

WTO Fisheries Subsidies Negotiations

The PACIFIC PERSPECTIVES

SECOND OCEANS CONFERENCE

16 – 17 July 2018

UNCTAD, Geneva

Pacific Islands Forum Geneva Office



Fish at MC 11 – Outcome incorporates SDG Target 14.6 language – substance and timing

Ministerial Decision (WT/MIN(17)/64: “...adopting, by the Ministerial Conference in 2019, an agreement on comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU-fishing recognizing that appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of these negotiations”.

- SDG Target 14.6: “By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated 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 World Trade Organization fisheries subsidies negotiation”

Some statistics ...

- State of world fish stocks declining rapidly
- In 2013: (FAO State of World Fisheries 2016)
 - overfished stock 31.4% (10% in 1974)
 - Fully fished stock 58.1%
 - Under-fished stock 10.5%
- But trade in fish rising rapidly - US\$148b in 2014 from US\$8b in 1976 or 8% p.a.
 - since 2010 **developing countries** largest exporters
 - **developed countries** still largest market for fish

Some Statistics.....cont'd

- Ten 10 countries account over half of Exports (52.5%) & Imports (59.3%) of which top 5 are:

Top Exporters:

China 14.2%

Norway 7.3%

Vietnam 5.4%

Thailand 4.4%

USA 4.2%

Top Importers

USA 14.4%

Japan 10.6%

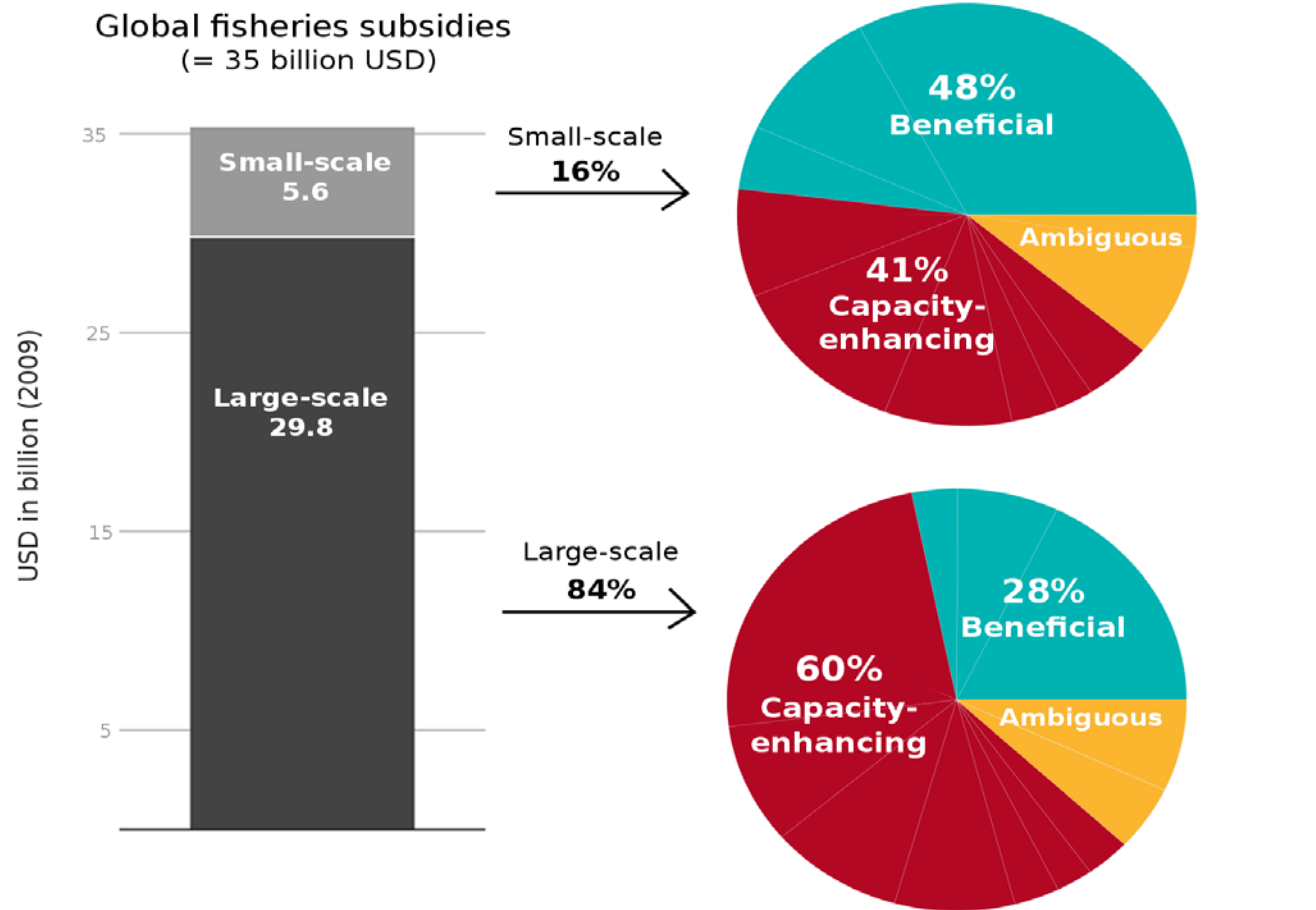
China 6.1%

Spain 5.0%

France 4.7%

(Source: FAO State of World Fisheries 2016)

Fisheries subsidies Small versus large scale fisheries



Schuhbauer, Sumaila et al. (under review)

Some Statistics ...cont'd

- **84%** of Fish Subsidies go to large industrial fishing fleet and **16%** to small scale/artisanal fisheries (2014 est Sumalia et al)
- **60%** of 84% go to capacity enhancing (vessel construction etc)
- **Marine fishing capacity by regions in 2014:** (FAO 2016 SOFIA)
 - Asia – 80%, (China, Indonesia, Japan, Korea, Taiwan, Thailand)
 - Africa – 6% , North America – 3%, Europe – 3%
 - Latin America & Caribbean – 7%, **Pacific & Oceania – 1%**
- **Global catch**
 - 2014: **25** countries account for **82.1%** of global catch
 - Top 7 account for almost **50%** - China 18.2%, Indonesia 7.3, USA 6.1%, Russia 4.9%, Japan 4.5%, Peru 4.3%, India 4.2%



Some Key Questionsno answers yet

- **How to design effective WTO rules to meet diverse interest of 164 Members incl.. PICs, noting**
 - developed vs developing countries interest
 - developed fisheries vs underdeveloped/undeveloped fisheries
 - balance the rights of coastal states, flag states and subsidising states
 - how to address good subsidies eg those for conservation, vessel safety and hygiene etc
