

**QUESTIONS FROM JAPAN CONCERNING PAPERS ON THE  
FISHERIES SUBSIDIES ISSUE**

**Introduction**

1. Japan would like to appreciate the United States for its paper titled "Possible Approaches to Improved Disciplines on Fisheries Subsidies(TN/RL/W/77)submitted at the Rules Negotiating Group meeting in March. Japan also would like to appreciate the six members(Argentina, Chile, Iceland, New Zealand, Norway, and Peru) for their paper titled "Subsidies in the Fisheries Sector: Possible Categorizations (TN/RL/W/58)" submitted to this Group in February.

2. Japan posed a number of questions on these papers and this submission aims at clarifying these questions. It should be also noted that, although, in the previous sessions of this Negotiating Group, Japan tabled several fundamental questions in the same line with the following points, there have been no convincing responses with concrete examples. These questions must be clearly answered if the Rules negotiation is to go into the next stage, i.e., to discuss concrete proposals for improvement of the existing Agreement on Subsidies and Countervailing Measures (ASCM) in relation to fisheries.

3. Japan would appreciate responses to the following questions from the US and the six members. Japan reserves its right to submit additional questions in the future if necessary. It should be further noted that this paper does not prejudge Japan's future position on the fisheries subsidies issue in any way.

**US paper**

**Question 1:**

The third paragraph of the US paper says that the goal is to provide better disciplines on subsidies that promote over-capacity and overfishing, or have other trade-distorting effects. This statement seems to imply that this goal is supported by all member countries, which ,in our view, is not the case. When does the US think members of the Rules Negotiating Group reached a consensus on this goal?

**Question 2:**

The paper also states in its footnote 1 that subsidies provided to artisanal fisheries in developing countries are out of the scope. Does the word "artisanal" mean small-scale coastal? Are then subsidies to medium and large-scale fisheries in developing countries subject to discussion?

**Question 3:**

The fourth paragraph emphasizes the distinctive feature of fisheries subsidies by referring to the shared stock nature of fishery resources. Is the production distortion of shared stocks caused by

fisheries subsidies the only reason why the United States believes that fisheries subsidies are different from others and therefore should be treated in a special fashion?

Question 4:

While the fourth paragraph is referring to the shared stocks which occupy only 5 per cent of the resources, the fifth paragraph applies to all the subsidies possibly relating to fishing. Should the scope of the Group's discussion on fisheries subsidies be limited to those provided to shared stock fisheries? If the answer to this question is "negative" in what part of the paper does the US explain why discussion on fisheries subsidies should cover non-shared stock fisheries?

Question 5:

The fifth paragraph raises the possibility that certain fisheries subsidies should be included in the list of prohibited subsidies. We understand that subsidies to be included in the list have the largest trade distorting effects. Does the United States have reasonable grounds to conclude that certain kinds of fisheries subsidies distort trade in the same degree as export subsidies?

Question 6:

Article 6.1 of the ASCM, which has expired, reverses the burden of proof when the value of subsidies exceeds 5 per cent of the total production value. The sixth paragraph seems to say that the United States tries to re-introduce the underlying concept of this article only for fisheries subsidies. Does the United States have good reasons for imposing tighter disciplines on fisheries subsidies than others?

Question 7:

The seventh paragraph proposes improvement of subsidies notification. Please explain why the United States considers that this objective cannot be achieved within the framework of the Committee on Subsidies and Countervailing Measures?

### **Six members' paper**

Question 1:

The paper admits that there are different and divergent views on merits of various types of government programmes in the fisheries sector, as well as on whether and how particular programmes should be disciplined under WTO rules. What is the ground to proceed to the categorization even though there is no consensus on the above-mentioned points? What direction does the six members envisage for future discussion on fisheries subsidies issue with a mere "reference" to lists developed by various organizations with different objectives?

Question 2:

Article 7.1 of the ASCM stipulates that when a member has reason to believe that any subsidy of another member results in injury to its domestic industry, nullification or impairment or serious prejudice, such member may request consultations with such other member. Has any member ever requested such consultations regarding fisheries subsidies? What consultations were carried out? Why wasn't the said injury rectified in the consultations?

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