

# 2022 WTO Agreement on Fisheries Subsidies

On June 17, 2022, the member states of the World Trade Organization (WTO) at its 12th Ministerial Conference agreed on a framework to limit harmful subsidies that member states may provide to fisheries, in an effort to sustain coastal fish populations and disincentivize illegal fishing activities. As of 2018, the governments which spend the most on fisheries subsidies include the United States and European Union, as well as highly developed East Asian countries such as China, Japan, and South Korea. The agreement came about after over 20 years of negotiations on the topic at the international level, through periods of accelerated and subdued discussions. The Agreement on Fisheries Subsidies marks the first time a Sustainable Development Goal (SDG) target, set by the United Nations in 2015, has been agreed upon in a multilateral organization. However, it will not come into effect until 2/3rds of member states submit “instruments of acceptance” regarding the proposal to the WTO. As of July 2023, 13 independent states have submitted their acceptances, in addition to the European Union. The United States formally accepted the agreement in April 2023.

The Agreement on Fisheries Subsidies is founded on prohibiting subsidies towards three types of activities; those that promote IUU (illegal, unreported, and unregulated) fishing, further fishing of already overfished stocks, and fishing-related activities outside of a member state/regional organization’s maritime jurisdiction or international waters. According to a 2021 study published by the University of California – Santa Barbara, if the subsidy prohibitions in the Agreement were to be fully implemented, they could yield a 12.5% increase to the fish biomass worldwide and provide needed relief to overfished populations. Further negotiations on the Agreement are set to continue, especially regarding any special and differential treatment (SDT) that may be granted to developing countries. LDCs have been granted SDTs on various WTO agreements in the past, allowing

them more time or or assistance to meet goals. A pathway for assistance was built into the agreement, as WTO members agreed to a Fisheries Subsidies Mechanism, providing a voluntary fund to be used to assist LDCs in their ability and capacity to meet the requirements.

One challenge for implementing the agreement successfully is that countries will have to take further stock of the population levels of nearby fish, many of which currently go unassessed. Member states would be required to report to the WTO the fisheries subsidies that they continue to provide, to ensure that those populations are not and do not become overfished. Another challenge to implementation is the timeframe allowed for negotiations. The agreement must be accepted by 2/3rds of member states by 2028, otherwise it will lapse. Given the WTO’s history of slow moving negotiations, it is yet unclear whether there is enough international support for the agreement until further negotiations on SDT exceptions and other issues are hammered out. Finally, since the Agreement solely prohibits subsidies that promote unregulated and extrajudicial overfishing, there are some in the WTO who worry about non-subsidy actions taken to evade the agreement’s terms.

## Looking Forward

If the Agreement on Fisheries Subsidies is to be accepted and ratified by 2028, it would mark a meaningful step towards global agricultural cooperation, and could provide a useful negotiating framework for future sustainability efforts. The Agreement’s efforts to combat forced labor through economic coercion, as well as limiting the widespread practice of using “flags of convenience” on fishing ships, may allow member states to crack down on maritime human rights violations and improve quality of life for workers in the industry.