



Fisheries Subsidies: A Global Overview

Anja von Moltke
UNEP

Economics and Trade Branch

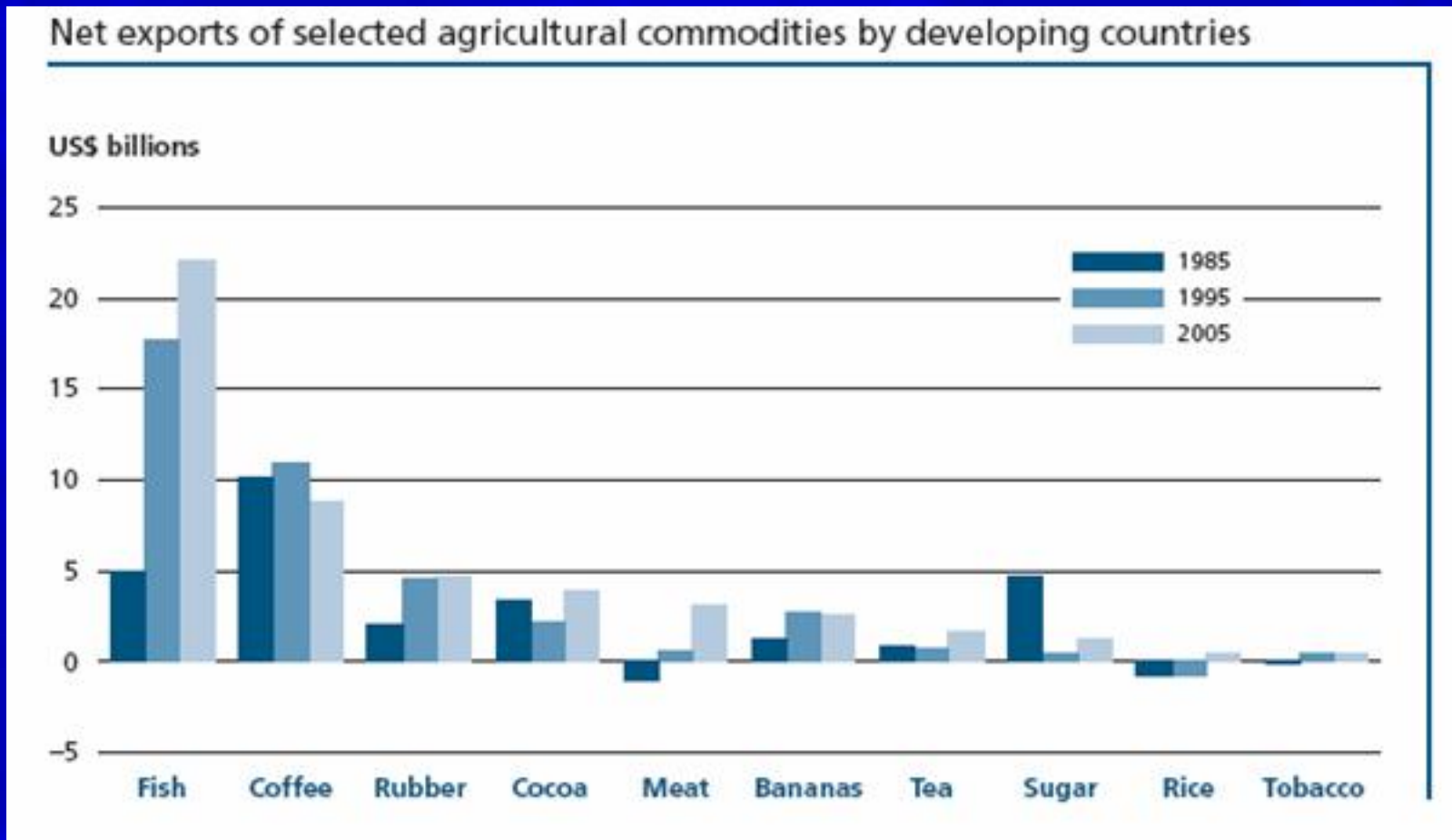


Importance of Fisheries

- 79% of world fishery production takes place in developing countries
- Tens of millions of people derive income from fishing & fishing related activities
- 95% of this employment is located in the developing world



Importance of Fisheries Trade



Source: FAO (2008). State of the World Fisheries and Aquaculture.

