

Hon Jim Sutton

Minister for Trade Negotiations



14 December 2005

Speech

WWF-UNEP Ministerial Event

New Zealand intervention

Let me start by thanking WWF and UNEP for hosting this very worthwhile event.

Fisheries subsidies rules are often referred to as that very rare thing – a “triple win” issue. That is, we have an opportunity to deliver a win for trade, a win for the environment, and a win for development. Ministers recognised this in Doha in 2001 when they singled out fisheries subsidies – and these goals remain just as valid today.

On the trade side, we have large amounts of subsidies causing considerable trade distortions. Global fisheries subsidies are estimated at a minimum of US\$15 billion a year – that’s about 20 per cent of seafood industry revenues. No one can argue subsidies on this scale have no impact on trade. Fishers from developing countries face unfair competition from heavily subsidised competitors from rich industrialised nations. Yet the current subsidies rules just aren’t curbing this problem.

For my country, exporting fish and fish products provides the sector with more than 90% of its revenue, making it our fifth largest goods exporting sector – and it is not subsidised. We face very real challenges to compete with subsidised fisheries production in international markets. In fact, it is no exaggeration to say that our industry’s survival is dependent on placing the fishery on a sustainable footing.

But this issue goes far beyond just trade concerns. Viewing subsidies solely through the traditional WTO angle of correcting trade distortions would overlook the large environmental problems that these subsidies create.

Global fisheries are in an undisputed state of crisis. Key stocks are being run down, some to the point of collapse. The FAO has reported that more than seventy five percent of the world’s commercial fisheries are overexploited or fully exploited or significantly depleted. Only one per cent is recovering from exploitation. It’s widely recognised that subsidies are a major contributing factor to this crisis. It is as though rich, industrialised nations are financing a high-tech mission to seek and destroy the last fish in the sea.

Subsidies not only support over-exploitation, they are a pernicious challenge to even the best-managed fisheries and a threat to those fisheries with room to expand.

Strengthening WTO rules on fisheries subsidies is not a substitute for work in other specialist bodies, particularly in improving fisheries management. But it will provide an essential complement and support to the work of other inter-governmental organisations, such as the FAO, the OECD and the Ministerial High Seas Task Force on IUU fishing, the commercial industry and environment and conservation groups around the world.

As the international organisation with both the ability and the responsibility to take action on subsidies, the WTO must be a part of the solution to this problem. The WTO needs to show it can contribute to the global sustainable development agenda, and the war on poverty. The fisheries subsidy negotiations are a unique opportunity to demonstrate that the WTO's trade agenda can complement broader social and environmental objectives - to demonstrate that WTO negotiations are not "a race to the bottom".

The fish sector is a major export earner for many developing countries, which produce around half of the world's fish products. 95 per cent of fisheries sector employment is located in developing countries. Yet at the same time, the fishing industries of industrialised countries are subsidised on a vast scale, that developing countries cannot hope to match. Instead, many can only watch as their resources are ruthlessly exploited by others.

To us, the Doha Development Round seems an appropriate place to begin to level the playing field.

I would therefore join with my colleagues here today in urging WTO Members to increase their efforts after Hong Kong to ensure that we develop meaningful and enforceable rules on fisheries subsidies. We have made good progress so far, but we still have a long way to go. We must seize this chance to deliver an outcome that will make a real difference to the fisheries sector and global fish stocks before it's too late.