



TANZANIA: COUNTRY UPDATE NOTE

“BEYOND THE 11TH WTO MINISTERIAL CONFERENCE: ISSUES AND INTERESTS OF THE EAST
AFRICAN COMMUNITY MEMBERS”

STAKEHOLDERS' PERSPECTIVES ON FISHERIES SUBSIDIES

Prepared by:



Economic and Social Research Foundation (ESRF),
51 Uporoto Street, Ursino Estate,
P O Box 31226,
Dar Es Salaam, Tanzania
Mob: +255 754 780 133
Website: www.esrftz.org

March, 2018

1. Introduction

Beyond MC 11 Tanzania prioritises the fisheries issues. The country is endowed with marine and inland waters containing living aquatic resources important for livelihoods, food security, poverty alleviation economic development, and earning foreign exchange. Tanzania is blessed with fisheries resources from marine, freshwater, riverine and wetland species. By making use of these resources, the sector provides direct employment of about 183,800 fishers. More than 4,000,000 people such as boat builders, fish processors, net and engine repairers are indirectly employed. It provides income for local people from foreign earnings, food for coastal and upcountry communities and also contributes to GDP (2.4% in 2015). This makes the country one of the greatest fisheries nations in Africa, ranking in the top 10 in terms of total capture and fisheries production. Current information on the assessment of the fisheries management performance is scanty. The fisheries resources in Tanzania are currently exploited using the open

access principle, through a licensing system and community participation in fisheries management. Fisheries management is a shared responsibility mainland Tanzania and Zanzibar through the Ministry of Agriculture, Livestock and Fisheries of the mainland coastline and Ministry of Natural Resources, Agriculture Livestock and Fisheries in Zanzibar.

2. Trade Trends of the Sector of Fisheries

The fishery sector is divided into the following segments:

Marine fisheries: this includes a coastal shrimp trawl and artisanal fisheries exploiting fishery resources within mostly territorial waters (<12miles from shore). Tanzania also has significant migratory resources of large pelagic fish such as tunas accessible in its EEZ exploited by foreign fishing vessels

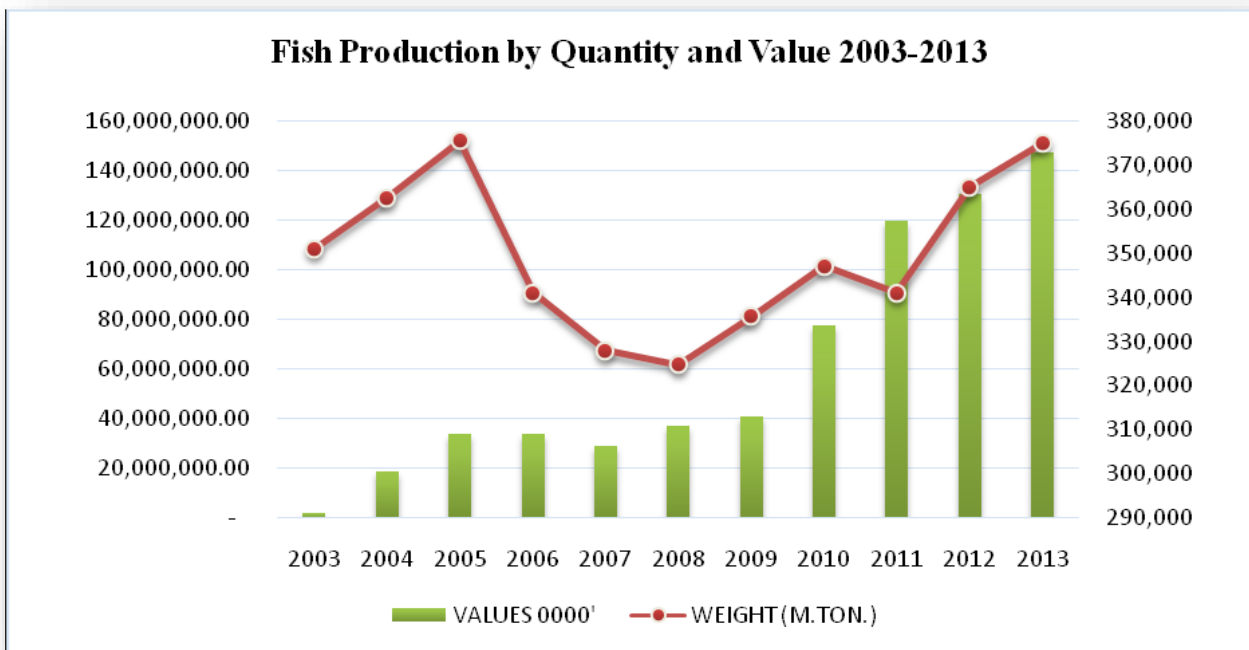
Inland fisheries: river and lake fisheries, all exploited by small scale operators; this sector is dominated by the LV Nile perch fishery, and which underpins a significant export sector

