

**Committee on Trade and Environment**

**GATT/WTO RULES ON SUBSIDIES AND AIDS GRANTED IN THE FISHING INDUSTRY**

**Update of Notifications under the SCM Agreement**

Note by the Secretariat

Addendum

**I. INTRODUCTION**

1. This Note has been prepared in response to a request by the Committee on Trade and Environment under Item 6 of its work programme. It is an update of document WT/CTE/W/80, dated 9 March 1998 and Add.1, dated 21 September 1999, which presented an overview of possible subsidies relating to the fishing industry, that were notified under Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement).

2. The subsidies listed in the tables below were notified between September 1999 and April 2001. These tables are not exhaustive and are not meant to interpret the notifications. It is therefore recommended to consult the original document for a complete description of the subsidy programmes in question. Moreover, the classification may be arbitrary in some instances: this is due to the fact that the information provided in the notifications does not always permit the nature of the subsidy to be identified.

3. These tables are without prejudice to the compatibility of the subsidy in question with the rules of the SCM Agreement, its effects under the Agreement or the nature of the measure. Similarly, these tables are not intended to pass any judgement on the effects of those subsidies on fisheries resources. The purpose of this compilation is merely to illustrate the types of subsidies notified by WTO Members and to show that the notification mechanism of the SCM Agreement represents a source of transparency in this sector.

**II. NOTIFICATIONS OF FISHERIES RELATED SUBSIDIES**

4. As in previous compilations, there are four categories of notifications included in this Note. The attached four tables include subsidies notified: (A) to the harvesting sector; (B) to the shipbuilding industry; (C) to the industry engaged in processing and/or sale of wild harvested fish; and (D) other subsidies related to the fishing industry.

TABLE A: TO THE HARVESTING SECTOR

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
European Communities for Sweden G/SCM/N/48/EEC/Add.14	Aid for Fleet Renewal and Modernization of Fishing Vessels	Grant to fishing enterprises	To strengthen the structure and to develop economically viable enterprises in the sector. Expenditures eligible for aid are: RSW tanks, safety equipment, selective gear, etc.
	Aid for Adjustment of Fishing Effort	Grant to fishing enterprises	To achieve a sustainable balance between resources and their exploitation. Expenditures eligible for aid are: scrapping; permanent transfer to third country.
	Aid for Temporary Cessation of Fishing Activities	Grant to fishing enterprises	To achieve sustainable balance between resources and their exploitation. Expenditures eligible for aid are: compensation for the loss of income associated with a temporary cessation measure introduced as a result of unforeseen and non-recurring circumstances attributable to biological causes.
	Payment of Compensation to Producers' Organizations	Grant	To grant financial compensation to producers' organizations for losses when fish has been withdrawn from the market.
	Governmental Subsidy for Fish-Stocking	Grant	To enhance stocks of eel and salmonids for the commercial fisheries in coastal and inland waters.
European Communities for Ireland G/SCM/N/48/EEC/Add.8	Sea Fishing - Repayment of Hydrocarbon Oil and LPG Excise Duty in the Case of Sea Fishing	Repayment of Excise Duty to sea-fishermen.	To assist the sea-fishing industry.
European Community for Ireland G/SCM/N/60/EEC/Add.8	Sea Fishing - Repayment of Hydrocarbon Oil LPG Excise Duty in Case of Sea Fishing	Excise duty relief to Fishermen	To assist the sea-fishing industry.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
Latvia G/SCM/N/60/LVA	Fisheries Funds	Aid for fisheries, scientific and research activities	To increase and preservation of fish stock.
	Support for Development of Deep-Sea Fishery	Loan for fishing in distant waters deep-sea fishermen	To support the management of deep-sea fishery.
Norway G/SCM/N/60/NOR	Support for Specific Fisheries		
	Interest Rate Subsidies for Fishing Vessels for Domestic Deliveries – Long-Term Financing and Construction Loans	Interest rate subsidy and construction loan subsidy for the shipowners	Modernization of fishing vessels.
	Support to the Modernization and Capacity Adjustment of the Fishing Fleet; Contract Subsidies and Decommissioning Grant	Subsidy to shipowners	Modernization of fishing vessels in combination with fleet reduction. The present programme is a combined scheme for decommissioning and contracting.
	Support to Long-line Baiting Facilities	The subsidy is given to members of organized long-line baiting facilities.	
	Support for the Formation of Management Groups in the Coastal Fleet (The scheme came to an end in 1995.)		

