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Fuel subsidies better spent re-training fishers: UBC researchers

Skyrocketing fuel costs could lead to long-term sustainable fisheries if governments redirect fuel subsidies currently given to fishing fleets and use them to invest in re-training for fishers, says University of British Columbia fisheries economist Rashid Sumaila.

Dramatic fuel price increases over the past weeks have sparked large-scale protests by fishers around the world. In France, fishers set up blockades at several ports while Japanese squid fishing boats halted operations for two days. Similar events have taken place in Australia, Nigeria and the Philippines.

“The overwhelming demand from the fishing industry is for governments to increase fuel subsidies to offset higher fuel costs, which constitute up to 60 per cent of the cost of fishing,” says Sumaila, director of the Fisheries Economics Unit at the UBC Fisheries Centre and a Pew Fellow in Marine Conservation. “But that would simply dig a deeper hole both economically and environmentally.”

In the first study of its kind, Sumaila has been tracking the economic impact of government fuel subsidies since 2002. He has found that governments around the world spend \$6.4 billion annually on fuel subsidies for fishing fleets, 80 per cent of which are handed out by governments in developed countries.

The European Commission announced last week it aimed to release up to 600 million euros (US\$940 million) in aid to EU fishers to help them cope with soaring fuel prices.

“Many of these operations would not be economically viable if not for these subsidies,” says Sumaila.

Latest findings of the study, titled *Fuel price increase, subsidies, overcapacity, and resource sustainability*, will be published in the September issue of *ICES Journal of Marine Science*. Advance details were released online in April.

Sumaila’s team is also helping identify long-term solutions for beleaguered global fisheries. A recent survey of fishers in Hong Kong by his graduate students Louise Teh and William Cheung found up to 75 per cent of those interviewed were willing to depart from their “way of life” if given appropriate compensation and re-training.

“More than half of the employers in the marine recreation sector we interviewed indicated they’d be willing to hire fishers,” says Teh. The study was published recently in the *International Journal of Social Economics*.

“Taxpayers’ money would be better spent helping fishers establish other long term sources of income,” Sumaila adds. “This will solve pressing issues in the fishing industry and ease the pressure on global fish stocks.”