Application of the system of derogation to the rules of origin of fisheries products in Papua New Guine and Fiji

Blomeyer & Sanz
Centre of Marine Sciences, University of Algarve
University of Vigo
Wageningen University

European Parliament Committee on Fisheries
9 October 2012
Content

1. Introduction
2. Method
3. Context
4. Economic impacts
5. Environmental impacts
6. Social impacts
1. Introduction (Objectives)

• Provide an independent assessment of the impact of the derogation to the standard Rules of Origin (RoO) under the Interim Economic Partnership Agreement (iEPA)

• Focus on:
  – Economic, social and environmental impacts on Papua New Guinea (PNG)
  – Economic impacts on the EU tuna industry
1. Introduction (Partners and timeframe)

- Consortium partners
  - Blomeyer & Sanz (Project leader)
  - Centre of Marine Sciences, University of Algarve (Environmental)
  - University of Vigo (Economic)
  - University of Wageningen (Governance)

- Timeframe
  - Duration: six months (December 2011 to May 2012)
Content

1. Introduction
2. Method
3. Context
4. Economic impacts
5. Environmental impacts
6. Social impacts
3. Method

1. Desk research & econometric analysis
   - 100+ scholarly articles consulted

2. Stakeholder consultations: (50+)
   - EC consultations: DGs EuropeAid, MARE, SANCO, and TRADE
   - Industry (EU tuna industry and PNG)
   - NGOs (WWF, CFFA…)
   - International organisations (ILO, UNDP, World Bank…)

10/10/2012
Application of the system of derogation to the rules of origin of fisheries products in Papua New Guinea and Fiji
3. Method (cont.)

3. Missions to PNG

• March and April 2012: three team members

• Field work focused on consulting:
  – PNG authorities such as the National Fisheries Authority (NFA) and other relevant government authorities.
  – International organisations (e.g. ILO, UNDP, WB) and NGOs
  – PNG Industry in Port Moresby, Madang and Lae.

• Attendance of the 8th Regular **Session of the WCPFC** (Guam)

• Visit to the **Forum Fisheries Agency** (FFA) in Honiara
Content

1. Introduction
2. Method
3. Context
4. Economic impacts
5. Environmental impacts
6. Social impacts
2. Context

- The iEPA includes a derogation to RoO ('global sourcing')
  - Allows for use of non-originating raw materials landed in a port of a Pacific State provided that the material is then processed in on-land premises

- PNG has benefited since March 2008
  - Rationale: PNG has lots of tuna but no fleet; can only benefit from the resource if the tuna is processed in PNG
2. Context

- Different views on the derogation
  - EP Fisheries Committee: negative impact on
    - Economy (EU tuna industry, and other ACP / GSP countries)
    - Society (non-local workers, low wages) and Environment in PNG
  - EC
    - ‘One-off’ exception responding to PNG’s feature
    - No negative impacts from EC assessments
  - EU tuna industry
    - Agrees with the EP Fisheries Committee
  - Other stakeholders
    - Support, but request closer monitoring on impact on tuna (CFFA, WWF)
    - Point to weak performance on labour rights (EFFAT)
2. Context

- PNG tuna* catches represent 10% of total Western Central Pacific Ocean (WCPO) and 5% of World tuna catches in 2010

(*) bigeye, yellowfin, skipjack

2. Context

- EU imports of tuna loins from PNG represent 5% of total imports; and 4% for canned tuna in 2011

![Tuna Imports Chart]

**Source:** Eurostat, 2011
Content

1. Introduction
2. Method
3. Context
4. Economic impacts
5. Environmental impacts
6. Social impacts
4. Economics component

There are two key questions to answer –

1) Has the RoO derogation led to
‘development of onshore processing capacity for fish in the ACP Pacific States to create local employment and income’

- Increased economic activity
- Increased employment
- Increased economic benefit to PNG

2) but have there been reciprocal disadvantages for EU tuna processors
So has there been a post derogation surge in tuna processing in PNG?