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
Slovenia G/SCM/N/60/SVN	Support for Fisheries	Grants, exemptions and relief in the payment of social security contributions, basic research and development projects, other sources of aid to fishing companies, other legal and physical person engaged in fishing activity.	To improve stock conservation and management, to strengthen monitoring of fishing activities, to protect and to develop fish stocks and coastal waters.
European Communities for Spain G/SCM/N/48/EEC/Add.13	Special Economic Aid to Shipowners Affected by Stoppage of Fishing	Non-repayable subsidies to owners of fishing vessels, through the collaborating entities, fishing for cephalopods and trawling for black hake in the Moroccan fishing grounds.	To provide assistance for temporary cessation of activities of fishing fleets caused by unforeseen and non-repetitive events.
European Communities for Regional Governments in Spain G/SCM/N/48/EEC/Add.13/Suppl.1			
Canary Islands	The Modernization or Restructuring of Fishing Fleet of the Canary Islands and Provision of Radio Communication Facilities for Boats Engaged in Inshore Fishing	Non-repayable subsidy to vessels	To promote installation of equipment and facilities together with certain kinds of work and modifications on boats engaged in inshore fishing.
Murcia	Aid for Temporary Stoppage of Fishing by Purse-Seine and Trawling Fleet	Direct subsidy to owners of fishing vessels	To provide aid for temporary stoppage of fishing.
Basque Country	Access to Ownership of Fishing Boats	Non-repayable subsidy to natural and legal persons	To provide aid for the purchase of fishing boats in service.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
Valencia	Aid for Temporary Stoppage of Activity by Fishing Fleet	Direct subsidized premium to owners' vessels	To allow resources to recover through biological halts.
	Aid to Associations and Federations of Fishermen	Direct subsidy	To operate control scheme applicable to the common fisheries policy.
European Communities for the United Kingdom G/SCM/N/48/EEC/Add.15	Grants Towards the Acquisition of Freshwater Fishing Vessels and Engines (Northern Ireland)	Grants	To encourage modernization of the freshwater fishing fleet and to sustain the local boat building industry
	The Fish Producers' Organization (Formation Grants) Scheme	Grant to fish producers' organizations	To encourage development of recognized organizations and facilitate their operation in the early years.
	Fisheries and Aquaculture (Wales)	Grants	To provide matching finance for FIFG-aided fishery products.
European Communities for Belgium G/SCM/N/48/EEC/Add.2	Aid to Fisheries and Aquaculture Sector	Subsidized interest rates on loans granted, capital subsidy, loan guarantees to shipowners, fish farmers and their cooperatives.	To promote operations to increase productivity of shipping and fish farming companies, to ensure their profitability and reduce costs.
	Fishing Vessels - Permanent Cessation	EU-refunds	To achieve a balance between capacity of fishing fleet and fisheries resources (decommissioning of fishing vessels).
	Fishing from Coast (Hauling Up Vessels)	EU-refunds	To support fishing from the coast off North Western Jutland.
	Consultancy for Fishery and Aquaculture	EU-refunds	To help fishermen make economically sound decisions and to advise them about the Danish and Community structural measures.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
	Modernization of Fishing Port Facilities	EU-refunds	To modernize and develop fishing port facilities.
	Loans to Young Fishermen	EU-refunds (loans)	To help young fishermen to buy their first vessel or share of a vessel.
	Modernization of Fishing Vessels	EU-refunds	To modernize fishing fleet thereby improving efficiency, quality and utilisation of resources in fishing sector.
European Communities for Belgium (Flemish Region) G/SCM/N/60/EEC/Add.2	Aid to Fisheries and Aquaculture Sector	Interest rate subsidy, capital subsidy, loan guarantees to family sea-fishing enterprises and fish farms and their cooperatives	To ensure profitability and reduce costs.