Aquaculture and mariculture (marine aquaculture): with only limited and mostly small scale production at present.

The information for estimating fishing output was from Ministry of Livestock and Fisheries Development on volume

data and National Bureau of Statistics on HBS and CPI for fish. The gross output for fishing activity were estimated based on the volume of fish catch, fishery products and their respective prices. Intermediate consumption was estimated based on the reconciliation of the SUT.

Trend of Fish Production - Fish production by quantity and Value 2003-2013



Source: Annual Statistics Report (2015)

There has been a decline on the growth rate of fishing from 2005 – 2008 as shown on the graph above. Some of the stakeholders such as VIC FISH LTD who were interviewed during

this study argued that the decline has been caused by illegal fishing, fish poisoning, overfishing and extinction of fish species such as Lake Victoria Nile Perch.

3. Sector Challenges

3.1 Barriers to Trade

An export levy of US\$0.12/kg is imposed on fish exports, and exporters complain that this affects their competitive position. However, this tax accounts for about 2% of the FOB price and has generated important revenues for the Government (estimated at US\$4.5 million in 2014). Along with high import duties of about 25-30%, which raised a further US\$1.7 million, this has helped to finance fisheries development and Monitoring Control and Surveillance (MCS) activities. This has been a huge hindrance to the fisheries sector and a great source of income to the government.

Lake Bounty Co. Ltd voiced out the issue Uncertainty and vulnerability of the export market and therefore income uncertainty for small scale fishers. Although the precise impacts and direction of climate-driven change for particular fish stocks and fisheries are uncertain and on the market side, the major source of

uncertainty was lack of a domestic market that makes the sector vulnerable.

3.2 Capacity Limitation

Tanzania adheres to International Regulatory Framework for Fish Safety and Quality WTO Agreements Sanitary and Phytosanitary (SPS) Agreement. However, slow harmonization (equivalency) process has been termed as a capacity challenge by fishers. Authorities responsible for food safety, inspection and enforcement of fishery law, should derive their powers from an Act of Parliament. Such organizations responsible for fish hygiene controls and food safety include: National Standards Organizations, Veterinary Department, Fisheries Department, Inspection and Control Department, Public Health Department and Food Standards Agency.

Nile Perch Ltd has been complaining about the Lengthy and unfair EU fish bans imposed by the European Union; this was also noted from Great Lakes Divers Co

who complained about the Embargo of fish trade with Kenya by Spain for alleged salmonella presence in fish. Also the Ministry of Livestock Development & Fisheries recalled of the application of SPS measures to bar trade without sufficient scientific evidence (case of cholera ban).

3.3 Access to Technology

Access to technology is one of the key challenges facing fishers who engage in multilateral trade. One of the Chinese fishing company based in Tanzania said that technological challenges especially by authorities have caused a lot of setbacks within the sector. *“These include fish inspection and quality control systems challenge, poor understanding of regulations and therefore poor application, insufficient awareness of fish inspection and quality assurance by policy makers”*, said Shishi Zhengyua Trading Co. Ltd.

