

**PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE**

Proposal for Separate Negotiation Group on Fishery and Forestry Products

*Communication from Korea*

The following communication, dated 7 October 1999, has been received from the Permanent Mission of Korea.

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**Background**

1. Fishery and forestry products have special characteristics different from other industrial goods and fishery and forestry sectors perform unique social and environmental functions. Forestry resources help land conservation and preserve water sources, both indispensable parts for our daily life. Fishery sectors serve as an important base for maintaining social cohesion in poor rural areas. These products, by their nature, are susceptible to quick depletion when coordinated efforts to conserve them are absent.
2. The international community's awareness of the special nature of these products has increased through various fora in the past years. The previous multilateral trade negotiations, however, have not properly reflected this new awareness and continued to address these products from the viewpoint of narrowly-defined trade liberalization, and treated them like industrial goods.
3. Korea believes that the WTO can play a more important role in taking into account the specificity of forestry and fishery sectors during the next round of negotiation.

**Proposal**

4. Considering the unique nature of fishery and forestry products and the functions they perform, Korea proposes that a separate negotiation group for these products be set up during the next negotiations. In so doing, the important peculiarities of the sectors will receive more appropriate attention that will allow them, first, to be dealt with in a comprehensive manner and, second, to strike a balance of interests between importing and exporting countries.
5. Korea believes that the elements below warrant the creation of a separate negotiating group. These elements should be given due consideration by the WTO Members in the process of further liberalizing trade.

A. Fish and fishery products

Sustainable management

6. First, in order to base our discussion on a sound foundation, Member countries need to review the prospect of capacity to produce fish and fishery products in a sustainable way. The review should be conducted species by species and based on the data and survey produced by relevant international organizations such as the FAO on global fish stock and aquaculture.

7. Given the exhaustible nature of fish resources, overfishing needs to be properly controlled and aquaculture ought to be encouraged. Therefore, unlike other industrial sectors, the government role for sustainable resource management in the fishery sector need to be fully recognized and allowed.

8. In this regard, a distinction should be made between subsidies that lead to excessive fishing capacity and those that contribute to the conservation of fishery resources.

Public functions

9. The fishery sector provides an invaluable source of income to rural communities in islands and coastal areas. Maintaining the relevant activities is essential for the viability of the communities which are directly or indirectly related to national social cohesion.

10. Fishery products also constitute a significant part of a diet as a major source of animal protein in some countries and regions, particularly in developing countries. Ensuring a stable supply and maintaining an appropriate level of local production are key in this case. Therefore certain types of governmental functions for rural viability and stable supply of food are needed in the fishery sector.

Market access

11. In the coming negotiations on fisheries, we ought to try to strike a balance of interests between exporting and importing countries, taking into consideration the need for their conservation and unique functions the sector performs as well as the expansion of trade. Also, trade liberalization in the fishery sector must proceed in a way to accommodate each country's different circumstances. Too ambitious liberalization may bring disturbing consequences to self-reliant poor fishermen and undesirable social difficulties.

B. Forestry products

Sustainable management and environment protection

12. Forestry resources are exhaustible and reckless exploitation will deplete precious resources. Thus, forestry resources should be managed systematically and effectively with a long-term perspective. Both exporting and importing countries should make concerted efforts for sustainable management of limited forestry resources

13. The size of forests has been shrinking due to excessive logging and farming in forest areas. There is a growing sense among the international community that destruction of forests has disastrous effects on all ecosystems. International trade rules should reflect this reality.

#### Public functions

14. Forestry resources provide a variety of public benefits such as conservation of land and water sources, prevent land erosion, as well as perform health and recreational functions. In certain countries with limited or depleted forest areas, governments have been subsidizing the development of artificial forests or re-forestation projects to reap these benefits. Government transfers designed to promote sustainable forest management should thus be seen in a light different from subsidies that beget overlumbering and resource depletion, or from subsidies on industrial goods.

#### Market access

15. Goals and direction of the negotiations should be set in a way to balance interests of timber exporting and importing countries by assessing the impact that market opening has on sustainable forest management and that export restraints maintained by exporting countries has on free trade.

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