



WTO Negotiation on Fisheries Subsidies *Is it really a low hanging fruit?*

Since the beginning of human civilisation, fishing, hunting and gathering has been an important occupation, and also the primary source of food and survival. The state of World Fisheries and Aquaculture 2018 reveals that in 2016 this sector produced a record 171 million tonnes of fish out of which 47 per cent was from aquaculture and the rest from wild capture, providing an average of 20.5 kilogram per person. Fisheries and aquaculture are also a source of income for 59 million people, out of which 57 million (96 per cent) are from developing countries and 1 out of every 10 fishermen was from Africa.¹

Thus, this sector is a vital source of socio-economic development of small-scale fishing communities in particular. Since the late 1990s, there has been a growing concern regarding the state of the fish stock and increasingly deteriorating fish species. With the growth in development, including in commercial fishing and the growing population worldwide, the demand for fish is at an all-time high.

In many least developed countries of Africa and Asia, fish accounts for more than 50 per cent of total animal protein intake.² A core challenge for governments and international bodies is to devise policies for those linked to this sector, particularly in coastal areas keeping in mind both their socio-economic gains and sustainability of stock for long-term returns from this resource base. For developing countries, productivity, sustainability and profitability of fish stocks are of critical importance to sustain millions of families and communities who rely on this sector for their daily protein intake and livelihoods.

¹ State of World Fisheries and Aquaculture 2018

² State of World Fisheries and Aquaculture 2012

In this context, it is important to note that governments spend billions of dollars on harmful subsidies, which fund the construction of big vessels and/or reduce fuel costs leading to overcapacity of commercial fishing.

Such practices pose a severe danger to marine life and our inability to manage this resource sustainably. The impact of overfishing has reached a point where international reform on fishing subsidies has become a necessity.

Therefore, in 2001, at the Doha Ministerial Conference of the WTO Members, negotiation on fisheries subsidies was launched with a mandate to discipline them. That mandate was elaborated in 2005 at the Hong Kong Ministerial Conference of the WTO Members. At the Buenos Aires Ministerial Conference of the WTO Members in 2017, the conclusion of negotiation on fisheries subsidies seemed to be low-hanging fruit.

Due to the huge stakes involved and after multiple submissions from various countries, the negotiation had reached a deadlock. Trade ministers decided on a work programme to conclude the negotiation. On July 15, 2021, trade ministers attended a virtual meeting where the negotiation Chair presented a revised text for reducing harmful fisheries subsidies.

After discussing the matter for almost two decades, July 15, 2021 meeting could not reach a consensus on several critical matters such as Special & Differential Treatment (S&DT) for developing countries. However, all WTO Members agreed that it is their responsibility to conclude this negotiation and pledged to finalise it in a follow-up meeting before the WTO Ministerial Conference to be held in Geneva in December 2021.

Given this Background and Context, this Occasional News Wrap (ONW) captures various views expressed on this subject. This is the first volume of CUTS ONW on this subject, covering various dimensions of fisheries subsidies, including stands taken by India and many other countries. This ONW is categorised into three sections, which are as follows:

1. Background and Presentation on the Revised Chair's Text
2. India's and Others' Stands
3. Way Forward

Background and Presentation of the Revised Chair's Text

1.	<p>Chair introduces revised fishing subsidies text to facilitate July 15 ministerial meeting</p> <p>World Trade Organisation June 30, 2021</p>	<p>To facilitate discussions ahead of July 15 meeting of ministers on June 30, 2021, the Chair of the fisheries subsidies negotiation, Ambassador Santiago Wills of Colombia, introduced a revised draft text. He and Dr Ngozi Okonjo-Iweala, Director-General, said the proposed changes in the text are intended to point members towards the convergence needed to conclude negotiations successfully.</p>
2.	<p>Billions in fishing subsidies finance social, ecological harm, report finds</p> <p><i>Elizabeth Claire Alberts</i></p> <p>Mongabay July 07, 2021</p>	<p>A new report shows that the world's top fishing nations are using subsidies worth billions of dollars to exploit the high seas and the waters of other nations, including some of the world's least-developed countries.</p>
3.	<p>Fisheries Talks Chair Presents Revised Text Ahead of July Ministerial</p> <p>International Institute for Sustainable Development July 08, 2021</p>	<p>The Chair of the World Trade Organisation's (WTO) fisheries subsidies negotiations, Ambassador Santiago Wills of Colombia, introduced a revised draft text that he said aims to serve as the basis for the July 2021 ministerial-level meeting. Ministers are expected to negotiate a final agreement on July 15.</p>
4.	<p>Putting an end to billions in fishing subsidies could improve fish stocks and ocean health</p> <p><i>Daniel Skerritt</i></p> <p>The Conversation July 12, 2021</p>	<p>The draft essentially proposes three categories of prohibited subsidies, those that support illegal, unreported and unregulated (IUU) fishing (Article 3.1); affect overfished stocks (Article 4.1); or lead to overcapacity and overfishing (Article 5.1).</p> <p>This may sound simple. But the diverse political, economic, cultural and practical complexities pose real challenges. How are harmful practices determined, and who determines them?</p>

