

**SMALL SCALE, ARTISANAL FISHERIES**

Submission by India<sup>1</sup>

The following communication, dated 3 March 2006 is being circulated at the request of the Delegation of India.

**Introduction**

1. Paragraph 28<sup>2</sup> of the Doha Ministerial Declaration provides the mandate for negotiations in the area of fisheries subsidies, which *inter-alia* provides that in the context of Rules negotiations, participants **shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries.**
2. The Negotiating Group on Rules (NGR) has been making progress through Members' contributions on different aspects of any new disciplines relating to fisheries subsidies. On the overall framework for any future disciplines, India shares Brazil's views<sup>3</sup> that inland fisheries should be excluded from the purview of such disciplines.
3. The Declaration<sup>4</sup> adopted at the recently concluded Hong Kong Ministerial Conference reaffirms the Doha mandate and provides further guidance for negotiations in its Annex D, which specifically emphasizes that appropriate and effective special and differential treatment for developing and least-developed Members should be an integral part of the fisheries subsidies negotiations, taking into account the importance of this sector to development priorities, poverty reduction, and livelihood and food security concerns.

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<sup>1</sup> This is without prejudice to India's position on these issues. It is also without prejudice to additional views or any future submissions by India on this or other aspects of S & DT for fisheries subsidies in any new disciplines.

<sup>2</sup> "In the light of experience and of the increasing application of these instruments by members, we agree to negotiations aimed at clarifying and improving disciplines under the Agreements on Implementation of Article VI of the GATT 1994 and on Subsidies and Countervailing Measures, while preserving the basic concepts, principles and effectiveness of these Agreements and their instruments and objectives, and taking into account the needs of developing and least-developed participants. In the initial phase of the negotiations, participants will indicate the provisions, including disciplines on trade distorting practices, that they seek to clarify and improve in the subsequent phase. In the context of these negotiations, participants shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries. We note that fisheries subsidies are also referred to in paragraph 31." [WT/MIN(01)/DEC/1, 20 November 2001]

<sup>3</sup> Brazil, TN/RL/GEN/79

<sup>4</sup> WT/MIN(05)/DEC, 22 December 2005

## I. SCOPE OF THE PAPER

4. This submission by India is intended to highlight the importance and need for Special and Differential Treatment (S&DT) in any new disciplines relating to fisheries subsidies, with specific focus on small-scale, artisanal fisheries. The treatment of small scale, artisanal fishing has been addressed in several Members' submissions<sup>5</sup> before the NGR. India has considerable interest in these discussions and has actively participated in them. The scope of this submission does not cover the entire gamut of S&DT for developing countries, but is limited to the issue of small scale, artisanal fisheries and its possible treatment in any new disciplines. This submission is without prejudice to any additional views and submissions that India may present to the NGR on this and other related issues.

### **Fisheries sector: Its importance to Developing Countries**

5. The debate on fisheries subsidies is critical to many developing countries in general and especially those for whom fisheries constitutes the main source of livelihood, employment, means of poverty alleviation, food security and also source of export earnings. It has been estimated that developing countries are responsible for about half of world production of fish, accounting for 49% of fish exports by value and 55% by volume<sup>6</sup>.

### **Fisheries sector: An important sector of Indian economy**

6. The geographic base of Indian marine fisheries include 8118 km. coastline, 2.02 million sq. km. of Exclusive Economic Zone (EEZ) including 0.5 million sq. km. of continental shelf and 3937 fishing villages. Fisheries is one of the important sectors in the socio-economic development of the country. Sandy and rocky terrain, brackish-water wetlands make marine and estuarine fisheries an important source, and often the only source, of livelihood for poor coastal fishing community. In general, the fishing communities have traditionally been engaged in fishing activities for many generations. Fish is an important source of animal protein in India, especially among the coastal population. Fisheries is thus an important source of employment, income and food and livelihood security of the large coastal population<sup>7</sup>. Given the importance of this sector to its economy and growth, the Indian Government formulated a Comprehensive Marine Fisheries Policy<sup>8</sup> in November 2004, which advocates protection, consideration and encouragement of subsistence level fishermen and technology transfer to the small-scale sector. Some basic facts<sup>9</sup> on this sector that would highlight its importance for India can be summarized as follows:

