

Trade Barriers and Market Access



Before we start ...



Food and Agriculture
Organization of the
United Nations

The Harmonized System (HS)



The Harmonized System (HS)

Nomenclature

- Multipurpose nomenclature for goods
- Unique way of identifying and coding goods

Global Coverage

- 212 countries, territories, customs or economic unions
- More than 98% of the world trade

The Harmonized System (HS)

**21 Sections
of
Commodity
Sectors**

96 Chapters

**1 228
Headings
(4-digit code)**

**5 612
Subheadings
(6-digit code)**

**Revised
every 5 or 6
years**

The HS Structure

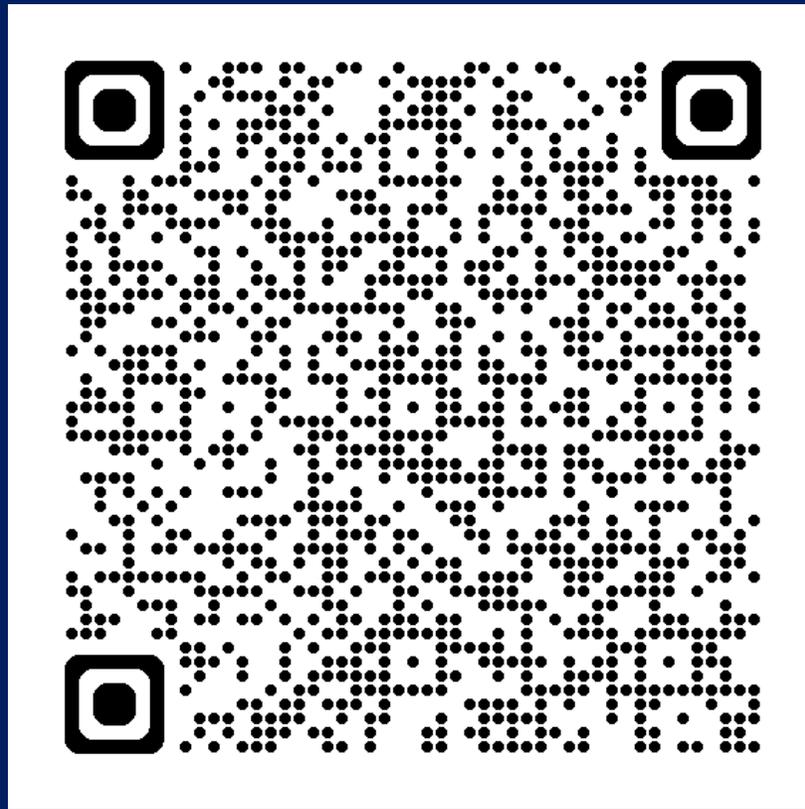
Higher Level

- Sections
 - Live Animals and Animals Products
- Chapters
 - Fish and crustaceans, molluscs and other aquatic invertebrates

Headings and Subheadings

- Live
- Fresh or chilled
- Frozen
- Prepared or preserved
- And many more ...

Let's check some Sections of the HS



The Harmonized System (HS)

