CHALLENGES FACED BY DEVELOPING COUNTRIES AND PRACTICAL APPROACHES TO ACHIEVE FISH SAFETY AND QUALITY TO BE ABLE TO COMPETE IN THE LIBERALIZED GLOBAL MARKET:

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Developing Countries’ Contribution to global fish trade

- Developing countries contribute over 50% of the world fish trade.
- Net earnings of foreign exchange from fish trade, in developing countries have continued to rise contributing more than meat, tea, bananas and coffee put together.
- About 58% of fish consumed in the EU come from non-EU waters, mainly from developing countries.
Major Challenges with respect to Fisheries Globalization

- International Regulatory Framework for Fish Safety and Quality.
  - WTO Agreements
    - Sanitary and Phytosanitary (SPS) Agreement
    - Technical Barrier to Trade (TBT) Agreement
- Fish Safety and Quality Assurance and the Global Perspective
SPS Agreement challenges for Developing Countries

- Inability to participate effectively in the dispute settlement procedures
- Failure to demonstrate that domestic measures are equivalent to developed countries' requirements due to a poor scientific and technical infrastructure in many developing countries.
- Lack of financial or technical resources to implement stringent requirements.
- Lack of capacity to take a significant role in the standard setting process.
- Weak position of developing countries to mitigate the application of unjustified SPS measures.
Effects of application of SPS Measures on fish trade

- Embargo of fish trade with Kenya by Spain for alleged salmonella presence in fish.

- Lengthy and unfair EU fish bans

- Slow harmonization (equivalency) process.

- Application of SPS measures to bar trade without sufficient Scientific evidence (case of cholera ban).
The TBT Agreement includes measures designed to protect consumer against deception and economic fraud. The Agreement covers standards relating to all types of products including industrial products and quality requirement for foods, except those covered by SPS measures. The objective of TBT Agreement is to prevent use of national and regional technical requirements or standards in general, as unjustified technical barriers to trade.
Interventions to ensure fair trade in Fish and Fish Products

- Both SPS and TBT Agreements require member countries to provide technical assistance to developing countries.
- Special and differential treatment provisions call for consideration of needs of developing countries when preparing and implementing SPS measures.
- Longer time frames for compliance on products of interest to developing countries.

(This consideration in the agreements is however, hardly ever applied even though the fish industry in most African countries play an important role in the economies of developing countries.)
How to overcome the unfair trade barriers. (1)

- **Capacity building**
  - Training of Trainers (TOT) on various fields relevant to trade and food safety.
  - Building capacity (human resources and equipment) for an effective quality and safety assurance systems.
  - Negotiations skills,
  - Improvement of infrastructure, especially the cold chain.
  - Establishment of testing and referral laboratories,
  - Building of good and credible scientific database, through regular sampling and analysis of samples, to counter any false claims.
  - Development of bankable project proposals to help in accessing financial resources.
  - Participation in standard setting committees.
How to overcome the unfair trade barriers. (2)

• **Financial resources**
  - Establish a sustainable funding mechanism;
  - Mobilisation of funds from governments and development partners,

• **Policies**
  - Development of sound policies and strategies for food safety and quality.
  - Development of an effective and relevant legal framework to facilitate good hygiene practices.

• **Coordination and harmonisation of important requirements**
  - Given the complexity of SPS issues and other requirements by importing countries, harmonization or equivalent standards and not sameness would be the best option.
Fish inspection and quality control systems challenge

- The major challenges the region developing countries face in the development of Fish Inspection and Quality Control Systems include:
  - Insufficient financial resources,
  - Poor infrastructure,
  - Inadequate technical and scientific expertise,
  - Poor understanding of regulations and therefore poor application, insufficient awareness of fish inspection and quality assurance by policy makers,
  - Inadequate harmonization at the regional and sub-regional levels,
  - Inadequate capacity for Fish Inspection Quality Assurance, and
  - Poor communication and networking within and between countries.
How to overcome Fish inspection and quality control systems challenge (1)

- In order to address these challenges, it will be necessary to:

  - Explore possibilities to mobilize national resources, e.g. Fish Levy for Fisheries development and biodiversity conservation.

