

The impact of Non-Tariff Measures on the Seafood Industry and Potential Implications for the Sustainable Development Goals:

Case of the European Union Import Ban on the Sri Lankan Seafood Industry



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Seafood industry in Sri Lanka

- Marine fisheries in Sri Lanka have two major components i.e. coastal and deep sea fishing
- Seafood represents 2.5% of Sri Lankan total exports
- The European Union (EU) is the largest export partner
 - 41% of Sri Lankan fish export to EU in 2014

Some background about the EU fish ban

- EU uses Non Tariff Measures (NTM) as a tool to encourage fish supplying country to eliminate Illegal Unreported Unregulated (IUU) fishing
- Require a catch certificate
- Noncompliant supplier's are
 - Advice through yellow card
 - Ban fish export until showing significant improvement
 - Continues dialog and show significant effort to mitigate IUU fishing
 - Lifting of the ban

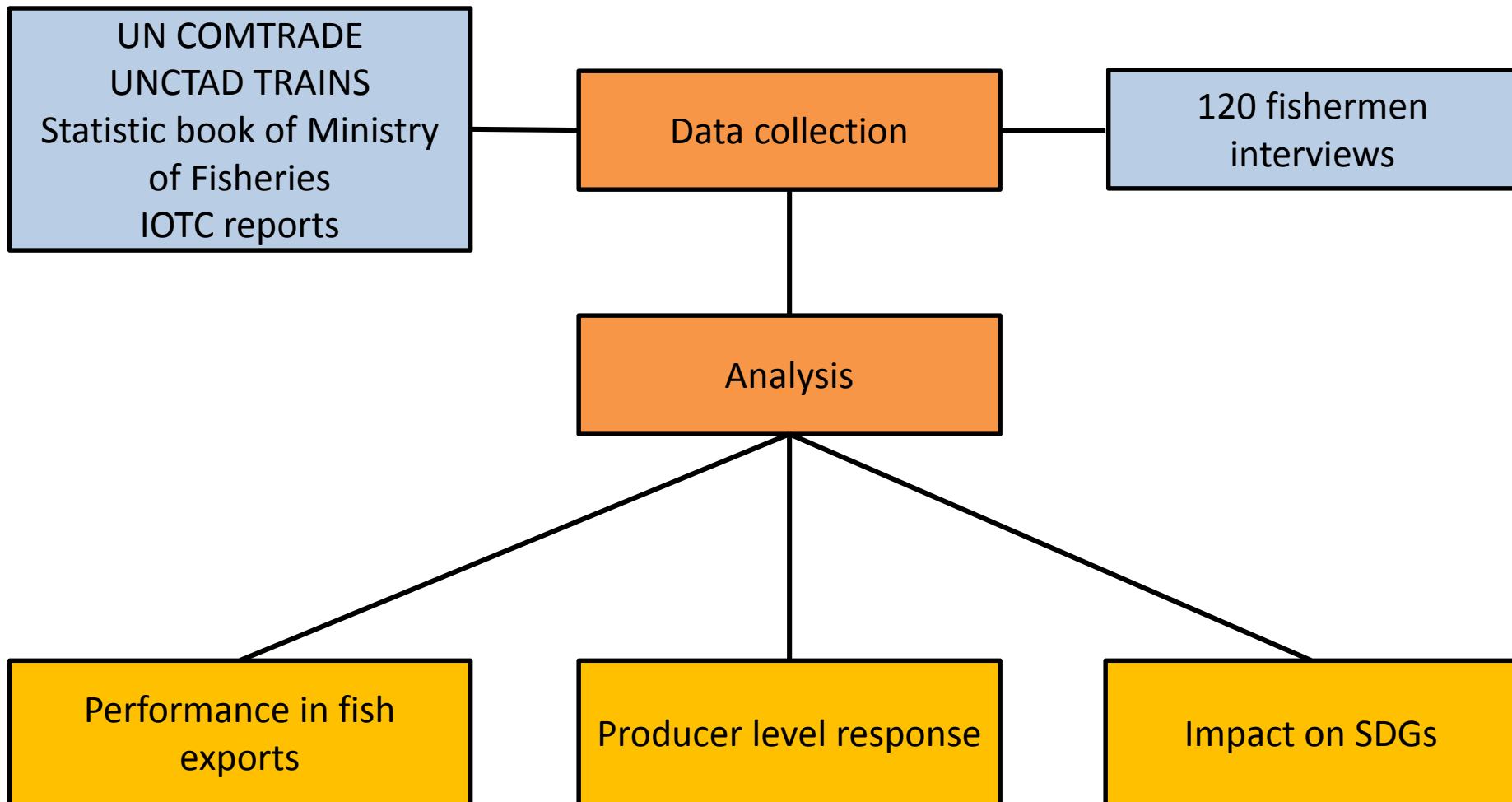
Timeline of the EU ban for Sri Lanka

- Started in 2010
- Yellow card warning issued in November 2012
- The ban was implemented in January 2015
- The band was lifted in April 2016

