



WAY FORWARD FOR FISHERY SUBSIDIES

SEAFDEC Secretariat

Based on the FAO State of World Fisheries and Aquaculture 2018, the fraction of marine fish stocks fished within biologically sustainable levels has exhibited a decreasing trend, from 90.0 percent in 1974 to 66.9 percent in 2015. Nevertheless, throughout the past decades, governments around the world has provided billions, and by some accounts, tens of billions of dollars in subsidies to the fisheries sector. These include subsidies to capital and operating costs, which numerous analyses point to as having the potential to contribute to overcapacity and overfishing, and thus to unsustainable fishing practices.

WTO Negotiations on Fisheries Subsidies

In order to ensure that subsidies would not contribute to overcapacity, overfishing and unsustainable practices, the World Trade Organization (WTO) launched in 2001 at the Doha Ministerial Conference the first of a series of negotiations on fisheries subsidies, with a mandate of “clarifying and improving” the existing WTO disciplines on fisheries subsidies. Since then, the WTO’s fisheries subsidies negotiations have had sustainability concerns as their core focus. Also integral to the negotiations are development concerns of developing and least-developed WTO members, given the critical role of the fisheries sectors of many such members. Thus, the need to balance sustainability and development considerations characterized the negotiations since the outset.

During the Hong Kong Ministerial Conference in 2005, the mandate of WTO was enhanced to include the call for prohibiting certain forms of fisheries subsidies that contribute to overcapacity and overfishing. While the WTO negotiations on fisheries subsidies had been particularly active during the period 2005-2011, these entered a hiatus until late 2016, when a series of new proposals from the members began to be submitted with the aim of achieving binding outcomes at the Ministerial Conference in 2017.

In 2017, at the Buenos Aires Ministerial Conference (MC11), it was agreed that discussions on fisheries subsidies should be continued, and that in order to achieve the Target 6 of the SDG14 “by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation,” the discussions on fishery subsidies should be concluded by 2019. The proponents, spanning diverse groups of members – developed, developing and least-developed, all focused, among other things, on prohibiting subsidies that contribute to illegal, unreported and unregulated (IUU) fishing, and most of the members also sought to prohibit subsidies in respect of the overfished stocks. Some also sought to address capacity- or effort-enhancing subsidies. However, the approaches to these proposed prohibitions varied too much for substantive outcomes to be agreed at MC11.

Nevertheless, the 2017 negotiating process leading up to Buenos Aires generated two documents that were recognized in the Ministerial Decision as the basis for future text-based negotiations. These are:

- [TN/RL/W/274/Rev.3](#) Working Documents on: Prohibited Subsidies Relating to IUU Fishing, Overfished Stocks, Overcapacity, Capacity-enhancing Subsidies, and Overfishing; Notifications and Transparency; and Special and Differential Treatment

• RD/TN/RL/29/Rev.3 Unofficial Room Document: Negotiating Group on Rules – Fisheries Subsidies Non-Paper

In November 2018, the WTO Negotiation Group on Rules came up with TN/RL/W/274/Rev.6: Working Document on Fisheries Subsidies, which represents a unified version of the Negotiating Group's working documents on fisheries subsidies produced to date. The purpose of this document is to facilitate further work of the Group.

SEAFDEC initiatives in relation to fisheries subsidies

SEAFDEC also provides the platform for the Southeast Asian countries to discuss and come up with harmonized approaches toward the issue on fisheries subsidies. For example, the Regional Technical Consultation (RTC) on International Fisheries-related Issues on 20-22 June 2018 in Bangkok, Thailand, included discussions on fisheries subsidies.

During the 2018 RTC, it was agreed that the scope of fisheries subsidy should focus on the types of fishing gear and not by species, and that fisheries subsidies should not be considered as standalone issue, as it has close linkage with other initiatives e.g. sustainability of the fish stocks. In order that the discussions would also address the issues that concern the region, it was agreed that the ASEAN Member States (AMSs) should consider the possibility of sending delegates that comprise especially their national fisheries officers, to attend in different clusters of fishery subsidies negotiations. Meanwhile, SEAFDEC should also facilitate the identification of the focal point of each AMS as well as the development of the ASEAN common position on fishery subsidies for adoption by the ASEAN Minister on Agriculture and Forestry (AMAF) to be reflected at the WTO fora upon consideration by the SEAFDEC Council.

Required Consideration by the Council

To consider and provide directive guidance on the way forward for fisheries subsidies.