Fisheries Subsidies Agreement: Why It Matters

WTO's treaty to curb harmful fisheries subsidies – now in force – should help countries, fishers and fish stocks

Overview

On 15 September 2025, a World Trade Organization (WTO) agreement to help end harmful fisheries subsidies entered into force, giving governments around the world a significant new tool in the effort to stem overfishing and illegal fishing. The historic agreement, which the WTO adopted in June 2022, will tackle one of the key drivers of overfishing by curtailing harmful subsidies – payments made by nations to commercial fishing operators to keep those businesses profitable. Specifically, the deal prohibits giving subsidies that enable (1) illegal, unreported and unregulated (IUU) fishing, (2) fishing of overfished stocks or (3) fishing of unmanaged stocks on the high seas. The agreement also calls for countries to "exercise due restraint" in providing subsidies to vessels registered, or "flagged," to a different country, or that fish on unassessed stocks. As part of the agreement, trade ministers committed to both continuing negotiations on outstanding issues and recommending new rules based on those negotiations.

Why does it matter?

The WTO's Agreement on Fisheries Subsidies is the culmination of more than 20 years of negotiations, as the WTO – which works by consensus – finalized a text to which all 164 members could agree. With this deal, WTO members reinvigorated multilateralism, demonstrating that the organization can deliver a meaningful outcome of global importance.

The agreement marks the WTO's first multilateral binding agreement dealing with environmental issues – perhaps opening the door for the organization to work on other challenges in this field. In fact, more than 80 members are now part of the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade, which is considering ways to reduce plastic pollution through trade policy. The subsidies agreement could also act as a catalyst for broader fisheries reform at regional and country levels, compelling governments to consider the health of fish populations when granting subsidies to their fleets.

The agreement is a significant step towards meeting one of the targets of the United Nations sustainable development goals (SDGs). In 2001, the U.N. began discussions on how to tackle harmful subsidies, recognizing the damage that certain subsidies were doing to the ocean. In 2015, by agreeing on U.N. SDG 14.6, global leaders committed themselves to working at the WTO to prohibit certain forms of fisheries subsidies by 2020. Because of the pandemic and other global crises, the WTO missed its original deadline; however, negotiators persisted and ultimately struck a deal.

According to the U.N. Food and Agriculture Organization's "The State of World Fisheries and Aquaculture 2024" report (also known as the SOFIA report), about 38% of fish stocks worldwide were exploited beyond sustainable levels in 2021, the most recent year for which reliable data is available. Outside experts note that governments are paying $22 billion a year in subsidies that drive overfishing. These subsidies primarily go to industrial fishing fleets to artificially lower fuel and vessel construction costs while enabling them to catch more fish by fishing farther out to sea and for longer periods of time.

What does the agreement do?

The Agreement on Fisheries Subsidies lays out rules for prohibiting certain forms of harmful subsidies while also setting out measures for transparency and accountability in how governments support their fishing sectors.

The agreement does not cover all subsidies, such as aquaculture and inland fisheries, but it does apply to any subsidy, including capacity-enhancing subsidies, that supports marine wild capture fishing and "fishing-related activities at sea" – such as transshipment (the unloading of goods from one ship to another while at sea) and the provisioning of fuel and personnel – and that falls under the conditions of the core prohibitions established in the agreement.

The agreement contains three main provisions:

- **Article 3 on Subsidies Contributing to Illegal, Unreported and Unregulated Fishing:** This provision compels members to stop any subsidy to vessels and operators (businesses or individuals) that they know have engaged in IUU fishing. Currently, very few WTO member countries require such a provision. This article will be an important tool for nations and regional fisheries management organizations (RFMOs) in the fight against illegal fishing by not only deterring future IUU activities but also providing an incentive for countries and RFMOs to improve their IUU monitoring and enforcement. The rule could also encourage countries and RFMOs to establish management measures on unregulated fishing, similar to what has been done with most squid globally and with south-eastern Pacific albacore. Finally, this rule establishes that the prohibition on subsidies to operators that have engaged in illegal fishing is also applicable to "fishing-related activities at sea" – which would include the provisioning of personnel and use of forced labor.

