TRADE IN FISH AND FISH PRODUCTS

Memorandum by the Norwegian Government

1. According to the understanding reached at the Twelfth Session of the CONTRACTING PARTIES agricultural products should be interpreted to include fish and fish products as one of the subjects of the study on trends in international trade, to be undertaken by a Panel of Experts (See SR 12/20 page 171). The Haeberler report formed the basis for the discussion among the CONTRACTING PARTIES at their Thirteenth Session, regarding obstacles facing the trade in agricultural products. These discussions resulted in the establishment of Committee II on problems of trade in this field.

The examination by this Committee of the trade in agricultural products thus also covers fish and fish products. An analysis of the structural problems and factors affecting the trade in these products is all the more desirable as the trade in these products have never been discussed by the CONTRACTING PARTIES.

2. The export of products of fish and marine animals is probably of a greater importance to Norway than to any other contracting party to the GATT as export of these products represents from 20 to 25 per cent of the total Norwegian exports. A free and unrestricted trade in fish and fish products in Europe as well as in overseas countries is thus vital to the foreign trade of Norway.

The Norwegian Government accordingly wishes to draw the attention of the CONTRACTING PARTIES to the special difficulties confronting the export trade of countries traditionally dependent on the sale of fish and marine animal products by the frequent use of support schemes and protective devices in most importing countries.

3. High or even excessive duties are often applied to prevent fish and fish products from entering into foreign markets at a competitive basis.

However, in several countries the import of fish and fish products is severely hampered by quantitative import restrictions. Such restrictions are not only maintained by countries in real balance-of-payments difficulties, but are also applied by countries in a surplus or a favourable balance-of-payments position. A number of countries entitled to use import restrictions for balance-of-payments reasons apply the restrictions to give protection to the domestic fishing industry against foreign competition.
Import quotas are generally fixed on a yearly basis or made contingent on imports to take place at specific periods when domestic supply is not available or inadequate. In some countries imports are further hampered by administrative action and by the stipulation of less favourable rules for the marketing of imported fish than for products of domestic origin.

4. The extensive use of subsidies granted in various forms to the domestic fishing industry is a further characteristic feature of the trade in fish and fish products. Some countries resort to support schemes implying financial aid by the Government in the construction of new or the modernization of old fishing vessels. Others grant subsidies in connexion with the operation of the fishing fleet. Such subsidies are sometimes limited to certain types of vessels, in other cases to certain kinds of fish. Special supporting arrangements are also being applied in connexion with the internal sale to the processing industry of fish of domestic origin. Several countries support their fishing industry by granting tax reductions, credit facilities, governmental guarantees, special loans at low interest rates etc. Some countries afford protection to their fishing industry by payment of subsidies on materials used in the earlier stages of the processing of fish. Subsidization is in some cases made possible by means of charges levied on imported products.

5. In certain cases fish and products of fish and marine animals are regarded as competitive to agricultural products in the consumption. This is particularly the case for fish oils. In such instances agricultural protection is extended to cover fish and fish products.

6. Even in Norway where the resources of fish are ample, the average income of the fishing population is low. This is to a large extent due to the fact that export of fish and fish products, on which the Norwegian fishing industry is dependent, is curtailed by restrictive governmental measures in other countries. This policy on the part of countries which under free marketing conditions would be potential importers of fish, has as a secondary effect a serious impact on the consumption of fish compared to other foodstuffs.

7. Relaxation or even elimination of import restrictions for fish and fish products would, in the considered opinion of the Norwegian Government, in no way lead to any deterioration in the balance-of-payments position of importing countries, parties to the General Agreement, nor would the modification of subsidies and support schemes be detrimental to the economy of the countries concerned.

8. The Norwegian Government therefore welcomes the establishment of a committee in GATT to study also the problems connected with the trade in fish and fish products and hopes that countries will review their import policy regarding these products in the light of the findings of this committee.

The Norwegian Government presumes that information on trade in fish and fish products will be supplied by the CONTRACTING PARTIES to the General Agreement to the same extent as such information is made available for the Committee for the products within the proper agricultural sector.