

Issue Paper on Philippine Fisheries Trade

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INTRODUCTION

Trade has always played a significant role in the fishing industry worldwide. With different regions of the earth unevenly endowed of fishery resources, trade has been a primary means to distribute this cheap source of protein. Fish is the most widely traded food commodity with 45% of the world catch being traded internationally (WHAT, 2000). The participation of the developing countries in trade is growing, generating the needed foreign exchange earnings.

International trade is a double-edged sword that can either reduce poverty significantly or further increase the gap between the rich and the poor, locally or globally. Trade has fueled the economic growth of several nations. Needless to say, increased trade has the potential to benefit and to raise the standard of living of all those involved in it. Much attention has recently been given to fisheries trade with the fast rate of trade liberalization. Trade liberalization serves as the dominant economic mindset to promote country development. The World Trade Organization (WTO) facilitates this through several binding agreements.

Free trade, in principle, is even widely accepted as a wise strategy for fishery resource management. With a pure market-based approach, the inefficient fishers (in terms of financial and natural resource) are driven out of the industry resulting to less fishing pressure and or increased natural resource management efforts. However, such a scenario assumes that subsidies provided by governments to their domestic fishers do not exist. In such a case, the most strategically and highly subsidized producers survive and not the most efficient. Fisheries trade can then have harmful consequences such as 1) increased pressure on fish stocks, 2) enhanced initiative for destructive and hazardous fishing practices, 3) increased inequity and wealth distribution, and 4) threat to food security. (WHAT, 2001)

This paper aims to facilitate the discussion on the issues in fisheries trade policies in the context of the mandatory review of the Philippine Fisheries Code of 1998. Such a review is supposed to be conducted in 2003, assuming that legislators file a resolution for such and conduct public hearings. The discussion on fisheries trade will be done in order to prepare the municipal fisherfolk, academe, local government units, non-government organizations and other stakeholders in the eventual review process. Hopefully, appropriate provisions will be recommended to the review committee.

FISHERIES TRADE POLICIES

The Philippines has no binding tariff reduction commitment in the fishing industry to the WTO. Fisheries is not under the jurisdiction of the WTO Agreement on Agriculture because natural resource-based products (e.g., fish, timber) were excluded from the negotiations. However, it is still covered by other WTO agreements, specifically:

- General Rules of the General Agreement on Tariff and Trade (GATT);
- Agreement on Sanitary and Phytosanitary Measures (SPS);
- Agreement on Import Licensing Procedures;
- Agreement on Technical Barriers to Trade (TBT);
- Agreement on Safeguards; and
- Agreement on Subsidies and Countervailing Measures.

The Philippine government is implementing trade liberalization through the Tariff Reduction Program (TRP). It is committed to reducing tariff rates down to negligible levels (5% or less) by the year 2008 under the ASEAN Free Trade Agreement – Common Effective Preferential Tariff (AFTA-CEPT). The schedule was fast tracked to be completed by the year 2003 under the Early Voluntary Sectoral Liberalization initiative of the Asia Pacific Economic Cooperation.

However, the clamor to protect the local industry has led to several policies that have obstructed full trade liberalization. Reduction in commercial fishing operations were experienced the late 1980s. Even municipal fisherfolk have directly and indirectly been adversely affected the entry of imported and smuggled fish (Vera & Vera, 2001).

Certain fishery products intended for the canneries have seasonal tariffs with higher rates imposed during local fish production peak months (i.e., March to July). This two-tiered tariff is designed to increase the price of imported fish during the peak months in order to prevent injury to the domestic industry. This seasonal tariff was used as a compromise between government and commercial fishers during the late 1980s (Thomas, 1999).

Furthermore, Section 61.c. and d. of the Fisheries Code states that:

“c. Fishery products may be imported only when the importation has been certified as necessary by the Department, in consultation with the FARMC, and all the requirements of this Code, as well as all existing rules and regulations have been complied with: Provided, That fish imports for canning/ processing purposes only may be allowed without the necessary certification, but within the provisions of Section 61 (d) of this Code; and
d. No person, shall import and/or export fishery products of whatever size, stage or form for any purpose without securing a permit from the Department.”