Potential issues with the ban

- When a policy is changed (e.g. NTM), the equilibrium changes and social, economic and environment structures shift towards a new equilibrium.
- Such policy change may have positive or negative impacts on the
 - Fish exports
 - Stakeholders (Fisherman)
 - Sustainable Development

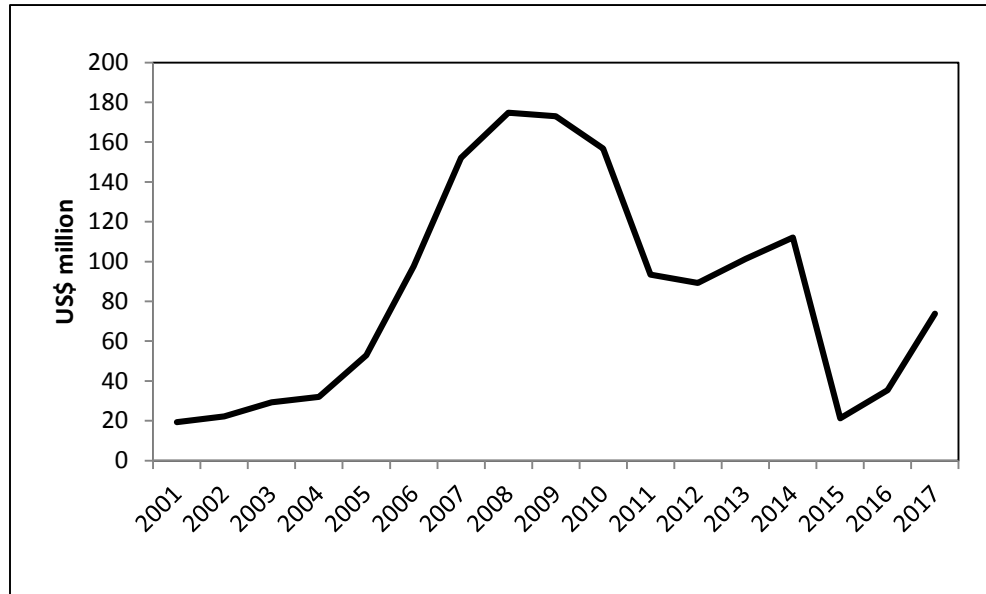
Methodology



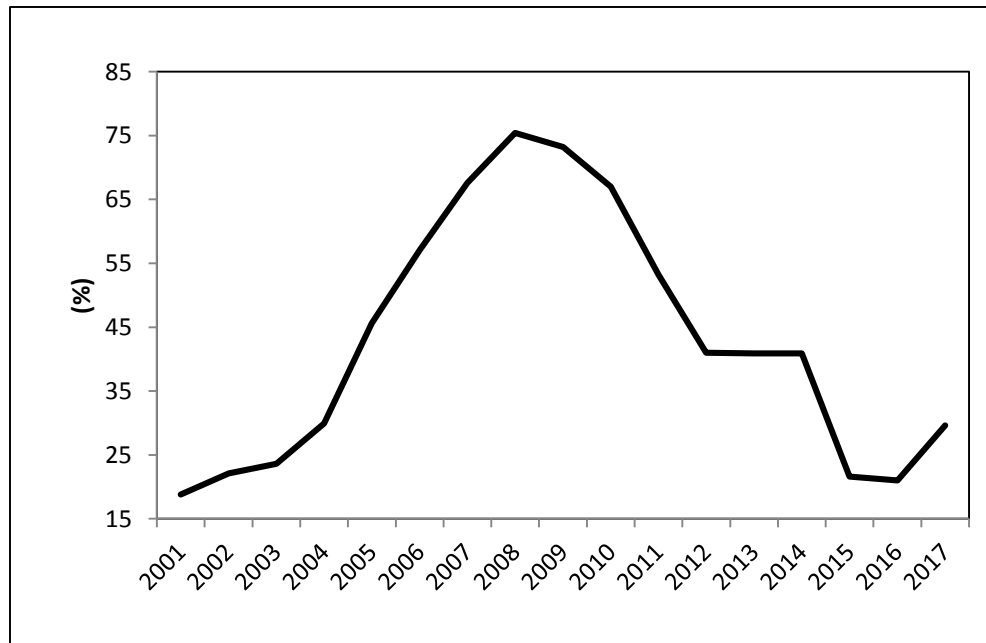