Not yet – but major industrial developments can take 10-15 years

<table>
<thead>
<tr>
<th>Rated Capacity</th>
<th>Estimated actual performance (tonnes/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>pre derogation</td>
</tr>
<tr>
<td><strong>PNG Tuna Plants</strong></td>
<td></td>
</tr>
<tr>
<td>RD Tuna Canners Madang</td>
<td>200</td>
</tr>
<tr>
<td>Frabelle (PNG) Ltd. Lae</td>
<td>100</td>
</tr>
<tr>
<td>South Seas Tuna Wewak</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total – tonnes /day</strong></td>
<td>500</td>
</tr>
</tbody>
</table>

| Raw material input - tonnes/yr | 63,700 | 51,450 | 58,800 | 61,250 | 57,575 |
| Product output - tonnes/yr | 33,565 | 27,011 | 31,054 | 32,830 | 31,054 |
The strongest evidence is solid commitment to PNG tuna processing by the industry’s major players - $38m+ so far

Other potential investors are

**Lae:** IFC (Malaysia) expanding into tuna, Nambawan (TPJ/TPS), Dongwon (Korea), Halisheng (China)

**Madang:** NiuginiTuna Ltd (TriMarine, Fairwell, RD canners)
These commitments suggest that there will be a substantial increase in PNG’s output of loins & canned tuna

<table>
<thead>
<tr>
<th>Forecast PNG tuna production</th>
<th>Tuna input - tonnes per day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td>Total existing input</td>
<td>275</td>
</tr>
<tr>
<td>Total new plant input</td>
<td>90</td>
</tr>
</tbody>
</table>

- **Total existing input**: 275, 290, 305, 320, 340, 360 tonnes per day
- **Total new plant input**: 90, 225, 351, 436, 533, 624 tonnes per day

**Graphical Representation**:
- **Raw input**: 89,000 t in 2013, 241,000 t in 2018
- **Processed output**: 50,000 t in 2013, 124,000 t in 2018
- **Whole input**: 50,000 t in 2013, 241,000 t in 2018
Anticipated subsequent economic benefits to PNG

- **Investment** – already underway
- **Employment** (5,800 > 20,000 by 2018, mostly women)
- **Income** (contribution to the PNG economy $21m >>$70m)
- **Spin off activity** (2,600 >> 5,000 incremental jobs by 2020)
- **Taxes to government**
- **Building up economic critical mass in industrial zones**
Is EU preference a key factor here? — PNG’s EU duty free access is crucial

High labour, canning, transaction & freight costs - Low productivity

<table>
<thead>
<tr>
<th>Country</th>
<th>Product</th>
<th>Units</th>
<th>Fish input cost</th>
<th>Processing Cost</th>
<th>Total cost</th>
<th>Total cost with 24% duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>PNG</td>
<td>Canned</td>
<td>€/case</td>
<td>19.8</td>
<td>12.9</td>
<td>32.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loins</td>
<td>€/kg</td>
<td>3.76</td>
<td>1.12</td>
<td>4.88</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>Canned</td>
<td>€/case</td>
<td>18.5</td>
<td>7.8</td>
<td>26.3</td>
<td>32.6</td>
</tr>
<tr>
<td></td>
<td>Loins</td>
<td>€/kg</td>
<td>3.5</td>
<td>0.66</td>
<td>4.15</td>
<td>5.1</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Canned</td>
<td>€/case</td>
<td>19.6</td>
<td>9.8</td>
<td>29.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loins</td>
<td>€/kg</td>
<td>3.7</td>
<td>0.78</td>
<td>4.48</td>
<td></td>
</tr>
</tbody>
</table>
And the EU market is crucial for PNG

But not for whole frozen tuna

Though it does account for 60% of loins exports

And nearly all canned tuna exports
This is an asymmetric trade relationship though – PNG is much less important to the EU

Tuna loins: PNG’s contribution to the EU tuna loins supplies is growing but still small

Canned tuna: PNG has a small but steady share of the EU canned tuna market
Even so – are there potential disadvantages for the EU canning industry?

