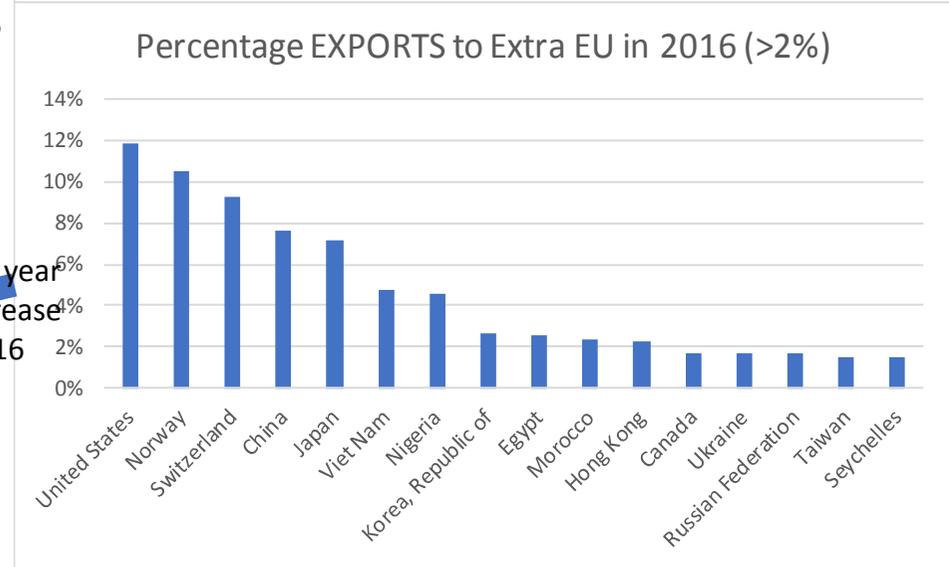
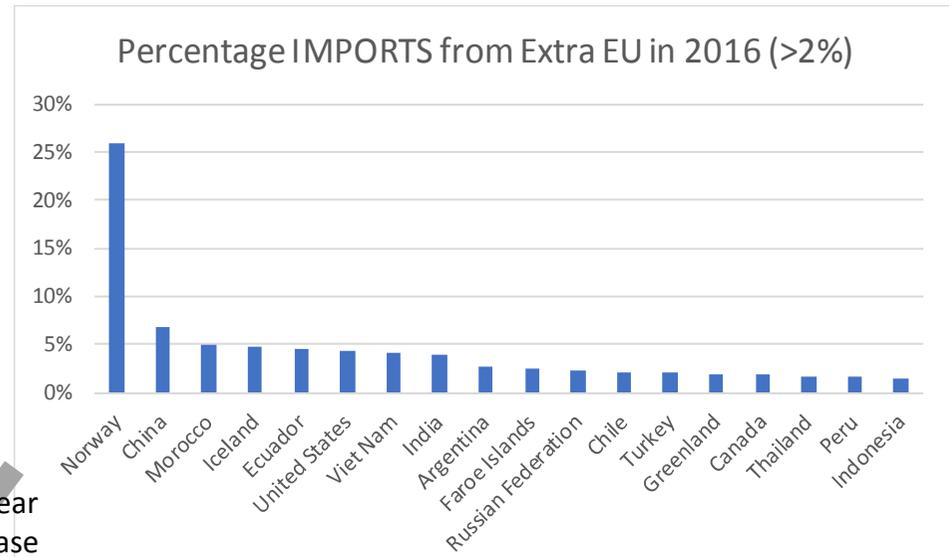
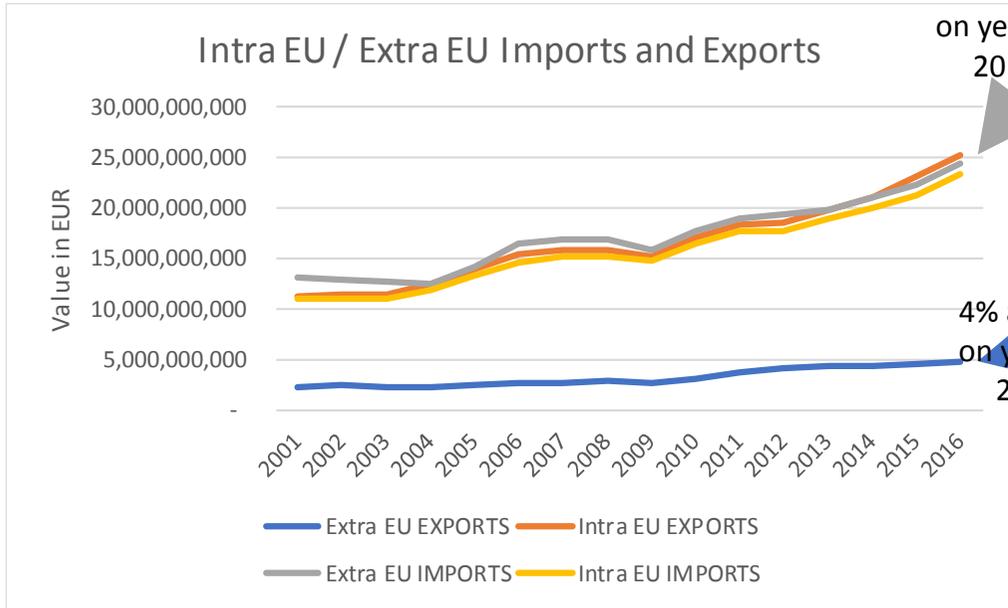
Seafood trade and Non-tariff measures: Definitions and examples cont.