- More than 14.4 million people engaged in fishing and fishing related activities, for their livelihood, a majority of whom live in 3937 coastal villages, besides fishermen hamlets along major river basins and reservoirs in the country.
- Most of them are resource poor and engage mainly in subsistence level fishing or sell their catch for consumption in local community.
- The fisheries sector contributes approximately Rs.270 billion to national income which is around 1.1 % of the total GDP.

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<sup>5</sup> TN/RL/W/77 (US); TN/RL/GEN/56 & 79 (Brazil); TN/RL/GEN/92 (Korea), TN/RL/GEN/57/Rev.2 (Antigua & Barbuda, Barbados, Dominican Republic, Fiji, Grenada, Guyana, Jamaica, Papua New Guinea, St Kitts and Nevis, St Lucia, Solomon Islands & Trinidad and Tobago)

<sup>6</sup> FAO, State of the World Fisheries and Aquaculture (2004).

<sup>7</sup> Planning Commission, Tenth Five Year Plan (2002-2007), Chapter 5:2

<sup>8</sup> Comprehensive Marine Fisheries Policy 2004, <http://dahd.nic.in/fishpolicy.htm>

<sup>9</sup> Source: Planning Commission, Tenth Five Year Plan (2002-2007); Department of Animal Husbandry and Dairying, Government of India, and the FAO.

- India is the fourth largest fish producer in the world with production during the year 2003-04 of 6.39 million tones; a majority of India's fish production (around 80-90 %) is used for domestic consumption.

### **Need for addressing the development dimension**

7. India has been engaging in the negotiations on fisheries subsidies in NGR with considerable interest, and it notes with satisfaction that several other countries, both developed and developing, have emphasized the significance of the S&DT issue. Among many other topics, Members' submissions, *inter-alia* by the EC, US, New Zealand, Brazil, Korea, Japan, Chile, Chinese Taipei, a group of developing countries (Antigua & Barbuda, Barbados, Dominican Republic, Fiji, Grenada, Guyana, Jamaica, Papua New Guinea, St Kitts and Nevis, St Lucia, Solomon Islands & Trinidad and Tobago) have addressed the issue of special and differential treatment (S&DT) for developing countries in any new disciplines relating to fisheries subsidies.

8. The principle of special and differential treatment (S&DT) is rooted in the basic tenets of the WTO/GATT architecture. Addressing the needs and interests of developing countries is the central to the Doha Work Programme. Members have reiterated this commitment at the recently concluded Hong Kong Ministerial Conference. Any improved disciplines relating to fisheries subsidies should take fully into account the importance of S&DT for developing countries. What is important is to give practical application to the development dimension in any such new disciplines. Fisheries sector is one of the important sectors in the socio- economic development of many developing countries. The fisheries sector impacts not only the livelihood security of the large coastal population, but also country's overall food security and employment. The SCM Agreement recognizes that 'subsidies may play an important role in the economic development of developing country members'. Given this reality, any disciplines under the ASCM would need in-built safeguards to adequately protect the interests of the developing countries and provide them adequate policy space for addressing these development priorities.

9. Fisheries subsidy disciplines are premised on enhancing the ambit of ASCM from one that has as its primary concern 'trade distortions' to one that seeks to address problems of over-fishing and overcapacity. India, therefore, believes that S&DT under any future disciplines on fisheries subsidies would need to have several components to provide adequate policy space to developing countries, which should be in addition to those in Article 27 of the SCM Agreement. Some developing country Members have presented their ideas on this important aspect and India is willing to work with them and other Members to ensure that effective S&DT is integrated in any new disciplines relating to fisheries subsidies.

