



Fishing Subsidies

Subsidies to fishing fleets are a major contributory factor to the existing crisis in world fish stocks; the introduction of rules governing harmful fishing subsidies represent an opportunity for the WTO to contribute to sustainable development. A programme for the agreement of robust WTO rules on fishing subsidies by January 2005 should be agreed at Cancún.

Government subsidies to world fishing fleets total US\$15-20 billion annually and are a major contributory factor to the ongoing crisis in world fish stocks. The regulation and reduction of subsidies that distort international markets is a core mandate of the WTO, and, since the failed WTO Ministerial meeting in Seattle in 1999, a group of WTO member countries known as 'Friends of Fish' have been pushing to place fishing subsidies on the WTO agenda. Trade ministers agreed at the Fourth WTO Ministerial meeting in Doha to include fishing subsidies in the current round of negotiations, and a report on progress will be made at Cancún.

Friends of Fish, which includes the United States, Australia, New Zealand, Chile, Iceland, the Philippines and Peru, argue that a reduction in subsidies could result in reduced over-exploitation of the marine environment, the removal of trade distorting subsidies, and lower government expenditure. The inclusion of fishing subsidies within the WTO has been opposed by Japan, Korea, and the EU – among the world's leading subsidisers of fishing – on the grounds that there is no link between subsidies and over-fishing. They have argued that discussions should take place outside the WTO, particularly in the FAO. Since the Doha meeting, the EU have reformed their Common Fisheries Policy, leaving Japan and Korea isolated in their opposition to the inclusion of rules on fishing subsidies within the WTO.

Falling within its core competencies, the establishment of rules governing harmful fishing subsidies represents an opportunity for the WTO to contribute meaningfully to the delivery of sustainable development. However, any WTO rules on fishing subsidies must formally incorporate the competence of existing international bodies, and must not usurp the roles of international bodies with responsibility for fisheries management.

What Should Happen at Cancún?

1. WTO members should reaffirm their commitment to rules on fishing subsidies that must:
 - Effectively prohibit the most harmful types of fishing subsidies, while permitting environmentally positive fishing subsidies and environmentally benign fishing subsidies that support economic and social development in developing countries.
 - Ensure that any remaining subsidies do not contribute to over-fishing.
 - Define fishing subsidies broadly to include all governmental financial contributions to or on behalf of fishing interests, for example payments for access to fisheries of other nations.
2. Any WTO rules on fishing subsidies must include formal procedures for the participation of international organisations competent in fisheries management and marine protection.
3. Establish a work programme and clear process for the development of these rules by January 2005, as agreed in the Doha ministerial declaration.