

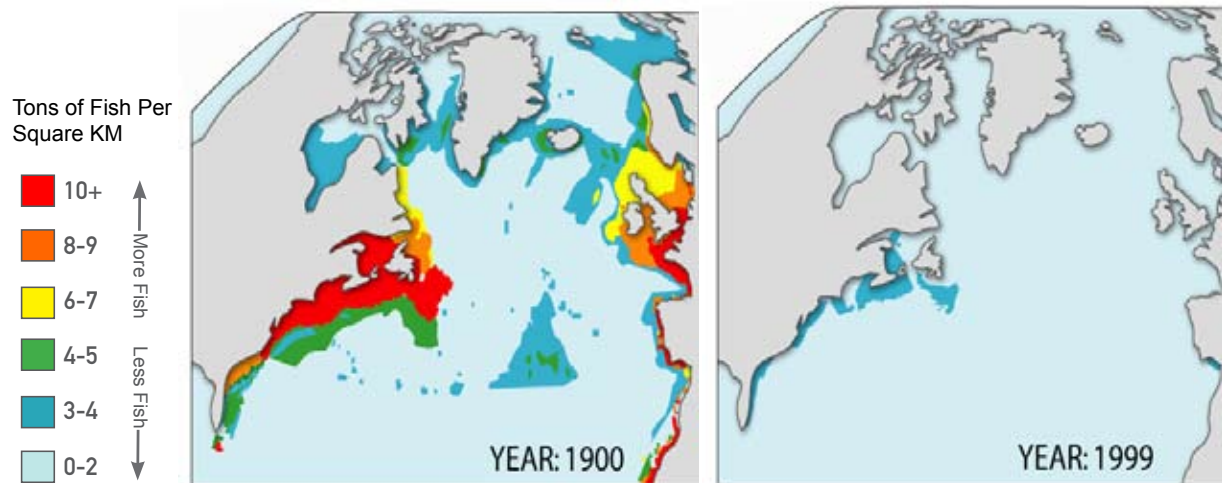
STATE OF THE WORLD'S FISHERIES

What Will Be the Future of the Oceans?

The oceans contain a vast diversity of life, from the smallest micro-organisms to the largest mammals on earth, blue whales. The oceans provide food, medicine, energy and serve as a recreational resource, but they are not as once commonly believed, an inexhaustible resource.

Global overfishing and other unsustainable fishing practices have depleted nearly all commercial fish populations and degraded the ecosystems that support them. Since the late 1980s global fish catches have actually declined, despite significant increases in fishing effort and improvements in technology.¹

Figure 1: Declines in Fish Population in the North Atlantic



The information in this document is adapted from *The State of the World's Fisheries*, a briefing given on May 24, 2007 at the World Trade Organization in Geneva, Switzerland by Andrew Sharpless, Chief Executive Officer of Oceana and Dr. Rashid Sumaila, Director of the Fisheries Economics Research Unit at the University of British Columbia Fisheries Centre. Based on comments and feedback from this event, this document also contains new recommendations on how resource sustainability can be effectively addressed in a WTO fisheries subsidies agreement.

In May 2007, a group of 125 scientists from 27 countries issued a warning to the world about the perils of global overfishing and the need to act:

There is no longer any question – we have reached a critical state. The world’s ocean ecosystems are at a tipping point, and overfishing represents one of the greatest threats to their productivity... There are only decades left before the damage we have inflicted on the oceans becomes permanent. We are at a crossroads. One road leads to a world with tremendously diminished marine life. The other leads to one with oceans again teeming with abundance, where the world can rely on the oceans for protein, and enjoy its wildlife. The choices we make today will determine our path for the future.²

Climate change and pollution continue to have huge impacts on the health of our oceans, but global overfishing directly threatens the immediate viability of the world’s fisheries and the billions of people who depend on the bounty of the seas. Eliminating destructive fishing subsidies, strengthening management regimes, and controlling illegal, unreported, and unregulated (IUU) fishing are some of the key actions that need to be taken to restore the ocean’s biodiversity and productivity.