Thus, importation is limited only to the canneries and the fish processing industry. Imported fishery products cannot be sold to the wet market.

The Implementing Rules and Regulations of fishery trade provisions are embodied in Fisheries Administrative Order 195 (FAO 195). The IRR further exempts Institutional Buyers (i.e., specialized restaurants, hotels and airlines) from securing a permit from the Department of Agriculture (DA) Secretary in order to import fishery products. As of the present, no Certificate of Necessity to Import has been issued by the different DA Secretaries despite proposals submitted by the Bureau of Fisheries and Aquatic Resources (BFAR).

STATE OF FISHERIES TRADE

In year 2000, the Philippines exported 200 Metric Tons of fishery and aquatic products earning ₱ 20.35 Billion. This represents a 15% and 25% increase since the establishment of the Fisheries Code in volume and value, respectively. The top three commodities being exported are as follows:

Table 1. Top exported fishery and aquatic products

Export Commodity	Volume (MT)	Value (Million ₱)	Average Price/Kilo
Shrimp/ Prawns	12,062	5,830,710	483.39
Tuna	79,117	4,842,890	61.21
Seaweeds	56,841	3,430,108	60.35

Fish imports in 2000 was 242 MT valued at ₱ 3.848 Billion. Since the passage of the Fisheries Code, these figures are equivalent to a drop of 18% and 4% in volume and value, respectively. The top import products are as follows:

Table 2. Top imported fishery and aquatic products

Import Commodity	Volume (MT)	Value (Million ₱)	Average Price / Kilo
Fish Meal	81,237	1,190,494	14.65
Tuna	34,547	714,014	20.67
Mackerel	44,499	527,962	11.86
Sardines	47,804	485,817	10.16
Squid Cuttlefish	17,827	334,467	18.76

Comparing these figures, the Philippines is a net fish importer in terms of volume but a net exporter in terms of value. Much of the foreign exchange earnings are gained from the high valued shrimp and prawn exports. The official records will show that the imports are basically for cheap feeds or input to the canneries (i.e., tuna, mackerel, sardines).

Figure 1. Net difference between fishery product import and export in terms of value.

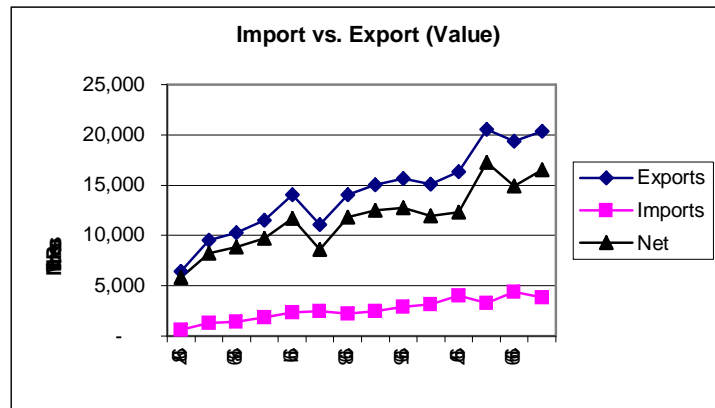
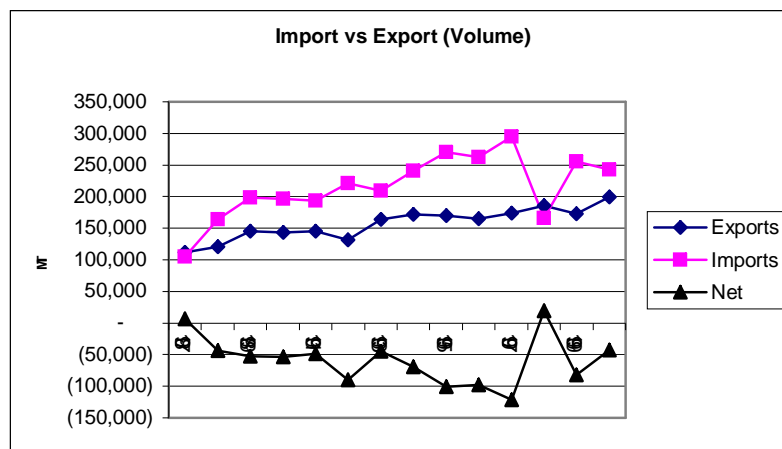


Figure 2. Net difference between fishery product import and export in terms of volume.



