



THE UPDATE

Captain's Blog



New Zealand leading the world to eliminate fishing subsidies

Two years after coming into force, New Zealand has opened consultation on future membership of the free trade agreement called the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). The CPTPP is a high-quality free trade agreement that aims to support sustainable and inclusive economic development and is open to others to join providing they meet the Agreement's high standards.

CPTPP parties are required to operate science-based fisheries management systems and required to prohibit subsidies for fishing that negatively affect overfished stocks and subsidies for vessels engaged in illegal fishing.

The CPTPP is a valuable Agreement that's been in effect in New Zealand for two years. It brings together 11 countries whose combined economies make up 13.5 percent of world GDP – worth a combined US\$10 trillion.

The first formal request to join the CPTPP has been received from the UK, and there are also indications from other countries that they may be interested in joining, which will require them to comply with all existing aspects of the Agreement.

For the seafood sector, what will be interesting is how many countries sign up, knowing the requirements that will apply to their fisheries.

New Zealand, and other countries with gold standard fisheries management regimes, believe subsidising fishing industries encourages over-fishing. New Zealand has been at the forefront of a global move to eliminate fishing subsidies, which are estimated to prop up countries' fishing fleets with around \$48 billion every year.

In New Zealand, fisheries subsidies were eliminated virtually overnight in 1986, two years after the farming community reeled from its deregulation. The impetus was the government's severe fiscal crisis that also included devaluation and subsequent floating of the New Zealand dollar.

The pain was dampened by a major change in New Zealand's fishery management regime. Rights based management was introduced along with a system of individual transferable quotas (ITQs). The Quota Management System was born and those who wanted to exit the industry were compensated through buy-out payments.

New Zealand has been lobbying the World Trade Organisation (WTO) for many years, unsuccessfully so far, to have subsidies eliminated to prevent illegal, unreported, and unregulated fisheries.

There are some subsidies that are deemed beneficial, such as those that take the form of research grants, unemployment insurance or fisheries management, however those that help with purchasing vessels or fuel are not.

New Zealand seafood sector is proud to operate without fisheries subsidies and will continue to lobby globally to level the playing field in the pursuit of sustainable healthy oceans.



Check out the latest Seafood Magazines

