

SESSION 4- PREFERENTIAL
ACCESS FOR FISHERIES AND
AQUACULTURE PRODUCTS

*PREFERENTIAL
TRADE
AGREEMENTS*

WHAT ARE PREFERENTIAL TRADE AGREEMENTS (PTAS)?



Reciprocal trade agreements between partners to liberalize trade in products and services.



Include features such as reduced import duties, and simplified regulations



Include free trade areas, customs unions, and economic integration agreements.

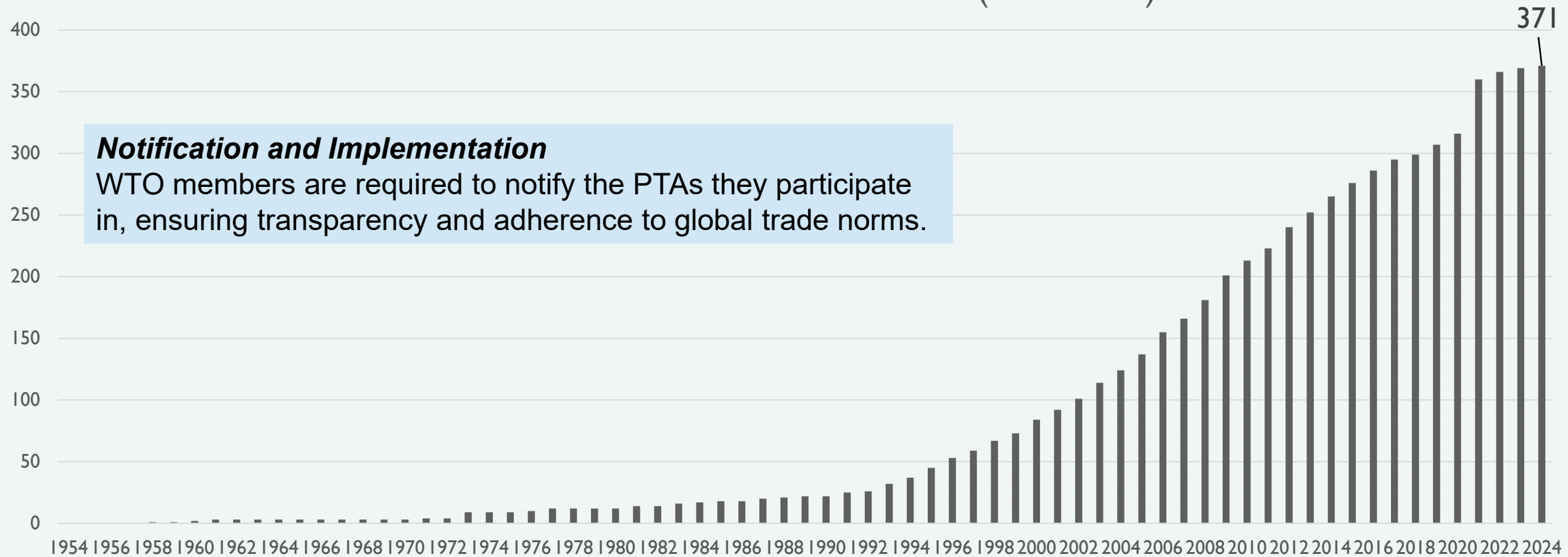


Allow more favorable trade conditions than other WTO members

- *Permitted under Article XXIV of GATT 1994.*
- *Exception to MFN treatment within the Rules subject to fulfilment of conditions:*
 - *items on which there is substantial trade to be covered*
 - *the phase out of duties should be within a reasonable length of time*

GROWTH IN THE NUMBER OF PTAS OVER THE YEARS

Cumulative Number of PTAs in force (1954-2024)



Notification and Implementation

WTO members are required to notify the PTAs they participate in, ensuring transparency and adherence to global trade norms.

DIFFERENT TYPES OF PTAS

PTA types

Free Trade Agreement (FTA)

An agreement to reduce or eliminate trade restrictions including tariffs.