- Econometric analysis suggests some negative implications
- For the EU tuna processors – these can be quantified

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Most favourable to EU</th>
<th>Least favourable to EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>PNG Exports to EU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU canned tuna</td>
<td></td>
<td></td>
</tr>
<tr>
<td>consumption</td>
<td>Increasing</td>
<td>Decreasing</td>
</tr>
<tr>
<td>Change in EU production</td>
<td>-1%</td>
<td>-7%</td>
</tr>
<tr>
<td>Change in EU value added</td>
<td>-5.2m</td>
<td>-43m</td>
</tr>
<tr>
<td>Change in EU employment</td>
<td>-180 jobs</td>
<td>-1,500 jobs</td>
</tr>
</tbody>
</table>

- For competing 3rd countries there are mixed positive & negative correlations
But this is not all one way - The EU tuna processing industry is increasingly dependent on loins

Raw *whole tuna* is being replaced by *tuna loins*, especially in Spain

*Loins vs whole – live weight equiv*

The *forecast* is for EU demand for loins to continue to grow

*Imported tuna loins - product wt*
And PNG is a growing supplier of loins to the EU

PNG Tuna Exports to the EU by Main Product Type Live weight equivalent
SPS/food safety – there have been some rapid safety alerts (RASFF)

but most have occurred during shipment

<table>
<thead>
<tr>
<th>Date</th>
<th>Product</th>
<th>Cause</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-08</td>
<td>Canned tuna*</td>
<td>Histamine level too high</td>
</tr>
<tr>
<td>Sep-10</td>
<td>Whole frozen tuna</td>
<td>Temp control during shipment PNG&gt;EU</td>
</tr>
<tr>
<td>Sep-10</td>
<td>Whole frozen tuna</td>
<td>Temp control during shipment PNG&gt;EU</td>
</tr>
<tr>
<td>Jun-11</td>
<td>Frozen loins</td>
<td>Histamine level too high</td>
</tr>
<tr>
<td>Sep-11</td>
<td>Frozen loins</td>
<td>Temp control during shipment PNG&gt;EU</td>
</tr>
<tr>
<td>May-11</td>
<td>Frozen loins</td>
<td>Temp control during shipment PNG&gt;EU</td>
</tr>
<tr>
<td>Nov-11</td>
<td>Frozen loins</td>
<td>Temp control during shipment PNG&gt;EU</td>
</tr>
</tbody>
</table>
Content

1. Introduction
2. Method
3. Context
4. Economic impacts
5. Environmental impacts
6. Social impacts
5. Environmental aspects - WCPFC

Convention Area: PNG and fishing effort

WCPFC members (25):
Australia, China, Canada, Cook Islands, European Union, Federated States of Micronesia, Fiji, France, Japan, Kiribati, Republic of Korea, Republic of Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, United States of America, Vanuatu

Participating territories (7):
American Samoa, Commonwealth of the Northern Mariana Islands, French Polynesia, Guam, New Caledonia, Tokelau, Wallis and Futuna.

Cooperating non-members (11):
Belize, Democratic Peoples Republic of Korea, Ecuador, El Salvador, Indonesia, Mexico, Senegal, St Kitts and Nevis, Panama, Thailand, Vietnam.
5. Environmental aspects - WCPFC

• Concerns over health of tuna stocks
  – WCPO reaching the limits of sustainable exploitation for some species
  – Overfishing in bigeye stocks and yellowfin fully exploited
  – Skipjack (70-85% of total catch) remains within sustainable limits

• Most WCPFC members have ratified UNCLOS, but far less the UN Fish Stock Agreement and FAO Compliance Agreement
  – IUU national plans adoption: low; WCPFC adoption: high
  – Lag behind others RFMOs, but overall adequate MCS to fight IUU

