

Third Fisheries Industry Reform Committee Final Recommendations
Japan Economic Research Institute (JERI)

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JERI Third Fisheries Reform Committee

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The Japan Economic Research Institute (JERI) held a first meeting of the Third Fisheries Industry Reform Committee in June 2021, adopted interim recommendations in August 2022 and concluded the Committee's discussions by adopting final recommendations in April 2023. The final recommendations encompassed Proposal 0, pertaining to procedures, and Recommendations 1 to 9 pertaining to the contents. The major points of the final recommendations are as follows:

1. Marine biological resources shall not only be fishermen's property but also a common property of citizens.
2. Resource management and aquaculture management based on scientific evidence are fundamental. Collection of catch data directly from coastal fishermen and aquaculturists are the very basics.
3. Japan lacks verified data based on scientific evidence. In particular, Japan lacks government-verified data of coastal fisheries and aquaculture, which sets Japan apart from other countries. While Japan imposes fines ranging from 200,000 yen to 300,000 yen for unreported catch and fraud reporting, other countries employ stricter measures such as fines 100 times higher than those in Japan or even confiscation of fishing vessels, thus establishing deterrence. As accurate reporting is the basic principle, monitoring and penalties are of utmost importance.
4. Norway, the U.S., Iceland and others include foreign scientists in their research. Although Japan also included foreign scientists in research since several years ago, it is necessary to further strengthen research activities by incorporating foreign perspectives and knowledge.
 - ✓ According to the OECD data, while Japan's budget for public work projects stands out, other countries such as Norway, the U.S. and South Korea allocate

the majority of their budgets to innovation, monitoring, research and surveys. Countries with growing fisheries employ different budget allocation strategies compared to those countries with declining fisheries.

- ✓ Funds from the “Tsumitate Plus”^{*} are spent for fishermen who suffer decreased income caused by COVID and also poor catches of salmon, trout and common squid. (^{*}“Tsumitate Plus”: The government subsidizes the premiums for fishermen who are members of the Fishermen's Mutual Aid and Fishing Boat Insurance. In the event of a decrease in fishermen’s income, the reserve funds contributed by fishermen and government funds will be used to supplement the management stability funds of the Fishermen's Mutual Aid.) This approach does not align with sustainable subsidies under the WTO. Relying on subsidies to cover losses leads to increased fishing efforts and exerts greater pressure on resources, further deteriorating the resource levels. Subsidies in the context of “Tsumitate Plus” are not desirable.
 - ✓ The Japanese Government injected significant amounts of fishery subsidies, such as “Tsumitate Plus”, without implementing resource management by the government and introducing regulations. Consequently, it inadvertently contributed to the decline of the fisheries industry. There is a high likelihood that “Tsumitate Plus” falls under non-sustainable subsidies according to the WTO. It is, therefore, necessary to undertake a fact-finding survey of “Tsumitate Plus”.
5. Communications among fishermen, scientists, industry stakeholders, and the government are lacking. Efforts should be made to enhance smooth communications.
 6. The U.S. introduces adoptive management or gradual implementation. It is suggested to consider starting with Individual Quotas (IQ) instead of introducing Individual Transferable Quotas (ITQ). The feature of this recommendation is proposing a gradual approach rather than attempting to implement everything at once.
 7. It is desired that all nine recommendations put forth this time be implemented as a comprehensive package to restore Japan’s fisheries industry and ensure that Japanese people can continue to rely on fish as a primary source of protein in the future.