E.g. CPTPP

Partial Scope (PS) Agreement

Agreement that offers preferential market access to the parties by reducing or eliminating import tariffs on a **limited amount of products**.

E.g. El Salvador-Ecuador PSA

Customs Union

An agreement to eliminate trade restrictions and **adopt a common external tariff** for imports from non-party members.

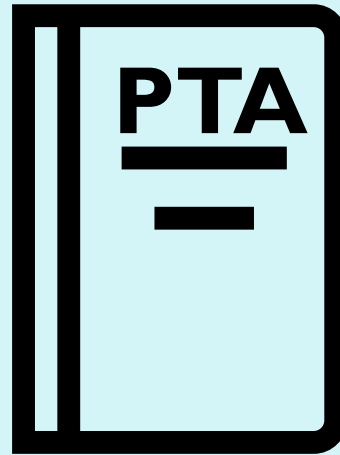
E.g. Southern African Customs Union (SACU)

Economic Integration Agreement:

An agreement that eliminates trade restrictions amongst parties, **adopts a common external tariff** and **coordinates macroeconomic and exchange rate policies**.

E.g. European Union (EU)

STANDARD FEATURES OF PTAS



Trade in
Goods

Trade in
Services

Investment

Sustainability
Clauses

TRADE IN GOODS- DETAILED VIEW

Schedule of Tariff Commitments

- Preferential tariffs applicable to partners.

Sanitary and Phytosanitary Measures (SPS)

- Associated with food safety, animal and plant health standards.

Technical Barriers to Trade (TBT)

- Related to technical issues, including labelling requirements.

Trade Remedies

- Antidumping duties, Countervailing duties and Safeguards.

Rules of Origin

Determines the "economic nationality" of products

EXAMPLE: CANADA'S TARIFF ON SALMON HS 16041100 MFN DUTY AND DUTIES IN PTAS

Tariff Line Duties

 [Download Data](#) |  [View in PDF](#) |

Query name

Query description

Product

Tariff line (79)

Tariff line description with hierarchy

16	Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or of insects
1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs.
16041	- Fish, whole or in pieces, but not minced:
160411	-- Salmon
16041100	Salmon

Duty type	Description	AV or AVE	Non AV	Nature
02	MFN applied duty rates	2.00	-	Ad valorem duty
10	Free-trade area duty rate for the United States under the North American Free Trade Agreement (NAFTA)	0.00	-	Ad valorem duty
11	Free-trade area duty rate for Mexico under the North American Free Trade Agreement (NAFTA)	0.00	-	Ad valorem duty
13	Free-trade agreement duty rate for Chile (CCFTA)	0.00	-	Ad valorem duty
14	Free-trade agreement duty rate for Israel (CIFTA)	0.00	-	Ad valorem duty
15	Free-trade agreement duty rate for Costa Rica	0.00	-	Ad valorem duty
16	Free-trade agreement duty rate for Iceland (EFTA)	0.00	-	Ad valorem duty
17	Free-trade agreement duty rate for Norway (EFTA)	0.00	-	Ad valorem duty
18	Free-trade agreement duty rate for Switzerland (EFTA)	0.00	-	Ad valorem duty
19	Free-trade agreement duty rate for Peru	0.00	-	Ad valorem duty
1A	Free-trade agreement duty rate for Colombia	0.00	-	Ad valorem duty
1B	Free-trade agreement duty rate for Jordan	0.00	-	Ad valorem duty
1C	Free-trade agreement duty rate for Panama	0.00	-	Ad valorem duty
1D	Free-trade agreement duty rate for Honduras	0.00	-	Ad valorem duty
1E	Free-trade agreement duty rate for Korea	0.00	-	Ad valorem duty
1F	Free-trade agreement duty rate for the European Union (EU)	0.00	-	Ad valorem duty

RULES OF ORIGIN (ROO)

Determines the "**economic nationality**" of products in international trade.

Specifies **minimum amount of processing** in a particular country for a product to be recognised as originating from that country.

