



Cooperativa de Armadores  
del Puerto de Vigo

## OBSERVATIONS ON THE SUBSIDIES GRANTED TO FISHING FLEETS

### **1) PREFACE**

Recently, the organizations UNCTAD<sup>1</sup>, FAO and UNEP have approached the issue of subsidies to fishing vessels by coastal States alerting for the need to join efforts globally towards an international action leading to the reduction of subsidies that may undermine the sustainability of fisheries.

In this sense, the European Unión has issued a communication<sup>2</sup> where it highlights that such subsidies shall target “*the conservation and sustainable use of oceans, seas and marine resources towards a sustainable development*”.

This is a long standing debate, which is probably going on more impetuously recently, to which ARVI wishes to contribute by presenting the following observations aiming at putting forward other viewpoints to the issue raised.

### **2) GLOBAL OVERFISHING**

One the main arguments raised against the subsidies is the overexploitation of fishing resources and that 90% of the global marine fishing stocks are fully exploited, overexploited o depleted.

However, according to SOFIA 2016 report<sup>3</sup>, around 70% of the assessed stocks in FAO area<sup>4</sup> are at biologically sustainable levels. This implies that stocks abundance is at levels of Maximum Sustainable Yields or above same, including both fully exploited and under-fished stocks. This means that fully exploited stocks would be at maximum sustainable yield, ie., stock is exploited at a rate corresponding to the production of maximum catch

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<sup>1</sup> For example, see statement by the Deputy General Secretary of the UNCTAD:: [Making fisheries trade more inclusive: a unique pattern for supplying the world's most traded animal protein to global markets](#). The UNCTAD was established in 1964 for subjects related to trade, investments and development and is one of UNGA's main bodies in the. Its main role is to “*maximize trade, investments and development possibilities as well as the support towards the its integration in the world economy*.” (extracted from the official website: <http://unctad.org>)

<sup>2</sup> See document by the negotiation group on trading rules: [Advancing toward a multilateral outcome on fisheries subsidies in the WTO](#).

<sup>3</sup> FAO. 2016. [The State of World Fisheries and Aquaculture 2016](#). Contributing to food security and nutrition for all. Rome. 200 pp.

<sup>4</sup> [FAO Major Fishing Areas](#).



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levels in the long term<sup>5</sup> (as defined by the European Commission) and under-fished stock would have some potential of increasing production provided that it is achieved under efficient and precautionary management plans in order to maintain MSY in the long term.

### **3) ERADICATING HUNGER WORLDWIDE**

According to a report by the **Fisheries Centre, University of British Columbia, Canada**<sup>6</sup>, where the importance of artisanal fisheries worldwide is studied on the basis of different possible scenarios due to the impossibility of finding data from all of the countries developing same, artisanal fisheries represents between 1/4 and 1/3 of the global production from fishing (other studies for which source data are not identified say it is around 50%)

The SOFIA 2016 report provides data of the fishing fleet worldwide, showing that 90% of the fishing units in the world belong to Asia (75%) and Africa (15%), of which the majority belong to the artisanal fleet (85% of the engine-equipped fishing vessels are less than 12 meters in length).

It is understood from the above that the artisanal fleet represents more than 85% of the global fleet and provides between 25 and 33% of the global fish catches, which means, according to these data, that hunger in the world could not be eradicated with catches from artisanal fleet only.

### **4) AREAS HIGHLY DEPENDENT ON FISHERIES**

It would be necessary to discuss within the UN and the FAO, what is understood by areas highly dependent on fisheries and what requirements shall be met by the regions to be considered as such.

It is important to highlight that not only developing countries but also every country throughout the world have areas highly dependent on fisheries

In Europe there is a long fishing tradition associated with a very important culture heritage and there are some regions whose names are devoted to fishing (Pescara in Italy, Fisherrow in Scotland, or Icaria in Greece). Thus, in the developed countries of the European Union there are areas or regions heavily dependent on fishing, as stated in the Common Fisheries

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<sup>5</sup> Definition by the European Commission for setting annual TAC and quota. [http://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/poster\\_tac2015\\_es.pdf](http://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/poster_tac2015_es.pdf)

<sup>6</sup> Chuenpagdee, R., Liguori, L., Palomares, M. L. D., & Pauly, D. (2006). [Bottom-up, global estimates of small-scale marine fisheries catches](#). [R].



