



FISHERIES SUBSIDIES AGREEMENT - ECONOMY

News: India's initiative to establish regulations on fisheries subsidies at the World Trade Organization (WTO) has received significant support from numerous developing nations and least developed countries (LDCs).

What's in the news?

Proposals aim to tackle the issues of overcapacity and overfishing by regulating the subsidies that often exacerbate these problems. Currently, efforts are being made to finalize the second phase of the Fisheries Subsidies Agreement (FSA), which focuses on promoting sustainable fishing practices. This global collaboration highlights a commitment to more responsible fishing practices that could lead to long-term ecological and economic benefits.

Overview of the Fisheries Subsidies Agreement (FSA)

- **Prohibition of Subsidies:** The agreement restricts subsidies for Illegal, Unreported, and Unregulated (IUU) fishing as well as fishing activities targeting overexploited fish stocks.
- **High Seas Fishing Ban:** It also bans subsidies for fishing activities on the high seas, which fall outside the territorial waters of coastal nations and the jurisdiction of Regional Fisheries Management Organizations.

Transition Period for Developing Nations

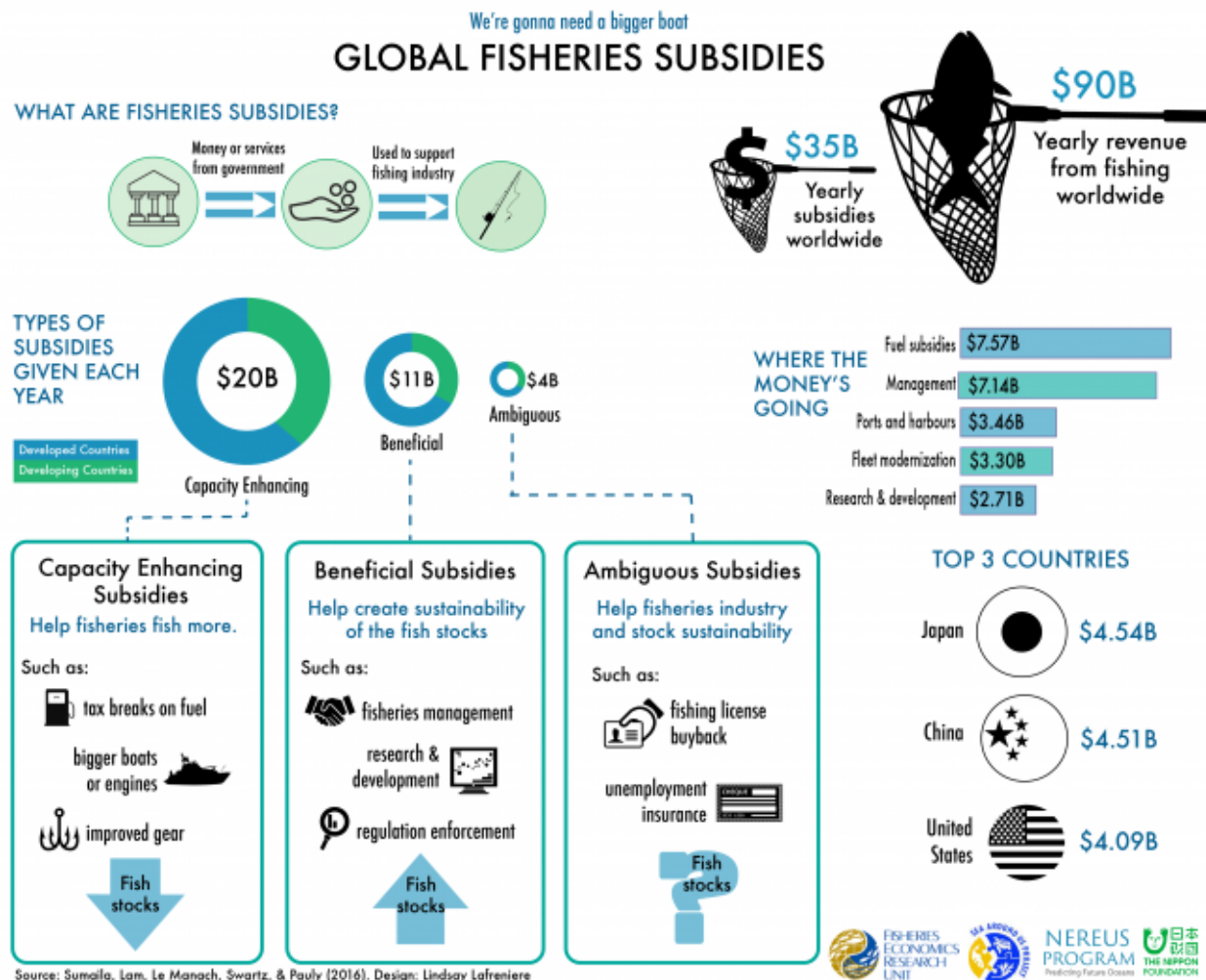
- **Special Treatment:** Developing countries and Least Developed Countries (LDCs) are granted a two-year transition period under Special and Differential Treatment (S&DT) provisions.
- **Exemptions:** During this period, these nations are not required to comply with the prohibitions under the agreement. No restrictions apply to providing subsidies for overfished stocks, provided they are used to help rebuild the stocks sustainably.