- **Article 4 on Subsidies Regarding Overfished Stocks:** This rule obligates members to implement measures to rebuild stocks that they know are overfished if they continue to subsidize fishing those stocks – an important improvement in fisheries management because not all WTO members require rebuilding overfished stocks. The rule requires coastal states and RFMOs to use maximum sustainable yield, which is the largest catch that can be harvested without reducing the stock population, to measure when a stock is overfished. This sustainability test links subsidies to fisheries management – a new and important standard in the WTO's legal framework.
- **Article 5 on Other Subsidies:** This article prohibits subsidies to fishing on the unregulated high seas – the international waters beyond any country's jurisdiction. Although RFMOs oversee fishing in much of the high seas, gaps in jurisdiction leave portions of these areas and the fishing of many species there completely unmanaged, such as most squid and other mesopelagic species, which live 200 to 1,000 meters below the surface. This provision will be particularly significant for operators engaged in distant-water fishing – fishing on the high seas or in the waters of another country – and could provide an impetus for establishing management measures for unregulated high seas fishing. In addition, Article 5 requires nations to "take special care" and "exercise due restraint" when giving subsidies to reflagged vessels – ships that have changed their registration from one country to another, often to bypass fisheries laws – or those that are fishing on unassessed stocks. Although these two rules are less strict than an outright subsidy prohibition, they establish an obligation for subsidizing members to be cautious when granting subsidies in those situations. However, the rules don't specify what actions would need to be taken to comply.

The agreement is a living document that allows members to review and add amendments after they gain experience from its implementation.

Are there other important commitments?

In addition to the provisions that prohibit harmful subsidies, the Agreement on Fisheries Subsidies includes several measures that enhance transparency and enable more effective tracking of the implementation of fisheries subsidies rules. Countries will need to provide the WTO with detailed information about their subsidy programs (such as the subsidy's policy objective, form, duration and amount) and the kind of fishing being subsidized – including information on the status of the fish stock, any conservation or management measures in place, catch data for the fishery being targeted and more general information about the country's fisheries oversight structure.

The agreement allows members to use the WTO dispute settlement mechanism, one of the cornerstones of the organization, to force members to comply with their obligations. Members also agreed to include special consideration for countries defined as "developing" and "least developed," providing them with a two-year grace period before they need to comply with WTO dispute settlement proceedings under Articles 3 and 4. A provision is included to provide technical assistance and capacity building to these countries to ensure that they can implement the agreement.

What's next?

This is what must happen for the agreement to realize its full potential:

- **Implementation.** Now that the agreement has been formally accepted by two-thirds of the WTO's membership and has officially entered into force, WTO members must start implementing it as soon as possible. This means submitting information in accordance with the agreement's transparency and notification procedures and then halting subsidies that are addressed in the provisions above.
- **Negotiations**. WTO members decided that negotiations will continue on outstanding issues not yet included in the agreement, in particular those related to overfishing and overcapacity – a fleet's ability to harvest more fish than is sustainable. As part of these discussions, members can address some of the most harmful effects of fisheries subsidies – including the excess fishing capacity that comes from the construction of more vessels, and having more fuel or equipment than is sustainable. And to help counter global inequities, the rules could also tackle subsidies that support fishing activities in another country's waters, including in developing countries that lack the means to monitor and enforce basic fisheries protection. It is vital that WTO members swiftly reach a successful and meaningful end to these negotiations, especially as the 2022 agreement will "sunset," or expire, if these additional rules are not adopted by September 2029 – only four years after the agreement's entry into force – unless otherwise decided by consensus from the membership.

All stakeholders – from government, industry and civil society – must maintain the positive momentum from the agreement's adoption and entry into force by working to implement it and strengthen it with new rules as soon as possible. Those actions are key to ending overfishing and improving ocean health.

For more information, please visit: pew.org/fisheriessubsidies

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