

Hemscott, UK

Some progress in WTO fish talks but US, Japan at odds over ports, 2 May 2007

GENEVA (Thomson Financial) - World Trade Organisation members are making progress in talks on cutting fishing subsidies but significant differences remain, not least between the United States and Japan, trade sources said on Wednesday.

US ambassador to the WTO, Peter Allgeier on Tuesday presented Washington's proposals for a total ban on fishing subsidies to the 150-member global trade body's Rules Negotiating Group, which is meeting for two days here.

He said urgent action was needed as over 75 pct of the world's most important fish stocks were already exploited at or above sustainable levels.

Japan is the world's largest fishing subsidiser, with payments amounting to 5.3 bln usd per year, according to Washington-based environmental group Oceana.

Tokyo's representative to the WTO talks hailed the US proposal as timely, but still wanted government subsidies to fishing port infrastructure to remain exempt, sources said.

'Progress is being made in the group,' the sources said, though they stressed that the issue is of less significance to the fate of the overall stalled Doha round of trade negotiations than the field of agriculture.

The US fishing proposals, which were originally unveiled in March, would outlaw government subsidies for companies that capture ocean fish commercially.

It provides for periodic reviews of the agreement's implementation, and would allow the WTO to call in fisheries experts in case of conflict among its members.

Exemptions to the ban would be allowed for fishing programmes that do not contribute to overfishing, through practices like decommissioning trawlers and developing marine biology.

Allgeier acknowledged that differences still remained with Japan, but that Washington had sought to take Japan's concerns into account when drafting the proposals.

'Japan still does have different positions ... and we have tried to listen carefully to some of their concerns,' he told journalists.

Nevertheless, Japan indicated during Tuesday's meeting that it could accept the proposals on wild capture fisheries and vessel decommissioning, trade sources said.

It does still support South Korea's call for government subsidies to fisheries ports to be exempt from any ban. Seoul, whose fishing subsidies are estimated at 691,000 dollars, reiterated its opposition to a general subsidies ban, as did Taiwan, the sources added.

The European Union, the second-largest subsidiser at 3.3 bln usd, said it was opposed to the 'top-down' approach of the US, which starts from the principle of a general prohibition and then defines specific exemptions. Instead they prefer a 'bottom-up' approach which works in the opposite fashion, defining exceptions and then arriving at a general stance.

China, which ranks third in fishing subsidies at 3.1 bln usd, said the US proposal pointed at the right direction, the sources said.