



Commissioner Joe Borg European Commission B-1049 Brussels

Copy: Mr Fokion Fotiadis, Director General DG mare

Dear Commissioner,

## EU Subsidies aimed at maintaining the small-scale fishing sector?

The recent WTO Negotiating Group on Rules meeting on 30 March-1 April discussed the Chair's roadmap on fisheries subsidies. At the meeting, the EU delegation reportedly stated that its subsidy programs are aimed mainly at maintaining the small-scale fishing sector, noting further that the removal of subsidies often results in domination by big fishing fleets and companies.

Please can you provide some clarification on this statement, and provide the concrete examples and data used by EC delegation to arrive at their stated view; a view that differs markedly from our own?

Taking the example of Spain as indicative, EU subsidies destined for the Spanish fishing fleet, far from helping to "maintain the small-scale fishing sector", have first and foremost bolstered the large-scale sector. Official figures show that, under the FIFG, Spain received 40% of EU fishing subsidies over the period 2000-2006. Of these 52% benefited the largest vessels, 36% vessels of 12-24 m (where 19% was for scrapping), and with only 10% going to vessels below 12 meters.

Most worrying is that some 30% of these subsidies went for constructing and modernizing the largest vessels. Given "technological creep", the overall affect of these subsidies is likely to have increased fishing capacity in the Spanish industrial fleet.

What is more, thanks to Fisheries Partnership Agreements, joint ventures, and other arrangements, a large segment of the Spanish fleet fishes outside EU waters. In the West African and other regions, Spanish trawlers compete with the local artisanal sector for the same over-exploited stocks, thereby jeopardizing the future of the local small scale sector. In such cases, not only have EU fisheries subsidies not helped the EU small scale sector, but they have undermined the prospects for local small-scale fisheries in third countries.

Finally, we would like to point out that, often, large-scale vessels have very high running costs, due particularly to their fuel requirements. So subsidies, along with fuel tax exemption, have helped these vessels to remain profitable and to stay afloat. So, contrary to the EC statement, we feel that the removal of subsidies would rather help tackle the problem of "the domination by big fishing fleets and companies."

Finally we would like take this opportunity to urge that, in reforming the CFP, the EU evaluate how fishing subsidies could be used positively to promote more sustainable fishing both within and outside Community waters. With this in mind, we feel that subsidies should be prioritized for promoting more environmentally sustainable fishing practices, to favor greater distributional equity, safer and better working conditions, and more localized and sustainable economic activity.

Looking forward to hearing from you

Yours sincerely

Brian O'Riordan

ICSF, Brussels Office Secretary

Béatrice Gorez CFFA Coordinator