

CARIFORUM/EU Economic Partnership Agreement (EPA) – Treatment of Fisheries

The fisheries sector in CARIFORUM is explicitly recognized in the EPA through the provisions contained in the Chapter on Agriculture and Fisheries. This Chapter acknowledges the social and economic importance of the fisheries sector and the need to maximize the benefits of its sustainable exploitation in relation to factors such as food security, employment, poverty alleviation, foreign exchange earnings and social stability of fishing communities. It goes on to recognize the fragile nature of the region's complex and highly diverse fisheries and marine eco-systems and thus the need to employ effective and scientifically-based conservation and management techniques in its exploitation. Further, in view of the importance of safeguarding the livelihoods of fishing communities, the EPA recognizes the need to avoid any major disruption of markets for fish products in CARIFORUM States.

These objectives are translated into concrete measures in the following ways. First, the EU and CARIFORUM have agreed to establish an information exchange and consultation process that would focus, *inter alia*, on production, consumption and marketing; technology development; investment promotion; and policy-related issues. Next, specific projects will be drawn up and implemented with EU funding to address areas such as processing, marketing, improving compliance with technical and quality standards, investment promotion, and building regional intuitional capacity for sustainable management and trade in fisheries products.

In relation to the tariff liberalization for fisheries products, the following should be noted. Of the total imports by CARIFORUM of fisheries products from the EU, which averaged US\$9,643,723 for the 2002-2004 period, CARIFORUM will totally exclude 66% from any liberalization commitment. Of the remainder, 33% will be liberalized in 20 years and an additional 1% in 25 years. The products to be liberalized are those not generally produced in the region, such as salmon, tuna, herrings, mackerel, sardines and cod. As with all market access commitments, CARIFORUM will not be required to undertake any tariff reductions until 2011. All fish and fish products entering the EU market will be duty-free and quota-free, thereby locking in the preferences that existed under the Cotonou Agreement.

In relation to inputs for the fishing industry, CARIFORUM has committed to eliminating the duties on fishing vessels at the start of its tariff liberalization programme, i.e. 2011. Elimination of duties on other inputs, such as fishing nets and rods will take place over a 15 year period.

The Rules of Origin for fisheries products have also been adjusted, compared to those applicable under the Cotonou Agreement. One such innovation allows processed fish products, such as fillets and dried or salted fish, to qualify for duty free treatment even though the raw material would have been accessed outside of the territorial waters of the country, subject to the qualification that the value of the non-originating materials must not exceed 15% of the *ex works* price of the finished product.

The rules, as they stand, require that fish will only qualify for "originating" or preferential treatment once they are obtained either a) from inland waters or within the territorial waters (12 nautical miles) of the states, or b) by vessels of either the CARIFORUM states or the EU. Notwithstanding the basic rule based on the ownership of vessels, the EU has committed to allowing fish caught in the Exclusive

Economic Zones (EEZs) of CARIFORUM states to qualify for origin treatment, provided that this is done with vessels leased or chartered by operators of the CARIFORUM country, and that EU operators would have been given the right of first refusal. A similar, though not identical, provision existed under the Cotonou Agreement.

CARIFORUM countries did, however, argue for a more complete overhaul of the Rules of Origin for fisheries. African, Caribbean and Pacific (ACP) states have long insisted that fish caught within their EEZs of, and obligatorily landed in their states, should automatically qualify as originating goods but this has been opposed by the EU. To this end, a declaration on the part of CARIFORUM countries has been attached to the EPA text, which sets out the group's position and signals that the issue will be brought up for further negotiation in the future. In addition, both CARIFORUM and the EU have committed in another declaration to continue examining the issue, within the Special Committee on Customs Cooperation and Trade Facilitation, with a view to reaching a satisfactory solution.

With respect to commitments on investment in the fisheries sector through "commercial presence", (dealt with under the Title on Services and Investment) several CARIFORUM states have indicated reservations on the entry of EU investors to the industry. Most have indicated that they reserve the right to adopt or maintain measures on investment in the sector. For some states, there are differential requirements (such as fees) for nationals and non-nationals in the eligibility for fishing licences, restriction of foreign licences to nationals of countries with which the state has a treaty, and restriction of entry into the artisanal fishery to nationals.

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