

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Fisheries Subsidies

Communication from Iceland

The following communication, dated 29 June 1999, has been received from the Permanent Mission of Iceland.

1. A detailed discussion of the relationship between subsidies reform, trade and sustainable fisheries has taken place in the WTO Committee on Trade and Environment. The relationship has been regarded positive and there is a growing recognition of the need for governments to make a positive contribution in this regard. The following proposal is consistent with the growing interest in this issue.

Proposal

2. That, as a part of the upcoming WTO negotiations, Members agree to eliminate subsidies that contribute to fisheries overcapacity, in view of the fact that they distort trade, seriously undermine sustainable utilization of fish stocks and hamper sustainable development.

Background

3. There is a growing recognition that many subsidies affect the fisheries sector, impede sustainable development, distort trade and seriously undermine the possibilities for effective conservation and sustainable utilization of fish stocks.

4. Overcapacity of the global fishing fleet is, along with inadequate management regimes, the predominant cause of the depletion of fish stocks in many regions. It is generally recognized that government subsidies and other market distortions are primary factors in causing this overcapacity.

5. The billions of dollars spent on subsidizing unsustainable fisheries could easily be transformed into expenditures that would make a positive difference in a world plagued by sustainable development challenges.

6. The encouragement of the use of fisheries resources beyond normal economic rates of exploitation also creates supply distortions that place downward pressures on world seafood prices and this affects the ability of all countries, but particularly developing countries to achieve adequate economic returns from their fisheries resources.

7. Given the fact that the industrialized countries are responsible for the bulk of the subsidies granted to the global fisheries sector, the negative trade distorting effects of these subsidies affect first and foremost the fish-exporting developing countries. The removal of these subsidies would therefore benefit the developing countries most and their prospect of sustainable development.

8. Therefore, elimination of subsidies that contribute to fisheries overexploitation would represent a clear “win-win” achievement in the area of trade, the environment and sustainable development.

9. The problem of overfishing and its relationship with fisheries subsidies receives growing attention in a range of international fora. The work of FAO is particularly important in this respect. Any effort conducted by the WTO in the field of fisheries subsidies will evidently have to be carried out in consultation with FAO.