• Remaining challenges balance between PNA and WCPFC
  – Consensus on management measures through PNA; MSC certification
  – PNG’s archipelagic waters exempted from VDS; 15% of PNG catch
  – Compatability of CMMs and unknown effect in reducing BET mortality
5. Environmental aspects - PNG

• Risk of politicisation of PNG National Fisheries Authority (NFA)
  – Total Allowance Catch exceeded & revised upwards several times

• Strong fisheries governance in PNG; i.e. the NFA
  – Most technically competent agency in the region
  – Adequate financial resources

• Limited IUU issues with PNG’s purse seine fishing (99% of catch)
  – Strong monitoring, control and surveillance capabilities
  – Effective implementation of IUU regulation

• Weaknesses should be placed in context
  – PNG is one of the few ACP countries with a strong - if imperfect - system of fisheries management in place
5. Environmental impact - conclusions

- Hard to envisage negative impacts in fisheries management
  - Concerns on overfishing based on pressure on PNG to subvert management measures are unlikely: VDS has been improved
  - (+) Indicators: e.g. granted Marine Stewardship Council certificate

- In fact, likely to be positive in terms of resource sustainability
  - Anything that promotes exports to the EU from PNG also promotes compliance with the IUU regulation and EU food & safety requirements

- However, the impact of PNG’s tuna industry on PNG’s environment cannot be assessed properly
  - Shortcoming in monitoring (authorities do not visit plants to verify compliance with environmental / waste discharge requirements)
Content

1. Introduction
2. Method
3. Context
4. Economic impacts
5. Environmental impacts
6. Social impacts
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- **Job conditions / wages in line with national regulations and more or less average for cash employment in PNG**
  - Direct jobs (tuna processing) 5,770 (2012), expected 20,000 by 2018
  - Maternity leave - main issue; no issues in fishing employment (men)
  - ILO conventions - ratified; ongoing legal reform to fill the gaps

- **Yet, tuna industry in PNG is seen as causing negative social impacts, partly explained for cultural barriers and poor community relations**
  - Expected to take unusual roles (i.e. provide public services)
  - Seen as not giving preferential treatment to local landowners
  - Insufficient communication and expectation management (e.g. PMIZ)
6. Social impacts

- No evidence substantiating claims that the tuna processing industry has led to prostitution around Madang
  - Contacts between industry and local population in context of small-scale trade

- Global sourcing of fish has not yet resulted in changes to social impacts from PNG’s tuna industries
  - And, positive results (i.e. employment) may be more visible in 2-5 years

- Global sourcing provides an opportunity for economic development, however:
  - Basic wages remain low
  - More consideration should be given to local traditions (tuna industry can support local economic development in a sustainable way if considering the 'local way of doing things')
Thank you

rblomeyer@blomeyer.eu
Annex - Econometric analysis

A) Economic effects on EU canned industry

B) Economic effect on third countries imports to the EU
A) ECONOMIC EFFECTS ON EU CANNED INDUSTRY
EU canned tuna production increased at an average rate of 2% during the period 2005-2009.

EU canned tuna imports are stable during that period.

EU exports to the rest of the world show a positive trend (at 3%), however the intra-EU exports show a negative trend (-2%).

90% of EU production goes to internal EU market.

EU consumption has remained stable (over 700,000 tonnes in the last years)

As a result, the EU consumption is not capable of absorbing the total supply in EU market (in 12,000 tonnes average 2005-2010)
Two types of analysis were posed:

- Identifying the relevant variables for EU canned tuna production *by OLS estimations*
- Whether the derogation has had effects or not on EU production *by Chow Test*

**In the first analysis**, different relations between the following variables were tested:

- Imports from PNG (to EU)
- Imports from Rest of World (less from PNG)
- EU Exports
- EU Consumption

And two variables were significant for EU production (from statistical point of view):

- Total Imports from PNG, with negative sign ➔ the greater the level of imports from PNG, the lower the level of EU production. Separating canned tuna and loins:
  - Canned tuna imports show negative sign ➔ negative effect on EU production
  - Cooked loins imports show positive sign ➔ positive effect on EU production

- EU Consumption, with positive sign ➔ the greater the level of EU consumption, the greater the level of production.

