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HEALTHY FISHERIES, SUSTAINABLE TRADE: A TIME FOR ACTION ON FISHERIES SUBSIDIES AT THE WORLD TRADE ORGANIZATION

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(as prepared)

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Good morning, Your Excellencies, Distinguished Delegates, Ladies and Gentlemen.

I am very glad to be with you in Hong Kong this morning on behalf of WWF, in partnership with the United Nations Environment Programme, alongside such a distinguished array of senior government officials. We are here to discuss a remarkable and particularly hopeful aspect of the current WTO negotiations: fisheries subsidies.

The importance of this topic stems from two basic facts:

The oceans and waterways of the world are today facing an unprecedented crisis of overfishing; and

The WTO has a clear opportunity to help do something about it.

For some, it may seem odd to gather at the WTO to talk of overfishing. But we all know that the way we trade—the way we produce and consume—can have a profound effect on our natural environment. The rules of the multilateral trading system inevitably influence global patterns of production and consumption, and so they inevitably help shape how the natural resources of our planet are used—or are abused.

This does not mean, of course, that the many environmental challenges facing the world today can be solved by the WTO. That is first and foremost the job of environmental regulators and resource managers, of domestic environmental laws and international environmental treaties, of private industries, non-governmental organizations, and concerned citizens.

But there are times when the rules of trade can have a very direct and very particular bearing on an environmental problem. One such case is that of fisheries subsidies.

In absolute amounts, fisheries subsidies are a tiny fraction of the agricultural subsidies so much in the headlines today. But in the economics of the fishery sector, subsidies do indeed loom large. Although public access to data remains limited, WWF estimates that subsidies to the fishing industry amount to fifteen billion U.S. dollars per year, or more—equivalent to roughly 20% of the total value of the world's wild caught fish as they come off the boat.

Many of these subsidies are contributing to a worldwide crisis of overfishing. The great majority of the Earth's fisheries are today exploited up to or beyond their biological limits. A billion people depend on fish for food; scores of millions depend on fishing or fish processing for jobs—most of these in developing countries. The sad condition of our fisheries is thus a frightening reality.

What is worse, the trend lines are bad. The number of overexploited fisheries has been steadily growing for decades. And many stocks of larger fish have been decimated, so that today we are fishing further and further “down the food chain”, chasing little fish where there are no big fish left.

As the world's largest independent conservation organization, WWF is working around the globe to reverse the overfishing crisis, and to turn our fisheries toward the path of sustainability. This is an effort that requires work on many fronts: on improving scientific knowledge, on combating illegal fishing, on managing fisheries as integrated ecosystems and establishing marine protected areas, and on helping coastal communities develop sustainable fishing industries, just to name a few.

But if we are to succeed, something also must be done about the large sums of money that continue to flow into irrational subsidies to the fishing industry.

Where there are too many fishing boats, it makes no sense for governments to subsidize building more or more powerful vessels.

Where there are too few fish, it is madness to subsidize fishing effort, making it more profitable for fishermen to race even harder for dwindling stocks.

Where illegal and unregulated fishing run rampant, it borders on criminal for governments to tolerate the flow of subsidies into the hands of pirate fishers.

The need for urgent action to eliminate harmful fisheries subsidies has gained wide recognition. The U.N. Food and Agriculture Organization has called for phasing out subsidies that contribute to excess fishing capacity. And when heads of state met in Johannesburg just a few years ago at the World Summit on Sustainable Development, they placed the elimination of harmful fishing subsidies among the top eight priorities for achieving sustainable fisheries, specifically calling on WTO members to bring the current fisheries subsidies negotiations to a positive conclusion.

Of course, this is not to say that all fisheries subsidies are harmful. Subsidies that help improve fisheries management, or that encourage the adoption of cleaner fishing techniques, or that effectively help retire fishing vessels to reduce excess fishing capacity—subsidies such as these are important tools in the quest for sustainable fisheries.

Moreover—and this is absolutely critical—we must recognize the positive role that appropriately designed subsidies can play in promoting the economic and social welfare of developing countries. New WTO rules on fisheries subsidies must take full account of the special needs of poorer countries. WWF has pushed hard for “early and parallel” treatment of developing country concerns, and has called for effective “special and differential treatment” for developing countries.

Nevertheless, when we speak of positive subsidies or of special and differential treatment, we must be plain that no fisheries subsidy programme should be given a blank cheque. Even well-intentioned subsidies too often contribute to overfishing. As a general matter, all fisheries subsidies should now be subject to some monitoring and discipline.

And so the need for action on fisheries subsidies is clear—starting with action to eliminate the most harmful of them altogether.

Similarly clear is the opportunity WTO members now have to help get the job done. Paragraph 28 of the Doha Ministerial Declaration calls on negotiators to clarify and improve WTO rules on fisheries subsidies. Now, after years of preliminary debate, real progress is being achieved at the negotiating table, and a broad consensus is emerging in favour of disciplines that—at a minimum—prohibit those subsidies that contribute most directly to overfishing.

The good progress in the talks so far is due to the efforts of a coalition of governments known informally as the WTO “Friends of Fish”. WWF commends in particular the energetic leadership of New Zealand and the United States, which, along with Chile and the Philippines, have been especially constructive. Other governments, too, have played important roles among the Friends of Fish—including Argentina, Australia, Ecuador, Iceland, Norway, and Peru. Brazil, while not an original member of the *demandeur* bloc, has displayed vision in proposing rules for “special and differential treatment” that take seriously the question of sustainability. And the European Communities have championed the need for rules that are enforceable and increase public access to information about fisheries subsidies programmes.

But if the fisheries subsidies negotiations are ultimately to bear fruit, the continued energy and good will of these and many other WTO members will be much needed. Tough technical and political issues still remain to be resolved.

WWF is confident, however, that the necessary solutions are within reach. The time is now for governments to act, and to ensure the adoption of new WTO rules on fisheries subsidies that are robust, balanced, and effective. WWF looks forward to continuing to work with WTO members, and with UNEP, towards that end.