European Communities for Denmark G/SCM/N/60/EEC/Add.3	Fishing Vessels - Permanent Cessation	EU-refunds	To achieve a balance between capacity of fishing fleet and fisheries resources (decommissioning of fishing vessels).
	Fishing from Coast (Hauling Up Vessels)	EU-refunds	To support fishing from the coast off North Western Jutland.
	Consultancy for Fishery and Aquaculture	EU-refunds	To help fishermen make economically sound decisions and to advise them about the Danish and Community structural measures.
	Modernization of Fishing Port Facilities	EU-refunds	To modernize and develop fishing port facilities.
	Loans to Young Fishermen	EU-refunds (loans)	To help young fishermen to buy their first vessel or share of a vessel.
	Modernization of Fishing Vessels	EU-refunds	To modernize the fishing fleet thereby improving efficiency, quality and utilisation of resources in fishing sector.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
European Communities for Sweden G/SCM/N/60/Add.14	Aid for Fleet Renewal and Modernization of Fishing Vessels	Grant to fishing enterprises	To strengthen structure and to develop economically viable enterprises in the sector.
	Aid for Adjustment of Fishing Effort	Grant to fishing enterprises	To achieve sustainable balance between resources and their exploitation.
	Investment Aid to Fishing Port Facilities	Grant to local authorities and other public bodies, fishermen and fish processing enterprises connected to harbours, fishing harbour associations	To improve and adapt structure in fisheries sector.
	Aid for Temporary Cessation of Fishing Activities	Grant to fishing enterprises	To achieve sustainable balance between resources and their exploitation.
	Payment of Compensation to Producers' Organizations	Grant	To grant financial compensation to producers' organizations for losses when fish has been withdrawn from the market.
	Governmental Subsidy for Fish-Stocking	Grant	To enhance stocks of eel and salmonids for commercial fisheries in coastal and inland waters.
Japan G/SCM/N/60/JPN/Suppl.1	Fisheries Modernization Fund Interest Subsidy	In order to facilitate fishermen's investments in the introduction of more advanced fishery management, the prefectural governments provide interest subsidy to finance organizations including fishery cooperatives and the Government provides part of the necessary expenses to the prefectural governments.	To contribute to the modernization of fisheries management.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
	Fisheries Trust Fund Subsidy	This programme covers part of expenses borne by the Agriculture, Forestry and Fisheries Trust Fund which is necessary for activities of fisheries mutual relief associations.	To contribute to the management of natural disaster compensation system for fisheries.
	Fund for the Projects Implemented by Regional Governments for Promoting Sustainable Fisheries	Subsidies are provided for sustainable management of fishery resources, promotion of stock enhancement and aquaculture, restructure of fishing entities, conservation of coastal environment and recruitment of fishermen are implemented for stable supply of food. Subsidies for promotion of distribution, processing and consumption of fishery products are implemented for safe and efficient supply of food.	To implement comprehensive programmes for the promotion of sustainable fisheries, and thereby to ensure stable, safe and efficient supply of food to the people.
	Fund for the Activities Implemented by Non-Government Organizations for Promoting Sustainable Fisheries.	Subsidies are provided for sustainable management of fishery resources, promotion of stock enhancement and aquaculture, restructure of fishing entities, conservation of coastal environment and recruitment of fishermen are implemented for stable supply of food. Subsidies for promotion of distribution, processing and consumption of fishery products are implemented for safe and efficient supply of food.	To implement comprehensive programmes for the promotion of sustainable fisheries, and thereby to ensure stable, safe and efficient supply of food to the people.