**In second analysis**, the results indicated that the derogation has indeed influenced the variation of EU production after 2008.

*Although it must take in consideration that only two years are available from the RoO derogation*
Given that the RoO derogation had effect on the EU production and that the significant variables (from statistical point of view) were the EU Consumption and Imports from PNG, it is possible to estimate the effects from variations in Imports and Consumption on the EU production.

Three scenarios were posed for the foreseeable EU consumption:

^ Scenario 1: consumption remains stable at 2010 levels (last year available for this variable), i.e. there is no variation in foreseeable consumption

^ Scenario 2: consumption falls at the same rate as observed for 2008-2010, i.e. about 1.5%

^ Scenario 3: consumption increases at a rate of 1%.

Three possible scenarios were posed for foreseeable imports from PNG (canned tuna and cooked loins):

^ Scenario 1: Imports from PNG to the EU will increase by 10%

^ Scenario 2: Imports from PNG to EU will increase by 15%

^ Scenario 3: Imports from PNG to the EU will increase by 20%.
ECONOMETRIC ANALYSIS III: RESULTS FROM SCENARIO 1 FOR EU CONSUMPTION (stable)

### SCENARIOS FOR PNG EXPORTS TO EU

<table>
<thead>
<tr>
<th>SITUATION 1 (10% increase)</th>
<th>Tuna Canned</th>
<th>Cooked loins</th>
<th>Consumption</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>- % on EU production</td>
<td>-4.42</td>
<td>2.43</td>
<td>0.00</td>
<td>-1.99</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-28.35</td>
<td>15.58</td>
<td>0.00</td>
<td>-12.77</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-983.7</td>
<td>540.7</td>
<td>0.00</td>
<td>-443.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SITUATION 2 (15% increase)</th>
<th>Tuna Canned</th>
<th>Cooked loins</th>
<th>Consumption</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>- % on EU production</td>
<td>-6.63</td>
<td>3.64</td>
<td>0.00</td>
<td>-2.99</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-42.53</td>
<td>23.38</td>
<td>0.00</td>
<td>-19.15</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-1475.6</td>
<td>811.0</td>
<td>0.00</td>
<td>-664.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SITUATION 3 (20% increase)</th>
<th>Tuna Canned</th>
<th>Cooked loins</th>
<th>Consumption</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>- % on EU production</td>
<td>-11.05</td>
<td>6.07</td>
<td>0.00</td>
<td>-4.98</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-70.88</td>
<td>38.96</td>
<td>0.00</td>
<td>-31.92</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-2459.4</td>
<td>1351.7</td>
<td>0.00</td>
<td>-1107.6</td>
</tr>
</tbody>
</table>

Note: Added Value (AV) in million euros, and jobs in number of persons.

- With EU consumption stable:

  ^ The EU production would decrease by 2%, 3% and 5% if the imports from PNG would increase by 10%, 15% and 20%, respectively. The tuna canned imports would have negative effect and cooked loins import would have positive effect (for any scenario on consumption).

  ^ The estimated EU Added Value would decrease between EUR 13 and 32 millions.

  ^ The estimated decrease on the employment in the EU industry would fluctuate between 443 and 1108 jobs.
**ECONOMETRIC ANALYSIS IV: RESULTS FROM SCENARIO 2 FOR EU CONSUMPTION (decreasing)**

