

Fisheries subsidies – the problem of overfishing- subsidies and India's position

What is the issue?

High level of fisheries subsidies creates distortions in global fish markets and are a major factor contributing to overfishing and overcapacity and the depletion of fishes.

High catching is reducing the availability of fish stocks and hence it has to be stopped.

Nearly US\$35 billion of public subsidies were given for global fisheries in 2018, and of these, \$22 billion were classed as harmful because they increased fishing capacity, largely through fuel tax exemptions.

The catch revenues from Chinese- and Taiwanese-flagged vessels are not high enough to cover operating costs; therefore, it seems these vessels would not be able to continue fishing without subsidies.

WTO on ending distorting fisheries subsidies

The WTO MC at Buenos Aires has considered unlimited fisheries subsidy problem.

Concept: Subsidies by several nations led by China caused **illegal, unreported and unregulated (IUU) fishing**. Such subsidies caused exploitation of the fisheries resources and their depletion besides distorting international trade in fisheries.

China is the largest catcher and exporter of fish and the country provides huge domestic subsidy to its fishermen. India is at seventh among top fish exporters and there is no illegal, unreported and unregulated (IUU) fishing.

India's stand on fisheries subsidies

India supports to eliminate IUU and to protect fishery resources.

But this should be done by protecting poor fisher men in developing countries.

So, the country demanded special and differential treatment in territorial waters.

India did not promise any commitment on fisheries subsidies given the sensitiveness of the sector.

At the end of the Buenos Aires meeting, countries decided to take the discussion in the coming MC.

Members agreed to a work programme that finalizes the fisheries subsidies agreement by end 2019.

Subsistence fishermen and S&DT by India

Along with several other developing countries, India like to protect subsidies for low-income, resource-poor fishermen for whom fishing is a livelihood issue.

In India, the coastal states of Gujarat, Tamil Nadu, Karnataka, Andhra Pradesh and Kerala, large number of fishermen depends on fishing for their livelihood.

India demanded a right for all the fishermen, allowing them to fish till the EEZ (Exclusive Economic Zone), which is 200 nautical miles from the coast.

In March 2020, India reiterated the right for **S&DT**.

India would like to get flexibilities and special and differential treatment as the country is providing subsidies to its poor fishermen for motorization, fuel rebates and other infrastructure supports.

Post-Buenos Aires developments: India proposes a threshold GNI PCI limit

China's ambassador to the WTO, said that China wants **special and differential treatment (SDT)** for China, like India and African nations.

The United States and other countries opposes this.

India has distanced itself from Chinese claim for S&DT, by proposing a threshold based on PCI for getting exemption for fishing subsidies.

India's suggestion is that countries with a per-capital Gross National Income (GNI) of **over \$5,000** for three consecutive years may not be exempted from reduction commitments (Beijing with a GNI PCI of \$ 10,410 comes outside the suggested threshold level, India \$ 2130).

But disagreements remain over what defines overcapacity, and China has sought to present itself as a developing nation to get the benefits given to coastal nations in Africa, where small-scale fishing is central to food security.

SDG Goal: Goal 14: Life Below Water

SDG Goal 14.6:

Prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU 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 WTO fisheries subsidies negotiation.