



UN Trade Forum: SDGs and Climate Change
**Third Oceans Forum: Taking stock of final phase of fish
subsidies negotiations**

**Positive and harmful subsidies: a fishing industry
perspective on WTO negotiations on fish subsidies**

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EU fishing industry importance

 = 83.117 vessels

As food producers, the fishing sector has a clear added value and plays a major role for **food security**, differentiating us from other economic activities in the EU's integrated maritime policy and the blue growth strategy

 = 5 million tonnes/yr

 = 14 billion meals/yr

 = value of €7 billion

Public funding should support and take care of our fish and fishermen alike

 = 152.000 fishers jobs



The European Maritime And Fisheries Fund 2014-2020

€6400_M

Allocated in total from 2014-2020.

To help fishermen adapt to sustainable fishing, create jobs for the sector and diversify economies in coastal communities.

The EMFF assists Member States to co-finance operational programmes and projects, to reach the objectives of the reformed Common Fisheries Policy.

It is one of the five European Structural and Investment Funds which complement each other to deliver more jobs, welfare and growth in the EU.



€4340_M

Sustainable Fisheries

Making fisheries and aquaculture more sustainable and profitable

Ensuring and creating sustainable jobs
Local development and support to fisheries areas
Marketing and processing



€580_M

Control and Enforcement

To monitor compliance with the European Common Fisheries Policy and protect a fair access to healthy stocks:

Access to fishing grounds
Controlling fishing effort, TACs and quotas
Other technical measures to improve selectivity and sustainability



€520_M

Data Collection

To collect the data the scientists need to improve our knowledge of the seas and the long term management of our fisheries:

Understanding and monitoring of commercial species
Dynamics of single stocks and mixed fisheries
Ecological modelling of regional basins



€71_M

Blue Economy

To unlock sustainable growth and job creation from our seas and oceans, in areas such as:

Maritime surveillance (CISE)
Improved knowledge of the seas and ecosystems
Enabling rational exploitation of new marine resources (e.g. energy, biotech)

Fisheries Subsidies: scope

- **Positive list of aids** that should be excluded from the scope:
 - Subsidies for safety, health, hygiene, working conditions, marketing, research, innovation, selectivity and sustainability of stocks
 - Resilience and reduction of climate change impact (energy efficiency)
 - Control and enforcement equipment
 - Disaster relief
 - Fishery access agreements to 3rd country EEZs
 - **Careful with aquaculture exclusion!** May create possible loopholes concerning subsidies for forage fish, like small pelagics, taken out of the ocean to supply industrial aquaculture
 - Fuel de-taxation schemes

Fisheries Subsidies: scope

Are **fuel de-taxation schemes** subsidies?

Tax breaks

Less governmental revenue

Different tax levels depending
on the use
(heating, industrial, user)