Example of a fish classification: frozen yellowfin tuna

SECTION I

LIVE ANIMALS; ANIMAL PRODUCTS

Chapter 03

Fish and crustaceans, molluscs and other aquatics invertebrates

Heading 0303

Frozen fish

Subheading 0303.42

Frozen Yellowfin tunas

HS classification of fisheries and aquaculture products

| | | Live | Fresh, chilled | Frozen | Dried, salted, in brine, smoked | Fillets: fresh, chilled, frozen | Fillets: dried, salted, in brine, smoked | Flours, meals, pellets | Prepared, preserved | Unfit for human consumption |
|------------------------------------|----------------------------|---------|----------------|---------|---------------------------------|---------------------------------|--|------------------------|---------------------|-----------------------------|
| Fish | | 0301 | 0302 | 0303 | 0305 | 0304 | 0305 | 0309.10 or 2301 | 1604 | 0511.91 |
| Crustaceans | | 0306.30 | 0306.30 | 0306.10 | 0306.90 | | | 0309.90 or 2301 | 1605 | 0511.91 |
| Molluscs | | 0307 | 0307 | 0307 | 0307 | | | 0309.90 or 2301 | 1605 | 0511.91 |
| Other aquatic invertebrates | | 0308 | 0308 | 0308 | 0306 | | | 0309.90 or 2301 | 1605 | 0511.91 |
| Seaweed, algae | 1212 or 1302 | | | | | | | | | |
| Oils | 1504 1516.10 1517.90 | | | | | | | | | |

Harmonized System – Chapter 3

Fish and crustaceans, molluscs and other aquatic invertebrates

Notes.

- 1.- This Chapter does not cover :
 - (a) Mammals of heading 01.06;
 - (b) Meat of mammals of heading 01.06 (heading 02.08 or 02.10);
 - (c) Fish (including livers, roes and milt thereof) or crustaceans, molluscs or other aquatic invertebrates, dead and unfit or unsuitable for human consumption by reason of either their species or their condition (Chapter 5); flours, meals or pellets of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption (heading 23.01); or
 - (d) Caviar or caviar substitutes prepared from fish eggs (heading 16.04).
- 2.- In this Chapter the term “pellets” means products which have been agglomerated either directly by compression or by the addition of a small quantity of binder.
- 3.- Headings 03.05 to 03.08 do not cover flours, meals and pellets, fit for human consumption (heading 03.09).

Harmonized System – Chapter 3

| | | |
|--------------|---------|--|
| 03.08 | | Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; smoked aquatic invertebrates other than crustaceans and molluscs, whether or not cooked before or during the smoking process. |
| | | - Sea cucumbers (<i>Stichopus japonicus</i> , <i>Holothuroidea</i>) : |
| | 0308.11 | -- Live, fresh or chilled |
| | 0308.12 | -- Frozen |
| | 0308.19 | -- Other |
| | | - Sea urchins (<i>Strongylocentrotus spp.</i> , <i>Paracentrotus lividus</i> , <i>Loxechinus albus</i> , <i>Echinus esculentus</i>) : |
| | 0308.21 | -- Live, fresh or chilled |
| | 0308.22 | -- Frozen |
| | 0308.29 | -- Other |
| | 0308.30 | - Jellyfish (<i>Rhopilema spp.</i>) |
| | 0308.90 | - Other |



International Trade of Fisheries and Aquaculture Products and Access to Markets



What is “market access”?

A set of “external” conditions shaping access potential to foreign markets

They can be set by the government or by specific demand of buyers

Most common “market access” requirements

Private sector

- Certification of fisheries and aquaculture products

Government

- SPS and TBT requirements
- Legality and traceability
- Tariffs

The possibility of having preferential market access is a key element in the competitiveness of countries and companies

Tariffs and Market Access

Types of Tariffs

- Applicable tariffs
- Preferential tariffs

Preferential tariffs

- Huge impact on market access
- Tariffs can be reduced from 20-10% to 0%

Types of preferential tariffs

- Granted
- Negotiated

Forms of Tariffs

**NON
AV**

Ad-Valorem (AV) Tariffs

- A **percentage** of the value of the product

Specific tariffs

- computed on the **physical quantity** of the good being imported

e.g., Australia's 2005 schedule includes a tariff of \$1.22/kg on certain types of cheeses

Mixed tariffs

- **either a specific or an ad valorem rate**, depending on which generates the most (or sometimes least) revenue

E.g., Indian duties on certain rayon fabrics are either 15 percent ad valorem or Rs. 87 per square meter, whichever is higher.