These **prevent unfair practices** and deflection of trade to (falsely) obtain origin and, therefore, preferential treatment

Preferential rules of origin in an FTA specify the conditions under which a product is recognised as originating from one of the parties allowing preferential tariffs.





CONDITIONS FOR RULES OF ORIGIN



I. Definition of
"originating products"



II. Territorial
requirements

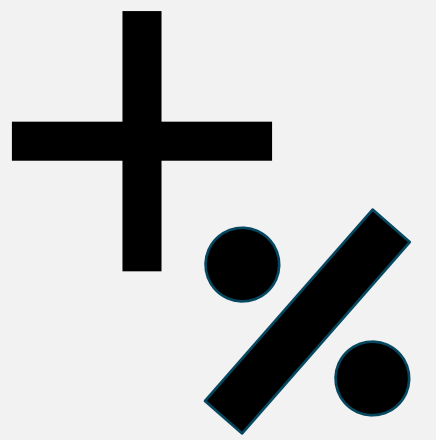
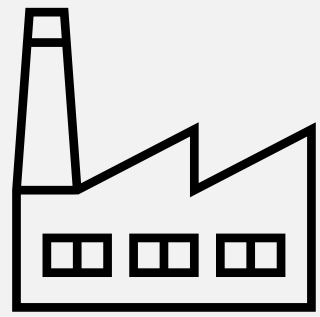
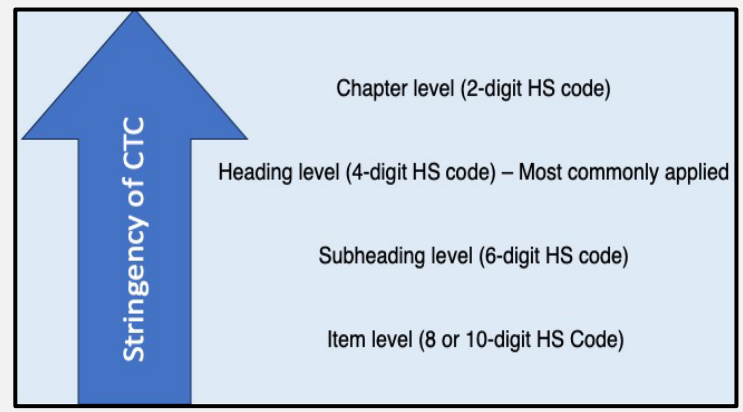
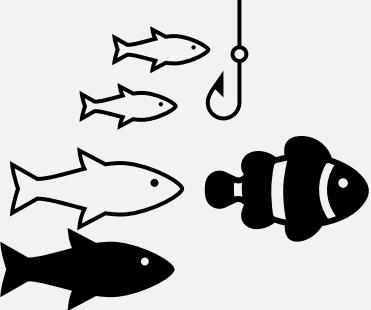
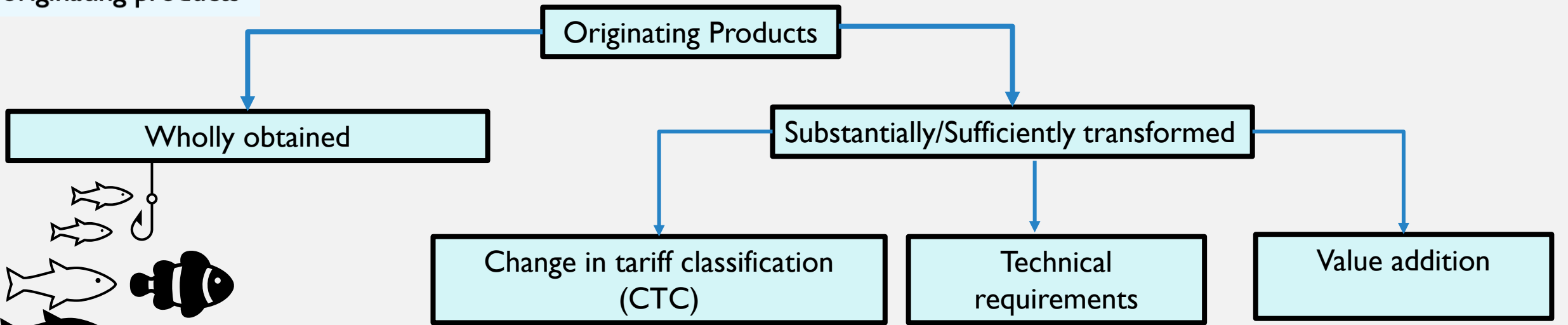