 - how to address horizontal subsidies (eg fuel) that are not prohibited by the SCM Agreement
- **Relationship of WTO to other international instruments such as UNCLOS**
- **How to address Fisheries Management (FM) issues in WTO?**
 - noting WTO rules legally binding & WTO not FM organisation
 - how to apply FS prohibitions e.g for IUUF and Overfished (O/F) stocks – who should determine IUUF and stock status? In EEZ? In high seas? Should there be presumption of overfished if stocks not assessed?
 - should RFMOs have a role? Not all RFMOs are the same – some policy/decision-making others monitoring?
 - should WTO simply take determinations by Members or RFMOs at face value or should there be prescribed standards for members and RFMOs, and by whom – FAO? WTO?
- **How to isolate other effects on stocks eg. climate change, ocean warming etc**
- **How to design the Special and Differential Treatment provisions for D/C and LDCs?**
 - noting Devpg countries gaining a growing share of global capture fisheries, fishing capacity and fisheries trade
 - very contentious now, some Members pushing “no more one size fits all S&DT, case by case”.....differentiation



Fisheries – Pacific Regional Context & Mandates

- **Fisheries - area of longstanding regional co-operation**
 - 1947 – Secretariat of the Pacific Community (SPC) - stock assessment
 - 1979 – established Forum Fisheries Agency (PNA) - assist with FM in EEZ
 - 1982 – Nauru Agreement est. (8 Members) + 2010 - PNA Office est.
 - 2004 – Western & Central Pacific Fisheries Commission (WCPFC)
 - assist with fisheries management in the high seas
- 2015 -Forum Leaders endorsed Fisheries as one of five priorities under the Framework of Pacific Regionalism (FPR)
 - aim to increase economic returns and strengthen fisheries management
- 2016 –Forum Leaders endorsed WP on Economic Returns, noted progress on Regional Roadmap on Sust. Fisheries & call to end IUUF
- 2017 – Leaders endorsed Blue Pacific narrative as driver for collective action, agreed to Fisheries as a standalone agenda, need for co-ordinated approach to multidimensional issues facing fisheries incl. IUUF and MC&S



Fisheries – Regional Context

- **Given the Leaders’ mandate and high priority given to Fisheries:**
 - **WTO disciplines on fisheries subsidies can contribute to co-ordinated approach to address the multidimensional issues in fisheries including IUU Fishing in the Pacific (2016 and 2017 Leaders’ decision)**
 - **PICs committed to delivering the MC11 mandate by 2019 including appropriate and effective S&DT to support development of PICs fisheries sectors**