Reward the added value
generated by the contributor

Subsidies



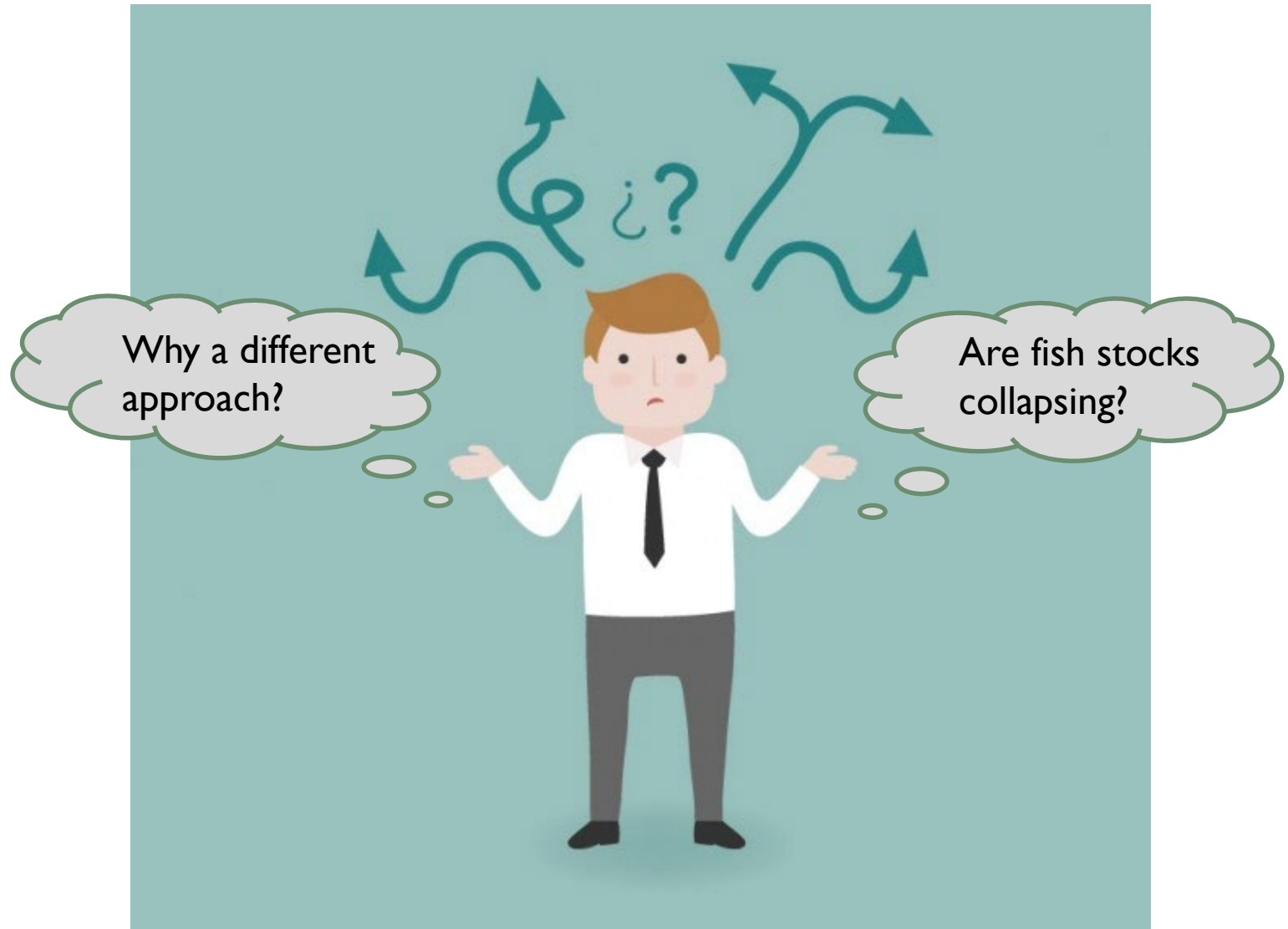
Fisheries Subsidies: scope

- **Against** any direct aid for fuel purchase
 - Link subsidy levels to fuel prices
 - Distorts international fish markets → unfair competition between operators
- **In favour** of fuel de-taxation schemes
 - Energy products supplied for use as fuel for the purposes of **navigation and aviation historically exempted from taxation**
 - De-taxation schemes in the EU apply to the entire sea navigation inside 12nm, including fishing → **No fiscal sovereignty outside the 12nm**
 - International **Level playing field**

Fisheries Subsidies: scope

- **Fuel taxation consequences:**
 - Would lead to **unfair treatment** between territories - large ships can undertake long fishing trips on single fuel bunkering enabling them to refuel at ports with lower fuel prices
 - Could lead to an **increase in the prices** paid by final consumers, particularly for fresh products
 - **Reduce the profitability of all fishing companies**, with special emphasis to artisanal fishermen operating within the 12nm zone
 - Fuel costs for fishing vessels may exceed 40% of the total operating costs

Fisheries Subsidies: scope



Global State of Fish Stocks

90% of global fish stocks
are fully fished or overfished
We must end harmful fisheries subsidies



UNITED NATIONS CONFERENCE ON
TRADE AND DEVELOPMENT
PROSPERITY FOR ALL

Global State of Fish Stocks

33% harvested at unsustainable levels

60% maximally sustainably fished

7% under-fished

- Industry acknowledges that further efforts are needed
- Lumping **overfished** (33% of stocks) with **maximally/sustainably fished** (60%) gives oxygen to the exaggeration of the issue:
 - **NO MAN-MADE TRAGEDY**
- The majority of the global fisheries (67%) are currently sustainable!
- “Maximally sustainably fished” is what countries have agreed to aim for: MSY. Fishing sector only targets a small fraction of fish stocks to secure the long term sustainable use
- No marine fish has ever gone extinct due to fishing

