



Agreement on Fisheries Subsidies

For Prelims: WTO, Ministerial Conference, India's Fisheries Sector, Special and Differential Treatment

For Mains: Significance of India's Fisheries Sector, Effects of Policies of International Groupings on India's Interest & Economy

Why in News?

Recently, **Agreement on Fisheries Subsidies (AFS)** was concluded at the [World Trade Organization \(WTO\) Ministerial meeting](#).

What is the WTO Ministerial Conference?

- **WTO:**
 - It came into being in **1995**.
 - The WTO is the successor to the **General Agreement on Tariffs and Trade (GATT)** established in the wake of the Second World War.
 - Its objective is to **help trade flow smoothly, freely and predictably**.
 - It has **164 members**
- **WTO Ministerial Conference:**
 - It is the WTO's **top decision-making body** and usually **meets every two years**.
 - All members of the WTO are involved in the MC and they can take decisions on all matters covered under any multilateral trade agreements.

What do we know about the Agreement?

- **About:**
 - It will **prohibit subsidies** from being provided for **Illegal, Unreported and Unregulated (IUU)** fishing and overfished stocks.
 - The agreement also **prohibits** providing subsidies for **fishing** on high seas, which are **outside the jurisdiction of coastal countries and Regional Fisheries Management Organizations/ Arrangements**.
- **Transition Period Allowance:**
 - Under the **Special and Differential Treatment (S&DT)**, Developing Countries and Least Developed Countries (LDCs) have been allowed a **transition period of two years** from the date of entry into force of this Agreement.
 - They will have **no obligation** to implement disciplines for the specified period.
- **Exempted Areas:**
 - **No prohibition** has been imposed on a WTO Member regarding granting or maintaining subsidy to its vessel or operator **as long as it is not carrying out IUU**.
 - **No prohibition** on providing subsidies has been imposed for fishing regarding **overfished**

stocks as long as such subsidies are implemented to rebuild the stock to a biologically sustainable level.

▪ **Benefits:**

- It 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.

What is India's Stand?

- India 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.
 - Therefore, those 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'**.

What do we know about India's Fisheries Sector?

▪ **About:**

- Fishing is the **capture of aquatic organisms in marine, coastal and inland areas**.
- Marine and inland fisheries, together with aquaculture, provide food, nutrition and a source of income to **millions of people around the world, from harvesting, processing, marketing and distribution**.
- For many it also forms part of their traditional cultural identity.
- One of the greatest threats to the sustainability of global fishery resources is **illegal, unreported and unregulated fishing**.

▪ **Indian Scenario:**

- India is the **second largest fish producing country in the world** accounting for 7.56% of global production and contributing about 1.24% to the country's **Gross Value Added (GVA)** and over 7.28% to the agricultural GVA.
- Fisheries and aquaculture continue to be an **important source of food, nutrition, income and livelihood to millions of people**
- India aims to achieve a target of producing 22 million metric tonnes of fish by 2024-25.
- The fisheries sector has witnessed three major transformations in the last few years:
 - The growth of inland aquaculture, specifically freshwater aquaculture.
 - The mechanization of capture fisheries.
 - The successful commencement of brackish water shrimp aquaculture.

▪ **Related Government Initiatives:**

◦ **Fishing Harbours:**

- The development of five major **Fishing Harbours** (Kochi, Chennai, Visakhapatnam, Paradip, Petuaghat) as hubs of economic activity.

◦ **Seaweed Park:**

- **Multipurpose seaweed park in Tamil Nadu** would be the center of production for quality **seaweed**-based products, developed on a hub and spoke model.

◦ **Pradhan Mantri Matsya Sampada Yojana:**

- It strives to create direct **employment** to 15 lakh fishers, fish farmers, etc. and about thrice this number as indirect employment opportunities.
- It also aims to double the incomes of fishers, fish farmers and fish workers by 2024.

◦ **Palk Bay Scheme:**

- The Scheme, **"Diversification of Trawl Fishing Boats from Palk Straits into Deep Sea Fishing Boats"** was launched in 2017 as a **Centrally Sponsored Scheme**.

- It was launched as part of the umbrella **Blue Revolution Scheme**.

◦ **Marine Fisheries Bill, 2021:**

- The Bill proposes to only grant licenses to vessels registered under the Merchant

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. The terms 'Agreement on Agriculture', 'Agreement on the Application of Sanitary and Phytosanitary Measures' and 'Peace Clause' appear in the news frequently in the context of the affairs of the (2015)

- (a) Food and Agriculture Organization
- (b) United Nations Framework Conference on Climate Change
- (c) World Trade Organization
- (d) United Nations Environment Programme

Ans: (c)

Explanation:

- The terms 'Agreement on Agriculture', 'Agreement on the Application of Sanitary and Phytosanitary Measures' and 'Peace Clause' are associated with World Trade Organization (WTO):
 - The WTO Agreement on Agriculture (AoA) provides a framework for the long-term reform of agricultural trade and domestic policies with the aim of leading to fairer competition and a less distorted sector.
 - The WTO's Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) aims to provide the balance between the right of governments to protect food safety, plant and animal health, and prevent these sanitary and phytosanitary measures from being unjustified trade barriers.
 - Peace Clause holds that domestic support measures and export subsidies of a WTO member, which are legal under the provisions of the Agreement on Agriculture cannot be challenged by other WTO members on grounds of being illegal under the provisions of another WTO agreement.
- **Therefore, option (c) is the correct answer.**

Mains

Q. What are the key areas of reform if the WTO has to survive in the present context of 'Trade War', especially keeping in mind the interest of India? (2018)

Source: PIB