However, the difference in actuality can even be higher because of the technical smuggling being practiced.

An interesting commodity is tuna since the Philippines is both an importer and exporter of this fish. The Philippines export high-grade tuna, mostly to the United States and Japan. On the other hand, the country also imports cheap tuna to sustain the operations for the struggling canneries.

The tuna cannery industry however is an export-oriented industry. It imports 65% of its input while it exports 95% of its output. As long as these trends continue, the tuna cannery industry will play a major role in earning foreign currencies but only a minor role in contributing to the available fish supply in the country.

POLICY ISSUES AND OPTIONS

FOOD SECURITY

A primary concern of the Fisheries Code is Food Security. Under Section 2.a., it is the policy of the State:

“to achieve food security as the overriding consideration in the utilization, management, development conservation and protection of fishery resources in order to provide the food needs of the population. A flexible policy towards the attainment of food security shall be adopted in response to changes in demographic trends for fish, emerging trends in the trade of fish and other aquatic products in domestic and international markets, and the law of supply and demand;”

Unlike the other policies declared by the Fisheries Code, Food Security serves as the **overriding** policy. In other words, when policies are conflicting with each other, other policies will be sacrificed for food security purposes. Considering that fish and rice are the primary staple food of Filipinos, this policy seems only rational.

But what is food security? R.A. 8550 defines it in Section 4.45. as:

“any plan policy or strategy aimed at ensuring adequate supplies of appropriate food at affordable prices. Food security may be achieved through self-sufficiency (i.e. ensuring adequate food supplies from domestic production) through self-reliance (i.e. ensuring adequate food supplies through a combination of domestic production and importation) or through pure importation.”

By this definition, food security becomes a fisheries trade issue. The primary government strategy to address food security is to ensure the supply of fish in the market, regardless of its source, the process at which it is harvested or the injury that it can cause to the industry and the environment.

Furthermore, food security is a key consideration in both fisheries export and import. It can limit the export of fishery products since Section 61.a. states that

*“Export of Fishery products shall be regulated whenever such exportation affects domestic **food security** and production...”* (emphasis supplied)

In allowing imported fishery products intended for the wet market, FAO 195 Section 3 states that:

“Pursuant to Section 61 of Republic Act No. 8550, the Secretary, in consultation with the NFARMC, prior to the issuance of a certification on

the necessity of the importation applied for, shall determine, among others, the following

:

- a. The importation is necessary for **food security**.*
- b. There is serious injury or threat to domestic industry that produces like or directly competitive products.” (emphasis supplied)*

In the definition of food security, there is no mention on whether the government would prioritize domestic production, promote sustainable fisheries, or emphasize the need to address poverty amongst fisherfolk to address food security. There is also no consideration of long-term food availability and affordability.

Although there are provisions in the Fisheries Code regarding these concerns, food security still remains the overriding policy that can undermine all these. Fish importation, logically followed by trade liberalization to ensure low prices of imported fish, becomes the primary alternative to the dwindling catch and the deteriorating fishing grounds.

However, the problem of food security is about inaccessibility of food. Affordability and availability are not the only factors to consider in addressing the issue of food security. The NGO Food Security Council maintains that the “the inability to access food is due to insufficient incomes, lack of productive assets, low wages and increased unemployment, and gender disparities.” (Cajiao) Long-term food security cannot be addressed by current state of local production or importation because of the dismal state of fishing grounds and overfishing globally. An appropriate strategy would have to take into account the proper management and equitable distribution of fishery resources and benefits.

Can international trade ensure food security? Unlike rice wherein only 5% of the over-all produce is traded, fish is the most internationally traded food commodity. Fish is also nourishing being a rich source of protein, a wholesome source of lysine; polyunsaturated fats; minerals such as calcium, phosphorus, iron; vitamins A, B₁, B₂, B₁₂, D, etc.; and trace elements like iodine and zinc. Although people do not live on fish alone, the volume of internationally traded fish and its nutritional value has the potential of ensuring global food security.