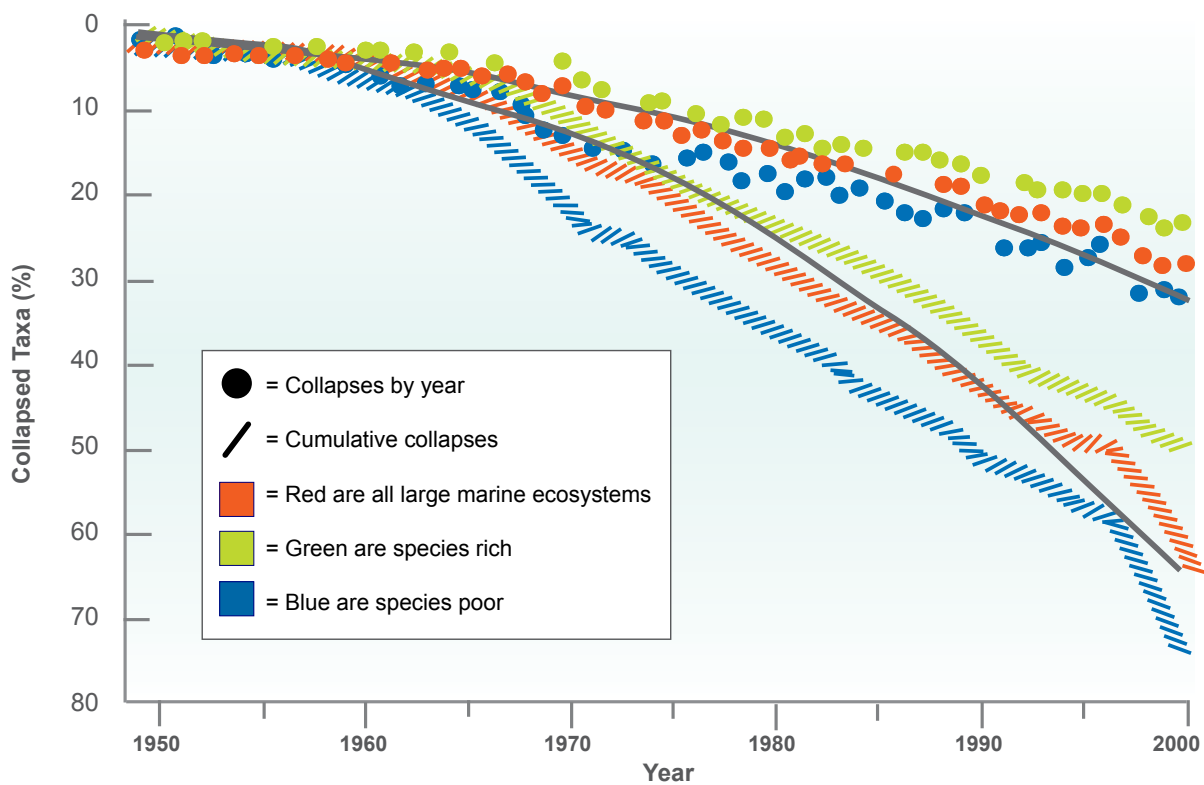
Alarmingly, the once unthinkable possibility that there will be no fish is quickly becoming a real threat. We need to avert disaster now. While life depends in large part on the health of the oceans, the health of the oceans depends on us.

What Will Be Left in the Sea?

The world’s fisheries are facing an unprecedented crisis. Fisheries are already severely depleted or in sharp decline in nearly every part of the world.

