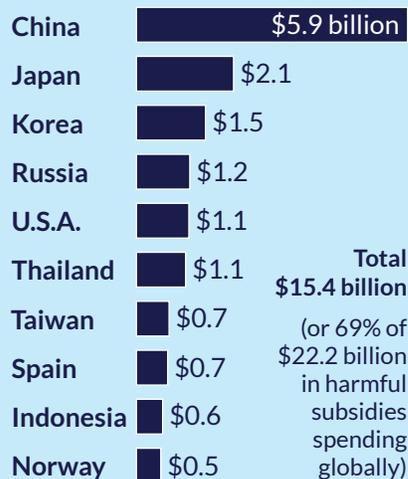


# Tracking Harmful Fisheries Subsidies

## Nations Subsidizing Large-Scale Fishing Fleets Transfer Overfishing Risks to Other Nations, Including Least-Developed Countries

### 'Top 10'

The 10 largest providers of harmful fisheries subsidies (2018):



### KEY FINDINGS

- The top 10 spent more than \$5.3 billion per year in harmful subsidies for fishing activity in the waters of 116 other nations.
- China is the top subsidizer of distant-water fishing, at \$2.9 billion, while Japanese waters host the largest harmful subsidies footprint—\$1.4 billion—made by foreign fleets.
- In the waters of several least-developed countries (LDCs), foreign catch and subsidies are greater than domestic.
- Fleets might not be profitable without fisheries subsidies and unfettered access to the waters of other nations, including LDCs.
- The EU, as a bloc, provided \$2.0 billion in 2018, which would make it the third largest provider of harmful fisheries subsidies.

For years we have known that governments subsidize fishing by their own fleets in the waters of other nations. But we did not know exactly where those dollars were destined, making it hard to determine a cumulative footprint for foreign subsidy spending in coastal state waters.

Now, researchers have mapped these subsidy flows for the first time. The top 10 providers of harmful fisheries subsidies spent more than \$5.3 billion on fishing in the waters of other nations. That is more than one-third of their total harmful fisheries subsidy spending, according to a study authored by Daniel Skerritt and U. Rashid Sumaila of the University of British Columbia and supported by Oceana.

Many nations host heavily subsidized foreign fishing fleets. They do so either intentionally, through fishing agreements, or unwittingly, when unauthorized vessels enter their waters. In some low-income nations, distant-water fishing accounts for most of the catch. And distant-water fleets often receive subsidies worth 20 to 40 percent of the value of that catch, suggesting they might not be profitable otherwise.

These results mean that a large share of the world's fishing subsidies may in effect be transferring overfishing risks from one nation to another and to the high seas—the waters beyond national jurisdiction. Negotiations over the fate of harmful fishing subsidies should seriously consider these findings.

### TRACKING SUBSIDIES FROM SOURCE TO SINK

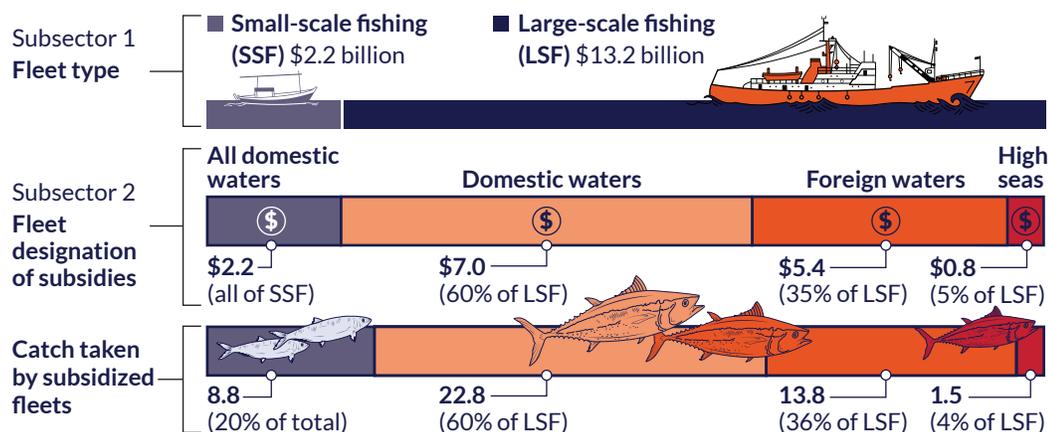
Some fishing subsidies—such as tax breaks and fuel subsidies—create sustainability concerns because they artificially increase profits and encourage more fishing. These payments are known as harmful subsidies, to distinguish them from spending on beneficial or ambiguous programs, such as fisheries management or vessel buybacks.

Researchers estimated the destination of harmful subsidies by combining existing subsidies data with data on the location of fish catches. For the first round of this research, the team focused on the 10 largest providers of harmful subsidies. Research is under way to add subsidies from other maritime nations.

