Fishing Subsidies in India

Why in news?

Ahead of 13th Ministerial Conference of World Trade Organization meeting, National Fishworkers Forum asked Ministry of Commerce and Industry to urge WTO to exclude small scale fishing from fisheries subsidies.

Status of India's marine fishing
• The marine fisheries sector in India accounts for *more than 40% of its total fish production*, is essential in supplying protein-rich food to the country's population at less cost, and generates lucrative foreign exchange earnings through seafood export. • India's marine fisherfolk population is 3.77 million as per Central Marine Fisheries Research Institute (Census 2016). • Nearly 67.3% of these families were in the below poverty line (BPL) category. • India is the *only country* where *small-scale fishers fish in large numbers*.

How India provides subsidies in fishery sector?

- The subsidy for fisheries in India is provided by the government under the ***Pradhan Mantri Matsya Sampada Yojana (PMMSY)***.
- PMMSSY- It is a scheme to bring about Blue Revolution through sustainable and responsible development of the fisheries sector in India.
- **40% subsidy**- The government will provide up to 40% subsidy for setting up a biofloc fish farm, and various other financial assistance for fishing infrastructure, fish farmers, fish transportation, fish processing, and fish marketing.
- **Credit-linked subsidy for fish farmers**- The scheme provides a credit-linked subsidy for fish farmers to encourage them to take up fish farming as a business.
- As per an estimate by International Institute for Sustainable Development (IISD) India has seen 43% increase in subsidies to fisheries from 2016 to 2019.

What is the WTO Agreement on Fisheries Subsidies?

It is the first ever multilateral trade agreement with environmental sustainability at its core.

- **Adoption-** In 12th WTO Ministerial Conference.
- **Mandates SDG**- It is the first Sustainable Development Goal target to be met through a multilateral agreement.

Goal 14.6 targets the cessation of harmful fisheries subsidies by 2020, addressing

overcapacity, overfishing, and combatting illegal fishing subsidies.

- **Prohibited subsidies-**
  - Subsidies contributing to Illegal, Unreported and Unregulated (IUU) fishing.
  - Subsidies regarding overfished stocks.
  - Subsidies provided to fishing or fishing related activities in the unregulated high sea
- **Robust transparency**- The agreement aims to strengthen WTO member's notification of fisheries subsidies and enabling effective surveillance of the implementation of the obligations in the Agreement.

- **Capacity building**- Targeted technical assistance and capacity building is to be provided to developing Members and Least Developed Countries (LDCs) to implement the Agreement.
- **Special and Differential Treatment** - The dispute settlement will not apply for two years from the date of entry into force of the Agreement on following conditions
  - If the member countries prohibit subsidies contributing to IUU fishing and overfished stocks
  - If the subsidies of developing and LDC members within their own Exclusive Economic Zone (EEZ).
- **Special care provision**- Members are to take special care and exercise due restraint
  - When granting subsidies to vessels not flying their flag
  - When granting subsidies to fishing or fishing related activities regarding stocks the status of which is unknown
- **WTO voluntary funding mechanism**- It will be used to assist members in
  - Integrating fisheries sustainability elements into their fisheries subsidies policies and practices
  - Strengthening sustainable fisheries management systems and
  - Improving notifications and transparency, particularly of fisheries related information.

What is India's stand on fisheries subsidies?

- India's stand is that it is one of the lowest fisheries subsidisers despite such a large population and one of the disciplined nations in sustainably harnessing the fisheries resources.
- India does not exploit the resources indiscriminately like other advanced fishing nations and India's fisheries sector primarily depends on several millions of small-scale and traditional fishers.
- The Agreement will eliminate the subsidies granted to fishing vessels or fishing operators engaged in IUU fishing, it will check large-scale IUU fishing which deprives coastal countries like India of fisheries resources, thereby significantly impacting the livelihoods of our fishing communities.
- WTO Members who have provided huge subsidies in the past, and engaged in large-scale industrial fishing, which is responsible for the depletion of fish stocks, should

take more obligations to prohibit subsidies based on the 'polluter pay principle' and 'common but differentiated responsibilities' (CBDR).

- The WTO's 13th Ministerial Conference will seek to build consensus on the potential regulation of fisheries subsidies contributing to excessive fishing effort and capacity.
- India is advocating for the principles of CBDR and respective capabilities, proposing a 25-year transition period for developing countries and addressing livelihood and food security concerns for fishermen.

Quick facts

World Trade Organization
• WTO is the *only international organization* that deals with the rules of trade between countries. • **Establishment**- It was created in 1995 superseding the 1947 General Agreement on Tariffs and Trade (GATT). • **Marrakesh Agreement**- WTO officially commenced under the Marrakesh Agreement, replacing the General Agreement on Tariffs and Trade (GATT). • **Creation-** It was created by Uruguay round of negotiations and established in 1995. • **Members-** The WTO is run by its 164 members representing 98% of world trade. • **Ministerial Conference**- It is the *topmost decision-making body* of WTO which usually meets every two years. • **General Council** - It is the WTO's *highest-level decision-making body* that has representatives from all member governments and meets regularly to carry out the functions of the WTO.

References

1. Indian Express- Small scale fishing to be exempt from WTO talks
2. PIB- Agreement on Fisheries Subsidies

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