Exempted Areas and Ongoing Negotiations

- **No Restrictions for Non-IUU Activities:** There is no prohibition on subsidizing fishing vessels or operators, provided they do not engage in IUU activities.



- **Phase Two Discussions:** The second phase of negotiations for the agreement is still underway to resolve remaining issues.



Potential Benefits

- **Impact on IUU Fishing:** It aims to curtail large-scale IUU fishing, which significantly depletes fisheries resources in coastal nations like India, thereby protecting the livelihoods of local fishing communities.

Concerns Surrounding the Fisheries Subsidies Agreement

- **Impact on Small Fishermen and Developing Nations:**
 - Large-scale commercial fishing operations lead to stock depletion, making it harder for small-scale fishermen to sustain their catches.
- **Unequal Subsidies:** Large fishing corporations often benefit from substantial government subsidies, which small fishermen do not have access to, creating an uneven competitive field.



- **Sustainability Exemption Loophole:** The sustainability exemption allows advanced fishing nations with superior monitoring capabilities to continue receiving subsidies, disadvantaging smaller or poorer nations with fewer resources to fish sustainably.
- **Global Overfishing Statistics:** An estimated 37.7% of global fish stocks are overfished—a significant rise from 10% in 1974—highlighting the urgent need for effective global regulation.
- **Subsidies Supporting Overfishing:** Approximately USD 35 billion in subsidies is allocated to the fishing sector worldwide, with USD 22 billion of this funding contributing to practices that increase the capacity for unsustainable fishing activities.

India's Stand on the Fisheries Subsidies Agreement (FSA)

Status of India's Fisheries Sector

- **Global Ranking:** India is the third-largest fish producer globally, following China and Indonesia, accounting for 8% of the world's total fish production.
- **Production Figures:** In the fiscal year 2022-23, India's fish production reached approximately 17.54 million metric tons (MMT).
- **WTO Submissions:** India's position at the WTO highlights critical gaps in the agreement, particularly concerning the perpetuation of unsustainable fishing practices by large industrial fishing nations.
- **Fisheries Subsidies:** Despite its large population, India is among the lowest fisheries subsidizers and has demonstrated a disciplined approach to sustainably managing its fisheries resources.
- **Advocacy for Fair Practices:** India supports the implementation of the "polluter pays principle" and "common but differentiated responsibilities." This ensures that countries with significant subsidies and large-scale industrial fishing bear greater responsibilities in reducing harmful fishing practices.

Way Forward

- **Balanced Approach in Negotiations:** India emphasizes the need for a balanced approach at the WTO to address overcapacity and overfishing while protecting the interests of small-scale fishers, especially in developing nations like India.
- **Coastal Communities' Interests:** The agreement should prioritize the concerns and needs of coastal communities, ensuring that their voices are central to the decision-making process.
- **Opportunity for Growth:** India stands to gain from the FSA, particularly in protecting small-scale fishers and local coastal communities that are severely impacted by overfishing.



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- **Global Leadership Role:** India has the chance to lead the Global South by advocating for coastal nations suffering from the negative effects of foreign industrial fishing fleets.
- **Commitment to Local Fishermen:** India's stance solidifies its commitment to ensuring the welfare of small-scale fishers and coastal communities that are adversely affected by overfishing and declining fish stocks.

Source: <https://www.thehindubusinessline.com/economy/indias-position-on-fish-negotiations-at-wto-gets-support-from-many-developing-countries/article68638469.ece>



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