

## **POSITION PAPER ON FISHERIES SUBSIDIES AND NON AGRICULTURAL MARKET ACCESS**

Prepared by Tambuyog Development Center<sup>1</sup>, 22 June 2004

### **CONTEXT**

1. Tambuyog Development Center (TAMBUYOG) envisions organized, interdependent communities of empowered women and men sharing responsibility for and enjoying benefits from the sustainable management and development of Philippine fisheries.
2. In our view, the small-scale artisanal fisheries are not benefitting from the current multilateral trading regimes. Those that are benefitting are the export – import institutions dominated by accredited and authorized buyers including middlemen, traders and feed millers.
3. On the other hand, the families of small-scale artisanal fisheries living in coastal communities are bearing the burden and responsibility for conserving and protecting the coastal resources. Coastal communities in effect are subsidizing the cost of managing and conserving coastal resources without getting socio-economic benefits.
4. After a decade in GATT, the export biased industry has resulted in “gross negligence” of the well being of artisanal (small-scale) fisheries. It has compromised the social and environmental conditions for the benefit of exporters.
5. The industry is steadily and increasingly becoming dependent on importation of fishery products to supply increasing demand. The result is of “import dependency” is stagnation of domestic support such as post harvest facilities favorable to municipal fisheries.
6. TAMBUYOG, to realize its Vision, has no alternative but to engage in current debates in WTO negotiations. This position paper will be submitted to the World Trade Organization with the end view of raising this concerns not only of small scale artisanal fishers in the Philippines but also of other artisanal fishers experiencing the same problems.

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## BASIC POSITION ON FISHERIES SUBSIDIES

7. Domestic support for small-scale municipal fisheries is our utmost concern. There is no need to discipline fisheries subsidies because developed countries and some developing countries have self-regulation schemes or effective fisheries management regimes in place. Effective fisheries management leads to disciplines in fisheries subsidies their respective exclusive economic zones. In this regard, strict enforcement of the Subsidies Agreement (ASCM) is enough to discipline fisheries subsidies.

8. However, this does not imply that developed countries with their subsidized fishing fleets are not overexploiting other countries “carrying capacity” through distant water fleets and access agreements. It is our view that this is the form of subsidy that needs further scrutiny and needs to be disciplined.

9. “Implicit subsidies” are prevalent in most developing countries and should be addressed through immediate reforms in governance. Reforms in governance should result in an improvement of management regimes that eliminates illegal, unreported and unregulated (IUU) fishing. WTO rules should be consistent with the FAO Code of Conduct for Responsible Fisheries and other Multilateral Environmental Agreements.

## BASIC POSITION ON NON AGRICULTURAL MARKET ACCESS

10. The relevance of the ASEAN submission on Special and Differential (S&D) Treatment prior to Doha is a relevant and vital document in the context market access.

11. Poor development of the small-scale fisheries in the Philippines under an open access regime warrants the need for S&D. Until such time that the Philippines resolves its internal problem of lax enforcement of basic fishery laws, quantitative restrictions as provided in the Fisheries Code of 1998 should be maintained. At the same time, market access to developed countries on grounds of S&D and pursuant to the ASEAN submission prior to Doha is in order.

12. The Philippines fisheries sector is a net importer by volume and a net exporter by value. While quantitative restrictions are provided in the Fisheries Code of 1998, government has no control in the importing transactions of accredited and authorized buyers including middlemen, traders and feed millers. The lax implementation of quantitative restrictions is another form of implicit subsidy.

## ON SPECIAL AND DIFFERENTIAL TREATMENT (S&D) AND ARTISANAL FISHERIES

13. ASEAN in its submission prior to Doha notes that “special and differential treatment (S&D) for developing countries is an integral part of the reform process and must be developed taking into account the principles of fair trade and the need to achieve a level playing field for all WTO Members<sup>2</sup>”. The primary intent of S&D in ASEAN’s view is “to establish equity and fair competition where the structural conditions across countries are different”.

14. Paragraph 28 of the Doha Ministerial Declaration<sup>3</sup> states that “In the context of these negotiations, participants shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries.” To date, contending parties (e.g. Japan, Korea vs. Friends of Fish) continue to add color (e.g. traffic light approach) which classifies fisheries subsidies in order to discipline fisheries subsidies.

15. On the other hand, S&D continues to be left out. S&D in the context of paragraph 28 of the Doha Ministerial Declaration may be interpreted as “...taking into account the importance of this sector to developing countries.” While major S&D proposals have been submitted<sup>4</sup>, negotiations on rules are still lacking in substance and form as to how S&D can be implemented in the fisheries sector. While articulation of S&D is wanting in substance and form, the concern for artisanal fisheries are being discussed in other institutions like the FAO and UNEP. Concerns on artisanal fisheries (small-scale) are currently a concern of the FAO Committee on Fisheries, Sub-committee on Fish Trade<sup>5</sup> and UNEP<sup>6</sup>. Artisanal fisheries in order to be exempted in the rules must be defined and properly understood. Perhaps artisanal fisheries is the distinct expression of special and differential treatment in the fisheries sector.

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<sup>2</sup> G/AG/NG/W/55

<sup>3</sup> WT/MIN(01)/DEC/1

<sup>4</sup> WT/GC/W/442; WT/MIN(01)/DEC/1 Para. 44

<sup>5</sup> Committee on Fisheries. Sub-committee on Fish Trade. 9<sup>th</sup> Session. Bremen, Germany. 10-14 February 2004. Agenda Item 13. Issues of access of small-scale fisheries catch to international trade.

<sup>6</sup> UNEP workshop on fisheries subsidies and sustainable fisheries management. Geneva, Switzerland. 26-27 April 2004.