

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MDF/W/46

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WORKING PARTY ON TRADE IN CERTAIN NATURAL RESOURCE PRODUCTS

Fish and Fisheries Products

Note Submitted by Norway

1. Governmental financial assistance

Reference is made to Background Note submitted by Canada, MDF/W/26 of 28 March 1985 (pages 2 and 3 - I. Norway), and to annual Norwegian notifications in GATT on financial support granted to the fishing sector.

As an integral part of overall economic policy Norway has, for the past thirty years, granted financial support to the fishing industry. At the outset such grants were made available on an ad hoc basis to counteract short-term problems.

In 1964 the Government and the Norwegian Fishermen's Association negotiated a framework agreement that stipulated guidelines for future governmental support to the fishing industry. Annual agreements are negotiated on the basis of this framework agreement.

A main objective behind the support programme is the maintenance of the pattern of settlement and employment in scarcely populated coastal districts of Northern and Western Norway where there are few opportunities of employment outside the fisheries sector. The support programme is of special importance in the present situation with limited availability of a number of important fish stocks.

The lack of such a programme would have resulted in a fundamental restructuring of the industry leading, inter alia, to an overall centralization with fewer, larger and more rational fishing vessels. The social costs of such a development would have been unacceptably high.

The general framework of financial support aims primarily at securing fishermen an income equal to that of an industrial worker. In order to increase profitability in the fishing sector, the provisions of the framework agreement of 1964 put emphasis on cost-reducing and restructuring measures. Other areas of priority are income support and social measures.

For 1983 and 1984 the support programme totalled NOK 1.1 billion. for 1985; NOK 1,375 billion. The amount granted for 1985 is allocated as follows (major categories):

Grants to support landing prices within the

- cod fisheries: NOK 553.0 million
- herring fisheries: NOK 174.5 million

Cost-reducing, social and certain other measures: NOK 466.0 million

Grants to improve the efficiency in, and promote further restructuring of the fishing sector: NOK 171.5 million

It has often proved difficult for fishermen to raise sufficient capital for the acquisition of vessels, gear etc., through private credit institutions. The primary objective of the State Fishery Bank has therefore been to function as a specialized credit institution, stimulating increased efficiency and a restructuring in the fishing industry. Through various loan schemes the State Fishery Bank offers loans for investment in vessels and equipment at an interest rate of about 1 per cent below the level prevailing in the market. A total of NOK 370 million was granted in 1984. The State Fishery Bank also grants loans to the processing industry.

The Regional Development Fund is charged with the general development of industries in scarcely populated and poorly developed rural and coastal areas, and can consequently grant financial support to the fish processing industry in such areas. Support is granted to projects aiming at rationalization and modernization of existing plants, as well as to establishment of new plants.

2. Bilateral fisheries agreements

Reference is made to note by the secretariat, MDF/W/33 of 1 April 1985.

In paragraph 6 of document MDF/W/33 the secretariat states:

"that the present note should focus only on those agreements contracted between developed countries which would contain, inter alia, an element of access to resource in exchange for tariff concessions or other trade privileges".

Further, in paragraph 7, it is stated that:

"the secretariat has identified some bilateral fisheries agreements which have or may have the requirements for their inclusion in the present note".

Among such bilateral fisheries agreements the secretariat has included agreements between Norway and Portugal, and between Norway and Spain.

At the third meeting of the Working Party, 6-7 May 1985, the Norwegian delegation informed the Working Party that it would forward information relating to bilateral fisheries agreements.

The existing framework agreement between Norway and Portugal was negotiated in 1980 and made operational through an exchange of Notes between the Norwegian Ministry of Foreign Affairs and the Portuguese Embassy in Oslo on 23 December 1980 (see Annex 1). This agreement stipulates conditions applicable to Portuguese fisheries in the Norwegian Economic Zone and has no bearing on and makes no reference to trade-related issues.

On the basis of this framework agreement the parties hold annual negotiations on Portuguese fisheries in Norwegian waters. The fisheries agreement between Norway and Portugal for 1985 is enclosed as Annex 2.

The last paragraph of this agreement states that:

"The Norwegian part informed the Portuguese delegation that Norwegian authorities will help facilitate Portuguese purchases of wet salted cod in Norwegian harbours."

This provision is a confirmation of established Norwegian practice as regards export administration, and is designed to register general support of Portuguese needs to ensure an increased utilization of the capacity of vessels fishing in distant waters. Wet salted cod can be purchased to complement own catches.

The existing framework agreement between Norway and Spain entered into force through an exchange of Notes between the Norwegian Ministry of Foreign Affairs and the Spanish Embassy in Oslo on 21 January 1981 (see Annex 3). This agreement stipulates conditions applicable to Spanish fisheries in the Norwegian Economic Zone and has no reference to trade-related issues.

