

JAPAN

1. Direct Payments

General characteristics and specific programs

Japan has no direct payment program except for “Fishery restructuring program for fishery resource rehabilitation”. This is the government direct payment assistance for fishing fleet reduction started in 1981.

Before the 1980s, the major fishing grounds for Japanese long-distance fishing fleets were off the coast of various coastal countries (Soviet Union or USA, for instance). Access to such fishing grounds has become extremely limited since the introduction of the 200 mile zones by these coastal countries. As a result, these Japanese fishing fleets have lost their major fishing grounds. Nonetheless they were not allowed to come back to the already crowded fishing grounds near Japan. The fleet reduction program was established to avoid the overcapacity of such Japanese fleets.

A total of 1 615 mid- to large-scale fishing vessels were scrapped under this program from 1981 to 2004. The type of these scrapped vessels included, but were not limited to, high seas driftnet fishing vessels, large- and mid-sized purse seiners, large trawlers, large- and mid-sized squid jiggers, and pelagic tuna long liners. All fishing licenses of the scrapped vessels were revoked.

All of the vessels were completely scrapped (body panels must be dismantled and the engine shaft must be destroyed) to become eligible for the government payment. In this context, any resale, reuse, or export of the vessel is prevented.

Amount of the transfers

The annual amount of the transfer budget has been rather stable with a range of JPY 2.0-3.8 billion (Japanese Yen) in most years. The vessel owners are required to share substantial part of the scrapping costs¹ and the rest of the amount is to be paid by the government under this program. The actual government budget for this program from 2001 to 2003 is shown in Table 1 below. Please note that the amount of the GFT shown here do not indicate the total cost of the scrapping program but rather they represent the amount shared by the government.

Table 1. Government Budget for Direct Payment

(JPY million)

Year	2001	2002	2003
Budget	2 050	3 393	2 101

2. Cost Reducing Transfers

¹ Approximately 56-33% of the costs are shared by vessel owners.

General Characteristics and specific programs

The major form of cost reducing transfers in Japan is an interest subsidy. The interest subsidy program is designed to assist structural adjustment of coastal fisheries under certain conditions. Main purpose of the program is to contribute to the introduction of advanced fisheries' management for structural adjustment of coastal small fisheries. Actual differences between commercial and the subsidized interest rates are within a range of 1.25% to 0.01% in FY 2000.

Renewal of small fishing boats and equipments are supported in the program in an effort to facilitate improvement worker's safety on family owned coastal boats. This subsidy apparently does not contribute to the increase of fishing capacity, because Japan restricts the number of fishing vessels as well as the size of each vessel through the licensing scheme of the government. In fact, the number of the coastal fishing boats, as well as the production amount of coastal fishery, is decreasing continuously although these coastal fisheries are eligible to receive this subsidy.

Amount of the transfers

The annual amount of the budget for cost reducing transfers has been stable around JPY 2.5-4.1 billion since mid-1990². The actual government budget for this program from 2001 to 2003 is shown in Table 2. below.

Table 2. Government Budget for Cost Reducing Transfers

(JPY million)

Year	2001	2002	2003
Budget	3 954	3 850	2 990

3. General Services; Part A (coastal infrastructure construction)

General Characteristics and specific programs

The largest amount of the GFTs related to fisheries in Japan is allocated to the construction of coastal infrastructure. This transfer is the government payment for the construction of new, or the extension of existing, fishing ports and other coastal public facilities, including breakwaters, public wharves, navigation routes, roads, water supply and sewerage systems, and park facilities.

This is a Government program to establish regional public infrastructures, in an effort to improve maritime transportation bases, to ensure safety navigations, and to enhance quality of peoples' living environment of regional communities including disaster prevention. This GFT does not constitute payments to fishing industries.

Amount of the transfers

The annual amount of the transfer for this category has been within the range of JPY 190-336 billion since the 1980s. The amount of the government budget from 2001 to 2003 is shown in Table 3. below.

² The amount of the budget for cost reducing transfers in 1980's was approximately JPY 7.8-14.4 billion.

Table 3. Government Budget for Coastal Infrastructure Construction

(JPY million)

Year	2001	2002	2003
Budget	243 969	213 396	203 910

4. General Services; Part B (other general services)

General Characteristics and specific programs

General services, other than coastal infrastructure construction, include a wide variety of government transfers. These transfers include, but are not limited to, the following items:

- Monitoring, surveillance, and control of fisheries operations. This cost includes the construction of government patrolling vessels.
- Cost for scientific surveys, research and development, including operational costs of the National Institute of Fisheries Research and its branches, and the National Fisheries University.
- Domestic education, information dissemination, and vocational training services related to fisheries.
- Official development assistance for foreign countries in the field of fisheries.
- Financial contributions to international governmental organizations related to fisheries (RMFOs and UN organizations, for instance)

Like the General Service A (coastal infrastructure construction), this category of government financial transfer (other general services) does not constitute direct payments to the fishing industries.

Amount of the transfers

The annual amount of the transfer for this category has been stable at around the level of JPY 60-80 billion. The amount of the government budget from 2001 to 2003 is shown in Table 4. below.

Table 4. Government Budget for Other General Services

(JPY million)

Year	2001	2002	2003
Budget	62 727	74 511	62 560