Regional catch and value

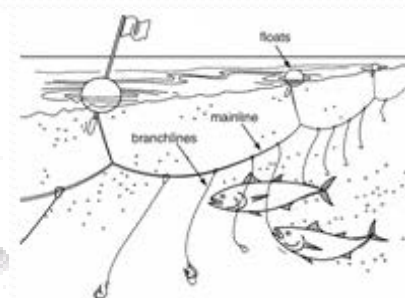
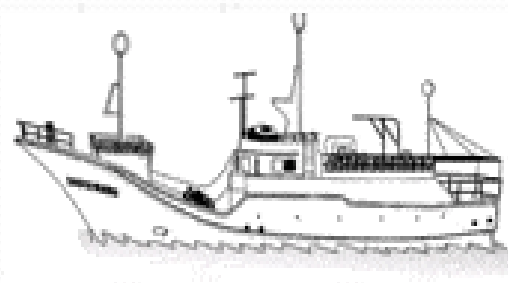
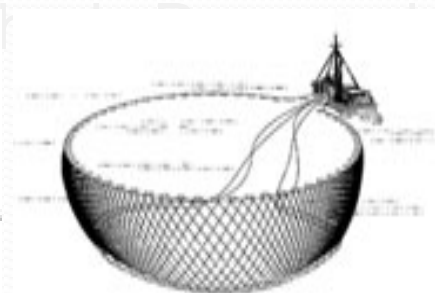
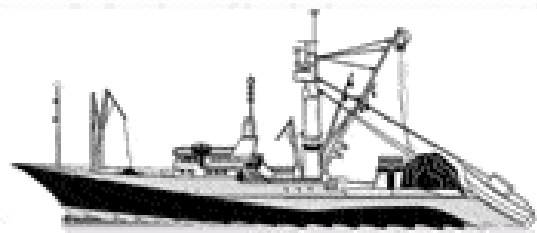
2016 total tuna catch 1.5m mt (worth USD3 bn) representing about 50%+ of global tuna catch

Around 60% of WCPO catch from FFA waters (1/3 global catch by volume).

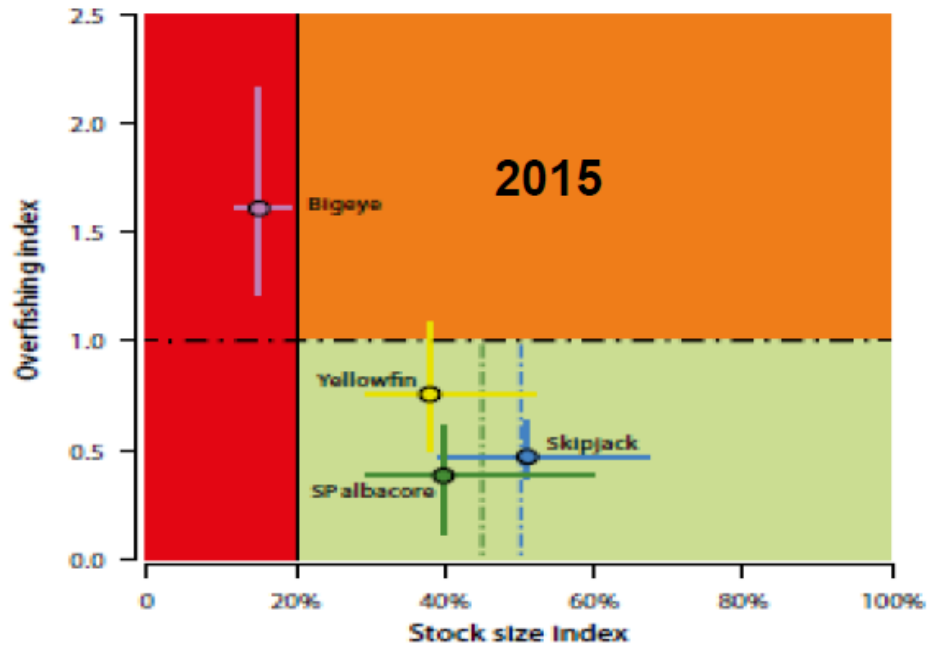
4 key target species are Albacore, Bigeye, Skipjack and Yellowfin