III. Proof of origin



I. DEFINITION OF "ORIGINATING PRODUCTS"

I. Definition of "originating products"



CONDITIONS FOR RULES OF ORIGIN



II. Territorial requirements

- Territoriality means produced within the territory of the parties to the PTA.
- Processing outside the territory is usually allowed, provided the total value added is within a specific range.
- Exported and re-imported products are considered non-originating unless specific conditions are met, such as that the products are the same or have not undergone any further operation except for their preservation



III. Proof of origin

- The exporters must be able to supply proof of origin to claim preferential treatment, which usually includes a certificate of origin
- In the case of fisheries and aquaculture products, specific rules might exist dealing with the nationality of the fishing vessel, its crew, and company headquarters.

Preferential Trade – Rules of Origin

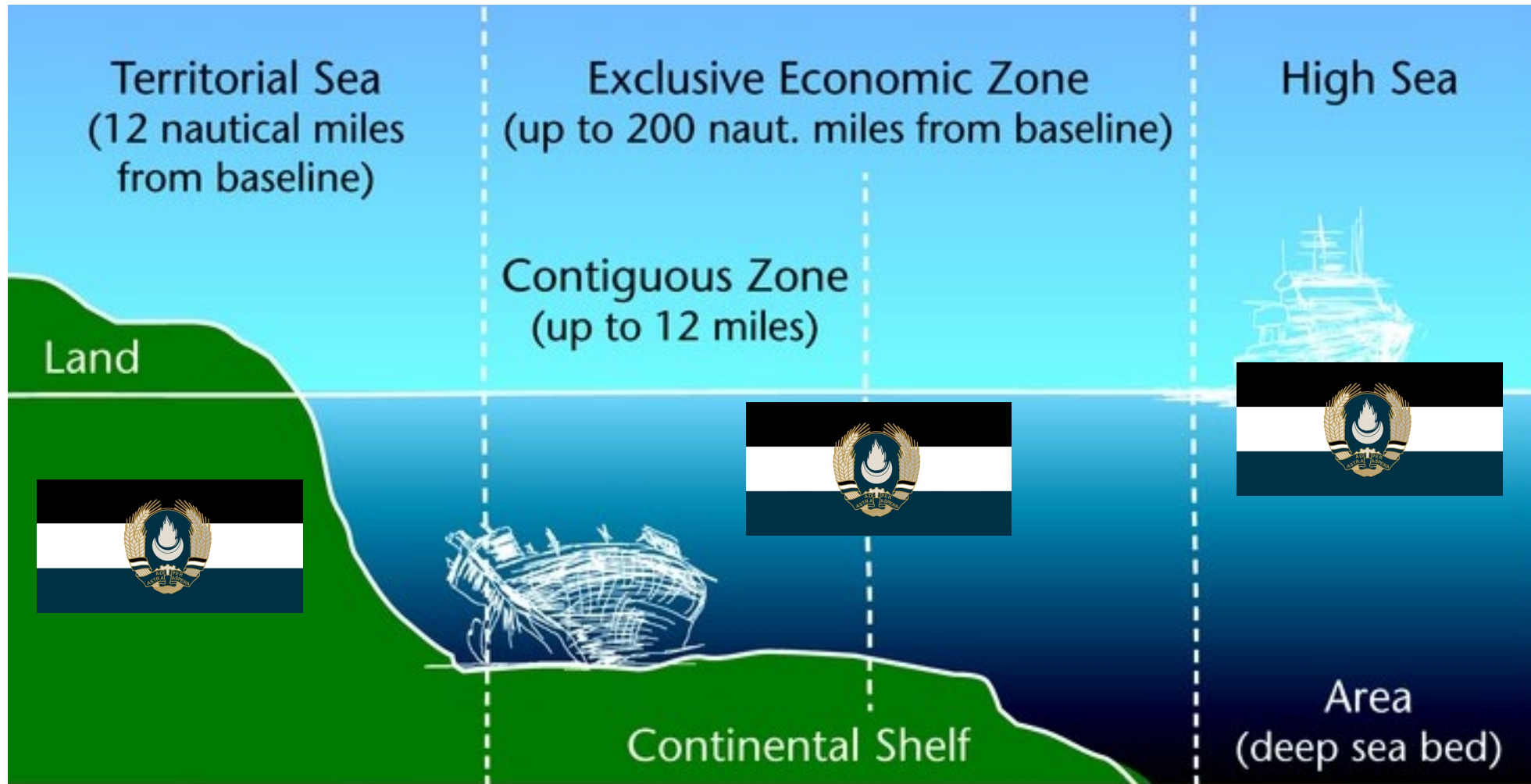
Territory Rule

- Live animals born and raised there
- Products from live animals raised there
- Products obtained by hunting or fishing conducted there
- Products of sea fishing and other products taken from the sea outside the territorial waters of countries A or B by their vessels

