Provisions for trade of fish and fish products in trade agreements in times of crisis and pandemic

Recommendations for negotiation and capacity building

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Introduction

• This report intends to understand challenges upon fish trade and contribute to build a better post COVID-19 trading system by drawing on China’s experience.

• Period cover: 10 January 2020 - 1 October 2020
• Focus: fish trade; supply chain

• Some recommendations are given based on findings
  • Regional Trade Agreement
  • Capacity building
1. Trade of fish and fish products: China's Perspective

2. Implications to Regional Trade Agreements
Trade of fish and fish products: China's Perspective
China is a major player in international fish market, with a trade value of $393.59 billion in 2019. Import has experienced a rapid growth since 2015. Export is kept at high level with more than $200 billion value since 2013.
Change of human infectious cases in China

10 January 2020 - 1 October 2020

COVID-19 is primarily a public health crisis, impact upon trade is closely related to the control of disease

• First country with outbreak of COVID-19
• First country shows sign of recovery
Export Side (HS Code: 03)

- Dropped heavily in January and February
- Fell into reduction again in May
- Recover since May, the gap is narrowed down to 7.24% in August, in comparison with last year
Import Side (HS Code: 03)

- Not hit as hard as export in the first quarter
- Even made growth from May - June
- Drop heavily since June
Towards Model Provisions for Trade in Times of Crisis and Pandemic in Regional and Other Trade Agreements

Webinar Series - 28, 29, 30 October and 2 November 2020

Stage One (red): initial outbreak

Stage Two (yellow): crisis management

Stage Three (green): recovery and preventing second wave of outbreak
• Challenges and Practice

Main challenges

- Identify source of disease
- Import restriction or inspection
- Disruption in domestic fish supply

- Uncertainty from foreign market due to lockdown and quarantine measures
- Disruption in transportation
- Border control measures

- Balance: efficiency vs safety
- New risk identified: cold chain event

Practices

- Temporary ban - clearly exclude fish
- Secure Transportation
- Innovative distribution

- Reduce costs: Custom, MoC, MoT
- Shift to regional market
- Boom of e-commerce

- Shift to regional market
- Turning to domestic market
- Boom of e-commerce
Implications to Regional Trade Agreements
• Overview

• A growing regional market
  • AESAN countries
  • South Korea

• Closer regional cooperation
  • ASEAN, China, Japan and Korea (10+3 declaration)
  • RCEP
  • China + Korea Free Trade Agreement
  • China-Cambodia Free Trade Agreement
  • Free Trade Zone: new member - Beijing
Better mechanism to deal with uncertainty in times of crisis

Issues:
- Exception provisions and SPS provisions are identified as highly relevant
- By examining its history, it is not well equipped to target present situation

Recommendations
- Requirement of “necessity” test for countries to take unilateral restrict measures
- Transparency should be improved in communicating control measures, quarantine and local infection
- May introduce dispute adjudication board mechanism into the RTAs?
- Certain restrictive measures are not justified, which may cause high uncertainty in export activities. This has substantially damaged trade activities.
- Some measures can effectively improve transparency between States, an essential measure to reduced uncertainty
- Establishment of warning system can help enterprises to judge risk and better prepare
- Cooperation between Customs and domestic departments is essential for efficient risk control
Facilitation measures to promote trade during crisis

**Issues**
- Increased trade costs
- Difficulties to strike balance between tightened control requirements and efficiency

**Recommendations**
- Crystallize good practice, especially Custom rules and declaration documents requirement by incorporating them into RTA
- Impose transitional measures for cargos “in transit” and “on road” trucks?

- State has played a pivotal role in supporting domestic and international transportation, which can reduce costs
- Measures to resolve the storage of perishable goods and prioritized release of goods can effectively reduce costs
- Measures can be employed to reduce human contact, thus alleviate pressures on border control. Good practice includes paperless inspection procedure, one window for all, electronic declaration.
**Promotion of digital trade in RTA**

**Issue:**
- Movement of people is largely restricted, exhibition suspended
- Difficulties to build up “trust” in cross-border transaction
- Discrimination against SMEs

**Recommendations**
- An independent chapter on digital trade may be introduced into RTA
- Domestic legal support is essential, which shall be considered in RTA

- Associations organized online exhibition
- Stimulating policies to reward online sale
- Domestic e-commerce has shown better performance
- Many “soft infrastructures”, such as consumer protection, digital certificates, electronic authentication are still under developed
THANK YOU VERY MUCH