Bahari Foods Ltd discussed about the poor infrastructure that have led to poor communication and networking within and between countries within East Africa and the Far East who are the direct consumers of fish products. They also

mentioned the inadequate technical and scientific expertise that has helped fishing process to be run smooth and yield greater results.

3.4 Access to Inputs

“Insufficient financial resources has been a major factor and hindrance towards many different economic sectors within developing countries East Africa in particular thus output and outcome of fishing industry has been growing in a slow steady speed”, the minister of agriculture livestock and fisheries presented while contributing in the last 2017 parliament opening. Similarly, Lake Bounty Co. Ltd voiced out the issues of 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,

3.5 Regulations

Some of the stakeholders like Lake Co. Cichlids Ltd and Kagera Fish Company Ltd have faced challenges with precautionary principle which is meant to guide decision

makers or risk managers. Although the regulation stipulates that decisions must comply with the principles on non-discrimination, it opens avenues for application of unfair trade barriers. Also, Tanzania Fish Processors Ltd mentioned the Product Certification Agenda as a challenge since the marketing of fish requires that the country of origin of the marketed fish guarantee its quality and safety.

Rapid Alert System for Food and Feed (RASFF) has also been a challenge to most fishers. RASFF is a weekly alert and information notification published by the European Commission. Although this is meant to protect consumers and advise them on choices it also impacts negatively on the developing countries' fish exports, hence inadequate capacity for Fish Inspection Quality Assurance.

4. Needs to Overcome the Challenges

The Ministry of Agriculture, Livestock and Fisheries spoke highly of interventions to ensure fair trade in Fish and Fish Products in which both SPS and TBT

agreements require member countries to provide technical assistance to developing countries.

Special and differential treatment provision call for consideration of needs of developing countries, including Tanzania, when preparing and implementing SPS measures and longer time frames for compliance on products of interest to developing countries. (This consideration in the agreement is however hardly ever applied even though the fish industry in most African countries such as Tanzania play an important role in the economies of developing countries.)

Bahari Foods LTD discussed on some of the ways of overcoming the unfair trade barriers such as capacity building with inputs like 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, and establishment of testing and referral laboratories.

Also Nile Perch LTD contributed on some undertaking in the Capacity building aspect with points to 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; and Participation in standard setting committees.

Tanzania Fish Processors LTD contribute d on the financial resources way forward to establish a sustainable funding mechanism as well as mobilization of funds from governments and development partners that will favor the fishing industries with better subsidies that are also acquired in time to prosper the fishing sector.

6. References

- FAO (2005), Aquaculture production: Year book of Fishery Statistics - Vol. 96/2 Food and Agriculture organization of the United Nations, Rome, Italy.
- Fisheries Policy and Strategy, (1997)
- <http://www.alliance21.org/fr/proposals>
- Lee, Robert and Namisi (2016), Baseline Study on Tanzania Fisheries: The Tanzanians fisheries sector challenges and opportunitiest.

5. Concluding Remarks

As noted above, the Ministry of Agriculture, Livestock and Fisheries should focus on development of sound policies and strategies for food safety and quality and development of an effective and relevant legal framework to facilitate good hygiene practices. Similarly, given the complexity of SPS issues and other requirements by importing countries, fishing agencies should focus on adherence and harmonization of important requirements given.

Ultimately, fisheries negotiations in the WTO that take into account challenges faced by countries such as Tanzania should be urgently concluded to enhance the potential for the sectors contribution to livelihoods.

Tanzania Fish Baseline Study Report (2016)

UNEP – United Nations Environmental Programme (2008) Fisheries Subsidies: A Critical Issue for Trade and Sustainable Development at the WTO: An Introductory Guide. UNEP, Geneva

WTO (2005) Hong Kong Ministerial Declaration, Annex D paragraph 9.

www.fishafrica.co.ke