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## **European Union**

### **Fishery Products**

# **WTO: Fisheries Subsidies - EU Tables Proposal for Subsidy Ban 2003**

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#### **Report Highlights:**

**The EU tabled a proposal to the WTO to ban all subsidies which increase fishing capacity and hence cause over-fishing.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Brussels USEU [BE2], E2

## **WTO: Fisheries Subsidies - EU Tables Proposal for Subsidy Ban**

### **Introduction**

On April 22, 2003, the EU tabled a proposal to the WTO to ban all subsidies which increase fishing capacity and hence cause over-fishing. This proposal which calls for international action to put an end to over-fishing is largely based on the EU's internal fisheries reform adopted in December 2002. EU Farm and Fisheries Commissioner Fischler stated that in its reform of the Common Fisheries Policy, the EU recognized the link between subsidies and fishing overcapacity and the need to ensure a balance between the fishing fleets and the resources available.

### **EU Proposal**

#### **Prohibited Subsidies:**

- < subsidies for marine fishing fleet renewal (e.g. construction of vessels, increase in fishing capacity)
- < subsidies for the permanent transfer of fishing vessels to third countries, including through the creation of joint enterprises with third country partners

#### **Permitted Subsidies:**

- < subsidies to support the retraining of fishermen, early retirement schemes and diversification
- < limited subsidies for modernization of fishing vessels to improve safety, product quality or working conditions or to promote more environmentally friendly fishing methods (on condition that they do not increase the fishing capacity)
- < subsidies to fishermen and vessel owners who have to temporarily stop their fishing activity, when stoppages are due to unforeseeable circumstances such as natural disasters or in the framework of recovery plans for over-exploited fish stocks
- < subsidies for the scrapping of vessels and the withdrawal of capacity

Both lists would be subject to revision and the work of relevant international organizations such as the UN Food and Agricultural Organization (FAO) and/or other international fisheries management bodies could be taken into account. Under the EU proposal, the status of permitted subsidies would be linked to the obligation to notify them.

The EU Paper on fisheries subsidies can be downloaded from the Internet at [http://europa.eu.int/comm/trade/goods/agri/sub\\_fisheries.pdf](http://europa.eu.int/comm/trade/goods/agri/sub_fisheries.pdf).

### **Background**

At the WTO Ministerial Conference in Doha, members agreed to conduct negotiations aimed at clarifying and improving WTO disciplines on fisheries subsidies. Reference to negotiations on fisheries subsidies is included in the Trade and Environment section of the Doha declaration. In

February 2003, the "Friends of Fish" group consisting of Argentina, Chile, Iceland, New Zealand, Norway and Peru, presented to the WTO a categorization of fisheries subsidies in an effort to create a negotiating platform on fisheries subsidies. The "Friends of Fish" group's position is that fisheries subsidies should not be addressed in an undifferentiated way (i.e. based on aggregation of all support programs in the fisheries sector) but that specific categories of subsidy, their nature and impact as well as their situation under existing WTO disciplines should be discussed. The U.S., Australia and Ecuador support the views of the group while Japan and South Korea oppose their views. According to EU Trade Commissioner Lamy, the EU's position is halfway between the "no-subsidy" and the "high-subsidy" camp.

**Related reports from USEU Brussels:**

<b>Report number</b>	<b>Title</b>	<b>Date released</b>
E23007	Fish report (part 2) - policy	1/14/2003
E23051	Community Fisheries Control Agency	4/1/2003

**Visit our website:** information on the EU's fisheries sector can be found on [www.useu.be/agri/seafood2.html](http://www.useu.be/agri/seafood2.html); information on the WTO negotiations is available at [www.useu.be/agri/WTO.html](http://www.useu.be/agri/WTO.html). Our website [www.useu.be/agri/usda.html](http://www.useu.be/agri/usda.html) also provides a broad range of useful information on EU import rules and food laws and allows easy access to USEU reports, trade information and other practical information. E-mail: [AgUSEUBrussels@fas.usda.gov](mailto:AgUSEUBrussels@fas.usda.gov).