Compound tariffs

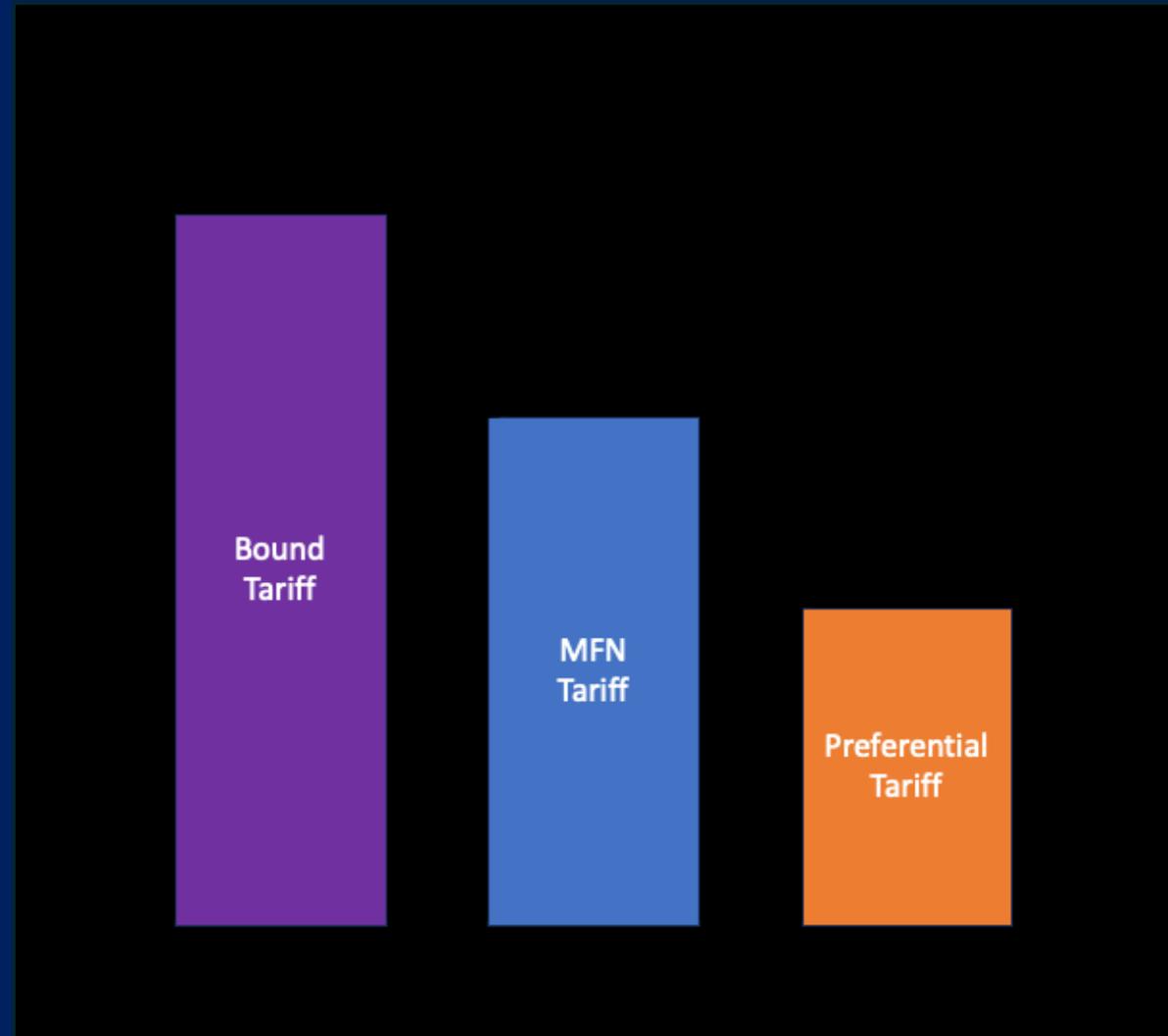