#	Non-technical Measure	Brief description	Examples
D	CONTINGENT TRADE-PROTECTIVE MEASURES	Measures that counteract adverse effects of imports in the market of the importing country, contingent on fulfilling certain conditions	<ul style="list-style-type: none"> • Antidumping – to counteract imports “injuring” domestic companies • Countervailing – to counteract subsidies of exporting country
E	NON-AUTOMATIC LICENSING, QUOTAS, PROHIBITIONS AND QUANTITY-CONTROL (MEASURES OTHER THAN FOR SPS OR TBT REASONS)	Measures to limit the quantity traded, such as quotas. It also covers licences and import prohibitions that are not SPS- or TBT-related	<ul style="list-style-type: none"> • An import-licensing procedure where approval is discretionary or requires specific criteria to be met • Restriction of imports by a maximum quantity or value that is authorized. • Tariff rate quotas – for EU fish traders as this may result in different tariffs (i.e. zero or WTO) being charged within or above quota limits
G	FINANCE MEASURES	Measures intended to regulate the access to and cost of foreign exchange for imports and define the terms of payment.	<ul style="list-style-type: none"> • They may increase import costs in the same manner as tariff measures • Advance payment requirements (import transaction and/or import taxes) • Multiple exchange rates (varying rates, depending on the product category) • Prohibition of foreign exchange allocation and other authorisations)
H	MEASURES AFFECTING COMPETITION	Measures to grant exclusive or special preferences to one or more limited group of economic operators	<ul style="list-style-type: none"> • These refer mainly to monopolistic measures, such as State trading, sole importing agencies, or compulsory national insurance or transport
O	RULES OF ORIGIN	Laws, regulations and administrative determinations of general application applied by government of importing countries to determine the country of origin of goods	<ul style="list-style-type: none"> • For fish products, rules of origin must be shown on import to EU countries. This includes processed products and may be open to challenge if the correct documents are not available
P	EXPORT-RELATED MEASURES	Applied by the government of the exporting country on exported goods.	<ul style="list-style-type: none"> • Export-licenses, export quotas, prohibition of exports

European seafood trade

“Seafood is one of the most traded products in Europe”

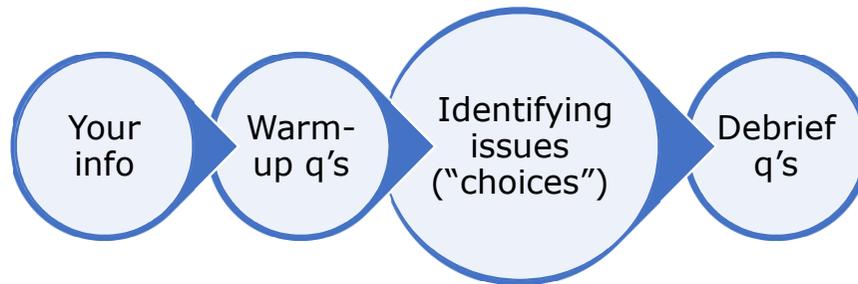
Source: EUMOFA (2017)