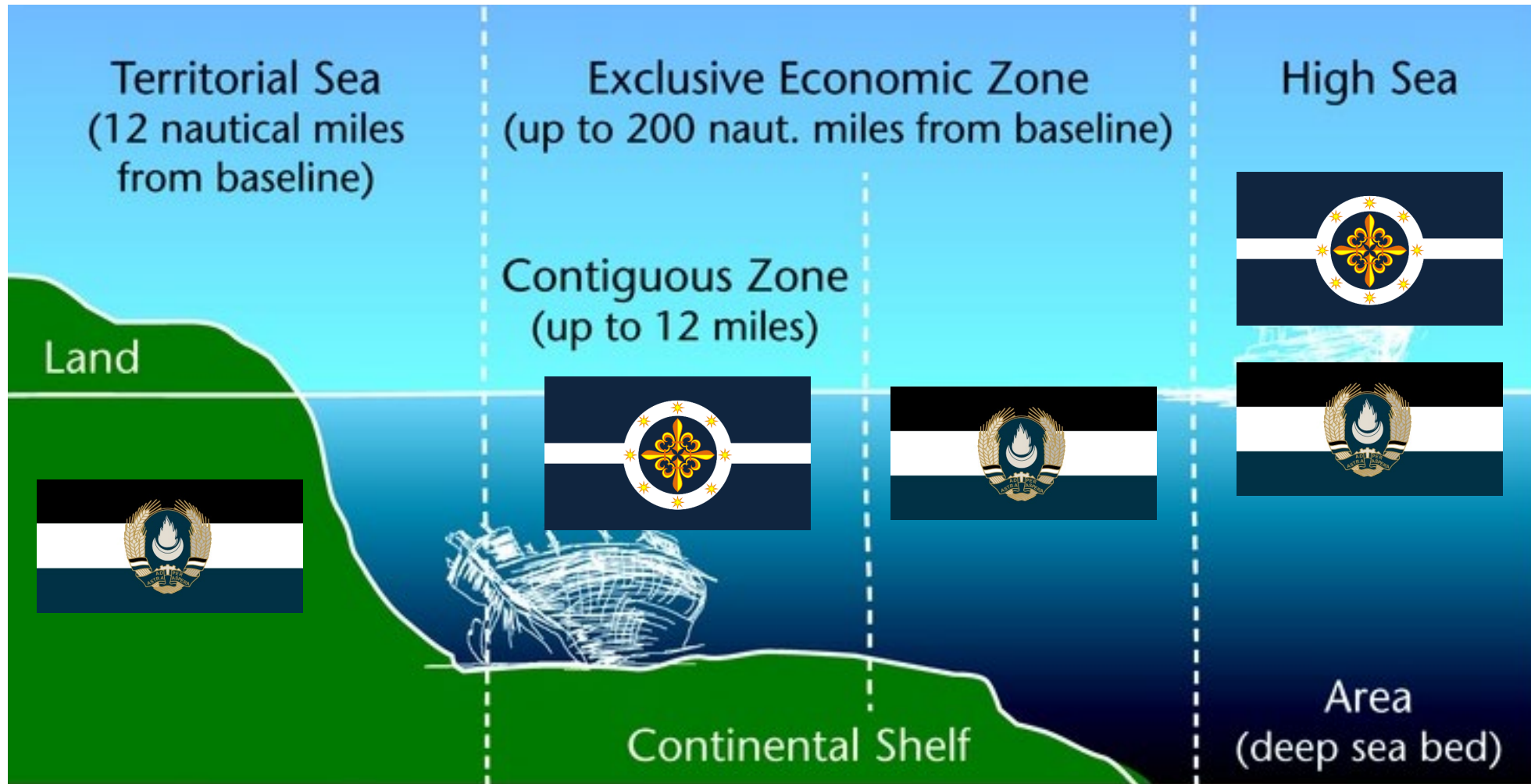
Vessel Rule

- Registered or recorded in countries A or B
- Sailing under the flag of country A or B
- Owned by nationals of country A or B
- Masters and officers from country A or B
- Minimum percentage of crew being nationals of country A or B