Impact on fish exports

Export value and market share

Value of
exports to
the EU

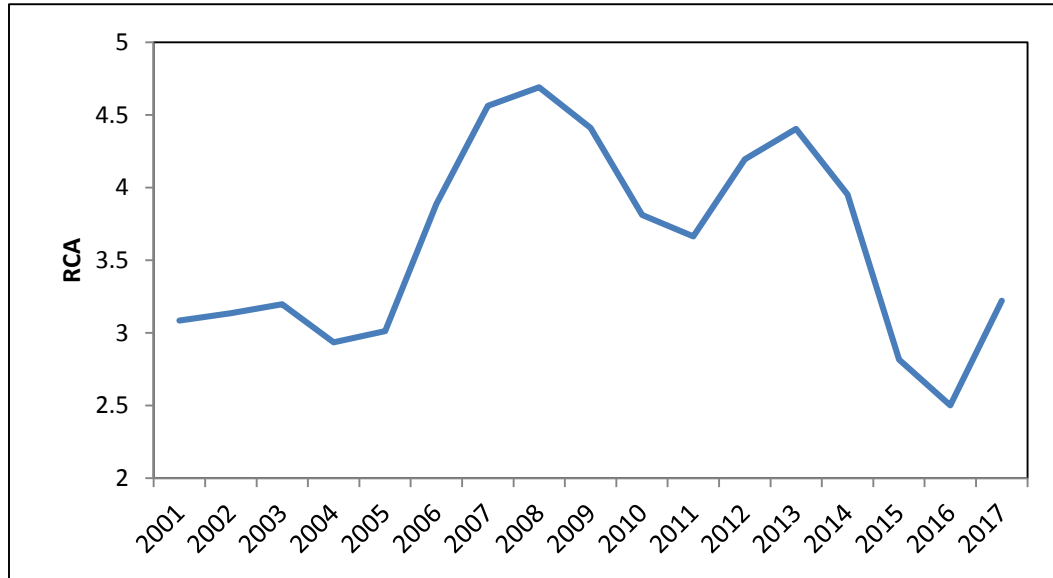


% of market
share to the
EU

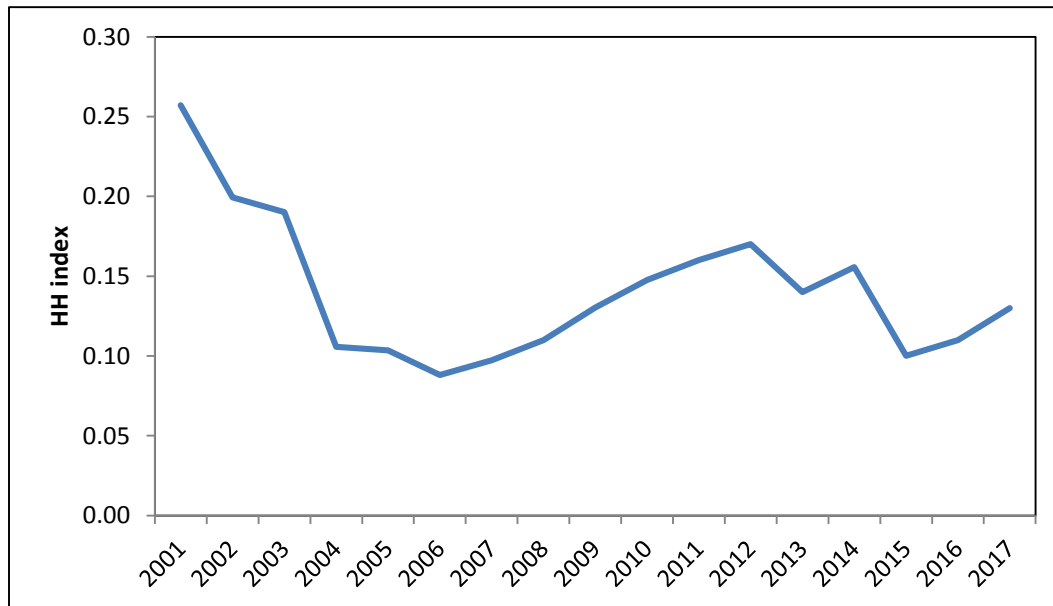


Market performance

Comparative
Advantage



Market
concentration



Top 10 export destination of Sri Lanka

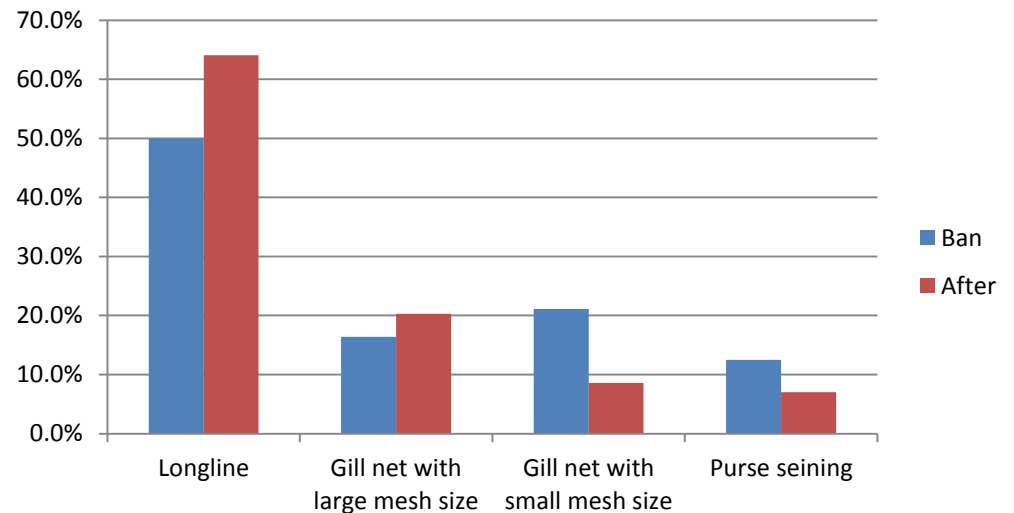
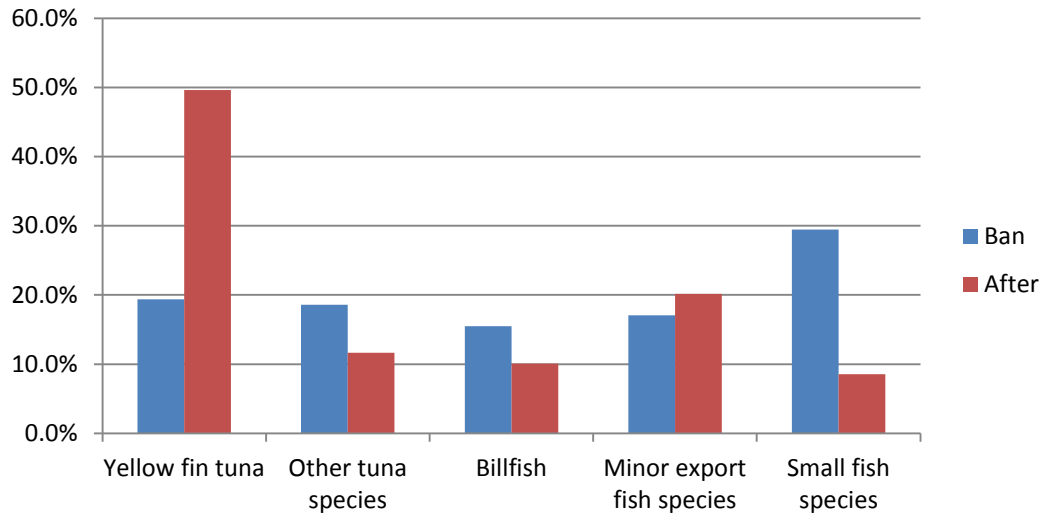
Country	2012	2013	2014	2015	2016	2017
EU	1	1	2	2	2	1
USA	3	2	1	1	1	2
Japan	2	3	3	3	3	3
Hong Kong, China	4	5	6	6	6	6
Taipei, Chinese	6	4	5	5	5	7
Canada	5	6	4	4	4	4
Viet Nam	9	7	8	7	7	5
Saudi Arabia					8	8
Israel	8	9		10	9	9
United Arab Emirates			9	8	10	10
Singapore	7	8	7	9		
Thailand	10	10	10			

Producer level response for the ban

What has happen to the fishing trip?