<table>
<thead>
<tr>
<th>SCENARIOS FOR PNG EXPORTS TO EU</th>
<th>SCENARIO 2 (decreasing consumption)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SITUATION 1 (10% increase)</td>
<td>Tuna Canned</td>
</tr>
<tr>
<td>- % on EU production</td>
<td>-4.42</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-28.35</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-983.7</td>
</tr>
<tr>
<td>SITUATION 2 (15% increase)</td>
<td>-6.63</td>
</tr>
<tr>
<td>- % on EU production</td>
<td>-42.53</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-1475.6</td>
</tr>
<tr>
<td>SITUATION 3 (20% increase)</td>
<td>-11.05</td>
</tr>
<tr>
<td>- % on EU production</td>
<td>-70.88</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-2459.4</td>
</tr>
</tbody>
</table>

**Note:** Added Value (AV) in million euros, and jobs in number of persons.

- With EU consumption decreasing:

  - The EU production would decrease by 4%, 5% and 7% if the imports from PNG would increase by 10%, 15% and 20%, respectively.

  - The estimated losses for the EU Added Value would fluctuate between EUR 25 and 45 millions.

  - The estimated decrease on the employment in the EU industry would fluctuate between 879 and 1544 jobs.
### ECONOMETRIC ANALYSIS V: RESULTS FROM SCENARIO 3 FOR EU CONSUMPTION (increasing)

#### SCENARIOS FOR PNG EXPORTS TO EU

<table>
<thead>
<tr>
<th>SCENARIO 3 (increasing consumption)</th>
<th>Tuna Canned</th>
<th>Cooked loins</th>
<th>Consumption</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SITUATION 1 (10% increase)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- % on EU production</td>
<td>-4.42</td>
<td>2.43</td>
<td>1.31</td>
<td>-0.69</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-28.35</td>
<td>15.58</td>
<td>8.38</td>
<td>-4.40</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-983.7</td>
<td>540.7</td>
<td>290.6</td>
<td>-152.5</td>
</tr>
<tr>
<td><strong>SITUATION 2 (15% increase)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- % on EU production</td>
<td>-6.63</td>
<td>3.64</td>
<td>1.31</td>
<td>-1.68</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-42.53</td>
<td>23.38</td>
<td>8.38</td>
<td>-10.78</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-1475.6</td>
<td>811.0</td>
<td>290.6</td>
<td>-374.0</td>
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<tr>
<td><strong>SITUATION 3 (20% increase)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- % on EU production</td>
<td>-11.05</td>
<td>6.07</td>
<td>1.31</td>
<td>-3.67</td>
</tr>
<tr>
<td>- Losses in AV</td>
<td>-70.88</td>
<td>38.96</td>
<td>8.38</td>
<td>-23.55</td>
</tr>
<tr>
<td>- Losses in jobs</td>
<td>-2459.4</td>
<td>1351.7</td>
<td>290.6</td>
<td>-817.1</td>
</tr>
</tbody>
</table>

Note: Added Value (AV) in million euros, and jobs in number of persons.

- With EU consumption increasing:

  ^ The EU production would decrease by 1%, 2% and 4% if the imports from PNG would increase by 10%, 15% and 20%, respectively.

  ^ The estimated losses for the EU Added Value would fluctuate between EUR 4 and 24 millions.

  ^ The estimated decreases on the employment in the EU industry would fluctuate between 153 and 817 jobs.
B) ECONOMIC EFFECTS ON THIRD COUNTRIES IMPORTS TO EU
ECONOMIC EFFECTS ON THIRD COUNTRIES IMPORTS TO EU

- Production data by country only available up to 2008 (year of RoO derogation) ➔ the magnitude of the effect of imports from third countries cannot quantified.
  ONLY the possible trend in their variation in the face of an increase in imports from PNG (by correlation matrix analysis).

- RESULTS:

  ^ POSITIVE EFFECTS ➔ increase in Imports from PNG could generate increase in the imports from:

  ^ Philippines
  ^ Vietnam
  ^ Mauritius
  ^ Thailand

  (depending on the destination EU market)

  ^ NEGATIVE EFFECTS ➔ increase in Imports from PNG could generate decreasing for the imports from:

  ^ Ghana
  ^ Ivory Coast
  ^ Indonesia

  (depending on the destination EU market)