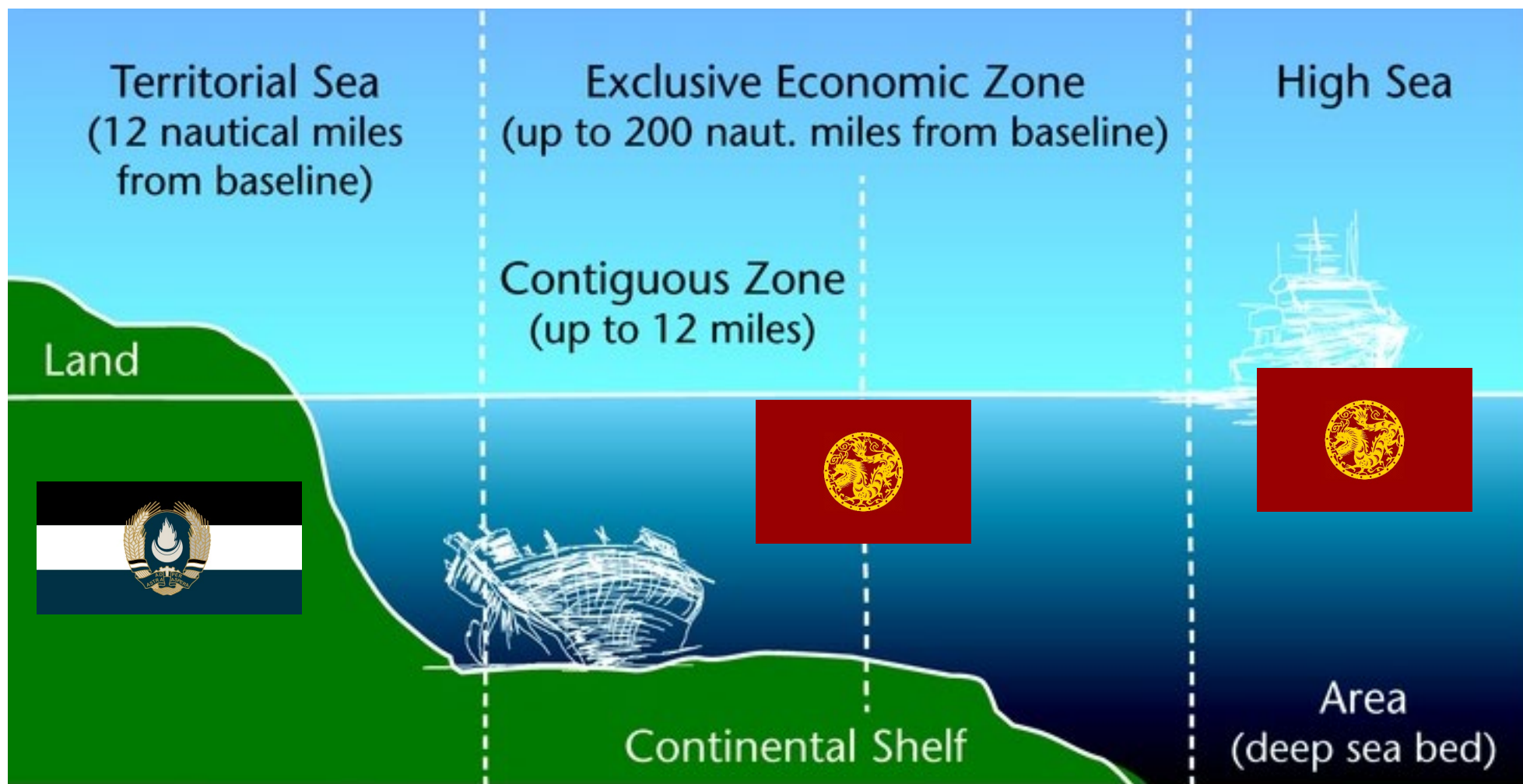
Rules of Origin – Trade Agreements



Rules of Origin – Trade Agreements



Rules of Origin – Trade Agreements



Traditional and “Modern Clauses” in Trade Agreements

Common Trade Agreement Clauses

Traditional Trade Agreements

- Overall clauses of the trade agreement to get the tariff reduction
- Concentrated on trade clauses
 - Rules of origin
 - Tariff reduction

New Generation of Trade Agreements

- Introduction of non-trade clauses to allow the tariff reduction to be applied
- Clauses with a global interest but beyond the traditional trade analysis
 - Environmental clauses
 - IUU fishing
 - Fisheries subsidies

The Comprehensive Agreement for Progressive Trans-Pacific Partnership (CPTPP)