- Number of days per trip has reduced
- Number of trips per year has increased
- Total distance travelled has reduced
- Number of crew members has reduced
- Cost per trip has reduced

Adjustment of target fish categories and fishing gears



Impact on SDGs



SDG 14

- Increased usage of environmentally friendly fishing gears
- Decrease in Sri Lankan fishermen invading in to foreign seas
- Vessel inspection has reduced usage of destructive fishing techniques



SDG 1 and SDG 2

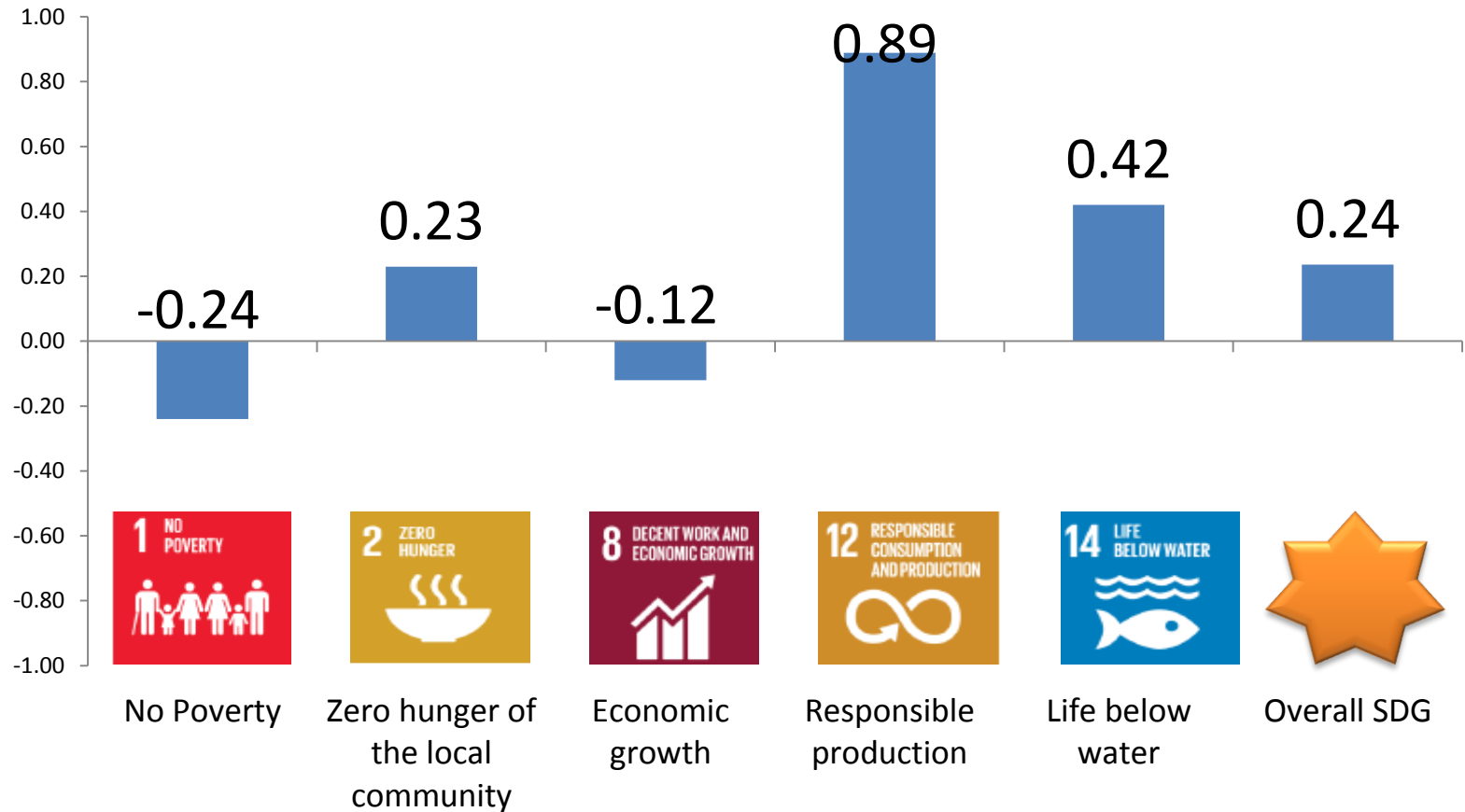
- Decrease job opportunities in the fisheries sector
 - 89% of fishers experience income reduction during the ban period
 - 52% mortgaged their properties, 31% took loans from informal money lenders
 - 23% still struggling to pay off debt
- Cut down on food expenditure



SDG 12 and SDG 2

- Per capita fish consumption of the local consumer increased
 - Take away catch (free of charge fish for crew members) is increased and it increased fish consumption in the fishing community
- Consumer has opportunity to know the origin of their fish products and producers were more responsible in their production

Impact of the EU ban on SDG



Conclusion and policy implications

- NTMs can generate both positive and negative impacts on trade partners.
- Some NTMs, such as Catch Certificate can positively contribute for the environment protection and negatively impact on fishermen's welfare because increase production cost.
- Eliminate disadvantage of increased costs
- Fisheries industry requires a long time period to adopt new technologies and attitude for compliance with NTMs



Thank You