

## **Business Report (South Africa)**

Outlaw global fishing grants, US tells WTO, 1 May 2007

By From SAPA-DPA and Bloomberg

Geneva - The US yesterday presented its radical proposals to sweep away billions of dollars' worth of government subsidies provided worldwide for the fishing industry, which it claims are exhausting fish stocks and driving some breeds to extinction.

The measures put forward by Peter Allgeier, the US ambassador to the World Trade Organisation (WTO), would broadly ban subsidies for capturing wild ocean fish and for the construction and upkeep of fishing vessels, which the WTO believes distort trade and threaten marine life.

"The WTO faces an historic opportunity to address a problem with direct and immediate consequences not only for trade but also for the marine environment," Allgeier told a meeting in Geneva yesterday.

"Strong action by the WTO will help control the 'race to fish' that is the core of the problem."

Fishing subsidies, said to total \$30 billion (R210 billion) to \$34 billion a year, were under scrutiny as part of the Doha round of world trade negotiations at the WTO yesterday and today. Bloomberg reports that Japan and the EU together account for more than one-fifth of that total amount, according to a study last year by the University of British Columbia.

The US, which has won backing from New Zealand, Iceland and Australia, must convince other governments responsible for large fishing subsidies, including Japan, the EU and China.

Millions of people depend on fishing for all or part of their income, yet a recent study by fishery scientists concluded that, if current fishing trends continued, the fisheries worldwide would collapse beyond repair in 40 years.

Oceana, an international group campaigning for the protection of the world's seas, has monitored illegal fishing and has advised the US on its proposals, which it described as "bold".

"The subsidies lavished on the world's fishing fleets have created a global armada that is creating havoc in our oceans," said Courtney Sakai, Oceana's campaign director. "These reckless government subsidies to the fishing sector need to stop."

The WTO negotiations, which are part of wider efforts to get a global accord cutting farm subsidies and import duties on machinery and to simplify customs paperwork, were the first time environmental concerns had driven trade negotiations, Sakai said.

The US spent \$276 million a year on "ugly subsidies", or support for fuel and measures that increased a fleet's ability to catch fish, Oceana said.

The 27-nation EU spent \$2.3 billion a year on similar support and another \$517.6 million on support that reduced its fleet, by decommissioning older vessels or helping fishermen to retire.

EU subsidies provide one-sixth of the total value of the EU catch, according to the UN.

Brazil, Japan and India spent \$1.35 billion, \$1.8 billion and \$2.2 billion respectively on harmful fisheries subsidies, Oceana said. Their support for the US approach, together with that of the EU, will be key to a WTO agreement on new disciplines.

The US proposal would allow subsidies to cut the size of a fleet or encourage people to leave the industry.

"This is a solid first step, but its success depends on the definitions for the stuff left outside the ban, which should also be disciplined," said David Schorr, a senior fellow at environmental group WWF.