EU-India FTA and Indian small-scale fisheries sector

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Indian small scale fisheries sector

- Indian fleet size: 1,85,438 of which 58,911 mechanised and 1,04,270 non-motorized
- Marine fisherfolk population – 35,19,116
- Livelihood for 44.9 lack people
- Affordable source of proteins
- 61.7% of families involved in fishing have no craft in possession
- Women are 73.6% of workers in marketing and 76% of workers in traditional processing
- 65.7 lack tones of fish produced in 2005-2006, of which 5.12 lack tones exported
Indian small scale fisheries sector

Key issues
- Decline in catch -> threat of overfishing
- Tension over access to fishing grounds
- Loss of livelihoods in the traditional small-scale sector
- Conflict between local nutrition needs and export considerations – food security
The EU’s fisheries sector

- 86,587 vessels in 2008 (EU 27) – high-tech vessels
- Close to 80% of species over fished in northern European waters
- 60% of fish landed in the EU comes from outside its EEZ (90’)
- Main destination for Indian fish exports (33%)
- Low import tariffs – high non-tariff barriers
Access to other countries waters

Fishing agreements were driven by:

- The need to ensure continuity of fishing activities by EU vessels that were already in these distant waters at the time of enactment of UNCLOS.

- The need to export overcapacity from EU waters to other regions, especially after collapse of many fisheries in northern European waters.

While subsidies had lead to excessive fleet capacity, new subsidies given for decommissioning of vessels and accessing to fishing grounds in non-EU countries.
Access to other countries waters

“As a result of the fisheries subsidies negotiations at the WTO, there is a considerable risk that distant water fishing nation fiscal support for fishing access fees will be attacked. (...) As a result, there is a need to redesign fishing access arrangements so that they become WTO compatible.” Roman Grynberg, Commonwealth Secretariat

The **Chile – EU Economic Partnership Agreement** is an instance of how FTAs are a WTO compatible framework to access fishing grounds without even paying financial compensation.
Access to India’s waters

As per the Indian Letter of Permit Scheme, Foreign company having vessels fishing in Indian EEZ are conditional to:

- being in a joint venture with an Indian citizen or company
- holding up to maximum 49% share capital in that Indian company
- specified categories of fishing operations
- Permission has to be granted by the Ag Ministry
Article 4: Market Access

Measures a Party shall not maintain or adopt unless otherwise specified:

(a) limitations on the number of establishments (companies)…;
(b) limitations on the total value of transactions or assets …;
(c) limitations on the total number of operations or on the total quantity of output…;
(d) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding…; and
(e) measures which restrict or require specific types of establishment or joint ventures.
Market access for EU companies

The EU fishing industry works along the supply chain: from fishing and processing to packaging and retailing

- Import duty rates to be reduced from 29.6% to 16% (average)
- EU requested additional import duty cuts on: croaker, dara, ghole, hilsa, pomfret, ribbonfish, seerfish, octopus, squid, cuttlefish and jellyfish

Import duty reductions come in addition to the right to land fish at Indian ports and raises concerns among fish vendors dependent on the fresh fish market.
Access to the EU market?

The EU is a major sea food importer:
- Processing industry (tuna and shrimp)
- Fishmeal industry (sardine, mackerel, tuna) for salmon feed

EU regularly reduces import duties rate and opens import quotas autonomously more so with countries were EU companies have invested significantly

- India has a fragmented export sector
- EU average rate for Indian fisheries imports: 4.5%
- New import control: “Illegal, unreported and unregulated fishing (IUU) regulation”, includes date and place of catch, and crew and boat that operated the catch
- Prohibition of export bans
Impacts on Indian fishworkers

- Competition for fishing grounds
- Lesser fish available for fish vendors to procure
- Competition in the Indian fresh fish market
- Concentration of the export trade
- Reinforces the export-led model for the fisheries sector -> at the cost of sustainability and food security
- Promotes centralised pro-industry policies
- Policy freeze on progressive policies
Thank you

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Variation in India's Seafood exports

Volume | Value

- Tonnnes
- Rs. Crore

India's Fisheries sector Production
in tonnes


-  1,000,000  2,000,000  3,000,000  4,000,000  5,000,000  6,000,000  7,000,000

[Bar chart showing production in tonnes over the years]
EU-India FTA provisions that impact fisheries

- Investment chapter, Article 4: Market Access
- Investment chapter, Article 3: National Treatment
- Trade in Goods: cuts in import duties – 90%
- Trade in goods: prohibition of restrictions on exports
- Trade in goods: import control under IUU regulations
Article 3: National Treatment

Each Party shall accord to investors and investments of the other Party, in relation to the establishment, acquisition or expansion of investments in the sectors listed in Annex, treatment no less favourable than that it accords to its own investors and investments.

- > Same or better treatment
- > Pre-establishment rights