- A new study by an international team of scientists found that 29 percent of the world’s fish species are currently in collapse. A species is considered to be in collapse when its catch falls below 10 percent of the recorded maximum. Most alarming, the study projects that all major commercial fisheries will collapse within the next 50 years if current trends are not reversed.³
- According to the UN Food and Agriculture Organization (FAO), more than 75 percent of the world commercial fish populations are depleted, recovering, fully exploited, or overexploited. Of the top ten species that account for about 30 percent of the world capture fisheries production in terms of quantity, seven are fully exploited or overexploited and cannot be expected to produce major increases in catches. This includes the anchoveta in the Southeast Pacific; the Alaska Pollock in the North Pacific; the blue whiting in the Northeast Atlantic; and the Atlantic herring.⁴

Figure 2: Fisheries Collapse Over Time



Source: Boris Worm, et al, Science, 2006 "Impacts of Biodiversity Loss on Ocean Ecosystem Services"

- A study published in the scientific journal Nature concluded that 90 percent of all the “big fish” – tuna, marlin, and swordfish – are gone. The scientists found that the near total depletion of these fish populations occurred in only a few decades, coinciding with the introduction of industrialized fishing.⁵ Still, global fleets continue to increase fishing of major tuna species despite the fact that most populations are in need of reduced fishing pressure in order to recover.

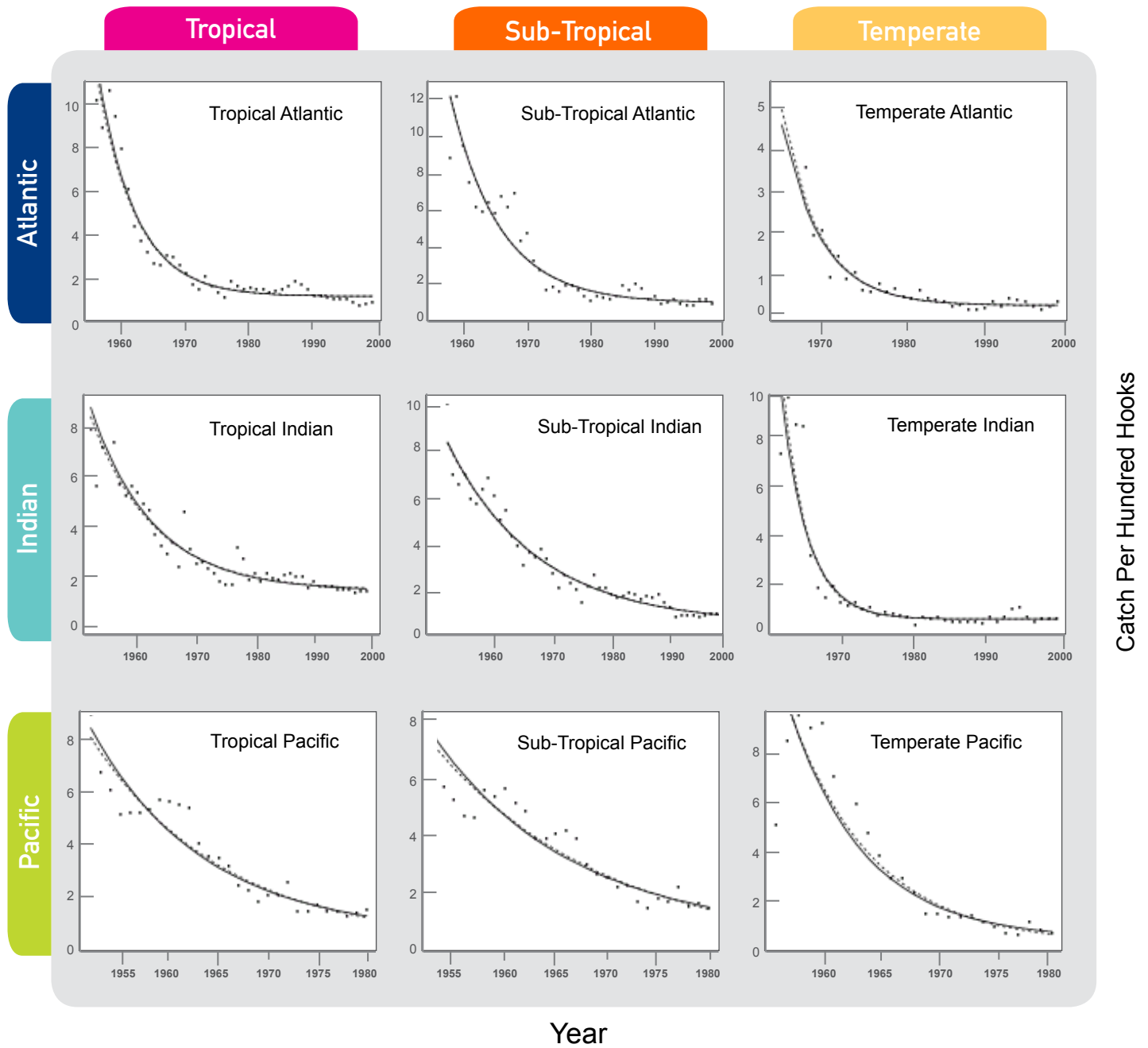
These trends are occurring in all the world’s oceans. A major factor in the decline in fishery resources is the impact of distant water fleets, which travel far from their home ports to exploit fisheries in the high seas and in some cases the Exclusive Economic Zones (EEZs) of other countries.