Trade Agreement Coverage

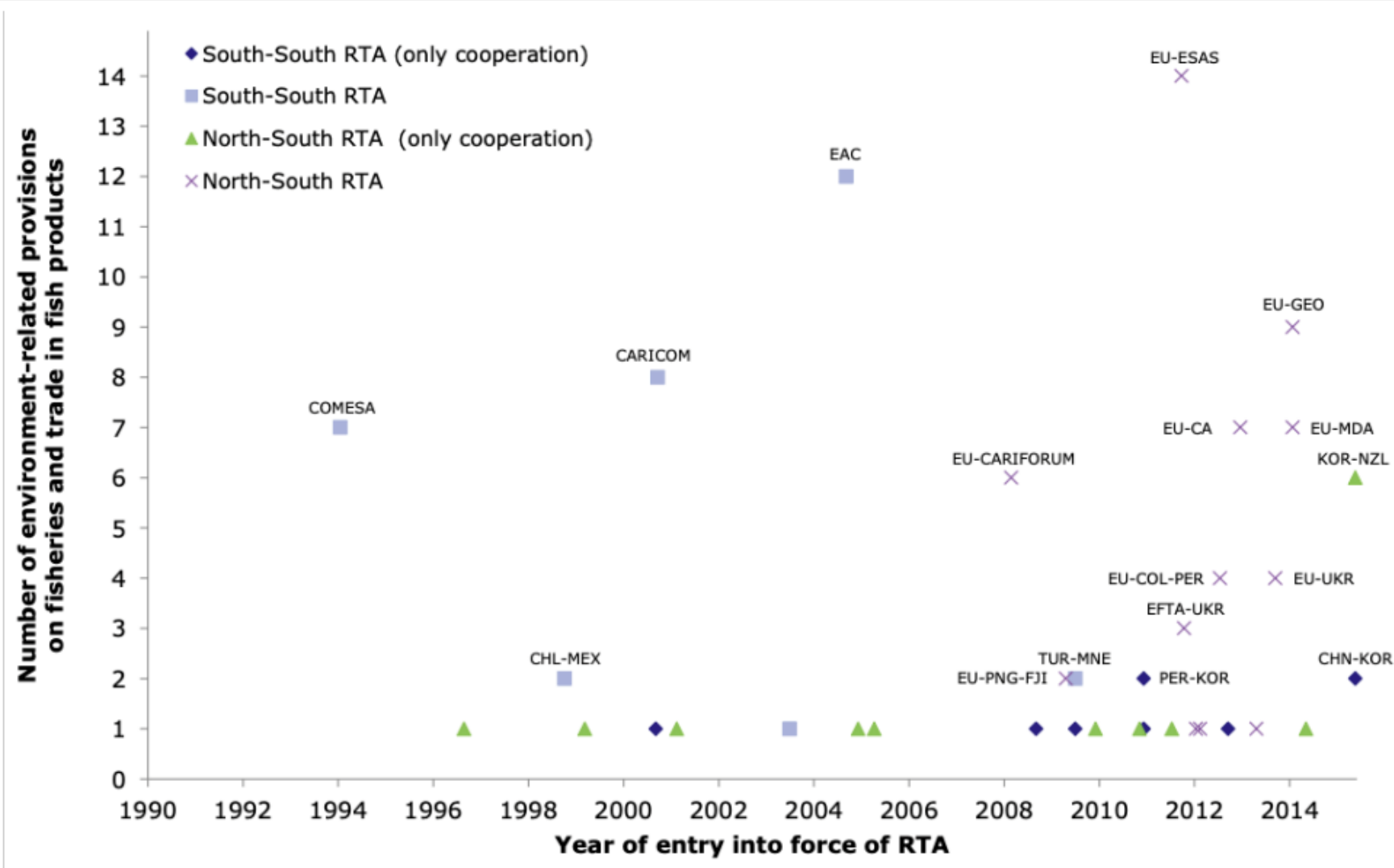
- Countries
Australia, Brunei Darussalam, Canada, Chile, Japan, Mexico, New Zealand, Peru, Singapore, Viet Nam and expanding!
- 14% of global production
- Intra CPTTP trade: US\$ 6.3 billion

New Generation Clauses

- The protection of the ozone layer
- Ship pollution
- Biodiversity conservation
- Invasive species
- Illegal wildlife trade
- Marine capture fisheries
- Fisheries management
- Conservation measures
- Fisheries subsidies

Non-Traditional Clauses are becoming the “New Normal” of Trade Agreements

SUSTAINABILITY CLAUSES IN RTAS



Source: Monteiro (2016) using computation from the WTO RTA database

CURRENTLY AVAILABLE INFORMATION ABOUT RTAS

Information Sources

National/Customs Union Websites

Country-Level Source

WTO- TAO & TDF

ITC- MacMap

World Bank-WITS

ITC,WTO,WCO- RoO Facilitator

International Databases



LIMITATIONS OF INFORMATION SOURCES

Country-level sources

Limited Coverage and Information:

National level Information of ONLY the RTAs the country is party to.

Variation in usability:

Interactive Online Tools

v/s

Full-text of RTAs v/s

Information across multiple websites

Variation in the application of preferential RoO:

Online tools to determine origin v/s

Legal texts with trade-specific legal terminology



LIMITATIONS OF INFORMATION SOURCES

International Databases

Updated less frequently

Information gathered and consolidated from national data and third-party inputs leading to less frequent updates & lack of real time applicability

Variation in Coverage of RTAs across databases

- TAO & TDF: Bound, applied tariffs of WTO members & preferential tariffs for 150 RTAs
- WITS & MacMap: reports preferential tariffs for 200+ RTAs

Applicability of Preferential RoO using RoO Facilitator

- Online tools → useful
 - Nuances of fisheries & aquaculture sector not highlighted → limiting understanding of preferential access by non-expert user
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