Why Failure Is Not An Option:

Reaching An Ambitious WTO Fisheries Subsidies Agreement

Tuesday, September 10
Geneva, Switzerland
Two Mandates for Action by 2020

“...prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing...”
Declining Fish Stocks Have Serious Human Consequences

260 million people worldwide involved in marine fisheries, including direct and indirect sector

Top 10 countries providing marine employment

Source: Teh & Sumaila (2011)
Failure to reach an agreement…

Global Trade Tensions Boil Over at Staid W.T.O. Forum

WTO chief warns of worst crisis in global trade since 1947

Failure for the WTO…?
Fishers ask for government assistance to supplement livelihoods.

Subsidies allow increases in fishing. For a time, fishers are better off.

Fishers ask for additional subsidies, which perpetuates overfishing.

With time, stocks decline, which compromises fishers’ livelihoods.
$22.5 billion in harmful subsidies in 2018

Total subsidies decrease, proportion that are harmful increase

Source: Sumaila et al (2019, in review)
Subsidies by Region/Continent

Source: Sumaila et al (2019, in review)
**Subsidies by Category**

- Rural communities*
- Vessel buyback*
- Fisher assistance*
- Boat construction and renovation
  - Harmful
- Fishing access
  - Harmful
- Fishery R&D**
- Fishing port development
  - Harmful
- Fisheries development projects
  - Harmful
- MPAs**
- Marketing and storage
  - Harmful
- Tax exemption
  - Harmful
- Fisheries management**
- Fuel subsidies**

Source: Sumaila et al (2019, in review)

* = Ambiguous
o = Harmful
** = Beneficial

Subsidy estimates (USD billions)
## Subsidies Around the World

<table>
<thead>
<tr>
<th>Country</th>
<th>Beneficial (USD million)</th>
<th>Capacity enhancing (USD million)</th>
<th>Ambiguous (USD million)</th>
<th>Total (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>87</td>
<td>5,516</td>
<td>348</td>
<td>5,952</td>
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<tr>
<td>EU</td>
<td>1,523</td>
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<td>2,860</td>
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<td>Thailand</td>
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<td>1,069</td>
<td>6</td>
<td>1,149</td>
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<tr>
<td>Indonesia</td>
<td>309</td>
<td>566</td>
<td>61</td>
<td>936</td>
</tr>
</tbody>
</table>

*Source: Sumaila et al (2019, in review)*
Subsidies drive overfishing... and inequality

Capacity-enhancing subsidies sabotage the SDGs

- Undermines the viability of SSF;
- Fuels gender inequality;
- May leave future generations with only jellyfish.

Source: Schuhbauer, Sumaila et al. (2017) Marine Policy
Subsidies Artificially Increase Profits

Without government subsidies, as much as 54% of the present high-seas fishing grounds would be unprofitable at current fishing rates.

Source: Sala et al. (2018)
What might reform look like for Fish Biomass, Catch and Revenue?

Source: Costello et al (2019, in progress)
Exploring reform scenarios

- **IUU discipline** → triggered by vessels that appear on RFMO or national IUU lists

- **High seas discipline** → triggered by vessels that spend at least 5% of their time fishing on the high seas and receive capacity-enhancing subsidies

- **Capacity-enhancing discipline** → triggered by vessels flagged to states that provide capacity-enhancing subsidies

Source: Costello et al (2019, in progress)
Exploring reform scenarios

- **IUU discipline** → affects < 1% of global fishing effort
- **High seas discipline** → affects 32% of global fishing effort
- **Capacity-enhancing discipline** → affects 99% of global fishing effort

Source: Costello et al (2019, in progress)
Modeling removal of all capacity-enhancing subsidies

- Biomass: up to 35%
- Catch: up to 26%
- Fishing Mortality: down to 19%

Source: Costello et al (2019, in progress)
Four Policy Conclusions From Research

1. Be ambitious
2. Support fishers through the transition
3. Promote cross-country technical and financial assistance
4. Simultaneously reform fishery management

Source: Costello et al (2019, in progress)
SubsidyExplorer

An interactive toolkit to explore the tradeoffs associated with fisheries subsidies disciplines

Learn more about fisheries subsidies

Explore options for reforming fisheries subsidies
Select a policy

Select subsidy discipline(s) from the list below. Possible disciplines are sorted into four categories: 1) illegal, unreported, and unregulated (IUU) fishing, 2) overfished and unassessed stocks, and 3) overfishing and overcapacity, and 4) subsidy caps.

Once you have selected at least one discipline from a category, you will be able to specify the scope of all disciplines from that category, as well as any special and differential treatment. Once you are happy with your selection(s), press the “Process selection” button, which will move you to the next tab.

Illegal, unreported, and unregulated (IUU) fishing

Overfished and unassessed stocks

Overcapacity and overfishing

The following types of subsidies are considered to contribute to overcapacity and overfishing and are prohibited...

- Boat construction, renewal and modernization programs
- Fishery development projects and support services
- Fishing port construction and renovation programs
- Price and marketing support, processing and storage infrastructure programs
- Non-fuel tax exemptions
- Foreign access agreements
- Fuel subsidies
Which states would be affected

This map shows the percent of fishery subsidies for each flag state that would likely be affected by your policy selection(s). Hover your mouse over each state on the map to learn more. If no map is visible, please return to the previous tab, make your policy selection(s), then press 'Process selection'. A summary of your policy selections can be found at the bottom of the page.

Global totals:

- Vessels affected: 80,376 (96.51%)
- Fishing effort affected (hours): 45,685,081 (95%)
- Fishing effort affected (kWh): 25,986,361,622 (91.26%)
Bioeconomic simulation results

This plot shows the potential effect your policy selections may have on fish biomass, catch, and revenue in the future. This plot indicates the percent change each variable would achieve relative to a "business as usual" scenario that assumes today's fisheries subsidies regime persists into the future. Percent change in biomass is shown on the x-axis, percent change in catch is shown on the y-axis, and the size of the point represents percent change in revenue. If no figure is visible, please return to the "Select a policy" tab, make any desired selections, then press 'Process Selection'. Select the desired end year for the projection with the slider to the right.
Regional Outreach Efforts
ENDING HARMFUL FISHERIES SUBSIDIES IN INDIA FOLLOWING SDG 14.6

MISSION STATEMENT

The goal of this project is that India supports global and national policies to curtail harmful fisheries
What Now? The Road to December

- **UN Trade Forum**: Sep 9 – 13
- **UNGA**: Sep 17-30
- **WTO Public Forum**: Oct 8-11
- **Our Ocean**: Oct 23-24
- **WTO Reform Mini-Ministerial**: Shanghai, Nov 6
- **APEC Summit**: November 16-17

RNG

Sep 9 – 13

Oct 7-11

Nov 4-9

Dec 2-6
The cost of inaction is too high.

WTO, end the subsidies that drive overfishing.