### **Towards a definition for small scale, artisanal fisheries**

10. The development dimension of small scale, artisanal fishing has been recognized by several inter-governmental agencies and WTO Members. A group of developing countries has made a case for exemption of measures undertaken by their governments to assist artisanal fisheries sector<sup>10</sup>. The recent submissions by Brazil<sup>11</sup> and Korea<sup>12</sup> have shared their ideas on the special treatment of this category. United States have noted that subsidies to artisanal fisheries is not the intended focus of the new WTO fisheries disciplines<sup>13</sup>.

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<sup>10</sup> TN/RL/W/136/TN/RL/GEN/57/Rev.2(Antigua & Barbuda, Barbados, Dominican Republic, Fiji, Grenada, Guyana, Jamaica, Papua New Guinea, St Kitts and Nevis, St Lucia, Solomon Islands & Trinidad and Tobago)

<sup>11</sup> TN/RL/GEN/79

<sup>12</sup> TN/RL/GEN/92

<sup>13</sup> United States, TN/RL/W/77, 19 March 2003.

11. Several international organizations such as the FAO, UNEP, World Bank and Asian Development Bank, have discussed the elements of a definition for small scale, artisanal, traditional fisheries, based on certain characteristics. A recent note<sup>14</sup> by the WTO's Secretariat puts together a number of such definitions, as well as those that can be inferred from the laws & regulations of some WTO Members. It is interesting to note that words such as artisanal, traditional, small scale are sometime used interchangeably and in an overlapping manner in several of the definitions discussed. It has been recognized and emphasized by most inter-governmental organizations working on this area that because of the varying socio-economic conditions in different countries, it may not be possible to arrive at a universal definition for 'artisanal and/or small-scale fisheries'. Therefore, while developing a common definition would seem to be a difficult task, it might perhaps be useful to have a common understanding on some general characteristics applying to such category.

12. Based on the broad elements that have been advanced by international organizations such as FAO, the World Bank, Asian Development Bank and ICCAT and Members' submissions thus far, India believes that the common characteristics for developing an understanding of small-scale, artisanal fisheries may be based on a recognition of the following:

- They are traditional fisheries involving fishing households or small groups of fishworkers.
- The fishing vessel could vary from gleaning or a one-man canoe to up to 20 m, including trawlers, seiners or long-liners.
- They use relatively small fishing vessels, which may be non-motorized or use small out board engines (say up to 10 bhp).
- The fishing is confined to close to the shoreline.
- Use of fishing gear such as beach seine and gill nets, hook and line, and traps.
- Use of labour-intensive technologies
- Artisanal fisheries can be both subsistence or commercial, providing for local consumption or export as well.

### **Concluding Remarks**

13. In the light of the above, and given the development priorities, food security and livelihood concerns of developing countries, India believes that special treatment for small scale, artisanal fisheries in any new disciplines is essential. Features listed in para 12 above, including socio-economic and technical, have also been suggested by others in identifying the characteristics of small-scale, artisanal fisheries. These characteristics however may differ from country to country and region to region. Hence the elements need to be defined in an inclusive manner, in order to account for such differences. Each country should however have transparent and adequate justifications on the basis of their development priorities, livelihood and food security related concerns, while designing subsidies for small scale, artisanal fish workers.

14. India recognizes and shares the objective of the importance of management of fishery resources towards sustainable fisheries. Both the central and state governments have undertaken resource management measures, including closed season fishing, regulation of mesh size, earmarking areas for fishing vessels. India is signatory to UNCLOS. India has also adopted various provisions of the FAO Code of Conduct for Responsible Fisheries – though the Code is voluntary, and Government policies and programmes are broadly in tune with the provision of the Code. India is a member of the Indian Ocean Tuna Commission and is actively participating in all the major programmes aimed at conservation and management of Tunas in the Indian Ocean Region

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<sup>14</sup> TN/RL/W/197 Note by the WTO Secretariat

15. India is willing to engage actively on this subject as on range of other issues impinging upon the nature and structure of any new disciplines in fisheries sector, special and differential treatment for developing countries, in accordance with the Doha mandate as elaborated in Hong Kong Ministerial Declaration.

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