Trends in the Fisheries Sector

Most of commercial fish stocks are fully and overexploited (80%):

- 19% overexploited
- 52% fully exploited
- 8% significantly depleted
 - 1% recovering

FAO (2008)

Trends in the Fisheries Sector

The loss of potential economic benefits in the global fishery, due to fish stock depletion and over-capacity, is estimated at *US\$ 50 billion* p.a.

World Bank, FAO, 2008: "The Sunken Billions"

Main Contributors to Overfishing

Fisheries Subsidies

15-34 billion USD annually

Equivalent of 25% industry revenue

Trade
Effects

Environment
Effects

Effects of Fisheries Subsidies

Trade:

Reduce the costs of fishing and enhance profitability and market share

Environment:

Enable a higher fleet capacity than profitable in non-subsidized regime (current overcapacity at 250%!!)

- Create an incentive for overfishing
- Promote destructive fishing practices
- Support IUU fishing

Which Fisheries Subsidies Are Harmful?

Potentially Harmful Subsidies

	Effective Management			Catch Controls			Open Access		
	Over Capacity	Full Capacity	Less than Full	Over Capacity	Full Capacity	Less than Full	Over Capacity	Full Capacity	Less than Full
Fisheries Infrastructure	NH	NH	NH	H	H	NH	H	H	NH
Management Services	NH	NH	NH	NH	NH	NH	NH	NH	NH
Access to Foreign Waters	NH	NH	NH	H	H	NH	H	H	NH
Decommissioning	NH	NH	/	PH	PH	/	H	PH	/
Capital Costs	NH	NH	NH	H	H	H	H	H	H
Variable Costs	NH	NH	NH	H	PH	PH	H	H	PH
Income Supports	NH	NH	NH	PH	PH	PH	H	H	PH
Price Supports	NH	NH	NH	H	H	PH	H	H	H

NH = Not Harmful

PH = Possibly or Probably Harmful

H = Harmful

/ = Not Applicable

Source: UNEP (2004), *Analyzing the Resource Impact of Fisheries Subsidies: A Matrix Approach*, Geneva

Fisheries Subsidies – Sustainability Criteria



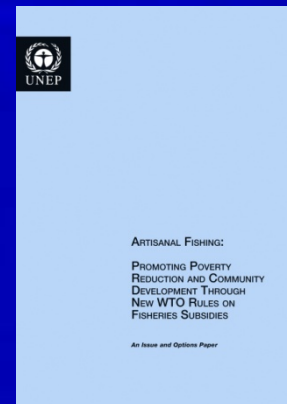
Sustainability Criteria for Fishery Subsidies: Options for the WTO and Beyond

The WTO Negotiations:

- WTO has unprecedented opportunity to develop trade rules that explicitly benefit not only trade but also the environment and resources.
- A win-win-win outcome? Only if it is done right.
- Ultimate responsibility lies with national governments
- A Role for all Stakeholders

UNEP Input

- Stakeholder Consultations (national, regional and international level)
- Analytical Work to Support International Negotiations
- Country Projects to Raise Awareness and Find Solutions/ Assess and Reform Subsidies





United Nations Environment Programme
Division of Technology, Industry and Economics

Economics and Trade Branch

International Environment House
11 - 13 Chemin des Anémones
CH-1219 Geneva

Tel: 41-22-917 8137

E-mail: anja.moltke@unep.ch

UNEP publications are available on the website: www.unep.ch/etb/