Member and symbol of the notification	Title	Form and Beneficiaries	Objective
Korea G/SCM/N/60/KOR	Support for Development of Deep-Sea Fishery	Loan for fishing in distant waters for deep-sea fishermen	To support the management of deep-sea fishery.

TABLE B: TO THE SHIPBUILDING INDUSTRY

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
European Communities for Portugal G/SCM/N/48/EEC/Add.12	Aid for Shipbuilding and Ship Conversion	Decree Law No. 296/89 provides for the grant of non-repayable subsidies.	Operational assistance for national shipyards leading to joint participation in shipbuilding or ship conversion costs and compensation for losses.
European Communities for Germany G/SCM/N/48/EEC/Add.6	Interest-Rate Grants to Finance Orders to German Shipyards (" <i>Werfthilfen</i> ")	Grant to shipbuilding companies in the Federal Republic of Germany.	The eighth shipyard assistance programme (VIII. Werfthilfeprogramm) exists to provide non-repayable interest-rate grants under the relevant OECD agreement regarding export credits for ships and the relevant EC directives on shipbuilding subsidies.
European Communities for Finland G/SCM/N/48/EEC/Add.4	Aid for Shipbuilding	Grant by the Ministry of Trade and Industry for shipbuilding and ship conversion	Contract-related aid for shipbuilding
European Communities for Italy G/SCM/N/48/EEC/Add.9	Production Aids to Shipyards	Grant to shipyards	To bridge the gap between the prices of the most competitive EU shipyard and world prices.
European Communities for the Netherlands G/SCM/N/48/EEC/Add.11	Besluit Subsidies <i>Zeescheepsnieuwbouw</i> 1994 (Decision order-related subsidies for shipbuilding).	Subsidy is given to Dutch shipyards as a grant related to contracts of seagoing civil merchant ships.	To reduce the effects of competition distortion of other subsidies provided by other main shipbuilding countries.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
Norway G/SCM/N/60/NOR	Grant for Building or Purchase of Vessels to the County of Finnmark	Grant	To support the fishing fleet in the Finnmark region.
	Construction of Vessels	EU-refunds	To ensure competitive renewal of fishing fleet.
European Communities for Belgium (Flemish Region) G/SCM/N/60/EEC/Add.2	Aid for Shipbuilding	Direct subsidy, interest subsidy, guarantees (including investment in fishing boats) to shipyards	Continuity of shipbuilding
European Communities for Denmark G/SCM/N/60/EEC/Add.3	Construction of Vessels	EU-refunds	To ensure competitive renewal of fishing fleet.

TABLE C: TO THE INDUSTRY ENGAGED IN PROCESSING AND/OR SALE OF WILD HARVESTED FISH

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
European Communities for Sweden G/SCM/N/48/EEC/Add.14	Investment Aid for Processing and Marketing	Grant to the processing industry	To develop economically viable enterprises in the sector and assist structural improvements.  Expenditures eligible for aid are: the construction and acquisition of buildings and installation; the acquisition of new equipment needed for processing and marketing; the application of new technology; investments to improve product quality and to reduce pollution.
European Communities for Denmark G/SCM/N/60/EEC/Add.3	Aid to Product Development of Agricultural and Fishery Products	EU-refunds (additional subsidies can be granted if a project concerns organic production).	To promote the development of activity in primary agriculture and the manufacturing sectors of agriculture and fisheries.