However, fisheries trade and food security may coincidentally be congruent but not necessarily consistent. The driving force behind trade by private corporations are profit margins while food security is fueled by a sense of social responsibility of the government to nourish its citizenship. Trade is powered by a demand of those who can afford, food security is driven by a need by the malnourished population of developing countries. This need is not necessarily backed up by an effective demand (Kurien).

Generally, developing countries export highvalued fishery products (e.g., shrimp/prawns) for dollar earnings and import low-valued fish for food security purposes. It is estimated that in 1993, only 9% of the globally traded fishery products are low-cost fish for the masses. Surprisingly, only a small portion of these goes to the developing countries. Moreover, 1970-1992 figures show that real term prices of low-cost fish are going up while that of luxury fish is going down (Kurien). Thus, relying on fish trade to ensure that the population will have an abundant supply of low-priced fish instead of promoting self-sufficiency may not be a sound strategy for food security.

Thus, there is a need to review and rethink the provisions on Food Security. Points for consideration include:

- Removal of “overriding consideration” clause in the Declaration of Principles;
- Redefinition of food security to incorporate the concept of sustainability; and
- Rethinking strategies in order to strengthen accessibility to food to include building up of community assets (i.e., natural, financial, human, physical, and social); reduction of vulnerabilities of the poor; and providing transformative structures, processes and policies.
- Address the vulnerabilities of women fishers through gender responsive safety nets and support systems such as subsidies and other interventions (nations, price control).

FISHERIES IMPORT

As a natural resource commodity, the impact of fisheries trade on a nation varies depending on the direction of the trade (i.e., import or export) and the level of fishery resource management.

In the Philippines, the *de facto* open access regime is widely observed due to poor enforcement of even inadequate policies. Studies will show that nations in this scenario will benefit from importing fishery products because it will 1) decrease the pressure on fishery resources, 2) possible increase in catch in the long run, 3) supply consumers with cheap food; and 4) get more of other goods due to less wastage on the fishery sector (Hannesson, 2001).

However, the study may lead policymakers to think that the solution lies in a more aggressive import liberalization policy in order to encourage importation. This misses the point of the study that the solution lies in the management of fishery resources in order to respond to the *de facto* open access regime. Allowing the nation's resources to dwindle while relying on food imports may provide remedies to short-term and local problems but the problems will persist given the finite resources and the poor governance.

The policy of requiring a Certification of Necessity to Import in order to sell imported fish in the wet market might be considered as a trade restriction that is inconsistent with WTO rules (dela Peña, 1999). Making the fisheries code WTO-consistent would mean removal of this provision and exposing local producers to competition with imported fishery products.

This risk of injuring domestic producers is usually rationalized as a means for local fishers to improve their efficiency. This reasoning is flawed because of three primary reasons. First, improving efficiency would entail increasing pressure on a narrowing resource base or resorting. An alternative is to resort to culture fisheries (i.e., aquaculture, mariculture) that are also directly and indirectly dependent on the health of the wild fishery resources. In addition, culture fisheries have manifested several ecological harms (e.g., water pollution from pesticide use and nutrient overloading, mangrove conversion) and social ills (e.g., shift of livelihood from fishers to workers, unequal distribution of resources). Small fishers have resorted to destructive fishing methods in order to squeeze whatever is left from the coastal resources.

Second, inefficient fishers that will be displaced are the subsistence fishers or fishworkers. The loss of income for these people, most of who resorted to fisheries as a last resort because of lack of employment opportunities or landlessness, would mean increasing their vulnerability to food insecurity. They would still not be able to access the cheap imported fish and would fish longer in order to feed their families.