The staggering reduction of the abundance of the world’s fish also has serious effects on the throughout the oceans. As the exploitation of fisheries increase, the recovery potential of fish populations, the stability of marine ecosystems, and water quality all decrease exponentially.

→ The Atlantic Ocean (western central, eastern central, and northwest), western Indian Ocean, and northwest Pacific Ocean are the areas with the highest proportions (69-77 percent) of fully exploited populations.

→ The southeast Atlantic Ocean, southeast Pacific Ocean, northeast Atlantic Ocean, and high seas fisheries in the Atlantic and Indian Oceans for tuna and tuna-like species are the areas with the highest proportions (46-60 percent) of overexploited, depleted, and recovering stocks.⁶

Figure 3: Big Fish Are All Gone (Catch per Hundred Hooks)



Source: Myers, R.A., and B. Worm, Nature. 2003

A Role for the WTO: Fisheries Subsidies and Sustainability

The WTO has a once in a lifetime chance to demonstrate that it can balance trade and the environment and make one of the greatest contributions to protecting the world's oceans by reducing global fishing subsidies.

–Andrew Sharpless,
Chief Executive Officer, Oceana
24 May 2007

Despite the precarious state of the oceans, many governments continue to provide significant subsidies to their fishing sectors to fish longer, harder, and farther away. According to a new study, fisheries subsidies amount to an estimated \$30 to \$34 billion annually. At least \$20 billion go directly towards supporting fishing capacity, such as boats, fuel, equipment, and other operating costs. These harmful subsidies equal more than 25 percent of worldwide fishing revenue.⁷



The global fishing fleet is already up to 250 percent larger than is needed to fish to catch what the ocean can sustainably produce.⁸ Subsidies lead to even greater fishing capacity and create a major economic incentive for overfishing by making fishing enterprises far more profitable even when the fishery resources are in decline.

Fisheries subsidies also promote other destructive fishing practices. For example, high seas bottom trawling—a practice so environmentally-destructive that the United Nations has called on countries to severely restrict it—would not be profitable without its large subsidies for fuel. Subsidies have also been documented to support illegal, unregulated, and unreported (IUU) fishing – a serious impediment to achieving sustainable fisheries.

The World Trade Organization has an historic opportunity to help stop and reverse the devastating effects of overfishing by significantly reducing government fishing subsidies.

In a first for the World Trade Organization (WTO), the negotiations on global fisheries subsidies in the Doha Development Agenda go beyond trade impacts to explicitly incorporate environmental concerns, with members agreeing to “strengthen disciplines on subsidies in the fisheries sector, including through the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing.”⁹ WTO negotiators are now facing the considerable challenge of developing rules that address the sustainability impacts of subsidies on global fisheries.