TABLE D: SUBSIDIES RELATED TO THE FISHING INDUSTRY (FOR EXAMPLE, MARKETING, AQUACULTURE)

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
European Communities for Sweden G/SCM/N/48/EEC/Add.14	Investment Aid for Protection of Coastal Waters	Grant to public institutions or bodies designated for that purpose by the competent authorities.	To achieve a sustainable balance between resources and their exploitation. Expenditures eligible for aid are: investments to improve water circulation and other habitat conservation measures; re-stocking of species of importance for coastal fishing.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
	Aid for Promotion/Marketing	Grant to public bodies, fisheries interest associations, private contractors	To improve market supply and the value added to fisheries and aquaculture products. Expenditures eligible for aid: consumer surveys and market studies, promotion campaigns, organization of and participation in trade fairs, consumption advice, services and advice to wholesalers and retailers.
	Aid to Studies and Pilot Projects	Grant to universities, Public and private institutions, enterprises	To improve and adapt structures in the fisheries and aquaculture sector. Expenditures eligible for aid: the result of the study or pilot project should be of value for the industry. Any result must be published and made accessible to the public.
	Investment Aid to Aquaculture Enterprises	Grant to aquaculture enterprises and organizations concerned with development projects within the aquaculture sector	To develop economically viable enterprises in the sector and assist structural improvements. Expenditures eligible for aid: construction, modernization and acquisition of buildings; investments to improve product quality and to reduce pollution; acquisition of new plant and machinery.
	Investment Aid to Fishing Port Facilities	Grant to local authorities and other public bodies; to fishermen and fish processing enterprises connected to harbours; fishing harbour associations.	To improve and adapt structure in the fisheries sector. Expenditures eligible for aid: investments to improve the conditions under which fishery products are landed, handled and stored; investments to support fishing vessel activities; investments to improve safety during the landing or loading of products.
	Aid to Measures Undertaken within the Community Initiative Pesca	Grant: Pesca is designed principally for areas dependent on fisheries in regions eligible under objective 1,2 and 5(b).	The objectives for the Community Initiative Pesca are stipulated in the Commission's notice to the Member States (94/C 180/01). Expenditures eligible for aid: diversification of activities in eligible areas; business services; maintenance or creation of jobs; specific project of a general and/or transnational nature in the fisheries sectors.

<b>Member and symbol of the notification</b>	<b>Title</b>	<b>Form and Beneficiaries</b>	<b>Objective</b>
Japan G/SCM/N/48/JPN	Grant for Promotion of Research and Development of Future Ships	Grant for the research and development on higher technologies for ships within a budget	To promote the research and development of future ships.
Norway G/SCM/N/60/NOR	Research Fishery	Legislation under which it is granted A part of the yearly agreement between the Government and the Norwegian Fishermen's Association. (In 1997 the aid was granted through the ordinary budget of the Ministry of Fisheries).	
European Communities for Spain G/SCM/N/48/EEC/Add.13	Community's Structural Measures in Fisheries, Aquaculture and Processing and Marketing of Products Thereof	Individual compensatory premiums, subsidies for improvement of fishing, compensatory payments for earlier retirement	To promote aquaculture, to reorganize and renovate fishing fleet, to conserve the fishing fleet.
European Communities for Sweden G/SCM/N/60/EEC/Add.14	Aid to Studies and Pilot Projects	Grant to universities, public and private institutions, enterprises	To improve and adapt structures in the fisheries and aquaculture sector.
	Investment Aid to Aquaculture Enterprises	Grant to aquaculture enterprises and organizations	To reduce pollution (among others).
	Investment Aid for Protection of Coastal Waters	Grant to public institutions or bodies	To achieve sustainable balance between resources and their exploitation, to improve water circulation and other habitat conservation measures, to ensure re-stocking of species of importance for coastal fishing.
	Aid to Measures Undertaken within the Community Initiative Pesca	Grant to areas dependent on fisheries	The objectives are stipulated in the Commission's notice to the Member States (94/C 180/01).

