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Open Letter from Indonesian Fisherfolks Group on Fisheries Subsidies Negotiations at the Ministerial Conference 13th of WTO

Excellency,

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Yours faithfully,

We, fisherfolks organizations and civil society groups in Indonesia are worried about the fisheries subsidy agreement at the WTO which will prohibit fisheries subsidies for small fisherfolks. In Indonesia, small fisherfolks are fishers who use fishing vessels under 10 GT and the number of small fisherfolks is 90% of the total number of fishers. It is recorded that 2.4 million fishers and 3.9 million fishers women in Indonesia will be affected by the elimination of fisheries subsidies by the WTO.

Small fishers are the most vulnerable group in the capture fisheries sector who also experience poverty and extreme poverty. So a different approach and treatment is needed for small fisherfolks in obtaining rights and protection from the state. We know that there are two pillars in this fisheries subsidy agreement that have reached conclusion, so we firmly ask the Indonesian government not to ratify the two pillars of the WTO fisheries subsidy agreement.

This is because the WTO fisheries subsidy agreement does not address the issue of fisheries subsidies for large vessels which contribute to Illegal Unreported Unregulated (IUU) Fishing, Overcapacity and Overfishing. But it actually limits subsidies to small fisherfolks in developing and less developed countries.

Now the draft text on fisheries subsidies related to Overcapacity and Overfishing (OCOF) will prohibit 8 (eight) types of fisheries subsidies, including fuel subsidies, insurance, employee costs, ship upgrades and subsidies that cover fishing losses or fishing-related activities. Even

though this type of subsidy is guaranteed in the 1945 Constitution and Law no. 7 of 2016 concerning Protection and Empowerment of Fishers, Fish Farmers and Salt Farmers.

If the WTO prohibits fisheries subsidies for small fisherfolks, then this will violate the constitution and laws and regulations in Indonesia.

For this reason, we convey the points of concern of small fisherfolks regarding fisheries subsidy negotiations at the 13th WTO Ministerial Conference, as follows:

1. **The draft text being discussed does not define in detail which fishers are the subjects who will receive fisheries subsidies.** If we refer to the regulations in force in Indonesia, fishers who are entitled to receive fisheries subsidies in the context of fuel oil are fishers who use boats with a maximum size of 30 GT. In the context of guaranteeing business certainty, the government is obliged to create conditions that produce profitable fish prices for fishers. Meanwhile, in the context of fishing risk insurance, the government provides protection to fishers for the risks faced by fishers in the form of fisheries insurance and life insurance. Another thing is that there is no detailed definition of small-scale fishing in the text of the fisheries subsidy negotiations. In Indonesia, small-scale fishermen refer to fishermen who use boats with a maximum size of 10 GT. The 2021 KNTI study shows that 82% of small fisherfolks cannot access the subsidized fuel they should get. This is due to two things, namely the difficulty of processing letters of recommendation and the lack of subsidized fuel distribution infrastructure that can be accessed by small fisherfolks. The biggest expense for small fisherfolks is to buy fuel, which covers 60-70% of the total cost of fishing. Even small fisherfolks buy fuel at prices 30-40% more expensive than the general price.
2. **The draft text currently being discussed creates discrimination for small fishermen.** Because it limits the fishing distance for small fisherfolks to catch fish (operating) to only 12 NM. If fishers catch fish above 12 NM then the country is not allowed to provide subsidies to fishers. This is unfair and discriminatory. Because in the context of Indonesia as an archipelagic country, small fisherfolks often catch fish above 12 NM, even traditional fisherfolks in the Timor Sea region (NTT Province) go to sea as far as the Australian border waters. Even though UNCLOS guarantees full sovereign rights over the exclusive economic zone including the continental zone up to 250 NM. For this reason, the WTO will threaten the sovereignty of fishers as rights holders with a limitation of 12 NM. Apart from that, there are fishing areas in the waters, coastlines and small islands in Indonesia which are given mining (sea sand, iron sand and mineral) and reclamation permits. KIARA data shows that there are 11 provinces that allocate space for mining (sea sand, iron sand and minerals) and 28 provinces that allocate space for reclamation in Indonesia. This has an impact on fishers fishing space becoming increasingly remote, as well as fisheries resources becoming increasingly scarce in coastal areas due to mining and reclamation projects.
3. **Large ships and large-scale fishing industries are not held responsible for the actions of those who commit IUU Fishing, Overcapacity and Overfishing.** The draft text being discussed does not target large ships, even though they should be the ones who are held accountable by providing large subsidies. This includes developed countries which provide very large subsidies in the fisheries sector.

4. Data shows that the global fisheries subsidy figure is USD 35.4 billion annually, and as much as USD 22 billion is used for detrimental subsidies. There are five countries that provide very large subsidies in the fisheries sector, namely: China, the European Union, the United States, the Republic of Korea and Japan. Their subsidies should be prohibited and/or limited in activities that are detrimental to the marine and fisheries sector.
5. *Inadequate flexibilities* - Many developing countries such as Indonesia have extraordinary marine and fisheries resources and want to expand protected traditional fisheries management areas as well as small and traditional fishing fleets to fish in their own waters without having to rely on external fleets. To achieve this, subsidies are needed, but the WTO fisheries subsidy agreement makes this difficult. The division of developing countries based on a percentage of global marine catch (below or above 0.8% based on the current Chief Negotiating text) undermines the principles of special and differential treatment and does not reflect the domestic capacity that members have to fulfill treaty obligations. Of particular importance is that developing countries' ability to access the flexibility provided is dependent on meeting specified notification requirements, which go beyond the requirements of existing subsidy agreements.
6. **Our concern in the current draft text concerns fisheries management measures. The current fisheries subsidy text still allows prohibited subsidies to continue as long as there is evidence that the fish stocks caught are managed sustainably.** This is a one-sided and unfair clause because it would benefit countries that have sophisticated monitoring mechanisms, namely developed countries, to continue subsidizing their fleets.
7. **Special and Differential Treatment (S&DT) is a right for developing** - less developed countries, including Indonesia. In the current text, there is no clear exception for small fisherfoks in developing countries to continue to receive subsidies. In fact, S&DT is reversed, where developed countries and large fleets are still allowed to provide prohibited subsidies as long as fishing is managed sustainably. This is unfair to small fishermen and fisheries management in developing countries which still needs to be improved.

We urge the Indonesian government not to approve the current fisheries subsidy text because it will endanger the livelihoods and sovereignty of fishermen as well as the fisheries sector as a whole. It is better to have no deal than a bad deal, which will harm the Indonesian people.

Endorsed by:

- Koalisi Rakyat untuk Keadilan Perikanan (KIARA)
- Kesatuan Nelayan Tradisional Indonesia (KNTI)
- Indonesia for Global Justice (IGJ)
- Federasi Serikat Nelayan Nusantara (FSNN)
- Koalisi untuk Advokasi Laut Aceh (KuALA)
- Asosiasi Nelayan Tradisional Sulawesi Utara (ANTRA)

- Layar Nusantara
- Serikat Nelayan Indonesia (SNI)
- Persaudaraan Perempuan Nelayan Indonesia (PPNI)
- Forum Masyarakat Adat Pesisir (FMAP)
- Forum Peduli Pulau Pari (FPPP)
- Komunitas Nelayan Tradisional (KNT) Muara Angke
- Komunitas Nelayan Tradisional (KNT) Dadap
- Kelompok Nelayan Rawatan Samudera Masalembu
- Persatuan Nelayan Masalembu (PNM)
- Kelompok Nelayan Tawang Rowosari Kendal
- Jaringan Pengembangan Kawasan Pesisir (JPKP) Buton