In an ideal world, a fisheries management system should be sufficient to prevent the incentive effects of subsidies from resulting in increased catch and overfishing. But in reality, management systems are very far from being effective. Overcapitalized fisheries in OECD countries have been shown to create powerful political pressures on fisheries managers to set catch quotas too high and to impose effort limits too late to prevent serious resource depletion. In the European Union, management controls have not prevented high levels of illegal landings and underreporting of catch, leading to persistent overfishing.¹⁰

WTO Members have offered texts that provide both comprehensive (e.g. Brazil, Indonesia, New Zealand, United States) and limited (e.g. Japan/Korea/Chinese Taipei, Norway) prohibitions on subsidies, reflecting the range of views on the impact of different types of subsidies on the fishery resource. Given the serious condition of the world's fisheries, significant global overcapacity, inadequate fisheries management, long vessel life and rapid decimation of fish stocks (often in a serial manner), most subsidies—with the exception of those effectively aimed at capacity reduction or resource conservation—will increase existing fishing capacity and overfishing.

The negotiating mandate also provides that the importance of this sector to developing countries should be taken into account. Under discussion are special rules that would allow developing countries to provide subsidies to develop their domestic fishing sectors to service local demand for fish products and gain footholds in international trade for fish products.

However, most fisheries in the developing world are already overexploited,¹¹ in which case overfishing subsidies will only serve to deplete the resources further. Where domestic fishery resources are underexploited, for example because of inadequate cold storage facilities or inadequate access to capital,¹² there is an argument for allowing development subsidies.

Recommendations

A broad prohibition on fisheries subsidies is the only approach that will effectively help curtail global overfishing. To the extent that some subsidies such as those for vessel decommissioning are not prohibited outright, they should remain subject to WTO review and disciplines to check against risks that they might cause unforeseen increases in capacity or fishing effort. In addition, stronger provisions on notification and review of subsidies would increase transparency and help ensure that subsidies are consistent with resource sustainability objectives.

There are also a number of key factors that should be considered with regard to resource sustainability and the use of subsidies by developing countries. Critical issues in this area include

defining the circumstances under which developing country subsidies should be allowed, the types of subsidies that would be permitted, and the further criteria for ensuring that currently underexploited resources do not become depleted in the future. The following are suggestions of straightforward and enforceable ways to address these challenges in a WTO context.

- Subsidies should only be allowed if they meet conditions related to the health of the fishery or fisheries in which they would apply. Some practical ways to construct these conditions could be with reference to simple data indicators. Possible indicators could include past trends in quota use, fleet capacity, the length of the fishing season, catch rates, landings and prices. Vessel registry and licensing systems from which fleet capacity and permit use can be determined should also be in place.
- In keeping with development objectives, subsidies should be focused on removing structural barriers through capital and infrastructure investment rather than subsidies to operating costs. Similarly, subsidized activities should be limited to within a country's own jurisdictional waters.
- The existence of a basic management framework is fundamental. It would be irresponsible to allow subsidization without any management or measures to protect the resource. However, the WTO is not a resource management entity nor should be. One approach would be to require what are recognized as minimum elements in fishery management:
 - ✓ Collection of information on catch (including discards and landings), fishing effort, including fishing capacity, and fish populations;
 - ✓ Assessments on the health of fisheries based on the information referred to above;
 - ✓ Establishment of catch limits for targeted species and significant bycatch species; and
 - ✓ Fisheries monitoring, control, surveillance, and enforcement measures.

The WTO can play a critical role in ensuring the future of the oceans. The key question is whether WTO intervention will be ambitious enough to forestall the projected collapse of the world's wild fish populations.

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Oceana campaigns to protect and restore the world's oceans. Our teams of marine scientists, economists, lawyers and advocates win specific and concrete policy changes to reduce pollution and to prevent the irreversible collapse of fish population, marine mammals and other sea life. Global in scope and dedicated to conservation, Oceana has campaigners based in North America (Washington, DC; Juneau, AK; Los Angeles, CA), Europe (Madrid, Spain; Brussels, Belgium) and South America (Santiago, Chile). More than 300,000 members and e-activists in over 150 countries have already joined Oceana. For more information, please visit www.Oceana.org.



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2501 M Street NW, Suite 300
Washington, DC 20037 USA