To assign subsidies by destination, the researchers made a key assumption: subsidies flow in proportion to catch. In other words, if half of a nation's catch came from its own waters and half from another country's waters, the researchers assumed the subsidies were also split evenly. This is a conservative assumption; it is possible that more subsidies flowed to distant-water fleets, which use more fuel and may require more support to remain profitable.

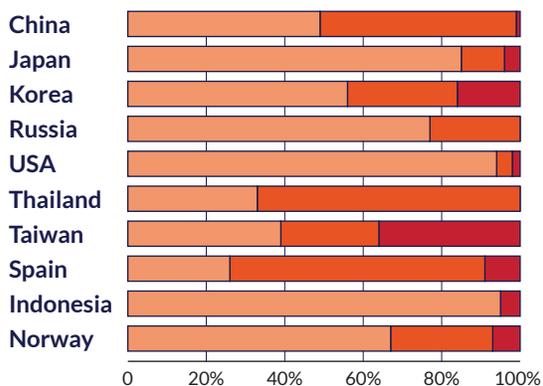
### FLOW OF HARMFUL SUBSIDIES

Harmful subsidies in billions of USD; Catch in millions of tonnes



## FLOW FROM TOP 10 SUBSIDIZERS

Domestic 60% Foreign 35% High seas 5%



## WHERE DO THE SUBSIDIES GO?

The top 10 subsidizers were active in the waters of 116 nations. Four of the top five destinations for distant-water subsidies were themselves heavy subsidizers. Indeed, other nations caught more fish from the waters of Japan and South Korea than those nations' own domestic fleets.

### LEADING DESTINATIONS OF THE TOP 10 FLEETS,

By sum of foreign catch in millions of tonnes in 2016

1 Japan: 3.1 2 Indonesia: 1.6 3 High seas: 1.5 4 Russia: 1.4 5 Korea: 1.1

The three nations outside the top 10 subsidizers with the greatest catch taken from them by the top 10 were Morocco, Malaysia and Cambodia.

Harmful subsidies are of particular concern if they encourage distant-water fishing in the waters of lower-income nations, including least-developed countries.

## EFFECT OF FISHING SUBSIDIES ON LEAST-DEVELOPED COUNTRIES

The study found some evidence that subsidizing distant-water fleets may negatively affect fish stocks and fisheries in LDCs. In several LDCs, researchers estimate that harmful fisheries subsidies supported more than 20 percent of the foreign catch value. This finding suggests that these distant-water fleets would not be profitable without subsidies. Other data show that foreign subsidies and catches are greater than domestic subsidies and catches, further suggesting disproportionate impact by the foreign fleets on local resources.

### COUNTRIES MOST OUTSPENT BY TOP 10 SUBSIDIZERS,

By ratio of foreign to domestic harmful subsidies ■ 1:1 to 10:1 ■ >10:1 — LDC

| LDCs with widest ratios                            | 1<br>Guinea-Bissau | 2<br>Somalia | 4<br>DR Congo | 5<br>Sierra Leone | 6<br>Guinea |
|--|--------------------|--------------|---------------|-------------------|-------------|
| Subsidies ratio<br>Foreign : Domestic              | 1,173 : 1          | 31 : 1       | 11 : 1        | 10 : 1            | 7 : 1       |
| Catch ratio<br>Foreign : Domestic                  | 3 : 1              | 2 : 1        | 1 : 3         | 2 : 1             | 2 : 1       |
| Foreign subsidies as a %<br>of foreign catch value | 42%                | 17%          | 46%           | 27%               | 35%         |

| 3<br>Cambodia   |        |
|---|--------|
| Cambodia was one of the few non-African countries where foreign harmful subsidies were far greater than domestic. An estimated \$122.1 million in harmful subsidies went to foreign vessels fishing in Cambodia's waters. |        |
| Foreign to domestic subsidies   | 11 : 1 |
| Foreign to domestic catch   | 5 : 4  |
| Foreign subsidies as a %<br>of foreign catch value  | 16%    |



Nations not shown on map with at least 1 : 1 ratio of Top 10 foreign to domestic harmful subsidies:

|                    |        |
|--------------------|--------|
| ■ Nauru            | 44 : 1 |
| ■ Palau            | 31 : 1 |
| ■ Kiribati (LDC)   | 6 : 1  |
| ■ Tuvalu (LDC)     | 5 : 1  |
| ■ Marshall Islands | 1 : 1  |

## EXPORTING THE RISK OF OVERFISHING TO LDCs

Although this research did not directly assess the sustainability of fisheries and fish stocks, it suggests that subsidies to distant-water fleets could be affecting both. Because profit margins are often thin in the fishing industry, it seems likely that subsidies of this magnitude are encouraging fishing that would not otherwise be economically attractive. This circumstance is often associated with unsustainable fishing.

Furthermore, some of the largest subsidies (judging by the share of the catch value) flow to the waters of LDCs, which may have limited capacity to manage fisheries. The top 10 subsidizers may therefore be supporting their own fishing fleets by transferring overfishing risks to the countries that can least afford it.

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