On the basis of this framework agreement the parties hold annual negotiations on Spanish fisheries in Norwegian water. Spain has not been granted quotas in the Norwegian Economic Zone since 1981.

ANNEX 1

Oslo, 23 December 1980

Your Excellency,

I have the honour to refer to the negotiations which have taken place between our two Governments in connection with the expiry on 31 December 1980 of the Fisheries Agreement between Norway and Portugal.

During these negotiations it was agreed that Portuguese fishing vessels might participate in the exploitation of surplus stocks in the Norwegian economic zone. The fishery shall be carried out within the limits of overall conservation measures of the different stocks and the conditions laid down below.

I.

If the Norwegian Government stipulates a total allowable catch exceeding the Norwegian harvesting capacity, Portuguese vessels shall be permitted to fish an appropriate share of such surplus stocks in the Norwegian economic zone north of latitude 62°N, beyond a distance of twelve nautical miles from the base lines.

II.

Portuguese fishing vessels shall comply with the quota regulations, conservation measures and other terms and conditions laid down by the Government of Norway, and shall operate subject to Norwegian laws and regulations in respect of fisheries.

III.

This Agreement shall take effect from 1 January 1981 and shall remain in force until 31 December 1986.

If the foregoing is acceptable to the Government of Portugal, I have the honour to suggest that this Note, together with Your Excellency's reply to that effect, shall be regarded as constituting an Agreement between our two Governments.

His Excellency Monsieur Antonio Cabrita Matias,
Ambassador of Portugal,
Oslo

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

For the Minister:

Kjell Eliassen

23 December 1980

Your Excellency,

I have the honour to refer to Your Excellency's Note of today's date which reads as follows:

"I have the honour to refer to the negotiations which have taken place between our two Governments in connection with the expiry on 31 December 1980 of the Fisheries Agreement between Norway and Portugal.

During these negotiations it was agreed that Portuguese fishing vessels might participate in the exploitation of surplus stocks in the Norwegian economic zone. The fishery shall be carried out within the limits of overall conservation measures of the different stocks and the conditions laid down below.

I.

If the Norwegian Government stipulates a total allowable catch exceeding the Norwegian harvesting capacity, Portuguese vessels shall be permitted to fish an appropriate share of such surplus stocks in the Norwegian economic zone north of latitude 62°N, beyond a distance of twelve nautical miles from the baselines.

II.

Portuguese fishing vessels shall comply with the quota regulations, conservation measures and other terms and conditions laid down by the Government of Norway, and shall operate subject to Norwegian laws and regulations in respect of fisheries.

III.

This Agreement shall take effect from 1 January 1981 and shall remain in force until 31 December 1986.

If the foregoing is acceptable to the Government of Portugal, I have the honour to suggest that this Note, together with Your Excellency's reply to that effect, shall be regarded as constituting an Agreement between our two Governments."

H.E. Monsieur Kjell Eliassen,
Secretary-General,
Ministry of Foreign Affairs

I have the honour to confirm that the foregoing is acceptable to the Government of Portugal which agrees that Your Excellency's Note, together with this reply, shall be regarded as constituting an Agreement between our two Governments on this matter.

I avail myself of this opportunity to reiterate to Your Excellency the assurances of my highest consideration.

Antonio Cabrita Matias
Ambassador of Portugal

ANNEX 2

Agreed Minutes from Quota Consultations Between Norway and Portugal, Held in Oslo 3 December 1984.

On the basis of the Agreement on Fisheries between Norway and Portugal, entered into by an exchange of letters 23 December 1980, consultations concerning Portuguese fishing rights in areas under Norwegian fisheries jurisdiction north of 62°N in 1984 were held in Oslo 3 December 1984.

The Norwegian delegation was headed by Secretary of State for Fisheries, Mr. Svein Munkejord, and the Portuguese delegation by Secretary of State for Fisheries, Captain A. Faria dos Santos. A list of the two delegations is attached (Appendix 1). The agenda agreed is also attached (Appendix 2).

The parties exchanged information about the state of the fish stocks relevant to the implementation of the Fisheries Agreement.

On this subject the Norwegian delegation informed about the severe stock situation for cod and some other stocks within the Norwegian economic zone and pointed out that the total allowable catches (TAC's) for the various stocks were determined on the basis of scientific recommendations.

The Portuguese delegation presented its requests for quotas in the Norwegian economic zone for 1985.