Third, foreign fishers can provide cheaper fish to the wet market because they are heavily subsidized by their governments, not because they are more efficient or because they are naturally more gifted with fishery resources. Local fishers may have to increase fishing pressure and resort to destructive means, and they would still remain uncompetitive due to this subsidy. The World Bank study on subsidies revealed subsidies ranging from US\$14 Billion to US\$20.5 Billion in 1998. In 1994, FAO estimates that it could reach \$80 Billion (WHAT 2001). On the other hand, local fishers are barely subsidized by the government. Aside from the unfair competition brought about by these subsidies, it has also been recognized as one of the primary factors leading to global overfishing.

Although no certification has been issued, this does not mean that the regulations are stiff. The provisions for the regulation are still unclear. The discretion given by the Code to the DA Secretary and NFARMC makes the policy less transparent, less predictable and prone to rent-seeking (dela Peña, 1999). NFR noted that the bases of issuing a certification (i.e., food security, injury to domestic producers) are vague and open to different interpretation (NFR 2000). Stakeholders must be able to participate in defining appropriate, realistic and measurable indicators. Indicators may include identifying trigger prices or trigger volumes that could signal the DA Secretary and NFARMC to consider importation possibilities.

Sustainable fisheries would consider both the stability of the natural resource base and the living conditions of the stakeholder. Policy options with regards to fish importation would include:

- Maintaining and strengthening import requirements in order to protect the local industry from the dumping of imported fish;
- Defining trigger prices or trigger volumes as basis for issuing Certification;
- Provide a total import ban; and/or
- Provide subsidies to local fishers in order to compete with foreign fleets.

SMUGGLING

Despite the regulation on selling imported fish to the wet market, the urban and rural markets are flooded with “imported” frozen fish (e.g., mackærel, squid). These smuggled fish has had various negative impacts on commercial fishers, municipal fishers, and the aquaculture industry. Smuggled fish enter the country through various means, such as, 1) Leakages from canneries and fish processors; 2) Technical smuggling (e.g., undervaluation, under-quantification, misdeclaration); 3) Transshipment; 4) Permit “recycling;” 5) Offshore exchange of goods with local traders; and 6) Unregulated Institutional Buyers (Vera & Vera, 2001).

Although smuggling is essentially an enforcement issue with regards to the Bureau of Customs and the BFAR Quarantine Division, several aspects of it have policy implications. For example, most of the monitoring is focused on the canneries while Institutional Buyers (IB) are practically unregulated. (Incidentally, the number of IBs has increased since the passage of FAO 195). Technical smuggling can be reduced if communication is established between the Port of Origin and the Port of Destination.

Also, smuggling provides a convenient scapegoat for the government to cover up the inadequacies of the modernization and trade liberalization program of government.

Policy options with regards to smuggling include:

- Defining strict regulations for Institutional Buyers; and
- Providing financial and human resources to curtail smuggling operations.

LIVE FISH IMPORT

The fisheries code has an explicit policy on regulating the export of live fish but does not have one for the importation (except for live foreign species). Fish fries of commercial species (e.g., milkfish) are introduced in order to supplement existing catch from the wild. In 1995, a shortage of fish fries was reported. The importation of live milkfish fries from hatcheries in foreign countries then continued. This ~~as~~ supplied aqua/mariculture operators with cheap milkfish fries. Examination of records will show

that there is still no shortage in milkfish fries and that shortage was just staged by Filipino farmers with Taiwanese connections. This was done to avail of low-priced fish fries (Bagarinao 1999).

However, fries caught from the wild are still preferred because the milkfish fries from the hatcheries are generally weaker. Aquaculture operators say that these fries grow slower and a higher mortality rate is experienced.

Interview with BFAR personnel show that importation from foreign hatcheries is being conducted mainly because the local hatcheries are still being developed. Once the local hatcheries development is done, the importation from foreign hatcheries will be stopped. This provides several complications. First, weak fries from hatcheries can escape to the wild during storms that destroy fish cages or floods that cause fishponds and pens to overflow. The interaction of weaker genes into the wild can affect the quality and survival of wild milkfish. Second, the sudden restriction of importation from hatcheries once the local hatcheries are developed is again WTO inconsistent. This violates the principle of transparency in trade policies and introduction of new trade restrictions.