  - Build national and regional capacities to address emerging challenges such as risk analysis, HACCP etc. Technical assistance could be solicited from FAO and the EU.

  - Build fish inspection and quality and safety assurance capacity at national level through training of trainers and improving on infrastructure.
How to overcome Fish inspection and quality control systems challenge (2)

- Upgrade analytical capabilities at national and regional level to include training equipment, and analytical skills.

- Develop and strengthen co-operation and exchange of information with other regional and international institutions.

- Create databases on fish inspection and Quality Assurance e.g. Standard Operating Procedures, Codes of Practice etc. This would assist in the harmonization of fishing inspection and Quality
Other Challenges

- **Frequent changes in the importing countries requirements;**
  - Compliance in new food laws and requirements of importing countries e.g. the new EU Regulation 178/2002, which has harmonized hygiene requirements currently scattered over 17 EU Regulations and three Directives.

- **Product Certification**
  - **Origin:** The marketing of fish requires that the country of origin of the marketed fish guarantee its quality and safety.
  - **Eco-labelling:**
Other Challenges

- **Traceability**
  This is another phenomenon that the developing countries have to comply with, though ill equipped.

- **Rapid Alert System for Food and Feed (RASFF)**
  The European Commission publishes weekly alert and information notification. Though this is meant to protect consumers and advise them on choices it also impacts negatively on the developing countries’ fish exports.

- **Precautionary Principle:**
  Although this principle is meant to guide the decision makers and or risk managers and though the regulation stipulates that such decision must comply with the principles on non-discrimination, it opens avenues for application of unfair trade barriers.
Effects of Trade Liberalization

*Advantages*
- Trade Liberalization has affected Fisheries sub-sector positively. The East African fish products can compete with any other fish products globally for international markets with respect to quality and safety.
- Economic empowerment for fishers. Better prices are realised by fishers due to high demand for fish as raw material.
- Development of auxiliary activities, such as net making, boat building, fish transportation.

*Disadvantages*
- Uncertainty and vulnerability of the export market and therefore income uncertainty for small scale fishers.
- Shortage of fish for domestic consumption.
- Overexploitation of natural fishery resources.
THE EAST AFRICAN COMMUNITY (EAC) STATES PERSPECTIVE

- **The Fish Industry in East Africa**
  - Fish is also an important source of Government revenue and as an export commodity, fish earns the three countries substantial foreign exchange; US$ 55 million for Kenya, US$ 85 million for Uganda and over US$ 100 million for Tanzania.
  - The fisheries sub-sector contributes about 3% to the GDPs of Uganda and Tanzania and about 0.4% to Kenya’s GDP.
  - Most of the fish landed in Uganda, Kenya and Tanzania are fished from L. Victoria.
  - Lake Victoria, therefore, contributes approximately 49% of the total fish landed in Uganda, 92% of the total fish landed in Kenya and 61% of the total fish landed in Tanzania.
Fisheries resources in East Africa

- Lake Victoria is the major economic fisheries resource of the three countries, from which the world traded fish commodity (Nile perch) is harvested. International markets.
- The marine fisheries are under-exploited by both Tanzania and Kenya.
- The marine fish trade commodity in these two countries includes prawns, lobsters, octopus and assorted fin fish.
- Most of tuna resources are exploited and processed by Distant Waters Fishing Nations.
- Kenya processes and exports tuna loins.
- There is no other established land-based industry for tuna, despite its abundance in both Kenyan and Tanzanian EEZs.
The Nile Perch Industry

- The Nile perch is an exotic fish introduced into the L. Victoria in the 1960s and again early 1970s. The Nile perch fishery has gained so much economic importance in the past 10 years that it is now the most important fish export commodity in the East African region.