Previous analytical work

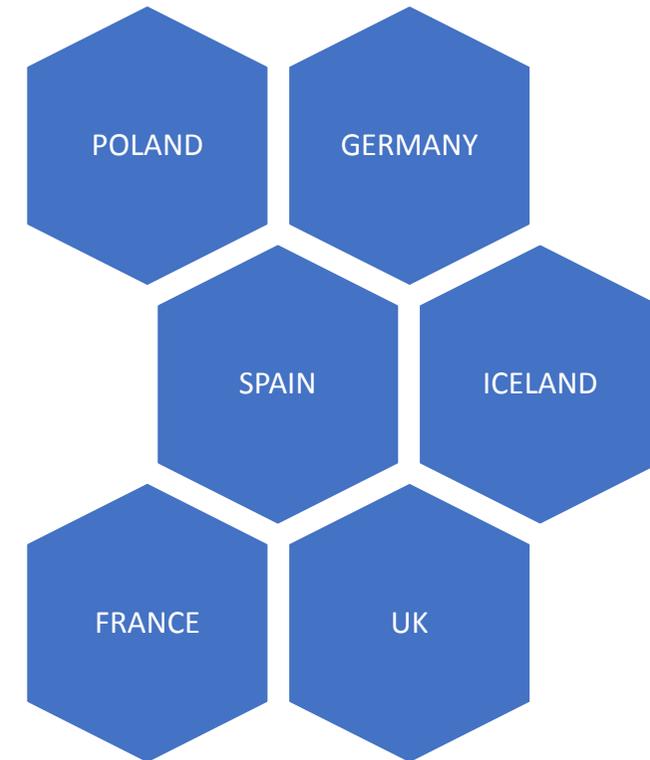
- Tariffs:
 - Melchior (2006) Tariffs in world seafood trade. FAO Fisheries Circular
- Trade liberalisation and trade facilitation:
 - The Costs and Benefits of Trade Facilitation, OECD Publishing
- Descriptive fisheries analysis:
 - The impact of EU commercial fisheries policies and practice on international trade in fisheries products. Kleih et al. (2007) Natural Resources Institute, Chatham, UK
 - Fisheries, International Trade and Sustainable Development: Policy Discussion Paper. ICTSD (2006) International Centre for Trade and Sustainable Development
- Quantitative analysis frameworks:
 - A cost-benefit framework for the assessment of non-tariff measures in agro-food trade. OECD (2008)
 - The economics behind non-tariff measures: theoretical insights and empirical evidence. Fugazza, UNCTAD (2013)
 - A cost-benefit framework for the assessment of non-tariff measures in agro-food trade. van Tongeren et al. (2009) OECD Publishing

Meetings and Workshops



- Identification of experiences and observations faced when trading seafood
- Issues directly involved in and/or issues first hand awareness of

=> Issues are those that prevent consistency in trade or don't provide a level playing field and/or increase your cost of trade where the benefit is not obvious



Identifying trade issues



Non-tariff measures choice experiment

- The choice experiments implementation is designed to elicit details of measures impacting the trade of seafood in Europe.
- It is built from five main attributes: species, non-tariff measure, region, value chain stage and cost impact.

CARD No.	Respondent No.	Comments			
		SPECIES: _____ OTHER DETAILS: _____ NTM: _____ COUNTRY: _____			
Species relevant for the respondent (tick only one for each card, and add cards as needed):					
Species (SELECT ONE):		SHELLFISH (e.g. Scallops, oysters, mussels) <input type="checkbox"/> CRUSTACEANS (e.g. Prawns, lobsters, crabs) <input type="checkbox"/> MARINE FISH (e.g. Cod, plaice, tuna) <input type="checkbox"/> FARMED FISH (e.g. salmon, trout) <input type="checkbox"/>			
NTM attribute relevant for the respondent (tick only one for each card, and add cards as needed):					
Non Tariff Measure (SELECT ONE):		HEALTH AND SAFETY <input type="checkbox"/> ENVIRONMENTAL BARRIERS TO TRADE <input type="checkbox"/> TRACEABILITY AND LABELLING <input type="checkbox"/> TECHNICAL MEASURES <input type="checkbox"/>			
Market Region (SELECT ALL THAT APPLY):					
	INTRA EUROPE & ICELAND/NORWAY	NORTH AMERICA	SOUTH AMERICA	ASIA	MIDDLE EAST & NORTH AFRICA
Value chain stage for respondent:					
Circle cost impacts (or enter OWN %) for each relevant combination of Market region and Value chain stage (%)					
Primary producer / buyer / agent / Wholesaler (EXPORTS)	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%
First buyers / agent / wholesaler / processor (IMPORTS)	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%
Processors (EXPORTS)	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%
Agent / Secondary Processors (IMPORTS)	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%
Distributor / Retail / Catering (IMPORTS)	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%	<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> 25%

Results 1

- Nephrops catchers in the UK dip their catch in 4HR to avoid browning.
- 4HR has been permitted in the EU since August 2006 for use in crustaceans up to a level of 2mg/kg, and has largely replaced the use of sulphites.
- Some countries outside the EU (e.g. Japan), do not permit this additive.