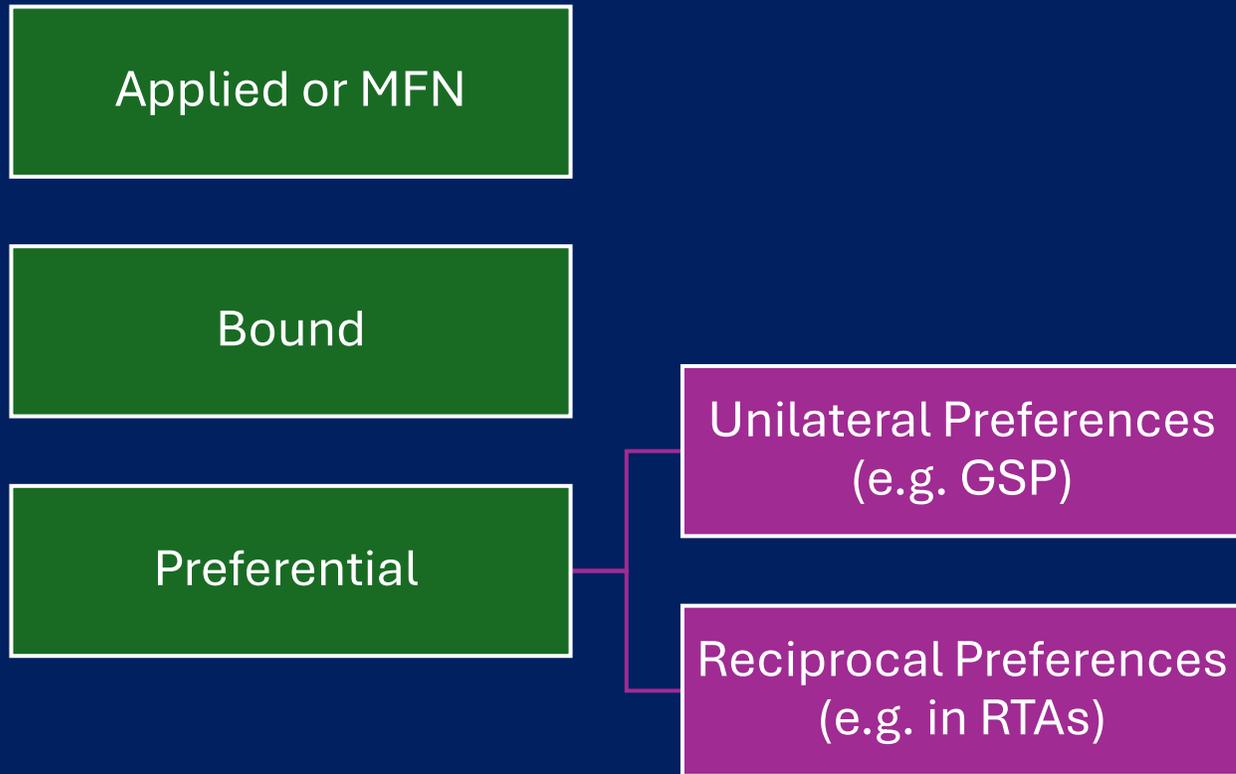
- **both** ad valorem and specific components