Policy option include the inclusion of a provision of regulating or prohibiting the importation of fish fries. Other action points may not necessarily be in the level of legislation. The appropriate implementing rules and regulation may be passed through an administrative order. However, stakeholder participation in this process is still necessary.

FISHERIES EXPORT

Fisheries export is one of the countries top dollar earners. Because the country is endowed with rich fishery resources, the Philippines enjoy a competitive advantage in fish production. It is for this reason that Presidential Decree 704, the predecessor of R.A. 8550, was criticized for orienting the fishing industry towards export. Incentives for fishpond and fish pen construction remain as the government takes pride in the fact that the Philippines is one of the top exporters of fishery products.

But as nations with *de facto* open regime “benefit” from importing fish, these countries experience the opposite impact when it exports fish. Fisheries export: 1) increase fishing pressure in order to meet the international demand; 2) eventual decline in fish stock; and 3) price of local fish rises. This is a clear case wherein better market access for local producers can result to unsustainable development (Hannesson, 2001).

The export-oriented economic and political environment has promoted the proliferation of fishponds and fishcages. Mangrove forests that are critical to the sustainability of our wild fisheries are still being converted to prawn farms. The wanton use of artificial feeds and fertilizers have severely degraded water quality causing fishkill and spread of

diseases. These ecological disasters continue despite the prohibition of mangrove forest conversion and regulations on aquaculture development.

As earlier mentioned, fisheries export shall be regulated whenever it will affect the nation's food security. However, the definition of food security is still questionable and the indicators for affecting domestic food security are still undefined. With much of the mangroves altered, difficulties will be experienced in reverting these back to more productive breeding grounds in the event that a food crisis is experienced.

Policy option include:

- Defining trigger levels (i.e., price or volume) have to be established in order to keep this policy more transparent;
- Retention of prohibition on mangrove conversion and reversion into mangrove forests of abandoned fishponds;
- Limiting export of products based on 1) sustainable productivity of the species; 2) impact on fishing grounds (e.g., mangrove forests); and 3) impact on other species that are not commercially or internationally traded (e.g., by-catch).

CANNED TUNA EXPORT

Lately, the canned tuna export industry has become controversial. Trade and Industry Secretary Mar Roxas issued a statement that the Philippines will rethink its position in the WTO because of the lack of market access in the lucrative European Union (E.U.) market. The E.U. imposes a 24% tariff on local exporters while providing producers from the African Caribbean Pacific countries with a zero-duty scheme. These countries, which were former colonies of E.U. members, were therefore protected against Philippine canned tuna. The E.U. used Sanitary and Phytosanitary standards to rationalize their granting of Most Favored Nation status to former colonies.

The Philippines used this case in order to get mileage during the launching of a development round in the WTO ministerial meeting in Doha, Qatar last November 2001. The Philippine case, together with Thailand, has been raised to the WTO. Supposed allies in the influential Cairns Group failed to support the Philippine bid for equal treatment of its canned tuna exports.

This restriction in market access was the very threat that WTO ensured will not occur. These were the very reasons why we were supposed to be marginalized from international trade if the Philippines did not enter the WTO.

But would improved market access improve local food security, enhance the available fish stock, or benefit the local fishers? As earlier mentioned, 95% of the local canned tuna production is exported. The relatively higher priced commodity targets the upper classes rather than the poor.

Local and global tuna stocks are already overfished. Although 65 % of the canneries' input is imported, increased market share can result to 1) increased pressure on local stocks; 2) increased pressure in global stocks; and 3) increase in dollar spending for tuna imports.

With regards to benefit to local producers, purse seiners are the main suppliers of canneries. Municipal fishers usually target the local fresh market. Thus, benefits from the trade are confined to cannery operators, exporters and small to medium scale commercial fishers.

Nevertheless, the government is bent on protecting the canned tuna industry. Recently, the cities of General Santos and Davao are fighting over a provision in FAO 195 regarding the sale of tuna export rejects to the wet market. Davao is requesting the DA Secretary to amend the provision in FAO 195 Section 9. which states that:

"Fish unloaded by foreign vessels at accredited transshipment ports which are no longer of exportable grade or can be considered as non-exportable may only be sold to canneries and processing plants after payments of customs duties and compliance with SPS requirements as outlined in this Order."