5.	<p>WTO DG and Chair brief NGOs ahead of a turning point in fishing subsidies negotiations</p> <p>World Trade Organisation</p> <p>July 12, 2021</p>	<p>Director-General Ngozi Okonjo-Iweala and the Chair of the fisheries subsidies negotiations, Ambassador Santiago Wills of Colombia, on July 12 briefed key civil society leaders ahead of the July 15 ministerial meeting to move WTO members closer to forging an agreement.</p> <p>They also thanked the advocacy groups for the vital outreach needed to keep up the momentum in the negotiations.</p>
India's and Others' Stands		
6.	<p>India seeks fair WTO pact on fish subsidies, says limited S&DT inappropriate, unaffordable, unacceptable</p> <p><i>Kirtika Suneja</i></p> <p>Economic Times</p> <p>July 15, 2021</p>	<p>India sought an equitable global agreement to end harmful fish subsidies. It told the WTO that limiting S&DT to poor and artisanal fishermen is not appropriate, acceptable or affordable. The sustainability-based approach for subsidies that contribute to overcapacity or overfishing is "unequal, unfair and unjust" as it would lead to capacity constraints for developing countries.</p>
7.	<p>PH wants an end to fisheries subsidies</p> <p>The Manilla Times</p> <p>July 17, 2021</p>	<p>The Department of Trade and Industry (DTI) said the Philippines has encouraged trade and agricultural ministers to speed up negotiations to develop new disciplines to eliminate subsidies that contribute to illegal, unreported and unregulated fishing, overfished stocks, and overcapacity and overfishing.</p>
8.	<p>Argentina committed to a WTO agreement on fishing subsidies – but don't forget the Falklands</p> <p>Merco Press</p> <p>July 19, 2021</p>	<p>Argentina participated in the recent Trade negotiations of the WTO at the ministerial level, which addressed the issue of rules for global fisheries and limits to government subsidies to fishing, committing its support for an agreement, but not forgetting the Falkland Islands claim.</p>

<p>9.</p>	<p>Fisheries subsidies – Fiji not rushing into deal <i>Ana Madigibuli</i> The Fiji Times July 21, 2021</p>	<p>Fiji believes that the Trade Negotiations Committee revised draft text on fisheries subsidies does not have all the ingredients to conclude the fisheries subsidies agreement. This was highlighted by the Minister for Commerce, Trade, Tourism and Transport, Faiyaz Koya, during the WTO Ministers Virtual Meeting for Fisheries Subsidies Agreement.</p>
<p>10.</p>	<p>How subsidy is killing fisheries sector in Nigeria, others <i>Taiwo Alimi</i> The Nation July 25, 2021</p>	<p>Fisheries subsidies have been described as one of the leading causes of food insecurity in Nigeria and Africa, arising from overfishing and over depletion of ocean, river and lake resources.</p> <p>Fishery subsidies are financial payments, direct or indirect, from public entities to the fishing sector, which reduce the cost of fishing and/or increases revenues.</p>
<p>Way Forward</p>		
<p>11.</p>	<p>How to craft a strong WTO deal on fishing subsidies <i>David Vivas Eugui</i> United Nations Conference on Trade and Development November 19, 2020</p>	<p>The Chair of the WTO negotiations on fish subsidies recently presented its members with a revised consolidated text for a potential agreement on tackling harmful fish subsidies. The move has renewed hope for a positive outcome on an issue that has been under negotiation for more than two decades, as such a text has only been on the table on two other occasions, in 2007 and 2017.</p>
<p>12.</p>	<p>20 years on, still no WTO deal to curb overfishing <i>Stephen Olson</i> Hinrich Foundation July 16, 2021</p>	<p>The meeting proved to be anticlimactic. Ministers failed to reach a final agreement and merely “pledged to conclude the negotiations soon”. Okonjo-Iweala opined that the meeting "should kick us along the path towards an agreement" by the time of the ministerial conference in late November/early December. After 20 years of missed deadlines in these negotiations, few are holding their breath.</p>

<p>13.</p>	<p>Members pledged to conclude negotiations for fisheries subsidies soon: WTO Business Standard July 16, 2021</p>	<p>Okonjo-Iweala said delegations needed to prepare for an intensive period of the line by line negotiations. “As we enter this new phase of text-based discussions to the responsibility to conclude these negotiations is truly in the hands of members. To get from here to an agreement, it will be your job to find the necessary trade-offs and flexibilities.” she said.</p>
<p>14.</p>	<p>After 20 years, talks on scrapping fishing subsidies enter the final stretch Climate Home News July 19, 2021</p>	<p>After 20 years, global talks over reducing environmentally damaging fishing subsidies are entering their final stage at the WTO.</p>
<p>15.</p>	<p>WTO Members Move Closer to Agreement on Fisheries Subsidies International Institute for Sustainable Development July 19, 2021</p>	<p>During a ministerial meeting on July 15, 2021, WTO members pledged to conclude negotiations on fisheries subsidies “soon” and “before the WTO’s Ministerial Conference in early December.” The 104 ministers and heads of delegations that spoke broadly confirmed the current negotiating text can be used as the basis for finalising the negotiations. However, many pointed to issues that, from their perspective, still need to be resolved.</p>
<p>16.</p>	<p>Members chart course for autumn negotiations on fisheries subsidies, other issues ahead of MC12 World Trade Organisation July 23, 2021</p>	<p>At a meeting of all WTO delegation heads on July 23, Okonjo-Iweala called on members to bring focus and flexibility to intensive negotiations scheduled for the autumn so they can strike meaningful agreements in areas such as fisheries subsidies, agriculture and pandemic response ahead of the 12th Ministerial Conference (MC12). The chairs of different negotiating groups set out their plans for taking talks forward immediately upon delegations’ return from the August holiday.</p>