Great achievements at record-breaking speed in the EU

Equally important the **number of tonnes sustainably fished**

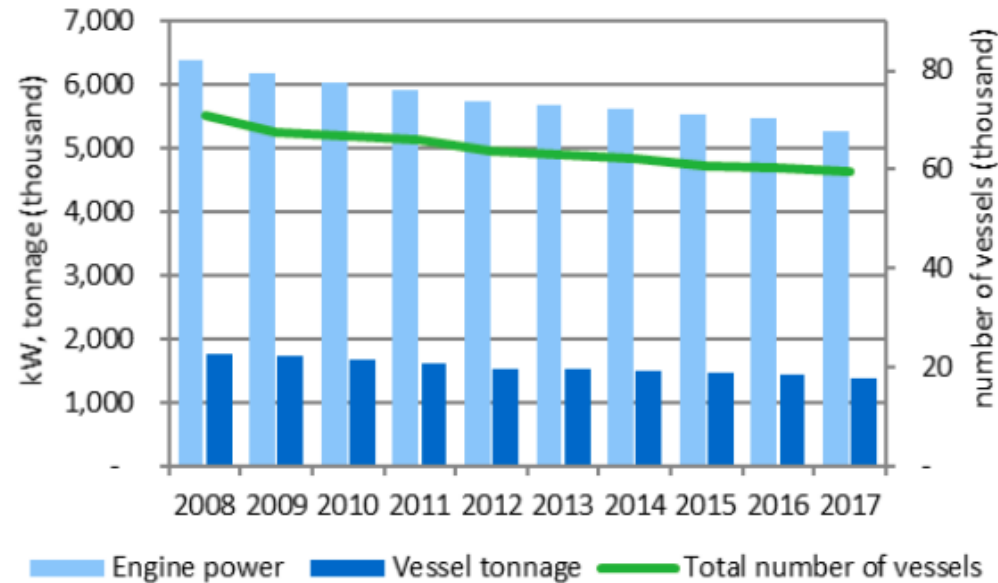
NE Atlantic biomass levels 36% higher than in 2003

59 stocks fished at MSY levels, compared to only 5 in 2009

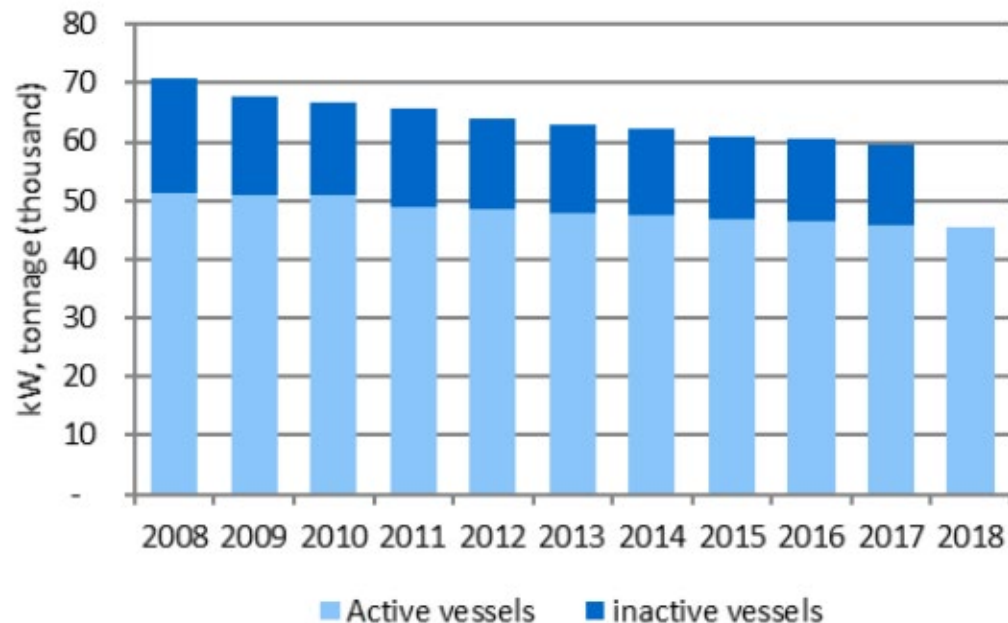
Almost 100% of landings from EU managed stocks in the Atlantic come from catches sustainably fished

82% of the fish consumed worldwide is sustainable, 86% in the case of tuna

Efforts made by EU fishing industry



- EU capacity fleet declined in both tonnage and engine power
- Despite the enlargements of the EU, the number of EU vessels in 2018 was 81 644 compared to 103 834 in 1996 = **22.000 fishing vessels less in 20 years**



- Only 65 400 remain active
- Wild-caught fish is, by far, the animal protein with the **lowest carbon food print**
- Seafood is the best option in terms of food security to fight **climate change**