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Policy (CFP)<sup>7</sup> and the regulation on the European Maritime and Fisheries Fund (EMFF)<sup>8</sup>. That is why we should be especially careful not to underestimate the needs of these regions when talking about dependence on fishing (e.g. Brittany in France, Andalucía, the Basque Country and Galicia in Spain).

In the case of Galicia, a region that concerns us, the fishing and canning input-output tables<sup>9</sup> show that out of over 81 identified economic activities for Galicia, more than 74 depend directly or indirectly on the complex sea-industry, that is, 91% of economic activities depend on the sector sea-industry.

Therefore, we believe that it should not be forgot that in industrialized countries there are many areas still depending heavily on primary sectors such as fishing, the disappearance of which would probably impact on social, economic and cultural aspects of great importance for these regions.

## 5) CHANGING COURSE OF SUBSIDIES

There are different voices worldwide stating that subsidies are intended to overexploitation of resources and to illegal fishing, as well as to hinder food security and livelihood of people living in coastal areas.

In Europe aids are granted to fishing from specific funds. The last one was the EFP (European Fisheries Fund) running from 2007 to 2013 whose purpose is established in article 4 of the Regulation (CE) N° 1198/2006<sup>10</sup>, which could be summarized as supporting the Common Fisheries Policy to ensure the exploitation of aquatic resources and support aquacultures to provide the necessary sustainability to economic, social and environmental level. These funds did not envisaged aids to new constructions as it had happened in the past. In fact, much of the funds were allocated to adjust fishing effort which meant in practice the scrapping of fishing vessels (in Galicia over 90% of these funds were allocated to the disappearance of fishing units<sup>11</sup>).

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<sup>7</sup> Regulation(EU) N° 1380/2013 of the European Parliament and the Council of 11 December 2013 on the Common Fisheries Policy

<sup>8</sup> [Regulation \(EU\) N° 508/2014 of the European Parliament and the Council of 15 May 2014 in relation to the European Maritime and Fisheries Fund.](#)

<sup>9</sup> M<sup>a</sup> do Carme García Negro. Tablas input-output de peca-conserva gallegas 2011. Xunta de Galicia.

<sup>10</sup> [Council Regulation \(EC\) No 1198/2006 of 27 July 2006 on the European Fisheries Fund.](#)

<sup>11</sup> Data prepared by ARVI base on the Resolution of public aids published in Galicia Official Bulletin (DOGA).



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The current funding for fishing (2014-2020) is known as the European Maritime and Fisheries Fund (EMFF) and is regulated under the Regulation (EU) No. 508/2014. *These funds shall contribute to fisheries and aquaculture; fostering the implementation of the CFP (Common Fisheries Policy); promoting a balanced and inclusive territorial development of fisheries and aquaculture areas; and fostering the development and implementation of the Union's IMP (Integrated Maritime Policy) in a manner complementary to cohesion policy and to the CFP. The pursuit of these objectives should not result in an increase in fishing capacity.*

That is, the European Union does not provide support for its fleet over-exploitation of resources, rather to the contrary, the sustainable exploitation (environmentally, economically and socially) thereof. Since 2007 there has been a substantial change in the objectives of these subsidies, always focusing on sustainability.

The so called "oil aids" which are also commonly cited, are not such. What has occurred for years is an exemption from fuel taxes. These taxes are not exclusive for fishing, but a fee exemption to international shipping owing to the failure of countries to be paid as ships navigate through international territories where big oil tankers could be established which could sell fuel without fees, or move to countries where rates were lower, meaning a loss of clients for local providers.

## **6) DEVELOPMENT POLICY.**

Exports reached in 2014 a record value of 146 billion \$ (growth of more than 10 times in 10 years), the global fish trade increased from 15 million tons in 1991 to 45 million tons in 2014, and developing countries accounted for 56% of total exports in 2013 (data from SOFIA 2016 report).

It can be observed that developing countries have a clear importance in the global fish trade. We believe that this trade would not be possible without the investment from developed countries. Indeed:

- Development policy occupies a central place in the foreign policies of the European Union, as drawn from the general information found in this regard<sup>12</sup>.. The EU has supported since its inception, development in partner regions. Initially focused on the African, Caribbean and Pacific (ACP) countries, the EU has gradually expanded its focus and is currently working with 160 countries around the world. The EU is

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<sup>12</sup> [A general survey of development policy.](#)



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the world's largest donor of development aid. In Spain there is the Spanish Agency for International Cooperation for Development (AECID), which is a managing body of funds for international cooperation and development of third countries, which has been carrying out projects in the field of fisheries<sup>13</sup>.

