

**PROPOSAL FROM THE PEOPLE'S REPUBLIC OF CHINA
ON FISHERIES SUBSIDIES**

The following communication, dated 14 June 2002, has been received from the Permanent Mission of the People's Republic of China.

As a developing country having substantial interests in fishery, China has been following closely the discussion on fisheries subsidies under the Negotiating Group on Rules. This proposal is intended to give early direction to the negotiation on this issue.

1. The scope of fisheries subsidies

Different subsidies could be identified on different activities in the fishery sector, for example fish breeding agriculture, fishing at high seas, fishing in the Exclusive Economic Zones (EEZs), etc. Taking into account the different natures and effects of these subsidies on trade, environment and sustainable development, differential consideration should be given accordingly. Therefore, early determination on the scope of subsidies to be negotiated is necessary to facilitate future discussion on this issue.

2. S&D treatment

Special and differential treatment to developing countries, particularly to the least developed countries, is an important principle in the WTO and has been consistently emphasized in previous rounds of negotiations. With regard to the fisheries subsidies, it is already pointed out in the Doha Ministerial Declaration that participants should take into account the importance of this sector to developing countries. Therefore, S&D treatment should be accorded to developing countries while participants aim to clarify and improve the disciplines on fisheries subsidies.

3. "Non-actional" subsidies

Certain subsidies, such as those on infrastructure construction, prevention and control of disease, scientific research and training, fisherman's switching to other businesses, have no adverse effect on trade, environment and sustainable development. Moreover, such subsidies contribute to the protection of environment and sustainable development of fishery resources. Therefore, these subsidies should be defined as "non-actionable" subsidies and should not be challenged.

This paper is the first contribution from China to the deliberations of the Negotiating Group on Rules. It is without prejudice to the position that China might formulate on fisheries subsidies in the future.