Efforts made by EU fishing industry

Despite de-taxation fuel schemes in Europe:

fishing effort ↓

energy consumption ↓

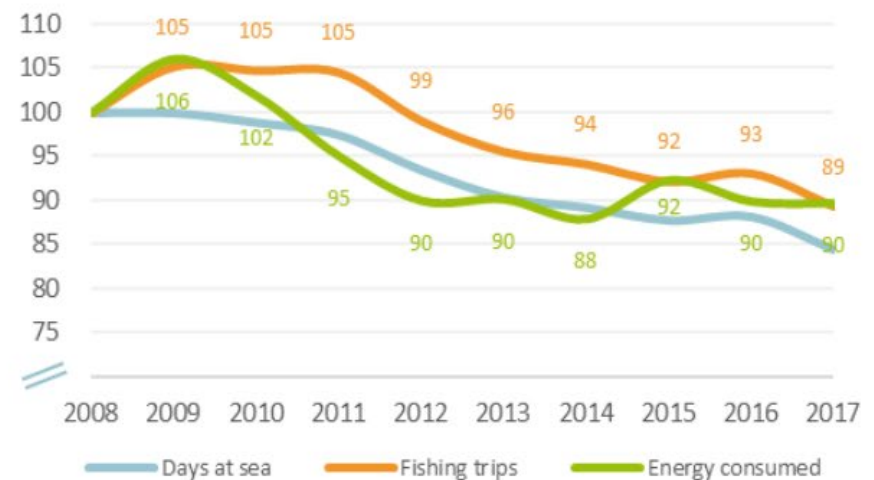


Figure 3.8 Trends and variations on fishing effort and fuel consumption (based on 2008=100)

Data source: MS data submissions under the 2019 Fleet Economic data call (MARE/A3/ACS(2019))

Conclusion: in Europe de-taxation fuel schemes have not led to overfishing nor overcapacity

Fisheries Subsidies: Geographical scope

- **Extension of the prohibitions** to the entire ocean without excluding specific geographic areas (e.g. territorial sea)
- **Geographical limitations** could present obstacles for the conservation and sustainable use of straddling and migratory fish stocks
- **Difficult to track** a subsidy to a particular fishing area, as the beneficiary vessel or company can fish in different areas and seasons

→ In order to achieve an **international level playing field**, any regional, national or local public aid must follow and respect the WTO disciplines on fisheries subsidies!

Fisheries Subsidies: IUU

- No Member shall grant or maintain any subsidy to vessels and operators engaged in **IUU fishing**
 - EU funding already conditional upon compliance with strong IUU policy. No serious infringements:
 - 1 year prior to the date application
 - 5 years after the final payment to the beneficiary
 - Temporary or permanent ban on access to public assistance or subsidies if found guilty
 - Determined or listed in an IUU fishing list
 - Not just identified (presumption of innocence)
 - By the Flag, Subsidizing or RFMO authorities
 - Coastal state decision to be considered by the subsidizing state

Fisheries Subsidies: Overfished 1/3

- No Member shall grant or maintain any subsidy for fishing that negatively affects **targeted** fish stocks that are in an **overfished condition**:
 - Determined by the Flag, Subsidizing or RFMO authorities
 - Management measures into consideration
 - Include territorial seas
 - Concern few stocks
 - Commercial fishing takes place inside this area

Fisheries Subsidies: Overfished 2/3

Definition of **'overfished stocks'**

1. *“When is at such a low level that mortality from fishing needs to be restricted to allow the stock to rebuild to a level that produces MSY or alternative reference points based on the best scientific evidence available”*
2. Recognised by the competent authority
3. No effective management plan in place

Fisheries Subsidies: Overfished 3/3

Under no circumstances a **data poor or unassessed stock** can be presumed to be overfished

- Abuse of the precautionary approach principle
- Fisheries lacking formal assessment comprise >80% of global catch
- Often the case in mixed fisheries - MSY assessments limited by data availability, government resources and scientific capabilities
- Large unassessed fisheries may be performing nearly as well as their assessed counterparts
- There must be evidence that the unassessed stock is overfished

Fisheries Subsidies: Overcapacity 1/2

- **No Member shall grant or maintain any subsidy that :**
 - Supports the acquisition and **renewal of fishing vessels**,
 - except for small-scale (12 metres) provided that:
 - The segment of the corresponding fleet is in balance with the available fishing opportunities
 - The national ceiling of fishing capacity assigned to each Member is respected
 - An obsolete fishing vessel is replaced (\leq capacity on the basis of an entry/exit scheme)
 - Supports the **transfer, importation or reflagging** of fishing vessels to third countries including the creation of joint ventures with partners of those countries

Fisheries Subsidies: Overcapacity 2/2

- **No Member shall grant or maintain any subsidy that:**
 - **Increases the fishing capacity** of a fishing vessel:
 - But exemption of “**safety/social tonnage**”
(crew accommodation, recreational areas, toilets, kitchen, ...)
 - Supports the **acquisition of equipment** that increases the catching capacity of a fishing vessel (e.g. fishing gears)

Thank you for your attention!

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