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
European Communities for Denmark G/SCM/N/48/EEC/Add.3	Public Agricultural and Fishery Research Institution	EU-refunds to research institutions	To collect account statistics for agriculture, horticulture and fisheries and conduct research on agricultural and fisheries economic conditions, to conduct research within fish and shellfish resources, their environment and their exploitation by fishing or fish farming.  To consider the effects on environment and to contribute to efficient and safe propagation of results to users when researching, experimenting, controlling and collecting knowledge concerning alternative or optimized pest combat methods.  (Among others).
	Aid to Product Development of Agricultural and Fishery Products	EU-refunds (additional subsidies can be granted if a project concerns organic production).	To promote the development of activity in primary agriculture and the manufacturing sectors of agriculture and fisheries.
	Preretirement of Fishermen	EU-refunds	To facilitate retirement for vessels owners and fishermen employed on fishing vessels which are decommissioned with governmental aid.
	PESCA	EU-refunds	To modernize and restructure fishery sector and to develop other sectors in regions dependant on fishery sector.
European Communities for the United Kingdom G/SCM/N/48/EEC/Add.15	Aid to Highlands and Islands Fishermen	Grants and loans	To maintain and increase employment and incomes in fragile areas.
	Aid to Highlands and Islands Fish Farmers and Processors	Grants, loans	To maintain and increase employment and incomes in fragile areas.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
	Grants Towards Fish Farming (Northern Ireland)	Grants	To encourage establishment of fish farms and hatcheries which supply fish for table.
	Highland Prospect Limited: Fish Processing and Fish Farming Loans	Discretionary reduced interest loans to SMEs trading as fish processing and fish farms.	To assist limited financial capacity, thereby supporting sustainable regional development opportunities and related employment, particularly in peripheral locations.
	Highland Opportunity Limited: Fishing Vessel, Fish Processing and Fish Farming Loans	Discretionary reduced interest loans to SMEs trading as fishing vessels, fish processing and fish farms.	To assist limited financial capacity, thereby supporting sustainable regional development opportunities and related employment, particularly in peripheral locations.
	Safety Improvements on Fishing Vessels	Grants	To enable applicants to make essential safety improvements.
European Communities for Belgium G/SCM/N/48/EEC/Add.2	Preretirement of Fishermen	EU-refunds	To facilitate retirement for vessels owners and fishermen employed on fishing vessels which are decommissioned with governmental aid.
	PESCA	EU-refunds	To modernize and restructure fishery sector and to develop other sectors in regions dependant on the fishery sector.
European Communities G/SCM/N/60/EEC	Financial Instrument of Fisheries Guidance (FIFG) and PESCA – Community Initiative Concerning Restructuring of Fisheries Sector	Aid to fishing fleets, aquaculture, processing and marketing circuits and port facilities	To contribute to achieving sustainable balance between fishery resources and their exploitation, to strengthen competitiveness of structures and development of economically viable enterprises in sector, to improve market supply and added value to fisheries and aquaculture products, to contribute to revitalization of areas that depend on fisheries.

Member and symbol of the notification	Title	Form and Beneficiaries	Objective
	Common Market Organization in Fishery and Aquaculture Products	Financial compensation, carry-over aid, autonomous withdrawal and carry-over, private storage aid, compensatory payment to fishermen belonging to producers' organizations	To stabilize market, to ensure regular supply of high-quality products, to guarantee reasonable consumer prices, to support fishermen's incomes.
	Objective 5a: Speeding Up Adjustment of Structures in Agriculture and Fisheries in Line with the Reform of the Common Agricultural Policy	Structural actions	
European Communities for Italy G/SCM/N/48/EEC/Add.9	Home Credit Scheme to Shipowners	Interest Subsidy to shipowners (equivalent to loans at OECD terms – according to the understanding on export credits for ship - OECD Council Resolution dated 3rd August 1981).	To bridge the difference between the Italian financing terms and standard OECD financing terms. The shipowner's subsidies are granted in 17 half-yearly instalments.
Thailand G/SCM/N/71/THA	Merchant Marine Financing	Loan. EXIM Bank extended credit to entrepreneurs of merchant marine business to buy/renovate their ships, (new or used).	To alleviate the country's deficit on balance of trade and services; to strengthen the merchant marine business of Thailand; to accommodate the export sector with good shipping facility.