



## 39 countries getting exemptions in WTO fishing-subsidy proposal

Researchers at Planet Tracker have calculated that 39 countries accounting for 11 percent of global capture seafood production are likely to be exempt from the potential ban on harmful subsidies if the current draft text of an agreement at the World Trade Organization is finalized and approved.

Most of the countries that would qualify for exemptions are in Africa, but Pakistan, Bangladesh, and Cambodia are also included. None of the three have a distant-water fishing sector, according to data compiled by Planet Tracker, a non-profit financial think tank with the mission of “aligning financial markets with a sustainable future.”

Planet Tracker based its calculation on criteria set out in the latest draft text being circulated at the WTO’s ongoing negotiations. That draft offers exemptions from rules prohibiting fishery subsidies to WTO member-states where gross national income per capita does not exceed USD 5,000 (EUR 4,300) for three consecutive years, and for member-states where annual global marine-capture fish production does not exceed two percent. Exemptions will also be given based on the percentage of the domestic economic activity generated from fisheries and food production.

An alternative methodology still included in the draft text would allow exemptions for a larger number of countries – Planet Tracker estimated the total at 58 – but the model would actually cover more of the world’s fish stocks, as the first model exempts 39 countries accounting for 11 percent of global wild-catch production, whereas the combined wild-catch production of the 58 countries exempted under the second model account for just 2.6 percent of the global total.

The results of implementing the first model would be an increase in global fish biomass by 1.6 percent by 2050, versus a full ban on all capacity-enhancing subsidies creating an estimated increase in fish biomass almost eight times greater, according to Planet Tracker financial analyst François Mosnier. However, Mosnier told SeafoodSource securing the more ambitious outcome is “improbable.”

“It would most likely require a global tax reform agreement in order to avoid advantaging large-scale and distant-water fleets,” Mosnier said. For example,





distant-water fishing firms in China enjoy tax exemptions on catches landed back in China, and similar tax advantages are in place around the globe.

Of the USD 39 billion (EUR 33.6 billion) given annually by governments in fisheries subsidies, two-thirds go to commercial fishers, and of this, USD 24 billion (EUR 20.7 billion) worth of subsidies (including supports for fuel as well as non-fuel tax breaks) are deemed harmful because they contribute to overfishing or overcapacity in global oceans.

China, Japan, the European Union, South Korea, and Russia are the top five providers of harmful fisheries subsidies, and all are considered some of the biggest players in the distant-water fishing sector. However, the fishing industry is a much smaller component of their overall economies in these big distant-water nations than it is in poorer, developing nations that have no distant-water fleets of their own, though several play host to foreign distant-water fleets, with some foreign boats registered locally.

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