The Davao City government is arguing that it is suffering from fish shortage and that canneries located in General Santos City are cornering the supply of tuna. On the other hand, fishers from General Santos City are arguing that there is no shortage in supply and that traders based in Davao prefer to buy fish from foreign vessels instead of local producers.

Another argument is that these rejected tuna are being treated as imported products when these fish are caught in local fishing grounds.

Will this affect food security? It may affect it since channeling it through the cannery will practically lead to its export to other countries. However, these fish are originally intended for the export market anyway and, thus, will not affect the status quo. Also, even the high-priced domestically distributed canned tuna will likely end up in the upper classes of society.

These issues related with transshipment and the canned tuna industry are complicated since these have been identified as major doorways for smuggled fish (Vera & Vera 2001). Stricter measures have to be applied to shut these openings and protecting local producers.

Policy options with regards to the issues in the canned tuna industry are more associated to international trade agreements or trade policies of importing countries.

Thus, action points are geared towards international lobbying and networking. Locally, policy options include:

1. Realignment of the Philippine government to more like-minded nations instead of the agriculture exporting nations in the Cairns Group;
2. Review the programs/policies that promote canned tuna as a primary export industry;
3. Enhance monitoring procedures and standards for transshipments and imports for the canned tuna industry; and
4. Allow re-entry of rejected tuna to the wet market or limit it only to canneries.

LIVE FISH EXPORT

Sec. 61.a. states that

"... exportation of live fish shall be prohibited except those which are hatched or propagated in accredited hatcheries and ponds."

The issue that this provision is indirectly addressing is the widespread use of cyanide fishing to capture live fish. The high value of such fish in the foreign markets makes the illegal activity a lucrative trade. The value of fish increases tenfold if caught and kept alive. Some fishers and non-government organizations argue that not all live fish are caught through cyanide fishing. Indigenous people in Coron have traditional means of catching live groupers. NGOs have provided training for fisherfolk organizations to harvest live fish without the use of poison.

However, the fact remains that more than 90% of live fish in the market are caught through cyanide. In addition, the large demand for and high price of live fish in foreign markets encourages large-scale harvesting that cannot be done through the time-consuming indigenous scoop net methods. Despite the ban, the trade still continues.

Live fish grown in hatcheries and fish cages is a viable alternative since it would not necessitate the use of poison. However, breeding live groupers in captivity also has its downside. Live groupers would have to be fed with live fish. Effort will be exerted to catch these live fish. And as with any other cultured fishery product, an average estimate of five kilos will be need to produce one kilo of fish.

The policy options include:

- 1) retention of the status quo provision;
- 2) status quo provision while further defining standards for accredited hatcheries and breeders; or
- 3) Lift the ban and increase the cyanide detection facilities.

CONCLUSION

NGOs and municipal fisherfolk organizations/federations are often overwhelmed by the global context of fisheries trade. The WTO jargon, the need for international networking, the difficulty in communicating and linking with official government panels, and the distance of lobbying venues often marginalize them. For example, the issue on fisheries subsidies causing overfishing calls for reform in developed countries and not developing countries such as the Philippines. The economists' call for free and transparent trade requires commitment and compliance from developed countries and not greater areas for liberalization (i.e., financial, investment, government procurement). These substantial issues are daunting to local fishers who lack the international connection or influence.

However, policy studies have shown that national laws on trade often have a heavier bearing on the local industry rather than international agreements. The Tariff Reduction Program of the Philippines was unilaterally set and was committed over and above the required tariffication schedule. Allowable subsidies are not provided to local industries due to corruption, misprioritization and lack of funds. Laws to protect the industry (i.e., safeguards law, anti-dumping, sanitary and phytosanitary) have been delayed in passage or are too complicated to be implemented. Smuggling is a local issue that the government fails to address.

Thus, much advocacy can be done within our own borders. Local policies should be reviewed in order to identify means to protect the local industry from dumped products and to promote export industries that will have minor bearing to the food security of the country.

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