E.g., Pakistan charges Rs. 0.88 per litre of some petroleum products plus 25 percent ad valorem

Tariff rate quotas

- **low tariff rate on an initial** increment of imports (the within-quota quantity) and a very **high tariff rate on imports entering above** that initial amount.

Types of Tariffs



An Excerpt of the WTO TAO Tariff Report

| MFN Bound Duty | | |
|----------------|------------|---------|
| Tariff Quota | Concession | Binding |
| - | 2 | Bound |

Tariff Line Duties [Download Data](#) | [View in PDF](#)

Query name
Query description

Product: 16 - Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or of insects

Tariff line: 16041100 Salmon (79)

Tariff line description with hierarchy

16 Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or of insects

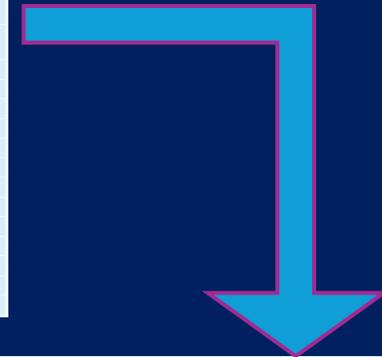
1604 Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs.

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 |



| Duty type | Description | AV or AVE | Non AV | Nature |
|-----------|---|-----------|--------|-----------------|
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| 14 | Free-trade agreement duty rate for Israel (CIFTA) | 0.00 | - | Ad valorem duty |

Non-Tariff Measures and Trade Barriers

Non-Tariff Measures

- Policy measures affecting international trade
- Not involving tariffs
- Many areas: import license, quotas, TBT and SPS

Trade Barriers

- Compliance implications
- Detrimental to WTO General Principles
- Subset of non-tariff measures

Non-Tariff Measures applicable to Fisheries



Perception of Business to “Invisible” Barriers in International Trade

- Technical requirements
- Conformity assessment
- Pre-shipment inspection and other entry formalities
- Quantity control measures
- Rules of origin and related certificate of origin

Import notifications for fisheries and aquaculture products

This page contains information about import notifications in the European Union, Japan, and the United States of America from 2016. This information - related to fisheries and aquaculture products - is extracted from publicly available portals: the Rapid Alert System for Food and Feed (RASFF) in the European Union, the Quarantine Stations of the Ministry of Health, Labour and Welfare (MHLW) in Japan, and the Import Refusal Report (IRR) of the Food and Drug Administration (FDA) in the United States of America.

The information is classified into 6 categories: microbiological, chemical, toxins, histamine, parasites and "other causes". The raw data can be extracted from FishStatj.



Import notifications - European Union



Import notifications - Japan



Import notifications - United States of America



Import notifications - Australia

Import Notifications of the European Union

Import notifications by category (Number cases - 2023)

| Month | Histamine | Chemical | Microbiological | Parasites | Toxins | Others | Total |
|--------------|-----------|-----------|-----------------|-----------|----------|-----------|------------|
| January | 0 | 3 | 8 | 1 | 0 | 3 | 15 |
| February | 1 | 2 | 4 | 0 | 0 | 6 | 13 |
| March | 0 | 5 | 6 | 1 | 1 | 5 | 18 |
| April | 0 | 7 | 3 | 0 | 0 | 3 | 13 |
| May | 3 | 6 | 6 | 1 | 0 | 3 | 19 |
| June | 2 | 2 | 5 | 0 | 0 | 4 | 13 |
| July | 2 | 4 | 8 | 1 | 0 | 6 | 21 |
| August | 0 | 6 | 14 | 0 | 1 | 3 | 24 |
| September | 1 | 3 | 4 | 2 | 2 | 2 | 14 |
| October | 1 | 5 | 9 | 0 | 2 | 9 | 26 |
| November | 1 | 4 | 2 | 0 | 0 | 5 | 12 |
| December | 0 | 1 | 2 | 3 | 0 | 4 | 10 |
| Total | 11 | 48 | 71 | 9 | 6 | 53 | 198 |

(Source: RASFF Portal)

Import Notifications of the United States

Import notifications by category (Number cases - 2021)

| Month | Others | Microbiological | Chemical | Histamine | Total |
|--------------|------------|-----------------|-----------|-----------|------------|
| January | 17 | 8 | 7 | 1 | 33 |
| February | 14 | 15 | 20 | 0 | 49 |
| March | 23 | 17 | 8 | 0 | 48 |
| April | 51 | 37 | 10 | 0 | 98 |
| May | 48 | 14 | 9 | 1 | 72 |
| June | 35 | 27 | 10 | 7 | 79 |
| July | 14 | 47 | 8 | 2 | 71 |
| August | 37 | 15 | 7 | 3 | 62 |
| September | 24 | 12 | 2 | 5 | 43 |
| October | 48 | 19 | 4 | 1 | 72 |
| November | 69 | 14 | 4 | 2 | 89 |
| December | 48 | 18 | 4 | 1 | 71 |
| Total | 428 | 243 | 93 | 23 | 787 |

(Source: FDA)

Import Requirements of Major Import Markets in a Nutshell