- Nile perch accounts for about 53% of the total fish production in Kenya and over 80% of Kenyan fish exports. It provides direct employment to over 200,000 Kenyans.
THE NILE PERCH
Nile perch Exports Products

Nile perch fillet  Nile perch loins
Nile perch Exports Products

Fish Maws

Nile Perch Steaks
Nile perch By products

Nile Perch Skins for high quality leather
Fish Marketing

- The East African countries have been able to penetrate the international market for fishery products and compete well in a liberalized economy because of their advancement in implementation of fish quality and safety standards.
- Fish exports which are mainly Nile-perch-based products, earn the three countries approximately US $ 350 million in Foreign exchange.
- There is huge fisheries potential in the Kenyan and Tanzanian EEZs.
- EEZ resources are currently exploited by Distant Waters Fishing Nations (DWFN), without commensurate benefits to these countries.
Other Fish export products

- Tilapia
- Shrimps
- Tuna

Octopus
Fish Marketing Challenges in EAC

- Unfair application of non-tariff trade barriers such as SPS measures by importing countries.
- Lack of capacity in trade agreements skills,
- Lack of capacity to mitigate against unfair trade barriers e.g. cholera ban
- Lack of an effective Monitoring Control and Surveillance System to ensure the DWFN operating in Kenya’s and Tanzania’s EEZs are monitored to realize more benefits for the countries.
SPS Measures challenges

• EU Bans on Fish Exports from EA
  – 1997: Claims of contamination with *Salmonella* by Spain and Italy
  – 1998: As a result of cholera outbreak in East Africa and Mozambique
  – The last ban was lifted in April 2000 for Tanzania, August 2000 for Uganda and November 2000 for Kenya.
Harmonization with EU Regulations

Challenge

- The harmonization process with EU Regulations were slow and tedious and yet EAC had to comply since the EU is their major market. This was eventually achieved and all the three East African States are now on list I of the EU fish exporters categories:
  - Tanzania was upgraded to List I in 1997, downgraded and later upgraded in 2002
  - Uganda in 2003 and
  - Kenya in 2004
EAC Major Impediments to Achieving Fish Safety and Quality Standards.

- Unclear roles of CAs
- Multiplicity of certifying agencies.
- Inconsistent safety and quality monitoring systems.
- Inadequate analytical laboratories.
- Poor upstream cold chain infrastructure.
- Inadequate data on sampling and Analysis
Competent Authorities (CA) in EAC

• In order to access EU markets, it was mandatory to establish Competent Authorities and EAC achieved this by:
  – Legislating Fisheries Departments of the Ministry responsible for fisheries as CAs
  – Enacting Fish Safety and Safety Legislations
  – Training fish inspectors in HACCP-based inspections.
  – Putting in place effective and professional procedures for fish inspections and certification of quality and safety of fish and fish products.
Sampling and Analysis

• Sampling for pesticide residue analysis is still on-going

• Samples of water, fish and sediments are regularly analyzed for pesticide residues.

• Results of analysis have been satisfactory as they have shown no detection of pesticides at the level of Detection (LOD)

• Routine analysis of fish and swab samples in fish processing establishments
Private Sector Fish Processing and Export Associations

Fish Processors and Exporters member driven Associations have assisted to maintain own fish safety and quality controls through code of practices:

- Association of Fish Processors and Exporters of Kenya (AFIPEK)
- Uganda Fish Processors and Exporters Association (UFPEA)
- Lake Victoria Fish Processors and Exporters Association of Tanzania (LVFPAT)
The Regional Association (EAPA)

- The three Associations are members of the East African Processors Association
- The role of EAPA:
  - To ensure the three associations develop and adhere to their Codes of practice
  - To collaborate with the governments to ensure sustainable utilization of Nile perch, their major role material.
  - Regulate conduct of members of Associations.
Recent Fish Trade Developments and Challenges

- **Trade-Mark**: The Nile perch is now registered as “L. Victoria Perch” through LVFO.
- **Value addition**: To maximize revenues on fish products and enhance sustainable management of resource.
- **Value Chain Reduction**: To bridge the gap between FOB value and Retail prices.
- **Slot Size implementation**
- **SPS** issue
- **Harmonisation** of Fish Inspection and Quality Assurance Standards and Certification in EA is on-going
- **Ecolabelling** processes have been initiated