- There is a +- max tolerance on levels of antibiotics
- if close at point of export, difficult to judge how this may be when tested on import given random samples are taken.
- If found "over" then go on a blacklist to be checked.



One EU country has a more restrictive law...

- There is a chemical used in cans that is put in the lacquer of the interior part of the tin
- France has prohibited it, rest of the EU hasn't
- This makes us to have to duplicate the number of references, increase cost, complicate management, etc.

Fish fingers. US exporters don't use correct "non-manipulation certificate" as required by EU, as product is exported first to Korea and not required.

- Procedural, SPS level of antibiotics not accepted.
- No further communication with EU legal authority
- Container destroyed if not accepted

Results 2

Species type	#
Shellfish	6
Marine fish	24
Crustaceans	11
Farmed fish	9

Shrimp
Crayfish
Cod
(Alaskan) Pollack
Sardines
Anchovies
Tuna
Salmon (fresh/frozen/smoked)
Shrimp (aquaculture)
Herring
Mackerel
Squid
Redfish
Whitefish
Tuna
Bivalve molluscs (e.g. scallops)
Nephrops
Trout
Turbot

NTM category	#
HEALTH AND SAFETY	10
TRACEABILITY AND LABELLING	8
TECHNICAL MEASURES	17

Certificate of Origin
Catch certificates
Health certificate
Coating used in cans
Limited access to market at reduced duty
Different label criteria
IUU fishing
Names result in different duty (e.g. Gadus="cod")
SPS level of antibiotics
Finance measures
Health and safety
List of permitted species
Coating inside cans
Origin label
Managing origin to reduce tariffs
Financial measures VAT
Export measures
Differences in ports
Delays in export certificates
Delays in imports with fresh/super fresh

Region	#
INTRA EUROPE / ICELAND&NORWAY	9
NORTH AMERICA	12
SOUTH AMERICA	7
ASIA	19
MIDDLE EAST & NORTH AFRICA	9

Cost	#
0-5%	12
5%	11
10%	10
25%	1

Vietnam
Bangladesh
China
Korea
Morocco
Argentina
Iceland
Norway
US
Vietnam
Angola
Japan
Netherlands
Russia
Italy
France
Argentina
Gabon
Chile

Value chain	#
Primary producer / First buyer / Wholesaler (EXPORTS)	12
First buyers / agent / wholesaler / processor (IMPORTS)	21
Agent / Processors (EXPORTS)	5
Secondary Processors (IMPORTS)	4
Distributor / Retail / Catering (IMPORTS)	1

Conclusions

- Clear views that the playing field is not level (actual vs anecdotal)
- Clear concerns regarding NTMs in EU:
 - Importance to verify origin for both imports and exports (customs to consumer)
 - Standardisation required for all EU countries (e.g. SPS, certificates etc)
- There are costs in navigating non-tariff measures...
 - Sometimes it can be a direct cost of losing business or even a shipment
 - Sometimes it's just red tape
- Company reputation is at stake
 - risk avoidance taken creates costs to trade

=> The direction of travel regarding barriers to trade is unclear

Thank you

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<http://www.success-h2020.eu/>



SUCCESS NTM Workshop

Future Trade in Seafood

Impacts of BREXIT, free trade agreements, and looming shifts in international trade policies affected through Non-Tariff-Measures (NTMs)

Aims of workshop

The event will provide first hand-information for Non-Tariff Measures (NTMs) in EU fisheries and aquaculture sector value chains. Both sectors rely on exporting to third countries and importing from third countries. Recent global events and technological developments are potentially changing the trade environment and NTMs are important. The specific aim of the workshop is to identify which NTMs matter and are relevant for the EU fishery/aquaculture sector, and to identify the actual issues at hand to inform and improve EU policy. Furthermore, if possible some cost indication will be retrieved to inform the impact of NTMs on EU public policies. A summary of key issues to be covered is:

- Competing with imports, challenges and differentiators – ensuring the same playing field (i.e. fairness), e.g. health controls, quality, production regulations etc.,
- Free trade versus protectionist policies,
- Importance of imports for the markets,
- Importance of exports to the industry,
- Regulation and NTMs at local, national and EU levels,
- Links between imports and markets –opportunities for improved marketing / new markets,
- Financial impact of NTMs on competitiveness, are some positive other negative,
- Hidden costs in the value chain due to NTMs or other objective barriers

Workshop venue: Science14 in Brussels

Visit the Science14 website for more information:
<http://www.science14.com/>

Map Link here: <https://goo.gl/maps/xuNLH2AcZ62>

Contact Sigurdur Bogason for further information:
sibogaz@gmail.com



Full list of categorised NTMs

#	Technical Measure	Brief description	Examples
A	SANITARY AND PHYTOSANITARY MEASURES (SPS)	Measures that are applied to protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms in their food	<ul style="list-style-type: none"> hazard analysis and critical control point (HACCP) requirements maximum residue limit is established for insecticides, pesticides, heavy metals and veterinary drug residues testing and certificate requirements for SPS related factors
B	TECHNICAL BARRIERS TO TRADE (TBT)	Measures referring to technical regulations, and procedures for assessment of conformity with technical	<ul style="list-style-type: none"> Labelling, marking and packaging requirements Product identity requirement (including biological or organic labels) Conformity assessment related to TBT (including testing, certification and traceability)
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F	PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES	Measures implemented to control or affect the prices of imported goods to, e.g. support the domestic price of certain products when the import prices of these goods are lower.	<ul style="list-style-type: none"> Variable taxes or levies aimed to bring the market prices of imported products in line with corresponding domestic products Customs surcharge, surtax or additional duty Taxes levied only on imports that have domestic equivalents

#	Technical Measure	Brief description	Examples
G	FINANCE MEASURES	Measures intended to regulate the access to and cost of foreign exchange for imports and define the terms of payment.	<ul style="list-style-type: none"> They may increase import costs in the same manner as tariff measures Advance payment requirements (import transaction and/or import taxes) Multiple exchange rates (varying rates, depending on the product category) Prohibition of foreign exchange allocation and other authorisations)
H	MEASURES AFFECTING COMPETITION	Measures to grant exclusive or special preferences to one or more limited group of economic operators	<ul style="list-style-type: none"> These refer mainly to monopolistic measures, such as State trading, sole importing agencies, or compulsory national insurance or transport
I	TRADE-RELATED INVESTMENT MEASURES	Measures that restrict investment by requiring local content, or requesting that investment should be related to exports to balance imports	<ul style="list-style-type: none"> Requirements to purchase or use minimum levels of domestically produced or sourced products Restrictions on the importation of products used in local production
J	DISTRIBUTION RESTRICTIONS	Measure that restrict the distribution of goods inside the importing country	<ul style="list-style-type: none"> Limit sales of imports to certain areas within the importing country Limit import sales to designated retailers
K	RESTRICTIONS ON POST-SALES SERVICES	Measures restricting producers of exported goods to provide post-sales service	<ul style="list-style-type: none"> After-sales servicing must be provided by a local company of the importing country
L	SUBSIDIES	Financial contribution, e.g. made by government or public body	<ul style="list-style-type: none"> A provision to producers (e.g. to support replacement of production equipment) giving an unfair advantage against competition of imported products
M	GOVERNMENT PROCUREMENT RESTRICTIONS	Measures controlling the purchase of goods by government agencies	<ul style="list-style-type: none"> This may be to stop preference to national providers
N	INTELLECTUAL PROPERTY	Intellectual property rights in trade	<ul style="list-style-type: none"> Legislation covers e.g. patents, trademarks, copyright and trade secrets
O	RULES OF ORIGIN	Laws, regulations and administrative determinations of general application applied by government of importing countries to determine the country of origin of goods	<ul style="list-style-type: none"> For fish products, rules of origin must be shown on import to EU countries. This includes processed products and may be open to challenge if the correct documents are not available
P	EXPORT-RELATED MEASURES	Applied by the government of the exporting country on exported goods.	<ul style="list-style-type: none"> Export-licenses, export quotas, prohibition of exports