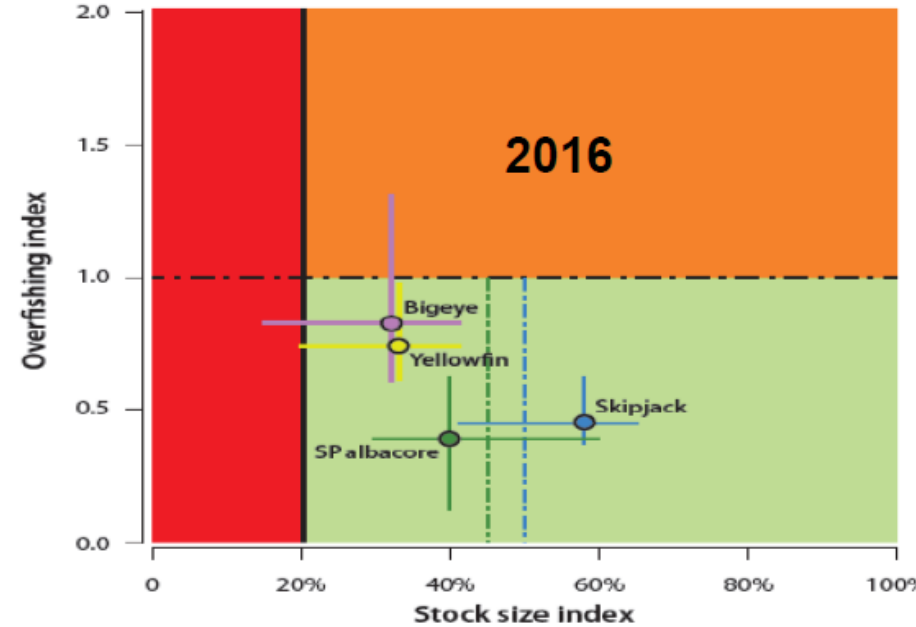
Main fishing methods



Importance of Regional Solidarity



- - - FFA proposed target reference point for albacore (45% of unfished stock)
 - - - WCPCFC interim target reference point for skipjack (50% of unfished stock)
 Species points are stock status indicators selected by the WCPCFC Scientific Committee; lines crossing on each point indicate the range of uncertainty.



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The success story of **Regionalism** in fisheries *conservation and management*

- Our collective effort and solidarity in managing our resources has paid off
- The tuna stock of our region is now the only healthy tuna stock in the world and with it comes leverage.

Pacific Fisheries

- PICs at **different stages of development** on fisheries
 - most underdeveloped/undeveloped
- **Coastal/small scale/artisanal fisheries** – very important for subsistence and livelihood security, incomes, etc
- Industrial fishing: reliance on DWFNs' fleets
 - to supply **local canneries/ loins** – Fiji, PNG, Solomon Is, RMI
 - for **access fees** - for PICs with no processing capacity – very important for many PICs
- Fisheries management in EEZ effective – **all tuna species in good health** – 2017 assessment
- **IUU Fishing** – estimated loss of **US\$616m** (FFA study, 2016)
 - about **80%** of violations are **Unreported**, 20% Illegal or unlicensed



Pacific Perspectives

- **Pacific negotiating with the ACP group and LDCs on Fisheries Subsidies**
 - share similar interests and common positions
- **Pacific has always maintained that they are not the cause of overfishing :**
 - fishing capacities are small/limited
 - subsidies to the fishing sector are insignificant, if any
 - effective regional fisheries management - tuna stocks in good health
- **WTO disciplines should therefore be proportionate i.e**
 - target the large subsidisers + their large industrial fishing fleet
 - while providing S&DT (flexibility) for small developing countries to use subsidies to support the development of their fisheries sectors - SDG 14.7
 - esp. small scale/artisanal and expansion into deep sea fishing in future to support onshore processing



Pacific Perspectives

Pacific in the ACP proposal:

- **Supports prohibition of two egregious forms of subsidies:**
 - **IUU Fishing** by all Members in all waters (EEZ and high seas)
 - Fishing of **Overfished stocks** by all Members in all waters
 - Determination of IUUF and Overfished stocks in EEZ by coastal states and high seas by RFMO
 - No presumption of overfished if stocks not assessed as PICs lack capacity to undertake regular assessments
 - **S&DT**: only for transitional period and Technical Assistance and Capacity Building (TA&CB) for U and U compliance (recap 80% of violations are Unreported fishing)
- **On overcapacity and overfishing: subsidies prohibition should apply to:**
 - all developed countries for all scales of fishing in all waters
 - developing countries' large industrial fishing fleet beyond their national jurisdiction i.e fishing in other Members' EEZ or in the high seas
 - **S&DT – carve out for EEZ** of developing countries to support artisanal, small scale and deep sea fishing
 - **carve out** for fishing in the **high seas** if exploiting a quota or right granted by RFMO – policy space
 - **Transition period** – appropriate length to assist compliance
 - **TA&CB** – to assist with implementation of the agreement including strengthening stock assessment
- **Exemption of access fees** – important as such fees contribute up to 40% of govt revenue in some PICs
- **Oppose any S&DT** that is **conditional** on the submission or existence of **management plans (EU)**
 - unnecessarily expose management plans to scrutiny in WTO

