Fishing subsidies should be banned to make global trade more equitable and prevent overfishing of already depleted high-sea stocks, the US told WTO members on Tuesday.

Some 2.6 billion people around the world depend on fish for their food, and millions of livelihoods in the fishing industry are under threat if no action is taken, the US ambassador to the trade body said after presenting the US proposal.

"We see obvious trade benefits from it, but also benefits in terms of protecting the marine environment and also sustainable development, since so many countries depend on fishing as an important part of their economy," Peter Allgeier told reporters in Geneva.

Environmental groups have backed the US proposal, saying it provides an opportunity to save global fish stocks from collapsing.

Oceana, a Washington-based pressure group, cited a Canadian study estimating that the world's fishing industry each year receives some US$20 billion -- a quarter of its revenue -- in subsidies that encourage overfishing of species including swordfish, tuna and marlin, or sustain environmentally damaging practices such as dredging the sea floor.

The 27-state EU, which gives out hundreds of millions of euros a year to fleets in Spain and other member countries, is the biggest single subsidizer, followed by China, India, Japan and Brazil, said Oceana, whose most recent figures were for the year 2000.

China disputed it is one of the leading subsidizers and said the vast majority of its payments are to support research, fisheries management and the decommissioning of vessels.