- Regarding tariffs, most developing countries are under a system of generalized tariff preferences in the European Union, as set out in Regulation (EU) No. 978/2012<sup>14</sup> in force today. This regulation establishes tariff preferences under the following scheme: "a) a general arrangement; b) a special incentive arrangement for sustainable development and good governance (GSP +), and c) a special arrangement for the least developed countries ['Everything But Arms' (EBA)] "
- In Annex II to that Regulation the beneficiary countries of the GSP (Generalized System of Preferences) are listed, which is revised at the beginning of each year
- As quoted in the regulation, "by offering preferential access to the EU market, it is expected that the scheme should assist developing country in its efforts to reduce poverty and promote good governance and sustainable development by helping them generate additional revenue through international trade, income that can then reinvest the benefit of their own development and also to diversify their economies. The scheme's tariff preferences should focus on helping countries having greater development, trade and financial needs.
- Last but not least, we find private investment in developing countries. In 2011, AECID funded a project for the "Analysis of policy coherence within the corporate fisheries sector and sustainable socioeconomic development. The case of Namibia"<sup>15</sup>. Namibia gained independence as a nation in 1990, at which time it did not have its own fishing tradition, beginning such after the independence. At that time the Namibian authorities gave priority to employment as its main objective<sup>16</sup> as a tool of redistribution of wealth, also in fishing. In the study it can be found that public-private partnerships are probably one of the strongest

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<sup>13</sup> E.g.: [Un programa de pesca de la FAO y la Cooperación Española recupera la pesca artesanal en los países afectados por el tsunami en 2004.](#)

<sup>14</sup> Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalized tariff preferences and repealing Council Regulation (EC) No. 732/2008.

<sup>15</sup> Presentation: [http://www.cetmar.org/wp-content/uploads/publicaciones/Annina\\_Burgin-UDC.pdf](http://www.cetmar.org/wp-content/uploads/publicaciones/Annina_Burgin-UDC.pdf)

<sup>16</sup> FAO Country profiles, *op. cit.*



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mechanisms in the pursuit of sustainable development in the poorest countries. These alliances help set population in the areas where they occur.

## 7) CONCLUSIONS

Based on the above sections, the sector want to emphasize the following points for their importance:

a) The fight against overfishing is a struggle worldwide. The European Union has agreed that all fish stocks should be exploited at a level that allows them to produce maximum sustainable yield (MSY) in the long term by 2015 where possible and at the latest by 2020.

Also, the EU has taken measures to protect vulnerable habitats such as deep-water corals and to reduce unintentional harm on seabirds, seals and dolphins.

b) Illegal fishing (IUU) is a global problem for the sustainability of resources, since it involves the overexploitation of resources, habitat destruction, loss of livelihoods in coastal communities and catches coming from this type of fishing distort competition in the markets and disadvantage fleets fishing honestly.

The European Union has adopted an innovative policy to fight against IUU fishing by not allowing fisheries products to enter the EU unless they are certified as legal. The IUU Regulation entered into force on 1 January 2010<sup>17</sup>, so that the EU fleet is controlled by a comprehensive legal framework and an elaborate system of control applied everywhere and under any flag. Likewise, the EU regularly publishes a list of IUU vessels.

c) Fish is a vital source of protein for humanity. Industrial fishing represents between 3/4 and 2/3 of the global fisheries. Its disappearance would mean shortages of markets. This is not a struggle between artisanal and industrial fishing, It is about complementarity between both, because both are necessary.

d) The industrialized countries of the European Union invest in developing countries, either through public funds or private investments, or through preferences systems. This allows developing countries to create wealth and fixed population, improving the living conditions of the inhabitants of the regions where the investment is made. It is necessary to continue with this policy and encourage it as much as possible.

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<sup>17</sup> <http://eur-lex.europa.eu/legal-content/ES/TXT/PDF/?uri=CELEX:02008R1005-20110309&from=ES>



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e) Investment is important in areas highly dependent on fisheries not only for economic reasons but also for social reasons such as the establishment of population (cited above) or maintenance of the associated cultural heritage. These areas highly dependent on fishing exist both in industrialized and developing countries.

f) Fisheries subsidies should continue, but with a clear objective of environmental, economic and social sustainability. We understand that the industry cannot be deprived from aids to research and innovation in order to guarantee a long-term sustainable fleet, which supply global demand for food.

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