The Norwegian delegation indicated the following quotas for Portuguese vessels fishing in the area north of 62°N and outside twelve nautical miles from the Norwegian base lines for 1985:

| | | |
|---------------------|---------------------|--------------|
| <u>Redfishes</u> | (Sebastes mentella) | 3,000 tonnes |
| | (Sebastes marinus) | 1,600 tonnes |
| <u>Squid</u> | | 5,000 tonnes |
| <u>Blue whiting</u> | | 3,500 tonnes |

460 tonnes of cod, haddock and other species as bycatch (excluding sebastes marinus which is included in the quota fixed for that species).

Special area limitations will be fixed for the redfish, squid and blue whiting fisheries on a non-discriminatory basis.

Both delegations emphasized the importance they attach to the conservation of the various fish stocks. The Norwegian part further stressed the need for an overall effective management of the various fish stocks in the northern region, including fishing in the Fishery Protection Zone around Svalbard.

Against this background the Norwegian delegation indicated its willingness to accept a Portuguese fishing plan for 1985 involving five vessels fishing for cod in the Fishery Protection Zone around Svalbard. The fishing plan shall be presented to the Norwegian Directorate of Fisheries in Bergen and the fishing shall be conducted according to Norwegian fishery regulations.

The parties agreed that close contacts should be maintained between the Portuguese fisheries authorities and the Norwegian Directorate of Fisheries to facilitate the practical implementation of the agreed fisheries arrangements.

The Norwegian part informed the Portuguese delegation that Norwegian authorities will help facilitate Portuguese purchases of wet salted cod in Norwegian harbours.

Oslo, 3 December 1984

For the Norwegian delegation:

For the Portuguese delegation:

Svein Munkejord

A. Faria dos Santos

ANNEX 3

Oslo, 21 January 1981

Your Excellency,

I have the honour to refer to the negotiations which have taken place between our two Governments on the occasion of the expiry on 31 December 1980 of the Fisheries Agreement between Norway and Spain, in conformity with Article 4 of said Agreement.

During these negotiations it was agreed that Spanish fishing vessels will be able to participate in the exploitation of surplus stocks in the Norwegian economic zone. Spanish fishery shall be carried out within the limits of overall conservation measures of the different stocks and the conditions laid down below.

I.

If the Norwegian Government stipulates a total allowable catch exceeding the Norwegian harvesting capacity, Spanish vessels will be permitted to fish an appropriate share of such surplus stocks in the Norwegian economic zone north of latitude 62°N, beyond a distance of twelve nautical miles from the base

II.

Spanish fishing vessels shall comply with the quota regulations, conservation measures and other terms and conditions laid down by the Government of Norway, and shall operate subject to Norwegian laws and regulations in respect of fisheries in waters under Norwegian jurisdiction.

III.

This Agreement shall be in force until 31 December 1986.

If the foregoing is acceptable to the Government of Spain, I have the honour to suggest that this Note, together with Your Excellency's reply to that effect, shall be regarded as constituting an Agreement between our two Governments.

H.E. Monsieur Aurelio Valls,
Ambassador of Spain,
Oslo

Please accept, Excellency, the assurances of my highest consideration.

For the Minister:

Kjell Eliassen

Oslo, 21 January 1981

Your Excellency,

I have the honour to refer to Your Excellency's letter of today's date, which reads as follows:

"I have the honour to refer to the negotiations which have taken place between our two Governments on the occasion of the expiry on 31 December 1980 of the Fisheries Agreement between Norway and Spain in conformity with Article 4 of said Agreement.

During these negotiations it was agreed that Spanish fishing vessels will be able to participate in the exploitation of surplus stocks in the Norwegian economic zone.

Spanish fishery shall be carried out within the limits of overall conservation measures of the different stocks and the conditions laid down below.

I.

If the Norwegian Government stipulates a total allowable catch exceeding the Norwegian harvesting capacity, Spanish vessels will be permitted to fish an appropriate share of such surplus stocks in the Norwegian economic zone north of latitude 62°N, beyond a distance of twelve nautical miles from the base lines.

II.

Spanish fishing vessels shall comply with the quota regulations, conservation measures and other terms and conditions laid down by the Government of Norway, and shall operate subject to Norwegian laws and regulations in respect of fisheries in waters under Norwegian jurisdiction.

III.

This Agreement shall be in force until 31 December 1986.

If the foregoing is acceptable to the Government of Spain, I have the honour to suggest that this Note, together with Your Excellency's reply to that effect, shall be regarded as constituting an Agreement between our two Governments."

His Excellency
Ambassador Kjell Eliasses
Secretary General of the Royal Ministry
of Foreign Affairs
Oslo (Norway)

I have the honour to confirm that the foregoing is acceptable to the Government of Spain, which agrees that Your Excellency's Note together with this reply, shall be regarded as constituting an Agreement between our two Governments on this matter.

Please accept, Excellency, the assurance of my highest consideration.

For the Government of Spain

Aurelio Valls
Ambassador of Spain